

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

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

For The Year Ended September 30, 2014

(With Comparative Totals for September 30, 2013)

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, 2014, 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 2013 financial statements and, in my report dated March 11, 2014, 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 opinion.

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, 2014, 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 26 as well as the Schedule Funding Progress on page 61 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 62 through 120 and the supplementary information on page 150 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 126 and 127, 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*, and is not a required part of the basic financial statements.

The combining financial statements, the Schedule Funding Progress, the Schedule Funding Progress 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 May 26, 2015 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* in considering the Authority's internal control over financial reporting.

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

Hagåtña, Guam
May 26, 2015

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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, 2014. We encourage you to consider the information presented here in conjunction with GHURA's financial statements included in the report on pages 27 through 31.

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

PROFILE OF THE AUTHORITY

Our Mission

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

General Information

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

GHURA's staff (of approximately 90 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 \$45,695,639 and expenses of \$47,232,941 for the year ended September 30, 2014 (\$45,243,273 and \$48,884,778 for the year ended September 30, 2013), representing revenues increase of \$452,366 and expenses decrease of \$1,651,837 (approximately 1.0% increase and 3.4% decrease), respectively, over September 30, 2013 figures.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

Total assets of the Authority of \$42,249,786 decreased \$1,484,045 or approximately 3.4% as compared to \$43,733,831 in the prior year.

The Authority's cash and cash equivalents at September 30, 2014 totaled \$9,135,956, an increase of \$425,779, or approximately 4.9% as compared to \$8,710,177 as of September 30, 2013.

The Authority's working capital decreased by \$259,157 or approximately 2% as of September 30, 2014.

Overview of the Financial Statements

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

Authority-Wide Financial Statements

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

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

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

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

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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 32 through 60 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 126 and 127 of this report.

Fund Financial Statements

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

The Authority’s Funds

Business Type Funds

Public Housing - Asset Management Properties

Public Housing was established to provide decent, safe, and sanitary rental housing for eligible families, the elderly, and persons with disabilities. Public Housing comes in all sizes and types – from scattered single-family houses to clustered units for elderly families or persons with disabilities. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Housing and Urban Development (HUD), and HUD provides Operating Subsidy funding to enable our Public Housing Authority (PHA), namely GHURA to provide housing at a rent that is based on 30% of household income.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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 Talofof and Talofof Elderly.
- AMP 3 – Site Base consists of 195 units located at Agat, Agat Elderly, Merizo, Merizo Elderly, and Umatac.
- AMP 4 – Site Base consists of 234 units located at Toto, Dededo, and Dededo Elderly.

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

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

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

At the end of FY 2014, the Authority had 711 units occupied with 94.8% occupancy rate and an adjusted rate of 97.8% with 23 units under modernization. For the fiscal year ended September 30, 2014, the Authority received \$1.2 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	100.0%	100.0%
AMP2	163	156	7	6	95.7%	99.4%
AMP3	195	165	30	17	84.6%	92.7%
AMP4	234	232	2	0	99.1%	99.1%
TOTAL	750	711	39	23	94.8%	97.8%

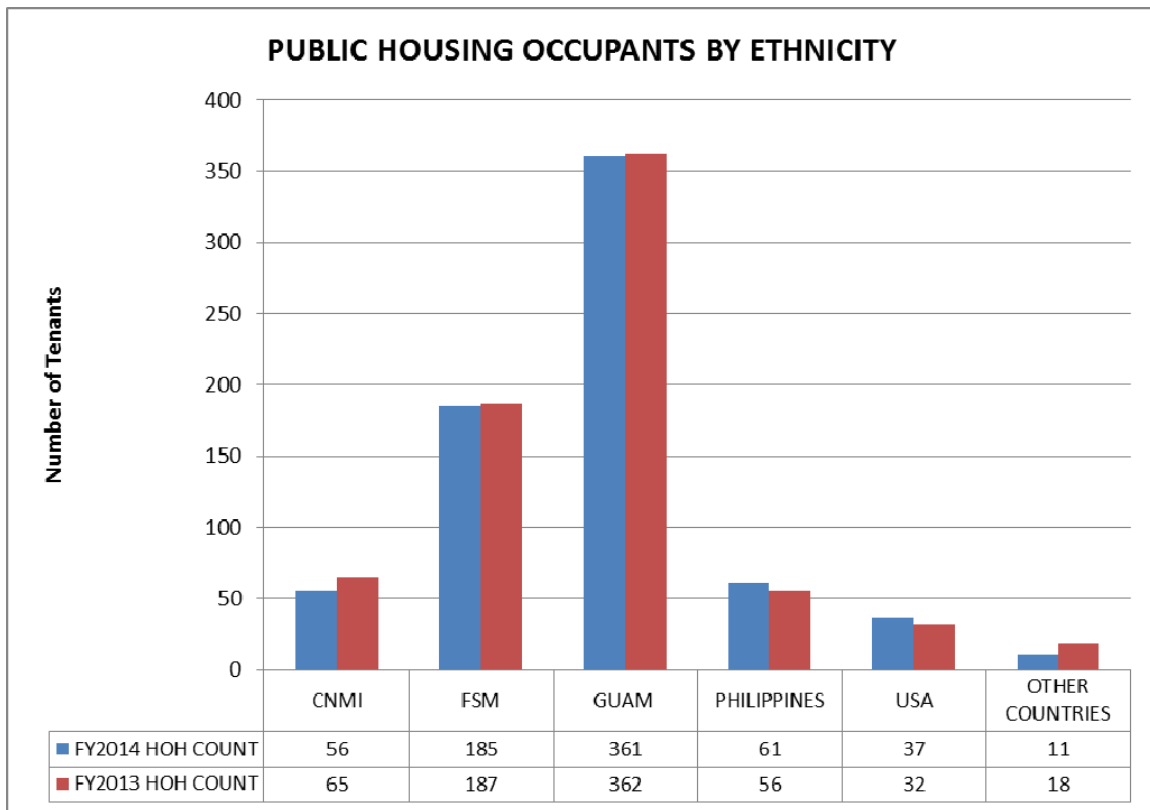
Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

Table B represents the Head of Household (HOH) tenants' ethnicities in the Public Housing Program for the Fiscal Year 2014.

TABLE B

LOCATION	2014	%	2013	%
CNMI	56	8%	65	9%
FSM	185	26%	187	26%
GUAM	361	51%	362	50%
PHILIPPINES	61	9%	56	8%
USA	37	5%	32	4%
OTHER CONTRIES	11	1%	18	3%
TOTAL	711	100%	720	100%



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 \$1.25 million (based on the most recent grant) to implement such plan.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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 provides housing assistance to very low-income families. The objective of the program is to help eligible families afford a decent, safe and sanitary home in the private rental market. While under the program, Section 8 participants are responsible for finding a suitable unit and are free to choose any housing unit, as long as it meets the requirements of the program. GHURA and the property owner enter into a Housing Assistance Payment Contract and the housing subsidy is paid to the landlord on behalf of the Section 8 participant. The participant family pays the difference between the actual rent charged by the property owner and the amount subsidized by GHURA.

In 2014, GHURA's Section 8 Program was recovering from the effects of the 2013 budget sequestration of federal funds imposed by the U.S Congress under the 2011 Budget Control Act. Prior to the budget sequestration, GHURA receives more than \$32 million in housing assistance payments, and more than 2 million in administrative fees. In 2013, HUD mandated a budget cut of as much as 6 percent of the HAP budget, and reducing administrative fees by approximately 13%. In 2013, there were only nominal admittance to the program; GHURA downsized the number of participants through attrition; and several policies were also revised to help mitigate the impact of the budget cut. Re-issuance of vouchers did not start up again until the fall of 2014, in which 282 new participants were selected and/or admitted into the Section 8 Program.

At the end of fiscal year 2014, the Section 8 HCV Program assisted 2,309 families, with demographics reflecting the following:

Household composition:

- 1,903 household with a female head of households; and 406 households with a male head of households;
- 2,267 participants are Asian or Pacific islanders;
- 2,100 were participants with families, and 209 are single household participants;
- Section 8 participant occupancy based on bedroom sizes:
 - 7% occupied one-bedroom units;
 - 30% occupied two-bedroom units;
 - 44% occupied three-bedroom units;
 - 15% occupied four-bedroom units;
 - 3% occupied five-bedroom units; and
 - 1% or less occupied studio and six bedroom units

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Household Income:

- 89% of Section 8 participants receive general assistance; and 8% receive assistance from TANF;
- 64% receive some form of wages;
- 33% receive child support;
- 3% receive a pension;
- 21% receive social security benefits; and
- 29% receive income from other non-wage sources.
- The average household annual income of \$12,751.89 or \$944.44 monthly;
- The average annual income for families with a male head of household is 14,895, and \$12,295 for families with a female head of household.

Portability:

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

GHURA ported a total of 34 participants to other PHA jurisdictions, and received 26 portability participants coming from other PHA jurisdictions. On April 1, 2014, all 26 in-coming portability participants were given GHURA vouchers and were absorbed, as opposed to billing the originating PHA.

Family Self-sufficiency (FSS) Program:

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

Another key feature of the FSS Program is the Escrow account. The Escrow account is an interest-bearing account established by GHURA for each participating family. As the family’s share of the rent increases as a result of the increase in their earned income, the increases are credited to the family’s escrow account. Once a family successfully graduates from the program, they may access funds saved in escrow and use it towards any self-sufficiency goals such as putting a down payment toward the purchase of a new home.

Guam Housing and Urban Renewal Authority

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At the initial implementation of GHURA's FSS Program, HUD mandated 167 participant slots. Since the inception of the 1998 mandate, GHURA has graduated 73 FSS participants. In 2014, an additional three graduated from the FSS program, reducing the mandated slots to ninety-one. A total of 54,384 were paid out to three participant graduates.

SUPPORTIVE HOUSING FOR THE ELDERLY (Guma Trankilidat Project)

The Guma Trankilidat Project is an elderly housing rental program, consisting of 50 dwelling units (49 one-bedroom and 1 two-bedroom unit). Construction of Guma Trankilidat Project was financed through a loan from the U.S. Department of Agriculture Section 515 Rural Rental Housing Program in the amount of \$2 Million and amortized for a 50 year period beginning March 26, 1980. Annual rental subsidies of approximately \$414,000 are provided through project-based vouchers through the U.S. Department of Housing and Urban Development's Multifamily Housing program. These subsidies cover both the annual operating expenses and mortgage payments.

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

During FY2014, GHURA administered \$5.8 million in eligible CPD-funded activities. In fiscal year 2013 alone, a total of \$3,953,842 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$1,341,264 were approved for activities in fiscal year 2014. 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*".

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Community Development Block Grants

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

Public Service –

- (1) To support the operations of a shelter for special needs individuals, homeless men and men of low/moderate income in recovery from substance abuse.
- (2) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received match funding to support the operation of the Homeless Management Information System (HMIS). HMIS is the repository for data which tracks the assistance provided to the island's homeless through the various government and non-profit service providers.
- (3) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received funds for operations to administer homeless prevention and rapid re-housing services under the Emergency Solutions Grant.
- (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 Kattan (Central) Youth Resource Center. Funds were used to construct a facility to provide programs and services for children, youths, and their families.
- (2) Renovation of the Talofofu Multipurpose Sports Field. Funds were used to renovate the baseball field to provide the community in Talofofu with a decent and safe recreational facility.
- (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.
- (4) 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.
- (5) Kurason Ysengsong – Funds were used to rehabilitate six staff housing units in the northern village of Dededo. The units will be managed by a local nonprofit organization to provide community services geared towards strengthening families.

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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.
- (2) Acquisition and Rehabilitation of Single Family Homes. GHURA will acquire and rehabilitate single family units and make them available for sale to low and moderate income qualified and eligible homebuyers.

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.

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

Emergency Solutions Grant (ESG)

In FY2014, ESG funded activities serving homeless populations. ESG funds were used in providing homeless prevention and rapid re-housing services to individuals and families who are homeless or at risk of becoming homeless.

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

Continuum of Care Grant Funds

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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

Low-Income Housing Tax Credit Program

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The regulations which govern this Program are contained in Section 42 of the Internal Revenue Code (the "Code" or IRC). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project's units for low-income individuals or families.

The Guam Housing and Urban Renewal Authority (GHURA) is the recognized state housing credit agency authorized to allocate LIHTC Program credits in Guam. GHURA has been designated as the agency responsible for the administration of the LIHTC program. The LIHTC Program assists in the development of low-income rental housing by providing qualified owners with tax credits to offset their federal tax obligations. LIHTC Program credits are available to owners of qualifying buildings and projects that meet certain low-income occupancy rent restrictions.

Guam Housing and Urban Renewal Authority

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State and Local Funds

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

Authority-Wide Financial Statements

Statement of Net Assets

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

TABLE 1

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

	2014	2013	2012
Current assets	\$ 16.4	\$ 16.5	\$ 19.1
Capital assets and other, net	25.3	26.5	27.8
Other noncurrent assets	0.6	0.7	0.8
Total assets	<u>\$ 42.3</u>	<u>\$ 43.7</u>	<u>\$ 47.7</u>
Current liabilities	\$ 3.6	\$ 3.5	\$ 3.7
Long term debt, net	1.2	1.2	1.3
Other noncurrent liabilities	0.6	0.6	0.6
Total liabilities	<u>5.4</u>	<u>5.3</u>	<u>5.6</u>
Net position:			
Investment in capital assets, net	27.1	28.4	29.9
Restricted	1.5	2.2	4.0
Unrestricted	8.3	7.9	8.2
Total net position	<u>36.9</u>	<u>38.4</u>	<u>42.1</u>
Total liabilities and net position	<u>\$ 42.3</u>	<u>\$ 43.7</u>	<u>\$ 47.7</u>

During FY2014, there was an overall decrease in assets of \$1.4 million (\$4.0 million in 2013). The decrease was primarily attributable to current year operations and period charges.

For more detailed information see pages 27 and 28 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, 2014.

TABLE 2
CHANGE IN UNRESTRICTED NET POSITION
(IN MILLIONS)

	2014	2013	2012
Unrestricted net position, beginning of year	\$ 7.8	\$ 8.2	\$ 11.2
Results of operations	(1.5)	(3.6)	(4.5)
Adjustments:			
Depreciation (1)	2.2	2.5	2.6
Adjusted results from operations	<u>0.7</u>	<u>(1.1)</u>	<u>(1.9)</u>
Reclassification to restricted assets	0.7	1.7	-
Capital activity, net	(0.9)	(1.0)	(1.1)
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted net position, end of year	<u><u>\$ 8.3</u></u>	<u><u>\$ 7.8</u></u>	<u><u>\$ 8.2</u></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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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.

TABLE 3
STATEMENT OF REVENUES AND EXPENSES
(IN MILLIONS)

	2014	2013	2012
Revenues:			
Operating subsidies and grants	\$ 42.4	\$ 42.3	\$ 47.8
Capital grants	1.2	1.2	0.6
Other income	1.0	1.2	1.1
Tenant revenue	1.1	0.5	0.4
Total revenues	<u>45.7</u>	<u>45.2</u>	<u>49.9</u>
Expenses:			
Housing assistance payments	30.2	33.2	33.0
Administrative	8.7	8.9	13.8
Maintenance	4.8	3.1	4.0
Depreciation	2.2	2.5	2.6
Tenant services	0.3	0.3	0.3
General and other	0.5	0.4	0.3
Utilities	0.5	0.4	0.4
Total expenses	<u>47.2</u>	<u>48.8</u>	<u>54.4</u>
Change in net position	<u>\$ (1.5)</u>	<u>\$ (3.6)</u>	<u>\$ (4.5)</u>

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 2.5% of total current year revenues, increased by \$630,907, or approximately 127.2% (\$65,009 increase, or approximately 15.1%, in 2013). 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

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

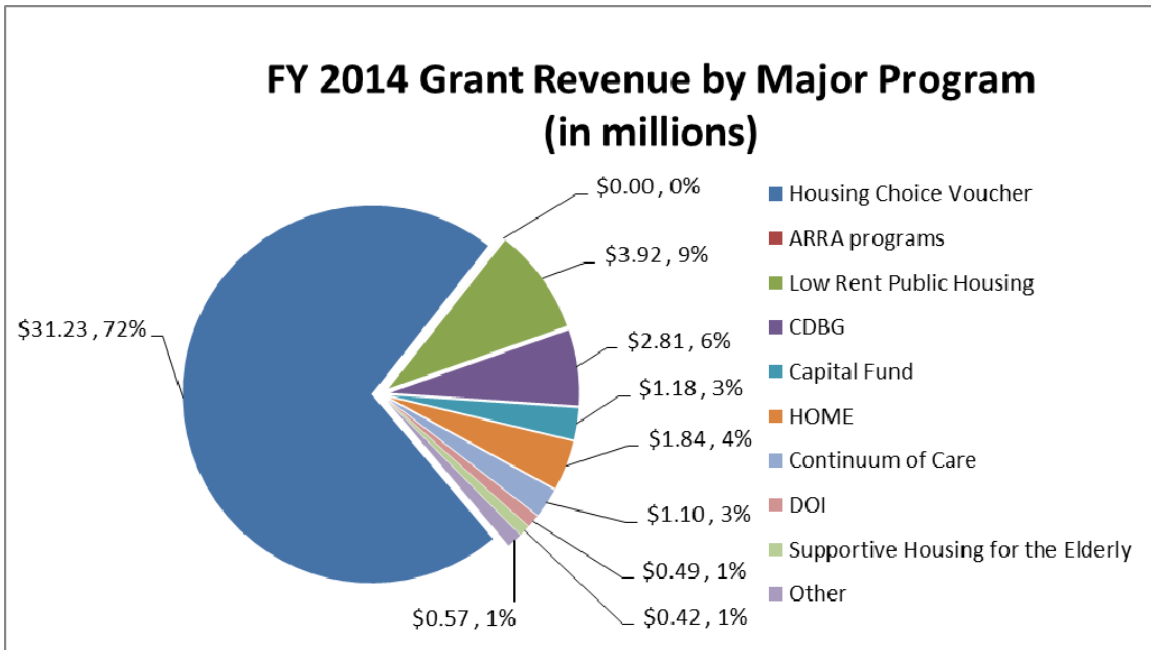
Operating and Capital Grant Revenue by Major Program Sources

(IN MILLIONS)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Housing Choice Voucher	\$ 31.2	\$ 33.3	\$ 35.0
Low Rent Public Housing	3.9	2.9	1.7
CDBG	2.8	2.8	3.2
HOME	1.8	1.2	0.8
Capital Fund	1.2	1.2	0.9
Continuum of Care	1.1	0.9	0.8
DOI	0.5	0.2	-
Supportive Housing for the Elderly	0.4	0.4	0.4
ARRA programs	-	0.3	0.4
Other	0.6	0.3	0.1
IRS Sec 1602	-	-	5.1
	<u>\$ 43.5</u>	<u>\$ 43.5</u>	<u>\$ 48.4</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

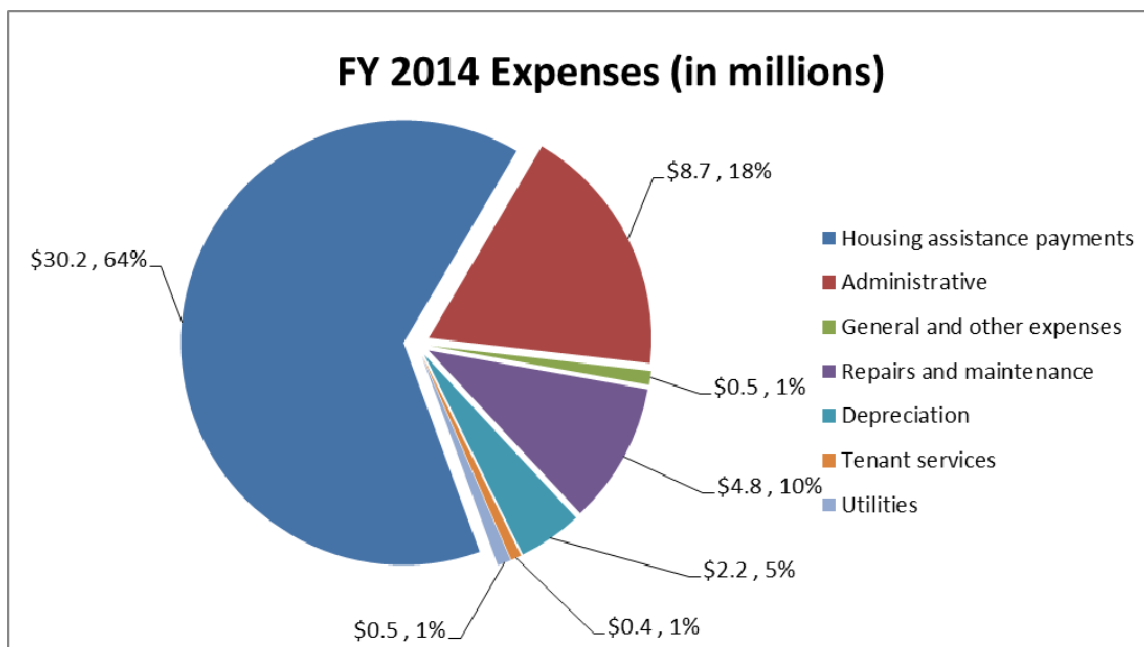
Operating expenses totaled \$47.2 million in 2014 (\$48.8 million in 2013), which represents a 3.4% decrease from prior year. Administrative expense was approximately 18.9% of total revenues in 2014 (19.6% of revenues in 2013).

Other Expenses

During 2014, there was an 8.9% decrease in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to lower unit month leasing costs (.5% increase in 2013). Housing assistance payment expenses decreased by approximately \$2.9 million in 2014 (increase of \$.2 million in 2013).

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the Authority had approximately \$25.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (net of additions and depreciation) of \$1,203,363, or approximately 4.5% from the end of last year (\$1,333,743 in 2013 or approximately 4.8%).

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

	2014	2013	2012
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	88.1	87.3	86.1
Equipment - administrative	2.1	2.1	2.1
Equipment - dwelling	1.9	1.9	1.9
Leasehold improvements	0.1	-	-
	<u>95.9</u>	<u>95.0</u>	<u>93.8</u>
Accumulated depreciation	<u>(70.6)</u>	<u>(68.5)</u>	<u>(66.0)</u>
Capital assets, net	<u>\$ 25.3</u>	<u>\$ 26.5</u>	<u>\$ 27.8</u>

Guam Housing and Urban Renewal Authority

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The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 51 of the Notes to the accompanying financial statements.

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

	2014	2013	2012
Balance at beginning of year	\$ 26.5	\$ 27.8	\$ 29.3
Additions	0.9	1.1	1.1
Disposition/transfers	-	-	-
Depreciation	(2.1)	(2.4)	(2.6)
Balance at end of year	<u>\$ 25.3</u>	<u>\$ 26.5</u>	<u>\$ 27.8</u>

Major additions are summarized as follows:

Major additions:

	2014	2013	2012
Building improvements and plans	\$ 0.9	\$ 1.1	\$ 1.1
Equipment purchases	-	-	-
Total additions	<u>\$ 0.9</u>	<u>\$ 1.1</u>	<u>\$ 1.1</u>

Debt Outstanding

As of year-end, the Authority had \$1,209,507 in debt (mortgage loan) outstanding compared to \$1,260,729 last year, for a \$51,222 decrease (debt retirement):

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

	2014	2013	2012
RD - Guma Trankilidat	<u>\$ 1.21</u>	<u>\$ 1.26</u>	<u>\$ 1.31</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, 2014

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

	2014	2013	2012
Cash flows provided by (used in) operations	\$ (0.1)	\$ (2.4)	\$ (4.3)
Cash flows provided by (used in) financing activities	(0.4)	(0.4)	(0.6)
Cash flows provided by investing activities	0.9	0.5	0.6
	0.4	(2.3)	(4.3)
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	8.7	11.0	15.3
	\$ 9.1	\$ 8.7	\$ 11.0
Reconciliation of operating loss to net cash (used for) provided by operating activities			
Operating loss	\$ (2.4)	\$ (4.8)	\$ (5.5)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:			
Depreciation	2.2	2.5	2.6
Bad debts	-	-	-
(Increase) decrease in assets	2.9	0.2	4.9
Increase (decrease) in liabilities	(2.8)	(0.2)	(6.3)
	\$ (0.1)	\$ (2.3)	\$ (4.3)
Net cash (used for) provided by operating activities			

Guam Housing and Urban Renewal Authority

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Economic factors

Significant economic factors that affect the Authority are as follows:

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

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

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

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

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

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

In order to comply with statutory Flat Rent changes contained within Public Law 113-76, the Consolidated Appropriations Act, 2014 (the Act) and in HUD Notice PIH 2014-12, the Guam Housing and Urban Renewal Authority (GHURA) has updated its Public Housing Agency (PHA) Plan for Fiscal Year beginning October 1, 2014 and has revised applicable portions of its Admissions and Continued Occupancy Policy (ACOP).

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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

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

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

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

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

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

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

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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

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

Systems, Controls, and Legal Compliance

Systems

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

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

Additionally, a second software is utilized to effectively track and forecast grant expenditures managed by CPD. These grants include CDBG, Home, ESG, 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2014

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

Legal Compliance

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

Accountability

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

Fraud, Waste, and Abuse

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

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

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

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

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, 2014
(With comparative totals as of September 30, 2013)

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2014	Total 2013
Current assets:						
Cash: (Notes 1 and 2)						
Unrestricted	\$ 5,731,864	\$ 14,537	\$ 902,790	\$ -	\$ 6,649,191	\$ 5,310,683
Restricted - other (Note 3)	2,366,220	-	100,980	-	2,467,200	3,254,055
Restricted - security deposits (Note 3)	19,565	-	-	-	19,565	145,439
Total cash	<u>8,117,649</u>	<u>14,537</u>	<u>1,003,770</u>	<u>-</u>	<u>9,135,956</u>	<u>8,710,177</u>
Accounts receivable:						
Notes receivable - current portion (Note 4)	-	-	74,663	-	74,663	75,240
Tenants (Note 1)	159,693	-	-	-	159,693	175,569
HUD	788,908	254,095	-	-	1,043,003	817,199
Other Government Agencies	-	227,794	-	-	227,794	124,709
Due from other funds (Notes 1 and 5)	1,472,850	170,930	4,953,843	(6,597,623)	-	-
Interest	10	-	5	-	15	296
Other	49,394	-	373,356	-	422,750	380,861
	<u>2,470,855</u>	<u>652,819</u>	<u>5,401,867</u>	<u>(6,597,623)</u>	<u>1,927,918</u>	<u>1,573,874</u>
Allowance for doubtful accounts	(49,870)	-	(111,793)	-	(161,663)	(164,776)
Total accounts receivable, net	<u>2,420,985</u>	<u>652,819</u>	<u>5,290,074</u>	<u>(6,597,623)</u>	<u>1,766,255</u>	<u>1,409,098</u>
Investments: (Notes 1, 2, and 3)						
Unrestricted	1,020,374	-	631,853	-	1,652,227	2,691,861
Restricted/reserved by fiscal agent	389,455	-	-	-	389,455	204,958
Total investments	<u>1,409,829</u>	<u>-</u>	<u>631,853</u>	<u>-</u>	<u>2,041,682</u>	<u>2,896,819</u>
Prepayments and other current assets						
	<u>65,861</u>	<u>-</u>	<u>83,572</u>	<u>-</u>	<u>149,433</u>	<u>136,127</u>
Inventories (Note 1)	<u>214,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,745</u>	<u>240,498</u>
Other real estate (Notes 1 and 6)	<u>-</u>	<u>-</u>	<u>3,051,988</u>	<u>-</u>	<u>3,051,988</u>	<u>3,155,947</u>
Total current assets	<u>12,229,069</u>	<u>667,356</u>	<u>10,061,257</u>	<u>(6,597,623)</u>	<u>16,360,059</u>	<u>16,548,666</u>
Noncurrent assets:						
Capital assets, net (Notes 1 and 7)	17,236,252	7,732,683	333,596	-	25,302,531	26,505,894
Notes receivable - noncurrent (Note 4)	-	-	587,196	-	587,196	679,271
Total noncurrent assets	<u>17,236,252</u>	<u>7,732,683</u>	<u>920,792</u>	<u>-</u>	<u>25,889,727</u>	<u>27,185,165</u>
Total assets	<u>\$ 29,465,321</u>	<u>\$ 8,400,039</u>	<u>\$ 10,982,049</u>	<u>\$ (6,597,623)</u>	<u>\$ 42,249,786</u>	<u>\$ 43,733,831</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, 2014

(With comparative totals as of September 30, 2013)

Liabilities and Net Position	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2014	Total 2013
Current liabilities:						
Accounts payable	\$ 55,221	\$ -	\$ 30,052	\$ -	\$ 85,273	\$ 575,351
Current portion of note payable (Note 8)	55,000	-	-	-	55,000	52,000
Current portion of compensated absences (Note 1)	54,437	2,258	18,314	-	75,009	100,555
Due to HUD	40,663	-	-	-	40,663	38,632
Due to other funds (Notes 1 and 5)	2,702,281	332,334	3,563,008	(6,597,623)	-	-
Security deposits	140,788	-	3,173	-	143,961	145,439
Accrued salaries and wages	111,134	4,509	35,118	-	150,761	182,741
Accrued liabilities	98,145	-	165,043	-	263,188	317,764
Deferred revenues (Note 1)	128,830	305,591	1,290,852	-	1,725,273	1,681,010
Other current liabilities	207,115	-	782,569	-	989,684	364,770
Total current liabilities	3,593,614	644,692	5,888,129	(6,597,623)	3,528,812	3,458,262
Non-current liabilities:						
Long-term portion of note payable (Notes 8 and 9)	1,154,507	-	-	-	1,154,507	1,208,729
Accrued compensated absences (Notes 1 and 9)	494,920	22,664	162,280	-	679,864	642,935
Total non-current liabilities	1,649,427	22,664	162,280	-	1,834,371	1,851,664
Total liabilities	5,243,041	667,356	6,050,409	(6,597,623)	5,363,183	5,309,926
Commitments and contingencies (Notes 8, 12, 15, 16 and 20)						
Net position: (Notes 1 and 11)						
Investment in capital assets, net of related debt	16,026,745	7,732,683	3,362,836	-	27,122,264	28,398,112
Restricted	1,356,480	-	100,980	-	1,457,460	2,160,850
Unrestricted	6,839,055	-	1,467,824	-	8,306,879	7,864,943
Total net position	24,222,280	7,732,683	4,931,640	-	36,886,603	38,423,905
Total liabilities and net position	\$ 29,465,321	\$ 8,400,039	\$ 10,982,049	\$ (6,597,623)	\$ 42,249,786	\$ 43,733,831

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, 2014
(With comparative totals for the year ended September 30, 2013)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2014	Total 2013
Operating revenues:						
HUD PHA Operating Grants	\$ 39,812,270	\$ 1,982,249	\$ -	\$ -	\$ 41,794,519	\$ 42,163,358
Other Government Grants (Note 1)	-	485,966	93,094	-	579,060	527,352
Management fees (Note 1)	-	-	1,079,221	(1,079,221)	-	-
Other income	218,733	2,780	613,178	(57,109)	777,582	700,659
Tenant rental income	500,326	-	-	-	500,326	496,120
Bookkeeping fees (Note 1)	-	-	265,627	(265,627)	-	-
Asset management fees (Note 1)	-	-	90,000	(90,000)	-	-
Property sales	-	-	63,294	-	63,294	22,008
Total operating revenues	<u>40,531,329</u>	<u>2,470,995</u>	<u>2,204,414</u>	<u>(1,491,957)</u>	<u>43,714,781</u>	<u>43,909,497</u>
Operating expenses:						
Housing assistance payments	30,249,349	-	-	-	30,249,349	33,221,541
Repairs and maintenance	3,636,181	454,119	153,608	-	4,243,908	3,091,518
Project costs (Note 1)	-	-	-	-	-	-
Other administrative expenses	525,026	1,643,398	253,700	-	2,422,124	2,673,124
Administrative salaries	2,881,309	176,580	1,032,471	-	4,090,360	4,349,026
Depreciation	1,473,229	713,569	-	-	2,186,798	2,451,544
Management fees (Note 1)	937,488	81,732	117,110	(1,136,330)	-	-
Employee benefits	1,081,249	68,389	362,709	-	1,512,347	1,637,853
Office expense	346,617	4,801	45,785	-	397,203	401,267
Utilities	388,198	4,492	72,934	-	465,624	437,250
Bookkeeping fees (Note 1)	265,627	-	-	(265,627)	-	-
Insurance	212,296	(4)	22,915	-	235,207	322,628
Compensated absences	3,685	21,151	(13,449)	-	11,387	(40,439)
Professional fees	126,045	5,100	76,531	-	207,676	136,183
Asset management fees (Note 1)	90,000	-	-	(90,000)	-	-
Travel	10,159	3,564	15,714	-	29,437	12,090
Protective services	2,797	-	228	-	3,025	3,885
Bad debts	4,131	-	9,117	-	13,248	82,012
Payments in-lieu of taxes	41,475	-	-	-	41,475	-
Advertising and marketing	15,430	7,735	5,813	-	28,978	28,253
Relocation costs	-	-	-	-	-	-
Total operating expenses	<u>42,290,291</u>	<u>3,184,626</u>	<u>2,155,186</u>	<u>(1,491,957)</u>	<u>46,138,146</u>	<u>48,807,735</u>
Operating Income (loss)	<u>(1,758,962)</u>	<u>(713,631)</u>	<u>49,228</u>	<u>-</u>	<u>(2,423,365)</u>	<u>(4,898,238)</u>
Non-operating revenues (expenses):						
Capital Grants	-	770,875	-	-	770,875	851,002
Interest income on restricted investments	517	-	-	-	517	683
Interest income on unrestricted investments	9,269	62	1,948	-	11,279	14,894
Fraud recovery	47,836	-	-	-	47,836	63,497
Recovery of bad debts	-	-	-	-	-	27
Other income	81,077	-	51,123	-	132,200	403,700
Gain on sale of capital assets	-	-	-	-	-	-
Other expense	(1,386)	-	-	-	(1,386)	-
Interest expense	(75,258)	-	-	-	(75,258)	(77,070)
Total non-operating revenues (expenses), net	<u>62,055</u>	<u>770,937</u>	<u>53,071</u>	<u>-</u>	<u>886,063</u>	<u>1,256,733</u>
Change in net position	<u>(1,696,907)</u>	<u>57,306</u>	<u>102,299</u>	<u>-</u>	<u>(1,537,302)</u>	<u>(3,641,505)</u>
Total net position - beginning of year	<u>25,919,187</u>	<u>7,675,377</u>	<u>4,829,341</u>	<u>-</u>	<u>38,423,905</u>	<u>42,065,410</u>
Total net position - end of year	<u>\$ 24,222,280</u>	<u>\$ 7,732,683</u>	<u>\$ 4,931,640</u>	<u>\$ -</u>	<u>\$ 36,886,603</u>	<u>\$ 38,423,905</u>

The accompanying notes are an integral part of these financial statements. 29

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, 2014
(With comparative totals for the year ended September 30, 2013)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2014	Total 2013
Cash flows from operating activities:						
Operating grants received	\$ 39,812,270	\$ 2,472,059	\$ 93,094	\$ -	\$ 42,377,423	\$ 42,890,903
Receipts from tenants and customers	702,854	-	1,661,569	(1,516,401)	848,022	1,469,277
Assistance paid	(30,249,349)	-	-	-	(30,249,349)	(33,221,541)
Cash payments to suppliers for goods and services	(7,157,013)	(2,273,579)	(1,394,957)	1,516,401	(9,309,148)	(9,088,740)
Cash payments to employees for services	(2,874,933)	(197,731)	(1,019,042)	-	(4,091,706)	(4,286,815)
Other cash receipts (payments)	3,963,844	3,563	(3,671,249)	-	296,158	(124,297)
Net cash provided by (used for) operating activities	<u>4,197,673</u>	<u>4,312</u>	<u>(4,330,585)</u>	<u>-</u>	<u>(128,600)</u>	<u>(2,361,213)</u>
Cash flows from noncapital financing activities:						
Transfer from other funds	-	-	-	-	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Interest paid	(75,258)	-	-	-	(75,258)	(77,070)
Repayment of note payable	(51,222)	-	-	-	(51,222)	(49,410)
Capital grants received	-	770,875	-	-	770,875	851,002
Acquisition of capital assets	(190,812)	(770,875)	(22,748)	-	(984,435)	(1,130,069)
Net cash used for capital and related financing activities	<u>(317,292)</u>	<u>-</u>	<u>(22,748)</u>	<u>-</u>	<u>(340,040)</u>	<u>(405,547)</u>
Cash flows from investing activities:						
Interest and other income received	9,736	7	43,244	-	52,987	441,726
Deposits to restricted accounts	274,656	-	566,776	-	841,432	21,275
Net cash provided by investing activities	<u>284,392</u>	<u>7</u>	<u>610,020</u>	<u>-</u>	<u>894,419</u>	<u>463,001</u>
Net increase (decrease) in cash	4,164,773	4,319	(3,743,313)	-	425,779	(2,303,759)
Cash at beginning year	<u>3,952,876</u>	<u>10,218</u>	<u>4,747,083</u>	<u>-</u>	<u>8,710,177</u>	<u>11,013,936</u>
Cash at end of year	<u>\$ 8,117,649</u>	<u>\$ 14,537</u>	<u>\$ 1,003,770</u>	<u>\$ -</u>	<u>\$ 9,135,956</u>	<u>\$ 8,710,177</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, 2014
(With comparative totals for the year ended September 30, 2013)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2014	Total 2013
Reconciliation of operating loss to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (1,758,962)	\$ (713,631)	\$ 49,228	\$ -	\$ (2,423,365)	\$ (4,898,238)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation	1,473,229	713,569	-	-	2,186,798	2,451,544
Bad debts	4,131	-	9,117	-	13,248	82,012
(Increase) decrease in assets:						
Accounts receivable:						
Notes receivable	-	-	92,652	-	92,652	84,849
Tenant	28,545	-	-	-	28,545	(62,179)
HUD	33,173	(122,549)	-	-	(89,376)	166,891
Other Government Agencies	-	(203,279)	-	-	(203,279)	(57,740)
Due from other funds	3,699,379	110,055	(804,485)	-	3,004,949	(58,026)
Travel advances	-	-	(11,060)	-	(11,060)	418
Interest	169	-	53	-	222	23
Other	(34,378)	-	79	-	(34,299)	83,846
Prepayments and other assets	(12,212)	-	(286)	-	(12,498)	(20,121)
Inventories	25,753	-	-	-	25,753	(95,411)
Other real estate	-	-	103,959	-	103,959	173,265
Increase (decrease) in liabilities:						
Accounts payable	47,721	-	(537,744)	-	(490,023)	(129,203)
Compensated absences	79,219	21,152	(13,450)	-	86,921	(75,021)
Payable to HUD	2,031	-	-	-	2,031	19,660
Due to other funds	313,288	190,524	(3,621,443)	-	(3,117,631)	165,063
Security deposits	(1,478)	-	-	-	(1,478)	(5,036)
Accrued salaries and wages	(18,183)	2,865	(14,977)	-	(30,295)	86,462
Other current liabilities	207,115	-	421,426	-	628,541	(145,149)
Accrued liabilities	41,475	-	321	-	41,796	(84,897)
Deferred revenues	67,658	5,606	(3,975)	-	69,289	(44,225)
Net cash provided by (used for) operating activities	<u>\$ 4,197,673</u>	<u>\$ 4,312</u>	<u>\$ (4,330,585)</u>	<u>\$ -</u>	<u>\$ (128,600)</u>	<u>\$ (2,361,213)</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, 2014
(With comparative totals as of September 30, 2013)

(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, 707 (out of 727 available) units or 97.25% were leased as of September 30, 2014, while 722 (out of 742 available) units or 97.30% were leased as of September 30, 2013. These properties are modernized under HUD's Capital Funds Program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

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

Major Enterprise Funds, continued

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

Housing Assistance Payments Program

The Housing Choice Voucher Program is funded by HUD. The principal purpose of the program is to enable lower income families to reside in existing privately owned housing. Assistance is calculated according to family needs and paid directly to the dwelling owner. GHURA was authorized by HUD to approve housing assistance payment contracts for up to 2,545 families, dependent upon budget authority and available resources. Total contracted units under lease totaled 2,267 or 89.08% and 2,286 or 90.89%, as of September 30, 2014 and 2013, respectively.

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.

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 multi-family housing program.

Non-Major Enterprise Funds

Supportive Housing Program

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

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

Non-Major Enterprise Funds, continued

Shelter Plus Care

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

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.

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.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(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 re-house persons who are homeless. It will provide temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would have been homeless if it were not for this assistance.

Weatherization Assistance for Low-Income Persons – Recovery Act Funded

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(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, 2014 and 2013:

Local Funds

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

Other Funds

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

Revolving and Trust Funds

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(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

During the year ended September 30, 2014, the Authority implemented the following GASB Statements:

GASB issued Statement No. 66, *Technical Corrections - 2012*, which enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of this Statement did not have a material effect on the financial statements of the Authority.

GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which revises existing guidance for the financial reports of most pension plans. The implementation of this Statement did not have a material effect on the financial statements of the Authority.

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

Recent Pronouncements

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revised and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The provisions of this Statement are effective for fiscal years beginning after June 15, 2014. The implementation of this Statement will have a material effect on the financial statements of the Authority and will require a restatement disclosure upon implementation. As of September 30, 2014, the net pension liability that the Authority will record upon implementation of Statement No. 68 is anticipated to be \$12,190,636.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* which improves accounting and financial reporting for state and local governments' combinations and disposals of government operations. Government combinations include mergers, acquisitions and transfers of operations. The Statement is effective for financial statements for periods beginning after December 15, 2014. Management has not yet determined the effect of implementation of this Statement on the financial statements of the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

Recent Pronouncements, continued

In November 2013, GASB issued Statement No. 71, *Accounting and Financial Reporting for Pensions*. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* which addresses accounting and financial reporting issues related to fair value measurements and guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement requires additional analysis of fair value if the volume or level of activity for an asset or liability has significantly decreased. It also requires identification of transactions that are not orderly. This Statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(1) Summary of Significant Accounting Policies, continued

d) Fund Financial Statements

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

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

The financial statements include certain prior-year summarized comparative information in total but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the GHURA's financial statements for the year ended September 30, 2014, from which the summarized information was derived.

e) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The Authority has elected to use proprietary fund types as its principle reporting. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The accounting objectives of 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 non-operating revenues. Operating expenses of the Authority include the cost of operating housing units, cost of tenant services, protective services, general, administrative, maintenance, depreciation, and housing assistance payments.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(1) Summary of Significant Accounting Policies, continued

e) Measurement Focus and Basis of Accounting, continued

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

f) Budgets

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

g) Cash and Investments

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

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

All of GHURA's certificates of deposit and bank accounts are held with FDIC insured banks. GHURA maintains collateralization on all bank accounts and certificates of deposit. Of GHURA's cash and investment accounts, approximately \$11,177,638 and \$11,606,996 as of September 30, 2014 and 2013, 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(1) Summary of Significant Accounting Policies, continued

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, 2014 and 2013 are classified as due from other funds or due to other funds and are eliminated on the statement of net position for financial statement presentation.

j) Inventories

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

k) Prepayments

Payments made to vendors for services that will benefit future periods beyond September 30, 2014 are recorded as prepaid items.

l) Restricted Assets

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

m) Capital Assets and Depreciation

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(1) Summary of Significant Accounting Policies, continued

m) Capital Assets and Depreciation, continued

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.

o) Compensated Absences

Compensated absences are accrued and reported as a liability in the period earned. Annual leave expected to be paid out within the next fiscal year is accrued and is included in current liabilities. The maximum accumulation of annual leave convertible to pay upon termination of employment is limited to 320 hours. Pursuant to Public Law 27-106, employees who have accumulated annual leave in excess of 320 hours as February 28, 2003, may carry over their excess leave and shall use the excess amount prior to retirement or termination of service. Any unused leave over 320 hours shall be lost upon retirement. As of September 30, 2014 and 2013, accrued earned compensated absences totaled \$754,876 and \$743,490, 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, 2014, the total amount of unused sick leave for members under the DCRS plan was \$621,323 of which 50%, or \$310,662 was accrued in the accompanying financial statements while \$597,812 of which 50%, or \$298,906 was accrued as of September 30, 2013.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(1) Summary of Significant Accounting Policies, continued

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 Central Office Cost Center (COCC) which is reported in the Other Enterprise Funds. HUD regulates the amount of management fees that can be paid from its programs. Additionally, the COCC earns fees from local programs it administers. For the years ended September 30, 2014 and 2013, the Authority paid management fees to COCC of \$1,491,957 and \$1,561,066 respectively.

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, 2014
(With comparative totals as of September 30, 2013)

(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, 2014 and 2013, the Authority incurred advertising and marketing costs totaling \$28,978 and \$28,253, 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, 2014
(With comparative totals as of September 30, 2013)

(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, 2014 consist of the following:

	<u>2014</u>	<u>2013</u>
Cash on hand and due from banks	\$ 9,135,956	\$ 8,710,177
Investments	<u>2,041,682</u>	<u>2,896,819</u>
	<u>\$ 11,177,638</u>	<u>\$ 11,606,996</u>

Of the above cash and investments, \$2,876,220 and \$3,604,452 were restricted at September 30, 2014 and 2013, 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, 2014
(With comparative totals as of September 30, 2013)

(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, 2014 and 2013, the carrying amount of the Authority's total cash and cash equivalents was \$11,177,640 and \$11,606,996, respectively, with a corresponding bank balance of \$11,175,038 and \$11,604,894, 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, 2014 and 2013, bank deposits in the amount of \$11,380,690 and \$11,462,252 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, 2014, the Authority did not have any investments subject to GASB Statement No. 40. The Authority's investments are in certificates of deposits placed with FDIC insured financial institutions and are all collateralized by U.S. securities.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2014

(With comparative totals as of September 30, 2013)

(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, 2014 and 2013, are summarized as follows:

	<u>2014</u>	<u>2013</u>
Restricted cash:		
Section 8 HCV	\$ 756,758	\$ 1,611,014
Central Office Cost Center	-	1,163,569
Supportive Housing for the Elderly	368,888	397,589
Public Housing	1,260,139	121,135
Revolving Fund	100,980	104,062
CDBG	<u>-</u>	<u>2,125</u>
Total restricted cash	<u>2,486,765</u>	<u>3,399,494</u>
Restricted Investments:		
Supportive Housing for the Elderly	\$ 205,202	\$ 204,958
Low Rent Housing	<u>184,253</u>	<u>-</u>
Total restricted investments	<u>389,454</u>	<u>204,958</u>
	<u>\$ 2,876,220</u>	<u>\$ 3,604,452</u>

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, 2014, GHURA had \$349,323 and \$205,202 in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$19,565 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, 2014
(With comparative totals as of September 30, 2013)

(3) *Restricted Cash and Investments, continued*

Section 8 HCV and Low Rent Housing

Escrow accounts have been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency program (FSS). A portion of rent paid by residents participating in this program is held from them until the participating family meets individually established self-sufficiency goals. The escrow amount is remitted to the head of household upon completion of their specific work plan or thirty percent (30%) of the family's monthly adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. FSS escrow amounts are held by the Authority for participants in the program. The Section 8 and Low Rent Public Housing totaled \$109,714 and \$134,594, and \$96,485 and \$94,151, for the year ended, September 30, 2014 and September 30, 2013 respectively.

The Section 8 HCV program also has restricted cash of \$647,044 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, 2014.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,069,447, 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, 2014, there is a balance of \$1,025,147 in the self-insurance account.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
 September 30, 2014
 (With comparative totals as of September 30, 2013)

(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>2014</u>	<u>2013</u>
Due in varying monthly installments, interest free, with maturities to 2026 including loans	\$ 504,708	\$ 579,489
HOME Rehabilitation loans due in varying monthly installments, interest free, with maturities to 2026, including loans	<u>157,571</u>	<u>175,022</u>
	661,859	754,511
Current portion	<u>(74,663)</u>	<u>(75,240)</u>
	<u>\$ 587,196</u>	<u>\$ 679,271</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, 2014
(With comparative totals as of September 30, 2013)

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

The composition of the inter-fund receivable and payable balances as of September 30, 2014 and 2013 are as follows:

September 30, 2014

	Due from other Funds	Due to other Funds	Net Receivable (Payable)
CDBG	\$ -	\$ (286,143)	\$ (286,143)
Low Income Housing	1,472,650	(1,275,815)	196,835
Section Housing Choice Voucher	-	(535,574)	(535,574)
HOME Investment Partnership	200	(293,228)	(293,028)
Supportive Housing for the Elderly	-	(311,521)	(311,521)
Non-Major Enterprise Funds	170,930	(332,334)	(161,404)
Other Enterprise Funds	<u>4,953,843</u>	<u>(3,563,008)</u>	<u>1,390,835</u>
Net Inter-Fund Balances	<u>\$ 6,597,623</u>	<u>\$ (6,597,623)</u>	<u>\$ -</u>

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 Enterprise Funds	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>

(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, 2014 and 2013, the Authority had eighty-six, 86 and 89 lots in its inventory with an estimated value of \$2,980,158 and \$3,084,117 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, 2014 and September 30, 2013.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(7) Capital Assets

A summary of changes in capital assets for the years ended September 30, 2014 and 2013 are as follows:

September 30, 2014

	Balance <u>9/30/2013</u>	Additions	Transfers Disposals	Balance <u>9/30/2014</u>
Structures	\$ 87,269,295	\$ 802,513	\$ -	\$ 88,071,808
Furniture, fixtures, and equipment	4,016,544	43,015	-	4,059,559
Leasehold Improvements	-	138,907	-	138,907
	<u>91,285,839</u>	<u>984,435</u>	-	<u>92,270,274</u>
Accumulated depreciation	<u>(68,455,827)</u>	<u>(2,186,798)</u>	-	<u>(70,642,625)</u>
Net depreciable assets	22,830,012	(1,202,363)	-	21,627,649
Land	<u>3,675,882</u>	-	-	<u>3,675,882</u>
Net capital assets	<u>\$ 26,505,894</u>	<u>\$ (1,202,363)</u>	<u>\$ -</u>	<u>\$ 25,303,531</u>

September 30, 2013

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2014

(With comparative totals as of September 30, 2013)

(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>2014</u>	<u>2013</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)	\$ 1,209,507	\$ 1,260,729
Current portion	<u>(55,000)</u>	<u>(52,000)</u>
	<u>\$ 1,154,507</u>	<u>\$ 1,208,729</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>
2015	\$ 55,000	\$ 71,480	\$ 126,480
2016	59,000	67,480	126,480
2017	62,000	64,480	126,480
2018	66,000	60,480	126,480
2019	70,000	56,480	126,480
2020 through 2024	422,000	210,400	632,400
2025 through 2029	474,000	64,751	538,751
2030	<u>1,507</u>	<u>(1,507)</u>	<u>-</u>
	<u>\$ 1,209,507</u>	<u>\$ 594,044</u>	<u>\$ 1,803,551</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(9) Noncurrent Liabilities

Noncurrent liability activities at September 30, 2014 and 2013 are as follows:

September 30, 2014

	Outstanding			Outstanding		
	Balance			Balance		
	09/30/13	Increase	Decrease	09/30/14	Current	Noncurrent
Notes Payable	\$ 1,260,729	\$ -	\$ (51,222)	\$ 1,209,507	\$ 55,000	\$ 1,154,507
Compensated						
Absences	<u>743,490</u>	<u>11,383</u>	<u>-</u>	<u>754,873</u>	<u>75,009</u>	<u>679,864</u>
	<u>\$ 2,004,219</u>	<u>\$ 11,383</u>	<u>\$ (51,222)</u>	<u>\$ 1,964,380</u>	<u>\$ 130,009</u>	<u>\$ 1,834,371</u>

September 30, 2013

	Outstanding			Outstanding		
	Balance			Balance		
	09/30/12	Increase	Decrease	09/30/13	Current	Noncurrent
Notes 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>

(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 \$1,854,055 and \$1,931,882 for the fiscal years ended September 30, 2014 and 2013, 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, 2014

(With comparative totals as of September 30, 2013)

(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, 2014 and 2013, the net position of the Authority's Section 8 HCV program was comprised as following:

September 30, 2014

	<u>Balance at</u> <u>9/30/2013</u>	<u>Net Change</u>	<u>Balance at</u> <u>9/30/2014</u>
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 96,299	\$ 109,390	\$ 205,689
Unrestricted net position	<u>(106,128)</u>	<u>53,240</u>	<u>(52,888)</u>
Total Administrative Fee Equity	(9,829)	162,630	152,801
HAP Equity:			
Restricted net position	<u>1,476,420</u>	<u>(858,718)</u>	<u>617,702</u>
Total Housing Choice Voucher Equity	<u>\$ 1,466,591</u>	<u>\$ (696,088)</u>	<u>\$ 770,503</u>

September 30, 2013

	<u>Balance at</u> <u>9/30/2012</u>	<u>Net Change</u>	<u>Balance at</u> <u>9/30/2013</u>
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 Housing Choice Voucher Equity	<u>\$ 3,389,364</u>	<u>\$ (1,169,123)</u>	<u>\$ 1,466,591</u>

During the fiscal year ended September 30, 2014, the Authority's Board of Commissioners approved transfers totaling \$375,217, which represents a portion of the \$1,700,400 in Section 8 Pre-2004 administrative equity that was initially transferred from the Section 8 program to the Low Rent Housing Program in FY 2004.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(12) Commitments

Housing Assistance Payments

At September 30, 2014 and 2013, GHURA had 2,267 and 2,348 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. A total of \$459,403 had been expended for the construction project prior to the fiscal year ended September 30, 2013.

On October 13, 2014, Bill number 327-32 (COR) was signed into law (Public Law 32-194) that placed the custodianship, discretion, and purview of the GHURA 500 lot land sales under GHURA.

Construction Work-in-Progress

GHURA has entered into development stage contracts for certain programs. Un-liquidated contracts as of September 30, 2014 and 2013 are as follows:

September 30, 2014

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Unliquidated Contract</u>
Low Income Housing	\$ 2,424,170	\$1,626,934	\$ 797,236
CDBG Grants	<u>6,857,938</u>	<u>4,887,036</u>	<u>1,970,902</u>
	<u>\$ 9,282,108</u>	<u>\$6,513,970</u>	<u>\$ 2,768,138</u>

September 30, 2013

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Un-liquidated 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>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(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, 2012, 2011, and 2010 contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2014, 2013 and 2012, respectively, have been determined as follows:

	2014	2013	2012
Normal Cost, as % of DB Plan payroll	16.61%	17.52%	17.07%
Employee contributions (DB Plan employees)	9.50%	9.50%	9.50%
Employer portion of normal costs (% of DB Plan payroll)	7.11%	8.02%	7.57%
Employer portion of normal cost, % of total payroll	2.39%	3.00%	3.03%
Unfunded liability costs, as % of total payroll	26.40%	24.33%	23.75%
Government contribution as % of DB Plan payroll	30.03%	27.33%	26.78%

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(13) *Employees Retirement Plan, continued*

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Employer rate	<u>30.03%</u>	<u>30.09%</u>	<u>28.30%</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, 2014 and 2013 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, 2014, the retirement expense contribution was \$375,779 and \$817,263 for the DB and DCRS Plans, respectively, and for the year ended September 30, 2013, the retirement expense contribution was \$409,269 and \$854,235 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, 2014
(With comparative totals as of September 30, 2013)

(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, 2014, the Authority had deposited \$1,025,147 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, 2014. The questioned costs will be resolved by the applicable grantor agency and due to the Authority's inability to predict the ultimate outcome of this matter, no provision for any liability, if any that may result from this matter has been made in the accompanying financial statements. Such questioned costs could lead to requests for reimbursements from the grantor agency for expenditures disallowed under the terms of the applicable grant.

In addition, an on-site review was conducted by HUD's Departmental Enforcement Center (DEC) during June 2014. DEC recommended to HUD that the Authority repay \$577,626 and \$1,405,940 for matters involving a conflict of interest and unused funds for the construction of new building for the Authority, respectively. These matters and the related amounts are under review with HUD's Honolulu Field Office and shared with the Authority for further discussions. No decisions have been made at this time. Due to the Authority's inability to predict the ultimate outcome of these matters, no provision for any liability, if any that may result from these matters has been made in the accompanying financial statements. Such matters could lead to a request for reimbursement. See Note 20 for further discussion.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2014

(With comparative totals as of September 30, 2013)

(15) *Contingencies, continued*

Litigation

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

The Authority is involved in one adverse action appeal cases filed by employees for wrongful termination. The employee filed and prevailed on the appeal with the Guam Civil Service Commission seeking reinstatement, compensation for back wages from the date of termination dating back to July 2006 and recovery of attorney fees incurred approximating \$7,367. These claims are not covered by insurance held by the Authority. The Authority is currently seeking to resolve this issue of appellant's back wages with the employee. The amount of the wages to be awarded has not been determined and it is anticipated that the award of back wages due to the employee will be excess of \$5,000. However, no additional provision for potential liability that may result from this claim has been recorded in the accompanying financial statements.

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, 2014, 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>
2015	<u>\$23,919</u>

Rent expense for the years ended September 30, 2014 and 2013 was \$81,896 and \$81,900, respectively, which was allocated between the CDBG and HOME programs.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2014
(With comparative totals as of September 30, 2013)

(17) *Economic Dependency*

HUD and other federal government agencies provided approximately \$43.6 million in 2014 and \$43.5 million in 2013 to the Authority, which represents approximately 97% of the Authority's total revenues for the years ended September 30, 2014 and 2013 respectively.

(18) *Reclassifications*

Certain amounts presented in 2013 have been reclassified to conform to the 2014 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*

Subsequent to September 30, 2014, the Authority received a letter from the U.S. Department of Housing and Urban Development (HUD) dated May 26, 2015 informing the Authority of HUD's Departmental Enforcement Center's (DEC) on-site review whose report was dated February 20, 2015. Based on the results of the on-site review, several instances of conflict of interest were cited including one pertaining to the Authority's prior legal counsel who was a landlord with the Section Housing 8 Housing Choice Voucher Program (HCV) while serving as legal counsel for the Authority. DEC recommended that the Authority repay \$577,626 from its non-federal funds for the amounts paid to the attorney as a landlord and for legal services paid while serving as legal counsel to the Authority. The report is under review with HUD's Honolulu Field Office and shared with the Authority for further discussions. No decisions have been made at this time.

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Schedule of Funding Progress and Actuarial Accrued Liability – Post
Employment Benefits Other than Pension (Unaudited)

The Schedule of Funding Progress presents GASB 45 results of Other Post Employment Benefits (OPEB) valuations as of fiscal year ends September 30, 2011, 2009, and 2007 for the Guam Housing Urban Renewal Authority’s share of the Government of Guam Post-Employment Benefits other than Pensions. The schedule provides an information trend about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
October 1, 2007	\$ -	\$ -	\$ -	0.00%	\$ 3,636,858	0.00%
October 1, 2009	\$ -	\$ -	\$ -	0.00%	\$ 3,856,752	0.00%
October 1, 2011	\$ -	\$ 6,167,000	\$ 6,167,000	0.00%	\$ 3,166,643	194.75%

*No formal valuation was performed. The liabilities as of October 1, 2009 represent discounted October 1, 2011 liabilities. Actuarial information was not obtainable for years 2007 and 2009 to include in the above schedule.

The actuarial accrued liability presented above is only for GHURA’s active employees. It does not include the actuarial accrued liability for the Authority’s retirees, which was not separately presented in the OPEB valuation.

See Accompanying Independent Auditor’s Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position

September 30, 2014

Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	HOME Investment Partnership	Supportive Housing for the Elderly
Current assets:						
Cash:						
Unrestricted	\$ 5,731,864	\$ 41,301	\$ 5,018,258	\$ 599,659	\$ 43,461	\$ 29,185
Restricted - security deposits	19,565	-	-	-	-	19,565
Restricted - FSS escrow account	206,199	-	96,485	109,714	-	-
Restricted - other	2,160,021	-	1,163,654	647,044	-	349,323
Total cash	<u>8,117,649</u>	<u>41,301</u>	<u>6,278,397</u>	<u>1,356,417</u>	<u>43,461</u>	<u>398,073</u>
Accounts receivable:						
Tenants	147,024	-	63,251	74,698	-	9,075
HUD	788,908	445,831	812	-	342,265	-
Promissory notes	12,669	-	12,669	-	-	-
Due from other funds	1,472,850	-	1,472,650	-	200	-
Interest	10	-	9	-	-	1
Other	49,394	-	-	40,642	-	8,752
	<u>2,470,855</u>	<u>445,831</u>	<u>1,549,391</u>	<u>115,340</u>	<u>342,465</u>	<u>17,828</u>
Allowance for doubtful accounts	(49,870)	-	(36,969)	-	-	(12,901)
Total accounts receivable, net	<u>2,420,985</u>	<u>445,831</u>	<u>1,512,422</u>	<u>115,340</u>	<u>342,465</u>	<u>4,927</u>
Investments:						
Unrestricted	1,020,374	-	1,020,374	-	-	-
Restricted/reserved by fiscal agent	389,455	-	184,253	-	-	205,202
Total investments	<u>1,409,829</u>	<u>-</u>	<u>1,204,627</u>	<u>-</u>	<u>-</u>	<u>205,202</u>
Prepayments and other current assets	<u>65,861</u>	<u>2,619</u>	<u>56,317</u>	<u>2,746</u>	<u>1,094</u>	<u>3,085</u>
Inventories	<u>214,745</u>	<u>-</u>	<u>206,821</u>	<u>-</u>	<u>-</u>	<u>7,924</u>
Total current assets	<u>12,229,069</u>	<u>489,751</u>	<u>9,258,584</u>	<u>1,474,503</u>	<u>387,020</u>	<u>619,211</u>
Noncurrent assets:						
Capital assets, net	17,236,252	24,464	15,119,291	205,689	8,265	1,878,543
Other assets	-	-	-	-	-	-
Total noncurrent assets	<u>17,236,252</u>	<u>24,464</u>	<u>15,119,291</u>	<u>205,689</u>	<u>8,265</u>	<u>1,878,543</u>
Total assets	<u>\$ 29,465,321</u>	<u>\$ 514,215</u>	<u>\$ 24,377,875</u>	<u>\$ 1,680,192</u>	<u>\$ 395,285</u>	<u>\$ 2,497,754</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, 2014

Liabilities	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	HOME Investment Partnership	Supportive Housing for the Elderly
Current liabilities:						
Accounts payable	\$ 55,221	\$ 1,978	\$ 2,114	\$ 48,835	\$ 19	\$ 2,275
Current portion of long-term debt	55,000	-	-	-	-	55,000
Current portion of compensated absences	54,437	10,104	22,211	16,799	4,127	1,196
Due to HUD	40,663	-	38,631	2,032	-	-
Due to other funds	2,702,281	286,143	1,275,815	535,574	293,228	311,521
Security deposits	140,788	2,875	116,848	-	1,500	19,565
Accrued salaries and wages	111,134	10,912	51,401	40,121	3,586	5,114
Accrued liabilities - PILOT	98,145	-	98,145	-	-	-
Deferred revenues	128,830	79,470	(950)	5,888	44,422	-
Other current liabilities	207,115	-	97,401	109,714	-	-
Total current liabilities	3,593,614	391,482	1,701,616	758,963	346,882	394,671
Noncurrent liabilities:						
Long-term debt, net of current portion	1,154,507	-	-	-	-	1,154,507
Accrued compensated absences	288,698	44,685	119,992	95,067	18,252	10,702
Other long-term liabilities	206,222	53,584	75,093	55,659	21,886	-
Total noncurrent liabilities	1,649,427	98,269	195,085	150,726	40,138	1,165,209
Total liabilities	5,243,041	489,751	1,896,701	909,689	387,020	1,559,880
Net Position:						
Investment in capital assets, net of related debt	16,026,745	24,464	15,119,291	205,689	8,265	669,036
Restricted	1,356,480	-	184,253	617,702	-	554,525
Unrestricted	6,839,055	-	7,177,630	(52,888)	-	(285,687)
Total net position	24,222,280	24,464	22,481,174	770,503	8,265	937,874
Total liabilities and net position	\$ 29,465,321	\$ 514,215	\$ 24,377,875	\$ 1,680,192	\$ 395,285	\$ 2,497,754

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, 2014

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	HOME Investment Partnership	Supportive Housing for the Elderly
Operating revenues:						
HUD PHA Operating Grants	\$ 39,812,270	\$ 2,406,636	\$ 3,923,633	\$ 31,226,743	\$ 1,840,428	\$ 414,830
Tenant rental income	500,326	17,495	374,947	-	390	107,494
Other income	218,733	21,617	91,567	-	105,549	-
Total operating revenues	<u>40,531,329</u>	<u>2,445,748</u>	<u>4,390,147</u>	<u>31,226,743</u>	<u>1,946,367</u>	<u>522,324</u>
Operating expenses:						
Housing assistance payments	30,249,349	-	-	30,249,349	-	-
Repairs and maintenance	3,636,181	1,570,994	354,994	-	1,697,572	12,621
Salaries and wages	2,881,309	351,991	1,338,049	970,460	120,110	100,699
Depreciation	1,473,229	-	1,367,123	33,505	-	72,601
Other administrative expenses	525,026	265,651	134,476	61,109	33,041	30,749
Management fees	937,488	-	549,337	351,799	-	36,352
Employee benefits	1,081,249	139,517	502,531	352,734	46,889	39,578
Office expense	346,617	72,220	97,106	146,586	27,876	2,829
Bookkeeping fees	265,627	-	65,909	199,718	-	-
Insurance	212,296	5,634	191,597	4,643	1,648	8,774
Utilities	388,198	2,550	197,094	-	1,236	187,318
Asset management fees	90,000	-	90,000	-	-	-
Payments in-lieu of taxes	41,475	-	41,475	-	-	-
Professional fees	126,045	15,249	41,841	60,619	7,131	1,205
Travel	10,159	-	3,476	3,562	-	3,121
Protective services	2,797	-	2,291	-	50	456
Bad debts	4,131	-	3,352	-	-	779
Advertising and marketing	15,430	7,237	515	1,537	4,317	1,824
Compensated absences	3,685	15,908	(4,097)	(24,636)	6,497	10,013
Total operating expenses	<u>42,290,291</u>	<u>2,446,951</u>	<u>4,977,069</u>	<u>32,410,985</u>	<u>1,946,367</u>	<u>508,919</u>
Operating income (loss)	<u>(1,758,962)</u>	<u>(1,203)</u>	<u>(586,922)</u>	<u>(1,184,242)</u>	<u>-</u>	<u>13,405</u>
Non-operating revenues (expenses):						
Interest income on restricted investments	517	-	-	517	-	-
Interest income on unrestricted investments	9,269	43	9,002	-	-	224
Interest expense	(75,258)	-	-	-	-	(75,258)
Fraud recovery	47,836	-	-	47,836	-	-
Casualty loss	(1,386)	-	(1,386)	-	-	-
Other income	81,077	1,160	9,485	64,584	-	5,848
Transfers in (out)	-	-	(375,217)	375,217	-	-
Total non-operating revenues (expenses), net	<u>62,055</u>	<u>1,203</u>	<u>(358,116)</u>	<u>488,154</u>	<u>-</u>	<u>(69,186)</u>
Change in net position	(1,696,907)	-	(945,038)	(696,088)	-	(55,781)
Total net position at beginning of year	<u>25,919,187</u>	<u>24,464</u>	<u>23,426,212</u>	<u>1,466,591</u>	<u>8,265</u>	<u>993,655</u>
Total net position at end of year	<u>\$ 24,222,280</u>	<u>\$ 24,464</u>	<u>\$ 22,481,174</u>	<u>\$ 770,503</u>	<u>\$ 8,265</u>	<u>\$ 937,874</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, 2014

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	HOME Investment Partnership	Supportive Housing for the Elderly
Cash flows from operating activities:						
Operating grants received	\$ 39,812,270	\$ 2,406,636	\$ 3,923,633	\$ 31,226,743	\$ 1,840,428	\$ 414,830
Receipts from customers and tenants	702,854	17,495	466,514	-	105,549	113,296
Assistance paid	(30,249,349)	-	-	(30,249,349)	-	-
Payments to suppliers	(7,157,013)	(2,078,673)	(1,968,630)	(1,012,597)	(1,819,760)	(277,353)
Payments to employees	(2,874,933)	(368,278)	(1,342,957)	(945,824)	(126,607)	(91,267)
Other cash receipts (payments)	3,963,844	54,232	3,742,305	123,456	43,851	-
Net cash provided by (used for) operating activities	4,197,673	31,412	4,820,865	(857,571)	43,461	159,506
Cash flows from noncapital financing activities:						
Transfers (in) out from other funds	-	-	(375,217)	375,217	-	-
Net cash used for noncapital financing activities	-	-	(375,217)	375,217	-	-
Cash flows from capital and related financing activities:						
Repayment of note payable	(51,222)	-	-	-	-	(51,222)
Interest paid	(75,258)	-	-	-	-	(75,258)
Capital grants received	-	-	-	-	-	-
Acquisition of capital assets	(190,812)	-	-	(142,895)	-	(47,917)
Net cash used for capital and related financing activities	(317,292)	-	-	(142,895)	-	(174,397)
Cash flows from investing activities:						
Interest and other income received	9,736	1,203	1,434	517	-	6,582
Deposits to restricted accounts	274,656	-	12,002	262,410	-	244
Net cash provided by investing activities	284,392	1,203	13,436	262,927	-	6,826
Net increase (decrease) in cash	4,164,773	32,615	4,459,084	(362,322)	43,461	(8,065)
Cash at beginning year	3,952,876	8,686	1,819,313	1,718,739	-	406,138
Cash at end of year	\$ 8,117,649	\$ 41,301	\$ 6,278,397	\$ 1,356,417	\$ 43,461	\$ 398,073

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, 2014

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Housing Assistance Payments</u>	<u>HOME Investment Partnership</u>	<u>Supportive Housing for the Elderly</u>
Reconciliation in operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (1,758,962)	\$ (1,203)	\$ (586,922)	\$ (1,184,242)	\$ -	\$ 13,405
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	1,473,229	-	1,367,123	33,505	-	72,601
Bad debts	4,131	-	3,352	-	-	779
(Increase) decrease in assets:						
Accounts receivable:						
Tenant receivables	28,545	-	6,044	21,707	-	794
HUD	33,173	71,427	-	-	(38,254)	-
Due from other funds	3,699,379	-	3,743,844	-	(44,465)	-
Interest	169	-	117	30	-	22
Other	(34,378)	-	(10,552)	(23,049)	-	(777)
Prepayments and other assets	(12,212)	(1,292)	(12,712)	4,403	-	(2,611)
Inventories	25,753	-	21,033	-	-	4,720
Increase (decrease) in liabilities:						
Account payable	47,721	-	1,197	46,524	-	-
HUD	2,031	-	(1)	2,032	-	-
Compensated absences and sick leave	79,219	15,907	(4,100)	(24,636)	82,033	10,015
Due to other funds	313,288	(69,457)	179,101	145,255	(1,202)	59,591
Security deposits	(1,478)	750	(4,287)	-	1,500	559
Accrued salaries and wages	(18,183)	(9,171)	(14,956)	5,298	238	408
Other current liabilities	207,115	-	97,401	109,714	-	-
Accrued liabilities - PILOT	41,475	-	41,475	-	-	-
Deferred revenues	67,658	24,451	(6,292)	5,888	43,611	-
Net cash provided by (used for) operating activities	<u>\$ 4,197,673</u>	<u>\$ 31,412</u>	<u>\$ 4,820,865</u>	<u>\$ (857,571)</u>	<u>\$ 43,461</u>	<u>\$ 159,506</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, 2014

Assets	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. Account	B-13-ST- Account
Current assets:									
Cash - unrestricted	\$ 41,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,301	\$ -
Accounts receivable - HUD	445,831	24,443	21,968	34,721	18,271	14,889	129,652	-	201,887
Total current assets	487,132	24,443	21,968	34,721	18,271	14,889	129,652	41,301	201,887
Prepayments and other assets	2,619	-	-	120	1,207	-	573	719	-
Capital assets	30,540	15,191	-	-	15,349	-	-	-	-
Accumulated depreciation	(6,076)	(6,076)	-	-	-	-	-	-	-
Capital assets, net	24,464	9,115	-	-	15,349	-	-	-	-
Total assets	\$ 514,215	\$ 33,558	\$ 21,968	\$ 34,841	\$ 34,827	\$ 14,889	\$ 130,225	\$ 42,020	\$ 201,887
Liabilities and Net Position									
Current liabilities:									
Accounts payable	\$ 1,978	\$ -	\$ 35	\$ 1,943	\$ -	\$ -	\$ -	\$ -	\$ -
Security deposits	2,875	-	-	-	-	-	-	2,875	-
Due to other funds	286,143	22,008	21,933	32,898	9,542	(4,719)	13,881	(9,458)	200,058
Accrued salaries and wages	10,912	-	-	-	1,098	503	7,398	84	1,829
Compensated absences - current	10,104	-	-	-	-	-	10,104	-	-
Deferred revenues	79,470	2,435	-	-	8,838	19,105	573	48,519	-
Total current liabilities	391,482	24,443	21,968	34,841	19,478	14,889	31,956	42,020	201,887
Noncurrent liabilities:									
Compensated absences - noncurrent	44,685	-	-	-	-	-	44,685	-	-
Accrued sick leave	53,584	-	-	-	-	-	53,584	-	-
Total noncurrent liabilities	98,269	-	-	-	-	-	98,269	-	-
Total liabilities	489,751	24,443	21,968	34,841	19,478	14,889	130,225	42,020	201,887
Net Position:									
Invested in capital assets, net of related debt	24,464	9,115	-	-	15,349	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-
Total net position	24,464	9,115	-	-	15,349	-	-	-	-
Total liabilities and net assets	\$ 514,215	\$ 33,558	\$ 21,968	\$ 34,841	\$ 34,827	\$ 14,889	\$ 130,225	\$ 42,020	\$ 201,887

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, 2014

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. 66-0001	B-13-ST- 66-0001
Revenues:									
Federal contributions	\$ 2,406,636	\$ -	\$ -	\$ 83,452	\$ 30,160	\$ 500,841	\$ 1,165,482	\$ -	\$ 626,701
Tenant rental	17,495	-	-	-	-	-	-	17,495	-
Other	21,617	1,265	-	-	-	19,417	-	935	-
Total Revenues	2,445,748	1,265	-	83,452	30,160	520,258	1,165,482	18,430	626,701
Operating expenses:									
Repairs and maintenance	1,570,994	-	-	76,077	-	432,208	641,683	1,378	419,648
Other	265,651	-	-	-	-	2,166	90,812	9,980	162,693
Administrative salaries	351,991	886	-	5,176	21,424	40,526	250,021	3,188	30,770
Employee benefits	139,517	379	-	2,199	8,736	16,354	98,712	1,275	11,862
Management fees	-	-	-	-	-	-	-	-	-
Professional fees	15,249	-	-	-	-	6,261	6,524	1,264	1,200
Advertising and marketing	7,237	-	-	-	-	-	6,229	480	528
Depreciation	-	-	-	-	-	-	-	-	-
Office expense	72,220	-	-	-	-	22,743	49,451	26	-
Utilities	2,550	-	-	-	-	-	1,024	1,526	-
Travel	-	-	-	-	-	-	-	-	-
Compensated absences	15,908	-	-	-	-	-	15,908	-	-
Insurance	5,634	-	-	-	-	-	5,118	516	-
Total operating expenses	2,446,951	1,265	-	83,452	30,160	520,258	1,165,482	19,633	626,701
Operating income (loss)	(1,203)	-	-	-	-	-	-	(1,203)	-
Non-operating revenues and expenses:									
Interest income	43	-	-	-	-	-	-	43	-
Other income	1,160	-	-	-	-	-	-	1,160	-
Other expense	-	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-	-
Total non-operating revenues and (expense), net	1,203	-	-	-	-	-	-	1,203	-
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, 2014

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. 66-0001	B-13-ST- 66-0001
Cash flows from operating activities:									
Operating grants received	\$ 2,406,636	\$ -	\$ -	\$ 83,452	\$ 30,160	\$ 500,841	\$ 1,165,482	\$ -	\$ 626,701
Receipts from tenants	17,495	-	-	-	-	-	-	17,495	-
Payments to suppliers	(2,078,673)	-	-	(78,276)	(8,736)	(479,732)	(899,553)	(16,445)	(595,931)
Payments to employees	(368,278)	(1,265)	-	(5,176)	(21,424)	(40,526)	(265,929)	(3,188)	(30,770)
Other receipts	54,232	1,265	-	-	-	19,417	-	33,550	-
Net cash provided by operating activities	31,412	-	-	-	-	-	-	31,412	-
Cash flows from capital and related financing activities:									
Capital grants received	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:									
Interest and other income received	1,203	-	-	-	-	-	-	1,203	-
Net cash provided from investing activities	1,203	-	-	-	-	-	-	1,203	-
Net increase (decrease) in cash	32,615	-	-	-	-	-	-	32,615	-
Cash and cash equivalents at beginning year	8,686	-	-	-	-	-	-	8,686	-
Cash and cash equivalents at end of year	\$ 41,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,301	\$ -
Reconciliation of change in net assets to net cash provided by (used in) operating activities:									
Operating loss	\$ (1,203)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,203)	\$ -
Adjustments to reconcile net loss to net cash provided by (used) operating activities:									
Depreciation	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:									
Accounts receivable - HUD	71,427	-	-	-	(3,534)	8,298	268,550	-	(201,887)
Prepayments and other assets	(1,292)	-	-	-	-	-	(573)	(719)	-
Increase (decrease) in liabilities:									
Accounts payable	-	-	-	-	-	-	-	-	-
Security deposits	750	-	-	-	-	-	-	750	-
Compensated absences	15,907	-	-	-	-	-	15,907	-	-
Due to other funds	(69,457)	(1,185)	-	-	2,436	17,223	(278,380)	(9,609)	200,058
Accrued salaries and wages	(9,171)	-	-	-	1,098	(6,105)	(6,077)	84	1,829
Deferred revenues	24,451	1,185	-	-	-	(19,416)	573	42,109	-
Net cash provided by operating activities	\$ 31,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,412	\$ -

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850

Statements of Net Position
September 30, 2014

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 5,018,258	\$ 1,386,211	\$ 1,295,058	\$ 1,267,154	\$ 1,069,835
Restricted Cash - FSS Escrow	96,485	\$ 42,148	\$ 30,088	\$ 8,803	\$ 15,446
Restricted Cash - other	<u>1,163,654</u>	<u>246,273</u>	<u>253,605</u>	<u>303,227</u>	<u>360,549</u>
Total cash	<u>6,278,397</u>	<u>1,674,632</u>	<u>1,578,751</u>	<u>1,579,184</u>	<u>1,445,830</u>
Accounts receivable:					
Tenants	63,251	7,649	15,162	27,674	12,766
HUD	812	-	812	-	-
Promissory notes	12,669	1,512	7,970	3,137	50
Due from other programs	1,472,650	169,659	-	64,360	1,238,631
Interest	<u>9</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>3</u>
	1,549,391	178,821	23,945	95,175	1,251,450
Allowance for doubtful accounts	<u>(36,969)</u>	<u>(4,974)</u>	<u>(10,758)</u>	<u>(12,986)</u>	<u>(8,251)</u>
Total accounts receivable	<u>1,512,422</u>	<u>173,847</u>	<u>13,187</u>	<u>82,189</u>	<u>1,243,199</u>
Inventories	206,821	50,662	41,117	44,528	70,514
Investments:					
General fund	1,020,374	-	143,332	503,203	373,839
Restricted - security deposits	<u>184,253</u>	<u>38,816</u>	<u>40,044</u>	<u>47,885</u>	<u>57,508</u>
Total investments	<u>1,204,627</u>	<u>38,816</u>	<u>183,376</u>	<u>551,088</u>	<u>431,347</u>
Prepaid and other current assets	<u>56,317</u>	<u>12,189</u>	<u>13,896</u>	<u>16,278</u>	<u>13,954</u>
Total current assets	<u>9,258,584</u>	<u>1,950,146</u>	<u>1,830,327</u>	<u>2,273,267</u>	<u>3,204,844</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>(63,908,327)</u>	<u>(10,657,174)</u>	<u>(14,046,728)</u>	<u>(19,913,976)</u>	<u>(19,290,449)</u>
Net capital assets	<u>15,119,291</u>	<u>3,162,300</u>	<u>3,216,774</u>	<u>3,425,601</u>	<u>5,314,616</u>
Total assets	<u>\$ 24,377,875</u>	<u>\$ 5,112,446</u>	<u>\$ 5,047,101</u>	<u>\$ 5,698,868</u>	<u>\$ 8,519,460</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850

Statements of Net Position, Continued
September 30, 2014

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Liabilities:					
Accounts payable:					
Vendors	\$ 2,114	\$ -	\$ 110	\$ 733	\$ 1,271
HUD	38,631	-	-	532	38,099
Tenant security deposits	116,848	25,025	24,859	27,923	39,041
Due to other funds	1,275,815	-	478,304	797,511	-
Accrued salaries and wages	51,401	11,943	12,679	11,022	15,757
Compensated absences, current portion	22,211	5,863	7,112	2,614	6,622
Other current liabilities	97,401	42,461	30,088	9,406	15,446
Accrued liabilities - PILOT	<u>98,145</u>	<u>47,557</u>	<u>-</u>	<u>845</u>	<u>49,743</u>
Total accounts payable	<u>1,702,566</u>	<u>132,849</u>	<u>553,152</u>	<u>850,586</u>	<u>165,979</u>
Deferred credits:					
Tenants prepaid rents	(950)	-	-	(950)	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred credits	<u>(950)</u>	<u>-</u>	<u>-</u>	<u>(950)</u>	<u>-</u>
Total current liabilities	<u>1,701,616</u>	<u>132,849</u>	<u>553,152</u>	<u>849,636</u>	<u>165,979</u>
Noncurrent liabilities:					
Compensated absences, net of current portion	119,992	27,681	34,663	18,421	39,227
Other - sick leave, net of current portion	<u>75,093</u>	<u>29,856</u>	<u>26,126</u>	<u>4,814</u>	<u>14,297</u>
Total noncurrent liabilities	<u>195,085</u>	<u>57,537</u>	<u>60,789</u>	<u>23,235</u>	<u>53,524</u>
Total liabilities	<u>1,896,701</u>	<u>190,386</u>	<u>613,941</u>	<u>872,871</u>	<u>219,503</u>
Net position:					
Invested in capital assets, net of related debt	15,119,291	3,162,300	3,216,774	3,425,601	5,314,616
Restricted	184,253	38,816	40,044	47,885	57,508
Unrestricted	<u>7,177,630</u>	<u>1,720,944</u>	<u>1,176,342</u>	<u>1,352,511</u>	<u>2,927,833</u>
Total net position	<u>22,481,174</u>	<u>4,922,060</u>	<u>4,433,160</u>	<u>4,825,997</u>	<u>8,299,957</u>
Total liabilities and net position	<u>\$ 24,377,875</u>	<u>\$ 5,112,446</u>	<u>\$ 5,047,101</u>	<u>\$ 5,698,868</u>	<u>\$ 8,519,460</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2014

	<u>Total</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 3</u>	<u>AMP 4</u>
Operating revenues:					
HUD PHA Operating Grants	\$ 3,923,633	\$ 784,115	\$ 929,205	\$ 1,074,124	\$ 1,136,189
Tenant rental income	374,947	129,384	24,408	64,365	156,790
Other income	<u>91,567</u>	<u>14,738</u>	<u>16,801</u>	<u>36,468</u>	<u>23,560</u>
Total operating revenues	<u>4,390,147</u>	<u>928,237</u>	<u>970,414</u>	<u>1,174,957</u>	<u>1,316,539</u>
Operating expenses:					
Depreciation	1,367,123	241,979	284,371	336,323	504,450
Management fees	549,337	118,519	121,394	134,959	174,465
Ordinary maintenance - salaries	524,945	133,488	127,994	125,493	137,970
Administrative salaries	537,325	127,942	109,096	143,435	156,852
Ordinary repairs and maintenance	354,994	79,481	50,771	126,827	97,915
Tenant services - salaries	275,779	62,114	79,410	68,077	66,178
Tenant services - other	153	-	-	153	-
Other administrative expenses	134,323	37,827	21,410	19,117	55,969
Insurance	191,597	50,320	39,460	46,399	55,418
Employee benefits - ordinary maintenance	177,888	46,440	44,045	37,338	50,065
Utilities	197,094	24,230	34,059	55,915	82,890
Employee benefits - administrative	209,324	52,791	42,226	55,334	58,973
Offices supplies	97,106	25,745	18,674	21,056	31,631
Employee benefits - tenant services	115,319	23,125	32,141	23,791	36,262
Asset management fees	90,000	18,960	19,560	23,400	28,080
Bookkeeping fees	65,909	14,221	14,565	16,192	20,931
Protective services	2,291	554	626	380	731
Travel	3,476	-	-	3,476	-
Payments in-lieu of taxes	41,475	23,286	-	845	17,344
Legal and professional fees	41,841	2,332	1,991	2,343	35,175
Bad debts	3,352	(2,492)	3,727	4,493	(2,376)
Advertising and marketing	515	161	111	118	125
Compensated absences	<u>(4,097)</u>	<u>2,832</u>	<u>8</u>	<u>(11,845)</u>	<u>4,908</u>
Total operating expenses	<u>4,977,069</u>	<u>1,083,855</u>	<u>1,045,639</u>	<u>1,233,619</u>	<u>1,613,956</u>
Operating loss	<u>(586,922)</u>	<u>(155,618)</u>	<u>(75,225)</u>	<u>(58,662)</u>	<u>(297,417)</u>
Non-operating revenues and (expenses):					
Interest on general fund investments	9,002	1,510	1,672	2,952	2,868
Casualty loss	(1,386)	(1,386)	-	-	-
Other income	9,485	822	1,576	4,179	2,908
Transfers out	<u>(375,217)</u>	<u>(95,594)</u>	<u>(57,386)</u>	<u>(63,765)</u>	<u>(158,472)</u>
Total non-operating revenues, net	<u>(358,116)</u>	<u>(94,648)</u>	<u>(54,138)</u>	<u>(56,634)</u>	<u>(152,696)</u>
Changes in net assets	(945,038)	(250,266)	(129,363)	(115,296)	(450,113)
Total net position, beginning 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>
Total net position, end of year	<u>\$ 22,481,174</u>	<u>\$ 4,922,060</u>	<u>\$ 4,433,160</u>	<u>\$ 4,825,997</u>	<u>\$ 8,299,957</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850

Statements of Cash Flows
Year Ended September 30, 2014

	<u>Total</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 3</u>	<u>AMP 4</u>
Cash flows from operating activities:					
Operating grants received	\$ 3,923,633	\$ 784,115	\$ 929,205	\$ 1,074,124	\$ 1,136,189
Receipts from tenants	466,514	144,122	41,209	100,833	180,350
Payments to suppliers	(1,968,630)	(470,580)	4,719	(818,886)	(683,883)
Payments to employees	(1,342,957)	(323,544)	(316,500)	(337,005)	(365,908)
Other cash receipts (payments)	<u>3,742,305</u>	<u>1,490,936</u>	<u>659,452</u>	<u>777,622</u>	<u>814,295</u>
Net cash provided by operating activities	<u>4,820,865</u>	<u>1,625,049</u>	<u>1,318,085</u>	<u>796,688</u>	<u>1,081,043</u>
Cash flows from noncapital financing activities:					
Transfer from other funds	<u>(375,217)</u>	<u>(95,594)</u>	<u>(57,386)</u>	<u>(63,765)</u>	<u>(158,472)</u>
Net cash used for noncapital financing activities	<u>(375,217)</u>	<u>(95,594)</u>	<u>(57,386)</u>	<u>(63,765)</u>	<u>(158,472)</u>
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Deposits to investments	1,434	46	218	656	514
Interest and other income received	<u>12,002</u>	<u>(1,248)</u>	<u>931</u>	<u>10,032</u>	<u>2,287</u>
Net cash used in investing activities	<u>13,436</u>	<u>(1,202)</u>	<u>1,149</u>	<u>10,688</u>	<u>2,801</u>
Net increase in cash and cash equivalents	4,459,084	1,528,253	1,261,848	743,611	925,372
Cash and cash equivalents at beginning of year	<u>1,819,313</u>	<u>146,379</u>	<u>316,903</u>	<u>835,573</u>	<u>520,458</u>
Cash and cash equivalents at end of year	<u>\$ 6,278,397</u>	<u>\$ 1,674,632</u>	<u>\$ 1,578,751</u>	<u>\$ 1,579,184</u>	<u>\$ 1,445,830</u>
Reconciliation of operating loss to net cash provided by operating activities:					
Operating loss	\$ (586,922)	\$ (155,618)	\$ (75,225)	\$ (58,662)	\$ (297,417)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	1,367,123	241,979	284,371	336,323	504,450
Bad debts	3,352	(2,492)	3,727	4,493	(2,376)
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	6,044	6,419	(6,252)	4,511	1,366
HUD	-	-	-	-	-
Due from other funds	3,743,844	1,469,659	616,441	826,021	831,723
Interest	117	3	18	54	42
Other	(10,552)	(1,096)	(7,037)	(2,419)	-
Prepaid and other assets	(12,712)	343	(3,342)	(7,683)	(2,030)
Inventories	21,033	3,585	(579)	7,894	10,133
Increase (decrease) in liabilities:					
Accounts payable - Vendors	1,197	(313)	110	129	1,271
Compensated absences	(4,100)	2,831	8	(11,846)	4,907
HUD	(1)	-	-	-	(1)
Due to other funds	179,101	-	478,304	(299,203)	-
Security deposits	(4,287)	(541)	(942)	(3,783)	979
Accrued salaries and wages	(14,956)	(5,457)	(1,605)	(3,100)	(4,794)
Other current liabilities	97,401	42,461	30,088	9,406	15,446
Accrued liabilities - PILOT	41,475	23,286	-	845	17,344
Deferred credits	<u>(6,292)</u>	<u>-</u>	<u>-</u>	<u>(6,292)</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 4,820,865</u>	<u>\$ 1,625,049</u>	<u>\$ 1,318,085</u>	<u>\$ 796,688</u>	<u>\$ 1,081,043</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, 2014

Assets	Total	Contract No. SF-462			
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 599,659	\$ -	\$ -	\$ -	\$ 599,659
Restricted - FSS escrow	109,714	-	-	-	109,714
Restricted - other	647,044	-	-	-	647,044
Total cash	<u>1,356,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,356,417</u>
Accounts receivable:					
Tenants	74,698	-	-	-	74,698
Other	40,642	-	-	-	40,642
Total accounts receivable	<u>115,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,340</u>
Prepaid expenses	<u>2,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,746</u>
Total current assets	<u>1,474,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,474,503</u>
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	856,650	-	-	-	856,650
Accumulated depreciation	<u>(650,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,961)</u>
Total capital assets, net	<u>205,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,689</u>
Total assets	<u>\$ 1,680,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680,192</u>
Liabilities and Net Position					
Current Liabilities:					
Accounts payable	\$ 48,835	\$ -	\$ -	\$ -	\$ 48,835
Accrued salaries and wages	40,121	-	-	-	40,121
Due to other funds	535,574	-	-	-	535,574
Compensated absences, current portion	16,799	-	-	-	16,799
Due to HUD	2,032	-	-	-	2,032
FSS escrow	109,714	-	-	-	109,714
Deferred revenues	5,888	-	-	-	5,888
Total current liabilities	<u>758,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>758,963</u>
Noncurrent Liabilities:					
Compensated absences, net of current portion	95,067	-	-	-	95,067
Other liabilities - sick leave	55,659	-	-	-	55,659
Total noncurrent liabilities	<u>150,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,726</u>
Total Liabilities	<u>909,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>909,689</u>
Net Position:					
Invested in capital assets, net of related debt	205,689	-	-	-	205,689
Restricted	617,702	-	-	-	617,702
Unrestricted	<u>(52,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,888)</u>
Total Net Assets	<u>770,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>770,503</u>
Total Liabilities and Net Position	<u>\$ 1,680,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680,192</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, 2014

	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Operating revenues:					
Housing assistance payments	\$ 29,316,685	\$ -	\$ -	\$ -	\$ 29,316,685
Ongoing administrative fees earned	1,854,055	-	-	-	1,854,055
Other grants - FSS	56,003	-	-	-	56,003
Total operating revenues	31,226,743	-	-	-	31,226,743
Operating expenses:					
Housing assistance payments	30,249,349	-	-	-	30,249,349
Administrative salaries	925,236	-	-	-	925,236
Management fees	351,799	-	-	-	351,799
Employee benefit contribution - administrative	336,198	-	-	-	336,198
Bookkeeping fees	199,718	-	-	-	199,718
Office expense	146,586	-	-	-	146,586
Other administrative expenses	61,109	-	-	-	61,109
Professional fees	60,619	-	-	-	60,619
Tenant salaries	45,224	-	-	-	45,224
Depreciation	33,505	-	-	-	33,505
Employee benefit contribution - tenant services	16,536	-	-	-	16,536
Insurance	4,643	-	-	-	4,643
Travel	3,562	-	-	-	3,562
Advertising and marketing	1,537	-	-	-	1,537
Compensated absences	(24,636)	-	-	-	(24,636)
Total operating expenses	32,410,985	-	-	-	32,410,985
Operating loss	(1,184,242)	-	-	-	(1,184,242)
Non-operating revenues and transfers:					
Interest on operating reserve investments	517	-	-	-	517
Fraud recovery	47,836	-	-	-	47,836
Other income	71,531	-	-	-	71,531
Transfers in	375,217	-	-	-	375,217
Other	(6,947)	-	-	-	(6,947)
Total non-operating revenues	488,154	-	-	-	488,154
Change in net position	(696,088)	-	-	-	(696,088)
Total net position, beginning of year	1,466,591	-	-	-	1,466,591
Total net position, end of year	\$ 770,503	\$ -	\$ -	\$ -	\$ 770,503

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

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

Combining Statements of Cash Flows
Year Ended September 30, 2014

	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	\$ 31,226,743	\$ -	\$ -	\$ -	\$ 31,226,743
Assistance paid	(30,249,349)	-	-	-	(30,249,349)
Payments to suppliers	(1,012,597)	-	-	-	(1,012,597)
Payments to employees	(945,824)	-	-	-	(945,824)
Other receipts and (payments)	123,456	-	-	-	123,456
Net cash provided by (used in) operating activities	<u>(857,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(857,571)</u>
Cash flows from noncapital financing activities:					
Transfer from other funds	<u>375,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,217</u>
Net cash used for noncapital financing activities	<u>375,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,217</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	<u>(142,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,895)</u>
Net cash flows used in capital and related financing activities	<u>(142,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,895)</u>
Cash flows from investing activities:					
Interest income received	517	-	-	-	517
Decrease in restricted investments	<u>262,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,410</u>
Net cash provided by (used in) investing activities	<u>262,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,927</u>
Net decrease in cash and cash equivalents	(362,322)	-	-	-	(362,322)
Cash and cash equivalents at beginning of year	<u>1,718,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,718,739</u>
Cash and cash equivalents at end of year	<u>\$ 1,356,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,356,417</u>
Unrestricted cash	\$ 599,659	-	-	-	599,659
Restricted - FSS escrow account	109,714	-	-	-	109,714
Restricted cash	<u>647,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>647,044</u>
Total cash and cash equivalents at end of year	<u>\$ 1,356,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,356,417</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, 2014

	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	\$ (1,184,242)	\$ -	\$ -	\$ -	\$ (1,184,242)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	33,505	-	-	-	33,505
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	21,707	-	-	-	21,707
HUD	-	-	-	-	-
Due from other funds	-	-	-	-	-
Interest	30	-	-	-	30
Other	(23,049)	-	-	-	(23,049)
Prepayments and other assets	4,403	-	-	-	4,403
Increase (decrease) in liabilities:					
Accounts payable	46,524	-	-	-	46,524
Compensated absences and sick leave	(24,636)	-	-	-	(24,636)
Due to HUD	2,032	-	-	-	2,032
Due to other funds	145,255	-	-	-	145,255
Accrued salaries and wages	5,298	-	-	-	5,298
FSS Escrow	109,714	-	-	-	109,714
Deferred revenues	5,888	-	-	-	5,888
Net cash used for operating activities	<u>\$ (857,571)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (857,571)</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 Net Position
September 30, 2014

ASSETS	Total	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	Program Income
Cash	\$ 43,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,461
Accounts Receivable:									
HUD	342,265	108,601	(12,939)	28,208	(7,424)	1,052	180,502	44,265	-
Due from other funds	200	-	-	-	-	-	-	-	200
Prepaid and other assets	1,094	-	-	85	198	-	811	-	-
Capital assets	8,265	-	-	-	-	8,265	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Total	<u>\$ 395,285</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,293</u>	<u>\$ (7,226)</u>	<u>\$ 9,317</u>	<u>\$ 181,313</u>	<u>\$ 44,265</u>	<u>\$ 43,661</u>
LIABILITIES AND NET POSITION									
Current liabilities:									
Vendors	\$ 19	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -
Due to HUD	-	-	-	-	-	-	-	-	-
Due to other funds	293,228	108,601	(12,939)	28,274	(7,226)	1,052	176,916	-	(1,450)
Accrued salaries and wages	3,586	-	-	-	-	-	3,586	-	-
Security deposits	1,500	-	-	-	-	-	-	-	1,500
Compensated absences - current	4,127	-	-	-	-	-	-	4,127	-
Deferred revenues	44,422	-	-	-	-	-	811	-	43,611
Total current liabilities	<u>346,882</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>1,052</u>	<u>181,313</u>	<u>4,127</u>	<u>43,661</u>
Noncurrent liabilities:									
Compensated absences -noncurrent	18,252	-	-	-	-	-	-	18,252	-
Other liabilities - sick leave	21,886	-	-	-	-	-	-	21,886	-
Total noncurrent liabilities	<u>40,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,138</u>	<u>-</u>
Total liabilities	<u>387,020</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>1,052</u>	<u>181,313</u>	<u>44,265</u>	<u>43,661</u>
Net position:									
Invested 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>8,265</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 395,285</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,293</u>	<u>\$ (7,226)</u>	<u>\$ 9,317</u>	<u>\$ 181,313</u>	<u>\$ 44,265</u>	<u>\$ 43,661</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, 2014

	Total	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	Program Income
Revenues:									
PHA Operating grants	\$ 1,840,428	\$ -	\$ -	\$ -	\$ -	\$ 587,589	\$ 1,208,574	\$ 44,265	\$ -
Tenant rental income	390	-	-	-	-	-	-	-	390
Other	105,549	-	-	-	-	-	58,416	47,133	-
Total Revenues	1,946,367	-	-	-	-	587,589	1,266,990	91,398	390
Operating expenses:									
Repairs and maintenance	1,697,572	-	-	-	-	505,820	1,182,363	8,999	390
Administrative salaries	120,110	-	-	-	-	30,127	65,769	24,214	-
Employee benefits	46,889	-	-	-	-	11,590	25,605	9,694	-
Compensated absences	6,497	-	-	-	-	-	(37,768)	44,265	-
Office expense	27,876	-	-	-	-	17,619	10,257	-	-
Professional fees	7,131	-	-	-	-	855	4,026	2,250	-
Adversting and marketing	4,317	-	-	-	-	1,877	2,440	-	-
Utilities	1,236	-	-	-	-	-	209	1,027	-
Depreciation	-	-	-	-	-	-	-	-	-
Insurance	1,648	-	-	-	-	600	658	390	-
Protective services	50	-	-	-	-	-	50	-	-
Other	33,041	-	-	-	-	19,101	13,381	559	-
Total operating expenses	1,946,367	-	-	-	-	587,589	1,266,990	91,398	390
Operating income	-	-	-	-	-	-	-	-	-
Non-operating revenues:									
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, 2014

	Total	M-07-ST- 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	Program Income
Cash flows from operating activities:									
Operating grants received	\$ 1,840,428	\$ -	\$ -	\$ -	\$ -	\$ 587,589	\$ 1,208,574	\$ 44,265	\$ -
Receipts from customers	105,549	-	-	-	-	-	58,416	47,133	-
Payments to suppliers	(1,819,760)	-	-	-	-	(557,462)	(1,238,989)	(22,919)	(390)
Payments to employees	(126,607)	-	-	-	-	(30,127)	(28,001)	(68,479)	-
Other cash receipts (payments)	43,851	-	-	-	-	-	-	-	43,851
Net cash provided by (used in) operating activities	<u>43,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,461</u>
Cash flows from investing activities:									
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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 in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	43,461	-	-	-	-	-	-	-	43,461
Cash and cash equivalents at beginning year	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	<u>\$ 43,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,461</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net provided by (used in) operating activities:									
Depreciation	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:									
Accounts receivable - HUD	(38,254)	-	-	-	-	2,501	(40,755)	-	-
Accounts receivable - Due from other funds	(44,465)	-	-	-	-	-	-	(44,265)	(200)
Prepaid and other assets	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:									
Accounts payable	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	238	-	-	-	-	(2,215)	2,453	-	-
Compensated absences	82,033	-	-	-	-	-	37,768	44,265	-
Security deposits	1,500	-	-	-	-	-	-	-	1,500
Due to other funds	(1,202)	-	-	-	-	(286)	534	-	(1,450)
Deferred revenues	43,611	-	-	-	-	-	-	-	43,611
Net cash provided by (used in) operating activities	<u>\$ 43,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,461</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Statement of Net Assets
September 30, 2014

ASSETS

Current assets:	
Cash:	
Unrestricted	\$ 29,185
Restricted	349,323
Security deposits - restricted	19,565
Total cash	398,073
Accounts receivable:	
Tenants	9,075
Other	8,752
Interest	1
Total accounts receivable	17,828
Allowance for doubtful accounts	(12,901)
Total accounts receivable	4,927
Restricted/reserved investments	205,202
Inventories	7,924
Prepaid and other current assets	3,085
Total current assets	619,211
Noncurrent assets:	
Capital assets:	
Land	1,380,000
Buildings, property and equipment, net	498,543
Capital assets, net	1,878,543
Total Assets	\$ 2,497,754

LIABILITIES AND NET POSITION

Current liabilities:	
Current portion of long-term debt	\$ 55,000
Accounts payable	2,275
Due to other funds	311,521
Security deposits	19,565
Accrued salaries and wages	5,114
Compensated absences - current portion	1,196
Total current liabilities	394,671
Noncurrent liabilities:	
Long-term debt, net of current portion	1,154,507
Compensated absences	10,702
Total noncurrent liabilities	1,165,209
Total liabilities	1,559,880
Net position:	
Investment in capital assets, net of related debt	669,036
Restricted	554,525
Unrestricted	(285,687)
Total net position	937,874
Total Liabilities and Net Position	\$ 2,497,754

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

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

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2014

Operating revenues:	
HUD PHA grants	\$ 414,830
Tenant income	<u>107,494</u>
Total operating revenues	<u>522,324</u>
Operating expenses:	
Utilities	187,318
Salaries and wages	100,699
Depreciation	72,601
Other expenses	30,749
Employee benefits	39,578
Management fees	36,352
Repairs and maintenance	12,621
Compensated absences	10,013
Insurance	8,774
Travel	3,121
Office expense	2,829
Advertising and marketing	1,824
Legal and professional fees	1,205
Bad debts	779
Protective services	<u>456</u>
Total operating expenses	<u>508,919</u>
Operating income	<u>13,405</u>
Non-operating revenues (expense):	
Interest income on unrestricted investments	224
Interest expense	(75,258)
Other income	<u>5,848</u>
Total non-operating expenses, net	<u>(69,186)</u>
Change in net position	(55,781)
Total net position - beginning of year	<u>993,655</u>
Total net position - end of year	<u>\$ 937,874</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Statement of Cash Flows
For the Year Ended September 30, 2014

Cash flows from operating activities:	
Operating grants received	\$ 414,830
Receipts from tenants	113,296
Payments to suppliers	(277,353)
Payments to employees	<u>(91,267)</u>
Net cash provided for (used for) operating activities	<u>159,506</u>
Cash flows from capital and related financing activities:	
Interest paid	(75,258)
Repayment of note payable	(51,222)
Acquisition of capital assets	<u>(47,917)</u>
Net cash used for capital and related financing activities	<u>(174,397)</u>
Cash flows from investing activities:	
Interest and other income received	6,582
Deposits to restricted accounts	<u>244</u>
Net cash provided for investing activities	<u>6,826</u>
Net decrease in cash and cash equivalents	(8,065)
Cash and cash equivalents at beginning of year	<u>406,138</u>
Cash and cash equivalents at end of year	<u>\$ 398,073</u>
Cash and cash equivalents consist of the following:	
Cash	\$ 29,185
Security deposits	19,565
Restricted cash, including time deposits	<u>349,323</u>
Total cash and cash equivalents at end of year	<u>\$ 398,073</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Statement of Cash Flows, Continued
For the Year Ended September 30, 2014

Reconciliation of operating income to net cash provided for operating activities:	
Operating income	\$ 13,405
Adjustments to reconcile change in net position provided for operating activities:	
Depreciation	72,601
Bad debts	779
(Increase) decrease in assets:	
Accounts receivable:	
Tenants	794
Interest	22
Other	(777)
Inventories	4,720
Prepaid and other assets	(2,611)
Increase (decrease) in liabilities:	
Accounts payable	-
Due to other funds	59,591
Accrued salaries and wages	408
Security deposits	559
Compensated absences	<u>10,015</u>
Net cash provided for (used for) operating activities	<u>\$ 159,506</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, 2014

ASSETS	Total	Supportive	Shelter Plus	Public	Emergency	Resident	Economic,	Multifamily	ARRA - CFDA	14.257	ARRA - CFDA
		Housing	Care Program	Housing	Shelter Grants	Opportunities	Social and	Housing	14.256	Homeless	ARRA - CFDA
		Program		Program	Program	and	Political	Service	Neighborhood	Prevention and	Weatherization
						Supportive	Development of	Coordinator	Stablization	Housing	Assistance
						Services	the Territories				
Current assets:											
Cash:											
Unrestricted	\$ 14,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,537	\$ -	\$ -
Restricted - security deposits	-	-	-	-	-	-	-	-	-	-	-
Total cash	<u>14,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,537</u>	<u>-</u>	<u>-</u>
Accounts receivable:											
Due from other funds	170,930	-	-	151,911	-	-	385	-	5,647	-	12,987
HUD	254,095	33,098	626	149,480	28,997	28,561	-	13,333	-	-	-
Federal Government	-	-	-	-	-	-	-	-	-	-	-
Other Government	227,794	-	-	-	-	-	218,020	-	-	-	9,774
Interest	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
	<u>652,819</u>	<u>33,098</u>	<u>626</u>	<u>301,391</u>	<u>28,997</u>	<u>28,561</u>	<u>218,405</u>	<u>13,333</u>	<u>5,647</u>	<u>-</u>	<u>22,761</u>
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	<u>652,819</u>	<u>33,098</u>	<u>626</u>	<u>301,391</u>	<u>28,997</u>	<u>28,561</u>	<u>218,405</u>	<u>13,333</u>	<u>5,647</u>	<u>-</u>	<u>22,761</u>
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Total current assets	<u>667,356</u>	<u>33,098</u>	<u>626</u>	<u>301,391</u>	<u>28,997</u>	<u>28,561</u>	<u>218,405</u>	<u>13,333</u>	<u>20,184</u>	<u>-</u>	<u>22,761</u>
Noncurrent assets:											
Capital assets, net:											
Land and infrastructure	-	-	-	-	-	-	-	-	-	-	-
Depreciable buildings, property and equipment, net	<u>7,732,683</u>	<u>-</u>	<u>-</u>	<u>7,732,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>7,732,683</u>	<u>-</u>	<u>-</u>	<u>7,732,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,400,039</u>	<u>\$ 33,098</u>	<u>\$ 626</u>	<u>\$ 8,034,074</u>	<u>\$ 28,997</u>	<u>\$ 28,561</u>	<u>\$ 218,405</u>	<u>\$ 13,333</u>	<u>\$ 20,184</u>	<u>\$ -</u>	<u>\$ 22,761</u>

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, 2014

LIABILITIES AND NET POSITION	Total	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Emergency Shelter Grants Program	Resident	Economic, Social	Multifamily	ARRA - CFDA	ARRA - CFDA	ARRA - CFDA
						Opportunities and Supportive Services	and Political Development of the Territories	Housing Service Coordinator	14.256 Neighborhood Stablization	14.257 Homeless Prevention and Rapid Re-Housing	81.042 Weatherizaton Assistance
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of compensated absences	2,258	-	-	-	-	1,554	-	704	-	-	-
Due to HUD	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	332,334	32,859	301	7,171	28,454	9,689	218,020	6,246	6,833	-	22,761
Deferred revenues	305,591	239	-	291,616	-	-	385	-	13,351	-	-
Accrued salaries and wages	4,509	-	325	2,604	543	1,037	-	-	-	-	-
Total current liabilities	644,692	33,098	626	301,391	28,997	12,280	218,405	6,950	20,184	-	22,761
Noncurrent liabilities:											
Accrued compensated absences	22,664	-	-	-	-	16,281	-	6,383	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	22,664	-	-	-	-	16,281	-	6,383	-	-	-
Total liabilities	667,356	33,098	626	301,391	28,997	28,561	218,405	13,333	20,184	-	22,761
Net position:											
Investment in capital assets, net of related debt	7,732,683	-	-	7,732,683	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-
Total net position	7,732,683	-	-	7,732,683	-	-	-	-	-	-	-
Total liabilities and net position	\$ 8,400,039	\$ 33,098	\$ 626	\$ 8,034,074	\$ 28,997	\$ 28,561	\$ 218,405	\$ 13,333	\$ 20,184	\$ -	\$ 22,761

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, 2014

	Total	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Emergency Shelter Program	Resident Opportunities and Supportive Services	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	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	\$ 1,982,249	\$ 771,203	\$ 328,657	\$ 406,945	\$ 353,094	\$ 66,039	\$ -	\$ 56,311	\$ -	\$ -	\$ -
Other Government Grants	485,966	-	-	-	-	-	484,793	-	-	-	1,173
Tenant rental income	-	-	-	-	-	-	-	-	-	-	-
Other income	2,780	-	2,780	-	-	-	-	-	-	-	-
Total operating revenues	2,470,995	771,203	331,437	406,945	353,094	66,039	484,793	56,311	-	-	1,173
Operating expenses:											
Repairs and maintenance	454,119	-	-	-	-	-	454,119	-	-	-	-
Administrative salaries	176,580	7,278	11,157	61,087	13,520	26,392	20,686	36,460	-	-	-
Management fees	81,732	-	-	81,732	-	-	-	-	-	-	-
Employee benefits	68,389	2,701	4,009	23,261	5,073	10,706	7,926	14,713	-	-	-
Depreciation	713,569	-	-	713,569	-	-	-	-	-	-	-
Utilities	4,492	-	-	-	-	4,492	-	-	-	-	-
Insurance	(4)	-	-	-	-	-	-	-	-	-	(4)
Travel	3,564	-	-	-	-	3,564	-	-	-	-	-
Advertising and Marketing	7,735	-	-	7,626	109	-	-	-	-	-	-
Office expense	4,801	-	-	452	16	2,646	-	1,687	-	-	-
Professional fees	5,100	1,050	-	150	1,838	-	2,062	-	-	-	-
Compensated absences	21,151	-	-	-	-	17,835	-	3,316	-	-	-
Other	1,643,398	760,174	316,271	232,637	332,538	404	-	135	-	55	1,184
Total operating expenses	3,184,626	771,203	331,437	1,120,514	353,094	66,039	484,793	56,311	-	55	1,180
Operating income (loss)	(713,631)	-	-	(713,569)	-	-	-	-	-	(55)	(7)
Non-operating revenues (expenses):											
Capital grants	770,875	-	-	770,875	-	-	-	-	-	-	-
Interest income on unrestricted investments	62	-	-	-	-	-	-	-	-	55	7
Other income	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses), net	770,937	-	-	770,875	-	-	-	-	-	55	7
Changes in nets position	57,306	-	-	57,306	-	-	-	-	-	-	-
Total net position - beginning of year	7,675,377	-	-	7,675,377	-	-	-	-	-	-	-
Total net position - end of year	\$ 7,732,683	\$ -	\$ -	\$ 7,732,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2014

	TOTAL	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Emergency Shelter Grant Program	Resident Opportunities and Supportive Services	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14.256 Neighborhood Stablization	ARRA - CFDA 14.257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81.042 Weatherization Assistance
Cash flows from operating activities:											
Operating grants received	\$ 2,472,059	\$ 771,203	\$ 328,657	\$ 406,945	\$ 353,094	\$ 66,039	\$ 484,793	\$ 56,311	\$ 3,844	\$ -	\$ 1,173
Receipts from customers	-	-	-	-	-	-	-	-	-	-	-
Assistance paid	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(2,273,579)	(763,925)	(320,280)	(345,858)	(339,574)	(21,812)	(464,107)	(16,535)	-	(55)	(1,433)
Payments to employees	(197,731)	(7,278)	(11,157)	(61,087)	(13,520)	(44,227)	(20,686)	(39,776)	-	-	-
Other cash receipts (payments)	3,563	-	2,780	-	-	-	-	-	783	-	-
Net cash provided by (used for) operating activities	4,312	-	-	-	-	-	-	-	4,627	(55)	(260)
Cash flows from capital and related financing activities:											
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Repayment of note payable	-	-	-	-	-	-	-	-	-	-	-
Capital grants received	770,875	-	-	770,875	-	-	-	-	-	-	-
Acquisition of fixed assets	(770,875)	-	-	(770,875)	-	-	-	-	-	-	-
Net cash flows used for capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:											
Interest and other income received	7	-	-	-	-	-	-	-	-	-	7
Net cash provided by investing activities	7	-	-	-	-	-	-	-	-	-	7
Net increase (decrease) in cash	4,319	-	-	-	-	-	-	-	4,627	(55)	(253)
Cash at beginning of year	10,218	-	-	-	-	-	-	-	9,910	55	253
Cash at end of year	\$ 14,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,537	\$ -	\$ -
Reconciliation to operating loss to net cash provided by (used for) operating activities:											
Operating loss	\$ (713,631)	\$ -	\$ -	\$ (713,569)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (55)	\$ (7)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:											
Depreciation	713,569	-	-	713,569	-	-	-	-	-	-	-
(Increase) decrease in assets:											
Accounts receivable:											
Tenants	-	-	-	-	-	-	-	-	-	-	-
HUD	(122,549)	(29,234)	(626)	(78,946)	8,692	(22,927)	-	492	-	-	-
Due from other funds	110,055	-	-	11,329	-	-	-	-	(1,468)	-	100,194
Due from other government agencies	(203,279)	-	-	-	-	-	(203,279)	-	-	-	-
Prepayments and other assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	21,152	-	-	-	-	17,835	-	3,317	-	-	-
Due to HUD	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	190,524	28,870	301	63,052	(8,867)	5,695	203,279	(3,809)	2,450	-	(100,447)
Deposits	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	5,606	-	-	1,961	-	-	-	-	3,645	-	-
Accrued salaries and wages	2,865	364	325	2,604	175	(603)	-	-	-	-	-
Net cash provided by (used for) operating activities	\$ 4,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,627	\$ (55)	\$ (260)

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, 2014

ASSETS	Total	GU0009- B9C-000900	GU0013- B9C-001000	GU0015- B9C-001100	GU0016- B9C-001100	GU0002- L9C-001205	GU0015- L9C-001201	GU0007- L9C-001205	GU0016- L9C-001201	GU0003- L9C-001205	GU0004- L9C-001205	GU0013- L9C-001201	GU0007- L9C-001306	GU0003- L9C-001306
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:														
HUD	\$ 33,098	-	-	-	-	-	10,131	-	22,356	-	-	134	-	477
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 33,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,131	\$ -	\$ 22,356	\$ -	\$ -	\$ 134	\$ -	\$ 477
LIABILITIES AND NET POSITION														
Accounts payable:														
Due to other funds	\$ 32,859	\$ -	\$ -	\$ -	\$ -	\$ -	10,131	\$ -	22,356	\$ -	\$ -	71	\$ -	301
Accrued salaries and wages	239	-	-	-	-	-	-	-	-	-	-	63	-	176
HUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities:														
Compensated absences - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net position	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 33,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,131	\$ -	\$ 22,356	\$ -	\$ -	\$ 134	\$ -	\$ 477

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, 2014

	Total	GU0009- B9C-000900	GU0013- B9C-001000	GU0015- B9C-001100	GU0016- B9C-001100	GU0002- L9C-001205	GU0015- L9C-001201	GU0007- L9C-001205	GU0016- L9C-001201	GU0003- L9C-001205	GU0004- L9C-001205	GU0013- L9C-001201	GU0007- L9C-001306	GU0003- L9C-001306
Revenues:														
Federal contributions	\$ 771,203	\$ 13,812	\$ 15,428	\$ 43,295	\$ 67,972	\$ 28,499	\$ 34,678	\$ 121,316	\$ 33,666	\$ 313,422	\$ 76,747	\$ 20,985	\$ 66	\$ 1,317
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	771,203	13,812	15,428	43,295	67,972	28,499	34,678	121,316	33,666	313,422	76,747	20,985	66	1,317
Operating expenses:														
Administrative salaries	7,278	-	-	259	-	267	506	1,824	249	2,761	-	386	48	978
Employee benefits	2,701	-	-	90	-	105	197	694	98	1,015	-	145	18	339
Repair and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal	1,050	-	-	-	-	-	450	150	450	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	760,174	13,812	15,428	42,946	67,972	28,127	33,525	118,648	32,869	309,646	76,747	20,454	-	-
Total operating expenses	771,203	13,812	15,428	43,295	67,972	28,499	34,678	121,316	33,666	313,422	76,747	20,985	66	1,317
Operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating revenues (expenditures):														
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING PROGRAM

CFDA NO. 14.235

Combining Statements of Cash Flows

Year Ended September 30, 2014

	Total	GU0006- B9C-001003	GU0013- B9C-001000	GU0015- B9C-001100	GU0016- B9C-001100	GU0002- L9C-001205	GU0015- L9C-001201	GU0007- L9C-001205	GU0016- L9C-001201	GU0003- L9C-001205	GU0004- L9C-001205	GU0013- L9C-001201	GU0007- L9C-001306	GU0003- L9C-001306
Cash flows from operating activities:														
Operating grants received	\$ 771,203	\$ 13,812	\$ 15,428	\$ 43,295	\$ 67,972	\$ 28,499	\$ 34,678	\$ 121,316	\$ 33,666	\$ 313,422	\$ 76,747	\$ 20,985	\$ 66	\$ 1,317
Payments to suppliers	(763,925)	(13,812)	(15,428)	(43,036)	(67,972)	(28,232)	(34,172)	(119,492)	(33,417)	(310,661)	(76,747)	(20,599)	(18)	(339)
Payments to employees	(7,278)	-	-	(259)	-	(267)	(506)	(1,824)	(249)	(2,761)	-	(386)	(48)	(978)
Net cash provided by (used in) operating activities:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:														
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:														
Increase in investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by (used in) operating activities:														
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:														
(Increase) decrease in assets:														
Accounts receivable - HUD	(29,234)	-	-	-	4,046	-	(10,313)	-	(22,356)	-	-	(134)	-	(477)
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:														
Due to other funds	28,870	-	-	-	(4,046)	-	10,313	-	22,356	-	-	71	-	176
Accrued salaries and wages	364	-	-	-	-	-	-	-	-	-	-	63	-	301
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

SHELTER PLUS CARE PROGRAM
CFDA NO. 14.238

Combining Statements of Net Position
September 30, 2014

ASSETS	Total	GU0011-C9C- 001102	GU0001-C9C- 001104	GU0001-L9C- 001205	GU0011-L9C- 001203
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	626	-	-	583	43
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
TOTAL	\$ 626	\$ -	\$ -	\$ 583	\$ 43
<u>LIABILITIES AND NET POSITION</u>					
Accounts payable:					
Due to other funds	\$ 301	\$ -	\$ -	\$ 258	\$ 43
Accrued salaries and wages	325	-	-	325	-
HUD	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	626	-	-	583	43
Net position	-	-	-	-	-
TOTAL	\$ 626	\$ -	\$ -	\$ 583	\$ 43

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, 2014

	<u>Total</u>	<u>GU0011-C9C- 001102</u>	<u>GU0001-C9C- 001104</u>	<u>GU0001-L9C- 001205</u>	<u>GU0011-L9C- 001203</u>
Revenues:					
Federal contributions	\$ 328,657	\$ 11,221	\$ 61,106	\$ 120,607	\$ 135,723
Other	<u>2,780</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>1,530</u>
Total revenues	<u>331,437</u>	<u>11,221</u>	<u>61,106</u>	<u>121,857</u>	<u>137,253</u>
Operating expenses:					
Administrative salaries	11,157	-	-	5,496	5,661
Employee benefits	4,009	-	-	1,896	2,113
Depreciation	-	-	-	-	-
Other	<u>316,271</u>	<u>11,221</u>	<u>61,106</u>	<u>114,465</u>	<u>129,479</u>
Total operating expenses	<u>331,437</u>	<u>11,221</u>	<u>61,106</u>	<u>121,857</u>	<u>137,253</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenditures):					
Interest income	-	-	-	-	-
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2014

	<u>Total</u>	<u>GU0011-C9C- 001102</u>	<u>GU0001-C9C- 001104</u>	<u>GU0001-L9C- 001205</u>	<u>GU0011-L9C- 001203</u>
Cash flows from operating activities:					
Operating grants received	\$ 328,657	\$ 11,221	\$ 61,106	\$ 120,607	\$ 135,723
Payments to suppliers	(320,280)	(11,221)	(61,106)	(116,361)	(131,592)
Payments to employees	(11,157)	-	-	(5,496)	(5,661)
Other cash receipts (payments)	<u>2,780</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>1,530</u>
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Acquisition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Transfers from fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
(Increase) decrease in assets:					
Accounts receivable - HUD	(626)	-	-	(583)	(43)
Accounts receivable - Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable - Due to other funds	301	-	-	258	43
Accounts payable - HUD	-	-	-	-	-
Accrued salaries and wages	325	-	-	325	-
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2014

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	GQ-501-13
Current assets:												
Cash:												
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable:												
HUD	149,480	-	-	-	-	38,100	-	10,888	-	-	46,792	53,700
Due from other programs	151,911	-	7,689	-	3,457	-	73,252	67,100	11,816	-	(11,403)	-
	301,391	-	7,689	-	3,457	38,100	73,252	77,988	11,816	-	35,389	53,700
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	301,391	-	7,689	-	3,457	38,100	73,252	77,988	11,816	-	35,389	53,700
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Investments:												
General fund	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	301,391	-	7,689	-	3,457	38,100	73,252	77,988	11,816	-	35,389	53,700
Noncurrent assets:												
Capital Assets:												
Land, structures and equipment, at c	11,479,370	1,121,733	1,652,281	535,370	1,832,828	769,191	1,171,850	1,281,844	1,344,600	949,494	679,634	140,545
Accumulated depreciation	(3,746,687)	(533,984)	(849,780)	(214,148)	(729,245)	(330,992)	(405,710)	(295,967)	(280,837)	(101,686)	(4,338)	-
Net capital assets	7,732,683	587,749	802,501	321,222	1,103,583	438,199	766,140	985,877	1,063,763	847,808	675,296	140,545
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	7,732,683	587,749	802,501	321,222	1,103,583	438,199	766,140	985,877	1,063,763	847,808	675,296	140,545
Total assets	\$ 8,034,074	\$ 587,749	\$ 810,190	\$ 321,222	\$ 1,107,040	\$ 476,299	\$ 839,392	\$ 1,063,865	\$ 1,075,579	\$ 847,808	\$ 710,685	\$ 194,245

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, 2014

<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>	<u>GQ-501-13</u>
Liabilities:												
Accounts payable:												
Accrued salaries and wages	\$ 2,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,604
Due to other funds	7,171	(39,353)	(3,982)	(420)	(82,145)	38,100	(441)	10,888	-	-	33,428	51,096
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences, current portion	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts payable	<u>9,775</u>	<u>(39,353)</u>	<u>(3,982)</u>	<u>(420)</u>	<u>(82,145)</u>	<u>38,100</u>	<u>(441)</u>	<u>10,888</u>	<u>-</u>	<u>-</u>	<u>33,428</u>	<u>53,700</u>
Deferred credits:												
Deferred revenue	291,616	39,353	11,671	420	85,602	-	73,693	67,100	11,816	-	1,961	-
Total deferred credits	<u>291,616</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>1,961</u>	<u>-</u>
Total current liabilities	<u>301,391</u>	<u>-</u>	<u>7,689</u>	<u>-</u>	<u>3,457</u>	<u>38,100</u>	<u>73,252</u>	<u>77,988</u>	<u>11,816</u>	<u>-</u>	<u>35,389</u>	<u>53,700</u>
Noncurrent liabilities:												
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>301,391</u>	<u>-</u>	<u>7,689</u>	<u>-</u>	<u>3,457</u>	<u>38,100</u>	<u>73,252</u>	<u>77,988</u>	<u>11,816</u>	<u>-</u>	<u>35,389</u>	<u>53,700</u>
Net Position:												
Invested in capital assets, net of related debt	7,732,683	587,749	802,501	321,222	1,103,583	438,199	766,140	985,877	1,063,763	847,808	675,296	140,545
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
Total net position	<u>7,732,683</u>	<u>587,749</u>	<u>802,501</u>	<u>321,222</u>	<u>1,103,583</u>	<u>438,199</u>	<u>766,140</u>	<u>985,877</u>	<u>1,063,763</u>	<u>847,808</u>	<u>675,296</u>	<u>140,545</u>
Total liabilities and net position	<u>\$ 8,034,074</u>	<u>\$ 587,749</u>	<u>\$ 810,190</u>	<u>\$ 321,222</u>	<u>\$ 1,107,040</u>	<u>\$ 476,299</u>	<u>\$ 839,392</u>	<u>\$ 1,063,865</u>	<u>\$ 1,075,579</u>	<u>\$ 847,808</u>	<u>\$ 710,685</u>	<u>\$ 194,245</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, 2014

	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	GQ-501-13
Operating revenues:												
HUD PHA Grants	\$ 406,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,694	\$ 98,251
Program income	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	406,945	-	-	-	-	-	-	-	-	-	308,694	98,251
Operating expenses:												
Depreciation	713,569	73,504	102,242	35,691	118,747	59,375	82,063	85,456	88,853	63,300	4,338	-
Management fees	81,732	-	-	-	-	-	-	-	-	-	-	81,732
Other miscellaneous expenses	232,637	-	-	-	-	-	-	-	-	-	232,637	-
Salaries and wages	61,087	-	-	-	-	-	-	-	-	-	50,365	10,722
Employee benefits	23,261	-	-	-	-	-	-	-	-	-	19,016	4,245
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	452	-	-	-	-	-	-	-	-	-	52	400
Advertising and marketing	7,626	-	-	-	-	-	-	-	-	-	6,474	1,152
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	150	-	-	-	-	-	-	-	-	-	150	-
Total operating expenses	1,120,514	73,504	102,242	35,691	118,747	59,375	82,063	85,456	88,853	63,300	313,032	98,251
Operating loss	(713,569)	(73,504)	(102,242)	(35,691)	(118,747)	(59,375)	(82,063)	(85,456)	(88,853)	(63,300)	(4,338)	-
Non-operating revenues:												
Capital grants	770,875	-	-	-	-	-	-	-	-	-	630,330	140,545
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues	770,875	-	-	-	-	-	-	-	-	-	630,330	140,545
Change in net position	57,306	(73,504)	(102,242)	(35,691)	(118,747)	(59,375)	(82,063)	(85,456)	(88,853)	(63,300)	625,992	140,545
Total net position - beginning of year	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 net position - end of year	\$ 7,732,683	\$ 587,749	\$ 802,501	\$ 321,222	\$ 1,103,583	\$ 438,199	\$ 766,140	\$ 985,877	\$ 1,063,763	\$ 847,808	\$ 675,296	\$ 140,545

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, 2014

	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	GQ-501-13
Cash flows from operating activities:												
Operating grants received	\$ 406,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,694	\$ 98,251
Receipts from customers	-	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(345,858)	-	-	-	-	-	-	-	-	-	(258,329)	(87,529)
Payments to employees	(61,087)	-	-	-	-	-	-	-	-	-	(50,365)	(10,722)
Net cash provided by operating activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:												
Capital grants received	770,875	-	-	-	-	-	-	-	-	-	630,330	140,545
Acquisition of capital assets	(770,875)	-	-	-	-	-	-	-	-	-	(630,330)	(140,545)
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:												
Investment in time certificate of deposit	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used for investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:												
Operating loss	\$ (713,569)	\$ (73,504)	\$ (102,242)	\$ (35,691)	\$ (118,747)	\$ (59,375)	\$ (82,063)	\$ (85,456)	\$ (88,853)	\$ (63,300)	\$ (4,338)	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:												
Depreciation	713,569	73,504	102,242	35,691	118,747	59,375	82,063	85,456	88,853	63,300	4,338	-
(Increase) decrease in assets:												
Due from HUD	(78,946)	-	-	-	-	-	-	-	-	-	(25,246)	(53,700)
Due from other funds	11,329	-	-	-	-	-	-	-	-	-	11,329	-
Increase (decrease) in liabilities:												
Accrued salaries and wages	2,604	-	-	-	-	-	-	-	-	-	-	2,604
Due to other funds	63,052	-	-	-	-	-	-	-	-	-	11,956	51,096
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-
Deferred credits	1,961	-	-	-	-	-	-	-	-	-	1,961	-
Net cash provided by 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, 2014

<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>	<u>E-13-DC- 66-0001</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:							
HUD	28,997	-	-	-	-	4	28,993
Due from other funds	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-
TOTAL	\$ 28,997	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 28,993

LIABILITIES AND NET POSITION

Accounts payable:							
Due to other funds	\$ 28,454	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 28,450
HUD	-	-	-	-	-	-	-
Accrued salaries and wages	543	-	-	-	-	-	543
Accrued liabilities:							
Compensated absences - current	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-
Net position	-	-	-	-	-	-	-
TOTAL	\$ 28,997	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 28,993

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, 2014

	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	E-13-DC- 66-0001
Revenues:							
Federal contributions	\$ 353,094	\$ 20,826	\$ -	\$ -	\$ -	\$ 234,854	\$ 97,414
Other	-	-	-	-	-	-	-
Total Revenues	<u>353,094</u>	<u>20,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,854</u>	<u>97,414</u>
Operating expenses:							
Administrative salaries	13,520	-	-	-	-	11,571	1,949
Employee benefits	5,073	-	-	-	-	4,345	728
Repair and maintenance	-	-	-	-	-	-	-
Office expenses	16	-	-	-	-	16	-
Depreciation	-	-	-	-	-	-	-
Advertising and marketing	109	-	-	-	-	109	-
Legal	1,838	-	-	-	-	1,838	-
Travel	-	-	-	-	-	-	-
Other	332,538	20,826	-	-	-	216,975	94,737
Total operating expenses	<u>353,094</u>	<u>20,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,854</u>	<u>97,414</u>
Operating income	<u>-</u>	<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>	<u>-</u>
Change in net position	<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>
Total net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SHELTER GRANTS
CFDA NO. 14.231

Combining Statements of Cash Flows
Year Ended September 30, 2014

	<u>Total</u>	<u>66-0001</u>	<u>66-0001</u>	<u>66-0001</u>	<u>66-0001</u>	<u>66-0001</u>	<u>66-0001</u>
Cash flows from operating activities:							
Operating grants received	\$ 353,094	\$ 20,826	\$ -	\$ -	\$ -	\$ 234,854	\$ 97,414
Payments to suppliers	(339,574)	(20,826)	-	-	-	(223,283)	(95,465)
Payments to employees	<u>(13,520)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,571)</u>	<u>(1,949)</u>
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:							
Acquisition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<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>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at beginning year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income assets to net cash provided (used) by operating activities:							
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:							
(Increase) decrease in assets:							
Accounts receivable - HUD	8,692	18,182	-	-	-	19,503	(28,993)
Prepaide and other assets	-	-	-	-	-	-	-
Increase (decrease) in liabilities:							
Accrued salaries and wages	175	-	-	-	-	(368)	543
Due to other funds	(8,867)	(18,182)	-	-	-	(19,135)	28,450
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2014

Assets	Total	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #81.042 Weatherization Assistance
Current assets:			
Cash:			
Unrestricted	\$ -	\$ -	\$ -
Total cash	<u>-</u>	<u>-</u>	<u>-</u>
Accounts receivable:			
Other Governments	9,774	9,774	-
Due from other funds	<u>12,987</u>	<u>-</u>	<u>12,987</u>
	22,761	9,774	12,987
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total accounts receivable, net	<u>22,761</u>	<u>9,774</u>	<u>12,987</u>
Total current assets	<u>22,761</u>	<u>9,774</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>\$ 22,761</u>	<u>\$ 9,774</u>	<u>\$ 12,987</u>
Liabilities and Net Position			
Liabilities:			
Due to other funds	\$ 22,761	\$ 9,774	\$ 12,987
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>22,761</u>	<u>9,774</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>\$ 22,761</u>	<u>\$ 9,774</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, 2014

	<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	1,173	1,173	-
Tenant rental income	-	-	-
Other income	-	-	-
Total operating revenues	<u>1,173</u>	<u>1,173</u>	<u>-</u>
Operating expenses:			
Depreciation	-	-	-
Administrative salaries	-	-	-
Other administrative expenses	1,184	1,184	-
Management fees	-	-	-
Employee benefits	-	-	-
Office expense	-	-	-
Bookkeeping fees	-	-	-
Insurance	(4)	(4)	-
Utilities	-	-	-
Compensated absences	-	-	-
Travel	-	-	-
Advertising and marketing	-	-	-
Bad debts	-	-	-
Total operating expenses	<u>1,180</u>	<u>1,180</u>	<u>-</u>
Operating loss	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Non-operating revenues:			
Capital Grants	-	-	-
Interest income on restricted investments	-	-	-
Fraud recovery	-	-	-
Other income	-	-	-
Interest income on unrestricted investments	7	7	-
Total non-operating revenues	<u>7</u>	<u>7</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, 2014

	<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	\$ 1,173	\$ 1,173	\$ -
Payments to suppliers	(1,433)	(1,433)	-
Payments to employees	-	-	-
Other cash receipts (payments)	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for operating activities	<u>(260)</u>	<u>(260)</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	7	7	-
Deposits to restricted accounts	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>7</u>	<u>7</u>	<u>-</u>
Net decrease in cash	(253)	(253)	-
Cash at beginning year	<u>253</u>	<u>253</u>	<u>-</u>
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Weatherization Assistance for Low Income Persons
CFDA NO. 81.042

Statements of Cash Flows, Continued
For the Year Ended September 30, 2014

	<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	\$ (7)	\$ (7)	\$ -
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	100,194	100,194	-
Due from other funds	-	-	-
Interest	-	-	-
Other	-	-	-
Prepayments and other assets	-	-	-
Inventories	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	-	-	-
Compensated absences and sick leave	-	-	-
Payable to HUD	-	-	-
Due to other funds	(100,447)	(100,447)	-
Security deposits	-	-	-
Accrued salaries and wages	-	-	-
Other current liabilities	-	-	-
Accrued liabilities	-	-	-
Deferred revenues	-	-	-
Net cash used for operating activities	<u>\$ (260)</u>	<u>\$ (260)</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, 2014

ASSETS	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Current assets:					
Cash					
Unrestricted	\$ 902,790	\$ 561,432	\$ (164,087)	\$ -	\$ 505,445
Restricted - tenant security deposits	-	-	-	-	-
Restricted - other	100,980	-	100,980	-	-
Total cash	<u>1,003,770</u>	<u>561,432</u>	<u>(63,107)</u>	<u>-</u>	<u>505,445</u>
Account receivable:					
Due from other funds	4,953,843	1,096,024	3,307,146	3,865	546,808
Promissory notes, current portion	74,663	74,663	-	-	-
Travel advances	23,011	-	23,011	-	-
Accrued interest	5	4	-	1	-
Other	350,345	266,523	80,382	-	3,440
Total accounts receivable	5,401,867	1,437,214	3,410,539	3,866	550,248
Allowance for doubtful accounts	(111,793)	(109,343)	(2,450)	-	-
Total accounts receivable, net	<u>5,290,074</u>	<u>1,327,871</u>	<u>3,408,089</u>	<u>3,866</u>	<u>550,248</u>
Investments	631,853	556,929	-	74,924	-
Prepaid and other assets	83,572	8,559	75,013	-	-
Other real estate	3,051,988	3,051,988	-	-	-
Total current assets	<u>10,061,257</u>	<u>5,506,779</u>	<u>3,419,995</u>	<u>78,790</u>	<u>1,055,693</u>
Noncurrent assets:					
Capital assets, net	333,596	64,695	41,598	-	227,303
Promissory notes - noncurrent	587,196	587,196	-	-	-
Total non-current assets	<u>920,792</u>	<u>651,891</u>	<u>41,598</u>	<u>-</u>	<u>227,303</u>
Total Assets	<u>\$ 10,982,049</u>	<u>\$ 6,158,670</u>	<u>\$ 3,461,593</u>	<u>\$ 78,790</u>	<u>\$ 1,282,996</u>
<u>LIABILITIES AND NET POSITION</u>					
Liabilities:					
Accounts payable:					
Due to other funds	\$ 3,563,008	\$ (82,148)	\$ 2,233,092	\$ -	\$ 1,412,064
Vendors and contractors	30,052	18,098	11,954	-	-
Compensated absences - current portion	18,314	18,314	-	-	-
Other	782,569	-	782,569	-	-
Accrued salaries and wages	35,118	35,118	-	-	-
Accrued liabilities	165,043	25,597	139,446	-	-
Accrued FSS Escrow liabilities	-	-	-	-	-
Security deposits	3,173	3,173	-	-	-
Deferred revenues	1,290,852	1,279,081	11,771	-	-
Total Current Liabilities	<u>5,888,129</u>	<u>1,297,233</u>	<u>3,178,832</u>	<u>-</u>	<u>1,412,064</u>
Noncurrent liabilities:					
Accrued compensated absences	85,371	85,371	-	-	-
Accrued sick leave	76,909	76,909	-	-	-
Total noncurrent liabilities	<u>162,280</u>	<u>162,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	6,050,409	1,459,513	3,178,832	-	1,412,064
Net Position:					
Investment in capital assets, net of related debt	3,362,836	3,116,683	41,598	-	204,555
Restricted	100,980	-	100,980	-	-
Unrestricted	1,467,824	1,582,474	140,183	78,790	(333,623)
Total Net Position	<u>4,931,640</u>	<u>4,699,157</u>	<u>282,761</u>	<u>78,790</u>	<u>(129,068)</u>
Total Liabilities and Net Position	<u>\$ 10,982,049</u>	<u>\$ 6,158,670</u>	<u>\$ 3,461,593</u>	<u>\$ 78,790</u>	<u>\$ 1,282,996</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, 2014

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Operating revenues:					
Property Sales	\$ 63,294	\$ 62,654	\$ -	\$ -	\$ 640
Management fees	1,079,221	1,079,221	-	-	-
Asset management fees	90,000	90,000	-	-	-
Bookkeeping fees	265,627	265,627	-	-	-
Other Federal Grants	93,094	-	93,094	-	-
Other	613,178	188,767	424,411	-	-
Total operating revenues	<u>2,204,414</u>	<u>1,686,269</u>	<u>517,505</u>	<u>-</u>	<u>640</u>
Operating expenses:					
Project costs	-	-	-	-	-
Repairs and maintenance	153,608	8,925	144,683	-	-
Administrative salaries	1,032,471	994,252	38,131	-	88
Employee benefits	362,709	348,476	14,202	-	31
Depreciation	-	-	-	-	-
Office expense	45,785	43,695	2,090	-	-
Legal and professional fees	76,531	49,535	26,119	-	877
Utilities	72,934	72,934	-	-	-
Compensated absences	(13,449)	(13,449)	-	-	-
Travel	15,714	28	15,686	-	-
Insurance	22,915	22,915	-	-	-
Management fees	117,110	1,200	63,680	-	52,230
Bad debts	9,117	9,117	-	-	-
Advertising and marketing	5,813	3,292	2,521	-	-
Protective services	228	228	-	-	-
Other	253,700	234,335	15,765	-	3,600
Total operating expenses	<u>2,155,186</u>	<u>1,775,483</u>	<u>322,877</u>	<u>-</u>	<u>56,826</u>
Operating income (loss)	<u>49,228</u>	<u>(89,214)</u>	<u>194,628</u>	<u>-</u>	<u>(56,186)</u>
Non-operating revenues and (expense):					
Other income	51,123	9,648	41,475	-	-
Recovery of bad debts	-	-	-	-	-
Other expense	-	-	-	-	-
Investment income	1,948	1,205	33	82	628
Total non-operating revenues and (expenses), net	<u>53,071</u>	<u>10,853</u>	<u>41,508</u>	<u>82</u>	<u>628</u>
Change in net position	102,299	(78,361)	236,136	82	(55,558)
Total net position - beginning of year	<u>4,829,341</u>	<u>4,777,518</u>	<u>46,625</u>	<u>78,708</u>	<u>(73,510)</u>
Total net position - end of year	<u>\$ 4,931,640</u>	<u>\$ 4,699,157</u>	<u>\$ 282,761</u>	<u>\$ 78,790</u>	<u>\$ (129,068)</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, 2014

	<u>TOTAL</u>	<u>Local Funds</u>	<u>Revolving Funds</u>	<u>Trust Funds</u>	<u>Other Funds</u>
Cash flows from operating activities:					
Operating grants received	\$ 93,094	\$ -	\$ 93,094	\$ -	\$ -
Receipts from customers and tenants	1,661,569	1,660,922	-	7	640
Payments to suppliers	(1,394,957)	(1,053,488)	(284,746)	-	(56,723)
Payments to employees	(1,019,042)	(980,823)	(38,131)	-	(88)
Other cash receipts (payments)	<u>(3,671,249)</u>	<u>(3,577,565)</u>	<u>(116,832)</u>	<u>-</u>	<u>23,148</u>
Net cash provided by operating activities	<u>(4,330,585)</u>	<u>(3,950,954)</u>	<u>(346,615)</u>	<u>7</u>	<u>(33,023)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	<u>(22,748)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,748)</u>
Net cash flows used for capital and related financing activities	<u>(22,748)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,748)</u>
Cash flows from investing activities:					
Interest and other income received	43,244	1,026	41,508	82	628
Deposits in restricted accounts	<u>566,776</u>	<u>6,277</u>	<u>-</u>	<u>(89)</u>	<u>560,588</u>
Net cash used for investing activities	<u>610,020</u>	<u>7,303</u>	<u>41,508</u>	<u>(7)</u>	<u>561,216</u>
Net increase in cash	<u>(3,743,313)</u>	<u>(3,943,651)</u>	<u>(305,107)</u>	<u>-</u>	<u>505,445</u>
Cash at beginning of year	<u>4,747,083</u>	<u>4,505,083</u>	<u>242,000</u>	<u>-</u>	<u>-</u>
Cash at end of year	<u>\$ 1,003,770</u>	<u>\$ 561,432</u>	<u>\$ (63,107)</u>	<u>\$ -</u>	<u>\$ 505,445</u>
	-	-	-	-	-
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ 49,228	\$ (89,214)	\$ 194,628	\$ -	\$ (56,186)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	-
Bad debts	9,117	9,117	-	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Promissory notes	92,652	92,652	-	-	-
Due from other funds	(804,485)	(294,716)	(509,203)	-	(566)
Travel advances	(11,060)	-	(11,060)	-	-
Accrued interest	53	54	-	(1)	-
Other	79	35,807	(35,728)	-	-
Prepaid expenses and other assets	(286)	(187)	(99)	-	-
Land held for sale	103,959	103,959	-	-	-
Increase (decrease) in liabilities:					
Accounts payable	(537,744)	2,053	(539,797)	-	-
Compensated absences	(13,450)	(13,450)	-	-	-
Due to other funds	(3,621,443)	(3,650,123)	4,943	8	23,729
Accrued salaries and wages	(14,977)	(14,977)	-	-	-
Accrued FSS Escrow liabilities	(96,372)	(96,372)	-	-	-
Other current liabilities	517,798	(37,050)	554,848	-	-
Accrued liabilities	321	(276)	597	-	-
Deferred revenues	<u>(3,975)</u>	<u>1,769</u>	<u>(5,744)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (4,330,585)</u>	<u>\$ (3,950,954)</u>	<u>\$ (346,615)</u>	<u>\$ 7</u>	<u>\$ (33,023)</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, 2014

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	\$ 561,432	\$ -	\$ -	\$ -	\$ -	\$ 481,775	\$ -	\$ 63,308	\$ 16,349	\$ -
Cash - restricted for FSS	-	-	-	-	-	-	-	-	-	-
Cash - other restricted	-	-	-	-	-	-	-	-	-	-
Total cash	<u>561,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,775</u>	<u>-</u>	<u>63,308</u>	<u>16,349</u>	<u>-</u>
Accounts receivable:										
Due from other funds	1,096,024	1,666	771,149	4,835	43,727	-	276,444	-	(1,797)	-
Promissory notes, current portion	74,663	-	-	-	-	-	-	57,215	17,448	-
Allowance for doubtful accounts	(109,343)	-	-	-	-	-	-	(109,343)	-	-
Accrued interest	4	-	-	-	-	4	-	-	-	-
Other	266,523	-	6,899	-	-	139	-	259,485	-	-
Total accounts receivable	<u>1,327,871</u>	<u>1,666</u>	<u>778,048</u>	<u>4,835</u>	<u>43,727</u>	<u>143</u>	<u>276,444</u>	<u>207,357</u>	<u>15,651</u>	<u>-</u>
Investments	556,929	-	-	-	-	556,929	-	-	-	-
Prepaid and other assets	8,559	-	-	-	-	-	8,559	-	-	-
Land held for sale	3,051,988	-	71,830	-	-	2,980,158	-	-	-	-
Total current assets	<u>5,506,779</u>	<u>1,666</u>	<u>849,878</u>	<u>4,835</u>	<u>43,727</u>	<u>4,019,005</u>	<u>285,003</u>	<u>270,665</u>	<u>32,000</u>	<u>-</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	587,196	-	-	-	-	-	-	447,493	139,703	-
Total non-current assets	<u>651,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385</u>	<u>63,310</u>	<u>447,493</u>	<u>139,703</u>	<u>-</u>
Total assets	<u>\$ 6,158,670</u>	<u>\$ 1,666</u>	<u>\$ 849,878</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 4,020,390</u>	<u>\$ 348,313</u>	<u>\$ 718,158</u>	<u>\$ 171,703</u>	<u>\$ -</u>
LIABILITIES AND NET POSITION										
Liabilities:										
Accounts payable:										
Vendors	\$ 18,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,083	\$ 15	\$ -	\$ -
Security deposits	3,173	-	3,173	-	-	-	-	-	-	-
Due to other funds	(82,148)	-	139,489	-	-	2,712	-	(139,508)	(68,306)	(16,535)
Accrued salaries and wages	35,118	-	-	-	-	-	35,118	-	-	-
Compensated absences - current portion	18,314	-	-	-	-	-	18,314	-	-	-
Accrued FSS Escrow liabilities	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	25,597	-	-	-	-	25,597	-	-	-	-
Deferred revenues	1,279,081	-	-	-	-	-	57,933	1,002,292	202,296	16,560
Total current liabilities	<u>1,297,233</u>	<u>-</u>	<u>142,662</u>	<u>-</u>	<u>-</u>	<u>28,309</u>	<u>129,448</u>	<u>862,799</u>	<u>133,990</u>	<u>25</u>
Noncurrent liabilities:										
Accrued compensated absences	85,371	-	-	-	-	-	85,371	-	-	-
Accrued sick leave	76,909	-	-	-	-	-	76,909	-	-	-
Total noncurrent liabilities	<u>162,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,459,513</u>	<u>-</u>	<u>142,662</u>	<u>-</u>	<u>-</u>	<u>28,309</u>	<u>291,728</u>	<u>862,799</u>	<u>133,990</u>	<u>25</u>
Net position:										
Investment in capital assets, net of related debt	3,116,683	-	71,830	-	-	2,981,543	63,310	-	-	-
Unrestricted	1,582,474	1,666	635,386	4,835	43,727	1,010,538	(6,725)	(144,641)	37,713	(25)
Total net position	<u>4,699,157</u>	<u>1,666</u>	<u>707,216</u>	<u>4,835</u>	<u>43,727</u>	<u>3,992,081</u>	<u>56,585</u>	<u>(144,641)</u>	<u>37,713</u>	<u>(25)</u>
Total liabilities and net position	<u>\$ 6,158,670</u>	<u>\$ 1,666</u>	<u>\$ 849,878</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 4,020,390</u>	<u>\$ 348,313</u>	<u>\$ 718,158</u>	<u>\$ 171,703</u>	<u>\$ -</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, 2014

	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	\$ 62,654	\$ -	\$ 55,154	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -
Management fees	1,079,221	-	-	-	-	-	1,079,221	-	-	-
Asset management fees	90,000	-	-	-	-	-	90,000	-	-	-
Bookkeeping fees	265,627	-	-	-	-	-	265,627	-	-	-
Other Federal Grants	-	-	-	-	-	-	-	-	-	-
Other	188,767	-	-	-	-	-	157,400	31,207	160	-
Total operating revenues	<u>1,686,269</u>	<u>-</u>	<u>55,154</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>1,592,248</u>	<u>31,207</u>	<u>160</u>	<u>-</u>
Operating expenses:										
Administrative salaries	994,252	-	7,229	-	-	3,649	983,394	-	-	(20)
Employee benefits	348,476	-	2,623	-	-	1,344	344,513	-	-	(4)
Professional fees	49,535	-	10,750	-	-	1,500	37,285	-	-	-
Management fees	1,200	-	-	-	-	1,200	-	-	-	-
Travel	28	-	-	-	-	-	28	-	-	-
Project costs	-	-	-	-	-	-	-	-	-	-
Insurance	22,915	-	-	-	-	-	22,915	-	-	-
Protective services	228	-	-	-	-	-	228	-	-	-
Repairs and maintenance	8,925	-	-	-	-	-	8,925	-	-	-
Office expense	43,695	-	7	-	-	-	43,616	-	72	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Compensated absences	(13,449)	-	-	-	-	-	(13,449)	-	-	-
Advertising and marketing	3,292	-	-	-	-	-	3,292	-	-	-
Utilities	72,934	-	-	-	-	-	72,934	-	-	-
Bad debts	9,117	-	-	-	-	-	-	9,117	-	-
Other	234,335	-	-	-	-	104,559	23,288	85,997	20,423	68
Total operating expenses	<u>1,775,483</u>	<u>-</u>	<u>20,609</u>	<u>-</u>	<u>-</u>	<u>112,252</u>	<u>1,526,969</u>	<u>95,114</u>	<u>20,495</u>	<u>44</u>
Operating income (loss)	<u>(89,214)</u>	<u>-</u>	<u>34,545</u>	<u>-</u>	<u>-</u>	<u>(104,752)</u>	<u>65,279</u>	<u>(63,907)</u>	<u>(20,335)</u>	<u>(44)</u>
Non-operating revenues and expenses:										
Other income	9,648	-	-	-	-	-	-	9,648	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
Investment income	1,205	-	-	-	-	1,186	-	-	-	19
Total non-operating revenues and (expense), net	<u>10,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186</u>	<u>-</u>	<u>9,648</u>	<u>-</u>	<u>19</u>
Change in net position	<u>(78,361)</u>	<u>-</u>	<u>34,545</u>	<u>-</u>	<u>-</u>	<u>(103,566)</u>	<u>65,279</u>	<u>(54,259)</u>	<u>(20,335)</u>	<u>(25)</u>
Total net position - beginning of year	<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 net position - end of year	<u>\$ 4,699,157</u>	<u>\$ 1,666</u>	<u>\$ 707,216</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 3,992,081</u>	<u>\$ 56,585</u>	<u>\$ (144,641)</u>	<u>\$ 37,713</u>	<u>\$ (25)</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 Cash Flows
Year Ended September 30, 2014

	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	1,660,922	-	29,807	-	-	7,500	1,592,248	31,207	160	-
Payments to suppliers	(1,053,488)	-	(13,380)	-	-	(4,055)	(954,621)	(78,947)	(2,352)	(133)
Payments to employees	(980,823)	-	(7,229)	-	-	(3,649)	(969,945)	-	-	-
Other cash receipts (payments)	(3,577,565)	-	-	-	-	(1,739)	(3,616,268)	58,843	-	(18,401)
Net cash provided by (used for) operating activities	(3,950,954)	-	9,198	-	-	(1,943)	(3,948,586)	11,103	(2,192)	(18,534)
Cash flows from capital and related financing activities:										
Acquisition of capital assets	-	-	-	-	-	-	-	-	-	-
Net cash provided by capital and related financing activities	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:										
Interest and other income received	1,026	-	(9,198)	-	-	1,186	-	9,647	(628)	19
Deposits in restricted accounts	6,277	-	-	-	-	6,277	-	-	-	-
Net cash provided by (used for) in investing activities	7,303	-	(9,198)	-	-	7,463	-	9,647	(628)	19
Net increase (decrease) in cash	(3,943,651)	-	-	-	-	5,520	(3,948,586)	20,750	(2,820)	(18,515)
Cash at beginning of year	4,505,083	-	-	-	-	476,255	3,948,586	42,558	19,169	18,515
Cash at end of year	\$ 561,432	\$ -	\$ -	\$ -	\$ -	\$ 481,775	\$ -	\$ 63,308	\$ 16,349	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:										
Operating income (loss)	\$ (89,214)	\$ -	\$ 34,545	\$ -	\$ -	\$ (104,752)	\$ 65,279	\$ (63,907)	\$ (20,335)	\$ (44)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:										
Depreciation	-	-	-	-	-	-	-	-	-	-
Bad debts	9,117	-	-	-	-	-	-	9,117	-	-
(Increase) decrease in assets:										
Accounts receivable:										
Promissory notes	92,652	-	-	-	-	-	-	74,781	17,871	-
Due from other funds	(294,716)	-	-	-	-	-	(276,364)	-	(1)	(18,351)
Accrued interest	54	-	(1)	-	-	55	-	-	-	-
Other	35,807	-	4,599	-	-	-	-	31,208	-	-
Prepaid and other assets	(187)	-	-	-	-	-	(187)	-	-	-
Land held for sale	103,959	-	-	-	-	103,959	-	-	-	-
Increase (decrease) in liabilities:										
Accounts payable	2,053	-	-	-	-	-	2,053	-	-	-
Compensated absences	(13,450)	-	-	-	-	-	(13,450)	-	-	-
Due to other funds	(3,650,123)	-	(29,876)	-	-	(1,205)	(3,616,268)	(3,046)	272	-
Accrued salaries and wages	(14,977)	-	-	-	-	-	(14,977)	-	-	-
Accrued FSS Escrow liabilities	(96,372)	-	-	-	-	-	(96,372)	-	-	-
Accrued liabilities	(276)	-	(69)	-	-	-	-	-	-	(207)
Deferred revenue	1,769	-	-	-	-	-	1,700	-	1	68
Other	(37,050)	-	-	-	-	-	-	(37,050)	-	-
Net cash provided by (used for) operating activities	\$ (3,950,954)	\$ -	\$ 9,198	\$ -	\$ -	\$ (1,943)	\$ (3,948,586)	\$ 11,103	\$ (2,192)	\$ (18,534)

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, 2014

ASSETS	Total	Local Revolving Fund	Revolving Fund
Current Assets:			
Cash:			
Unrestricted	\$ (164,087)	\$ 18,406	\$ (182,493)
Restricted - tenant security deposits	-	-	-
Restricted - other	100,980	-	100,980
Total cash	<u>(63,107)</u>	<u>18,406</u>	<u>(81,513)</u>
Accounts Receivable:			
Due from other funds	3,307,146	(44,348)	3,351,494
Other	80,382	68,274	12,108
Travel advances	23,011	-	23,011
Allowance for doubtful accounts - other	(2,450)	-	(2,450)
Total accounts receivable	<u>3,408,089</u>	<u>23,926</u>	<u>3,384,163</u>
Investments	-	-	-
Prepaid and other assets	75,013	-	75,013
Total current assets	<u>3,419,995</u>	<u>42,332</u>	<u>3,377,663</u>
Noncurrent Assets:			
Capital Assets:			
Land	41,598	41,598	-
Furniture and equipment	37,434	37,434	-
Accumulated depreciation	(37,434)	(37,434)	-
	<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>\$ 3,461,593</u>	<u>\$ 83,930</u>	<u>\$ 3,377,663</u>
 LIABILITIES AND NET POSITION			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 2,233,092	\$ 135,724	\$ 2,097,368
Vendors	11,954	-	11,954
Other	782,569	-	782,569
Other accrued liabilities	139,446	-	139,446
Deferred revenues	11,771	-	11,771
Total liabilities	<u>3,178,832</u>	<u>135,724</u>	<u>3,043,108</u>
Net position:			
Investment in capital assets, net of related debt	41,598	41,598	-
Restricted	100,980	-	100,980
Unrestricted	140,183	(93,392)	233,575
Total net position	<u>282,761</u>	<u>(51,794)</u>	<u>334,555</u>
Total liabilities and net position	<u>\$ 3,461,593</u>	<u>\$ 83,930</u>	<u>\$ 3,377,663</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, 2014

	Total	Local Revolving Fund	Revolving Fund
Operating revenues:			
Other Government Grants	\$ 93,094	\$ -	\$ 93,094
Other	424,411	-	424,411
Total operating revenues	517,505	-	517,505
Operating Expenses:			
Administrative salaries	38,131	-	38,131
Employee benefits	14,202	-	14,202
Management fees	63,680	3,680	60,000
Advertising and marketing	2,521	1,465	1,056
Office expense	2,090	39	2,051
Legal and professional fees	26,119	3,825	22,294
Depreciation	-	-	-
Travel	15,686	15,686	-
Bad debts	-	-	-
Repairs and maintenance	144,683	-	144,683
Other	15,765	13,104	2,661
Total operating expenses	322,877	37,799	285,078
Operating income (loss)	194,628	(37,799)	232,427
Non-operating revenues:			
Investment income	33	33	-
Recovery of bad debts	-	-	-
Other income	41,475	41,475	-
Total non-operating revenues	41,508	41,508	-
Change in net position	236,136	3,709	232,427
Total net position - beginning of year	46,625	(55,503)	102,128
Total net position - end of year	\$ 282,761	\$ (51,794)	\$ 334,555

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, 2014

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Cash flows from operating activities:			
Operating grants received	\$ 93,094	\$ -	\$ 93,094
Payments to suppliers	(284,746)	(37,799)	(246,947)
Payments to employees	(38,131)	-	(38,131)
Other cash receipts (payments)	<u>(116,832)</u>	<u>2,784</u>	<u>(119,616)</u>
Net cash provided by (used for) operating activities	<u>(346,615)</u>	<u>(35,015)</u>	<u>(311,600)</u>
Cash flows from investing activities:			
Investment and other income received	<u>41,508</u>	<u>41,508</u>	<u>-</u>
Net cash provided by investing activities	<u>41,508</u>	<u>41,508</u>	<u>-</u>
Net increase (decrease) in cash	(305,107)	6,493	(311,600)
Cash at beginning of year	<u>242,000</u>	<u>11,913</u>	<u>230,087</u>
Cash at end of year	<u><u>\$ (63,107)</u></u>	<u><u>\$ 18,406</u></u>	<u><u>\$ (81,513)</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 194,628	\$ (37,799)	\$ 232,427
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Bad debts	-	-	-
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	(509,203)	26,799	(536,002)
Travel advances	(11,060)	-	(11,060)
Other	(35,728)	(41,474)	5,746
Prepaid expenses and other assets	(99)	-	(99)
Increase (decrease) in liabilities:			
Accounts payable:			
Vouchers	(539,797)	-	(539,797)
Due to other funds	4,943	17,459	(12,516)
Other	554,848	-	554,848
Other accrued liabilities	597	-	597
Deferred revenues	<u>(5,744)</u>	<u>-</u>	<u>(5,744)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (346,615)</u></u>	<u><u>\$ (35,015)</u></u>	<u><u>\$ (311,600)</u></u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS
Combining Statements of Net Position
September 30, 2014

Assets	Total	Yona Rehabilitation Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Accounts receivable:				
Due from other funds	\$ 3,865	\$ 900	\$ -	\$ 2,965
Interest	1	-	1	-
Investments	74,924	-	74,924	-
Total assets	\$ 78,790	\$ 900	\$ 74,925	\$ 2,965
Liabilities and Net Position				
Liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Net position:				
Investment in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	78,790	900	74,925	2,965
Total net position	78,790	900	74,925	2,965
Total liabilities and net position	\$ 78,790	\$ 900	\$ 74,925	\$ 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, 2014

	<u>Total</u>	<u>Yona Rehabilitation Loan Escrow</u>	<u>Sinajana Rehabilitation Escrow</u>	<u>War in the Pacific</u>
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income	-	-	-	-
Investment income	<u>82</u>	<u>-</u>	<u>82</u>	<u>-</u>
Change in net position	82	-	82	-
Net position - beginning of year	<u>78,708</u>	<u>900</u>	<u>74,843</u>	<u>2,965</u>
Net position - end of year	<u>\$ 78,790</u>	<u>\$ 900</u>	<u>\$ 74,925</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, 2014

	Total	Yona Rehabilitation Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Cash flows from operating activities:				
Receipts from customers	\$ -	\$ -	\$ -	\$ -
Other cash receipts (payments)	7	-	7	-
Net cash provided by operating activities	7	-	7	-
Cash flows from investing activities:				
Interest income received	82	-	82	-
Deposits in restricted accounts	(89)	-	(89)	-
Net cash provided by investing activities	(7)	-	(7)	-
Net change in cash	-	-	-	-
Cash at beginning of year	-	-	-	-
Cash at end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ -	\$ -	\$ -	\$ -
(Increase) decrease in assets:				
Accounts receivable - interest	(1)	-	(1)	-
Due from other funds	8	-	8	-
Increase (decrease) in liabilities:				
Other current liabilities	-	-	-	-
Net cash provided by operating activities	\$ 7	\$ -	\$ 7	\$ -

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, 2014

ASSETS	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Current assets:							
Cash - unrestricted	\$ 505,445	\$ 505,445	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Due from other funds	546,808	-	2,161	-	439,280	105,367	-
Interest	-	-	-	-	-	-	-
Other	3,440	-	-	3,440	-	-	-
	<u>1,055,693</u>	<u>505,445</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	<u>-</u>
Investments	-	-	-	-	-	-	-
Total current assets	<u>1,055,693</u>	<u>505,445</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	<u>-</u>
Noncurrent assets:							
Capital assets, net	227,303	22,748	38,815	-	65,858	99,882	-
Total non-current assets	<u>227,303</u>	<u>22,748</u>	<u>38,815</u>	<u>-</u>	<u>65,858</u>	<u>99,882</u>	<u>-</u>
Total assets	<u>\$ 1,282,996</u>	<u>\$ 528,193</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	\$ 1,412,064	\$ 17,458	\$ 11,848	\$ 95	\$ 1,176,423	\$ 77,993	\$ 128,247
Accrued liabilities	-	-	-	-	-	-	-
Total liabilities	<u>1,412,064</u>	<u>17,458</u>	<u>11,848</u>	<u>95</u>	<u>1,176,423</u>	<u>77,993</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)	(333,623)	510,735	(9,687)	3,345	(737,143)	27,374	(128,247)
Total net position	<u>(129,068)</u>	<u>510,735</u>	<u>29,128</u>	<u>3,345</u>	<u>(671,285)</u>	<u>127,256</u>	<u>(128,247)</u>
Total liabilities and net position	<u>\$ 1,282,996</u>	<u>\$ 528,193</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, 2014

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Operating revenues:							
Property Sales	\$ 640	\$ -	\$ 640	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
Total operating revenues	<u>640</u>	<u>-</u>	<u>640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:							
Administrative salaries	88	88	-	-	-	-	-
Employee benefits	31	31	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Management fee	52,230	52,230	-	-	-	-	-
Legal and professional fees	877	862	-	-	-	15	-
Advertising and marketing	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-
Other	3,600	3,600	-	-	-	-	-
Total operating expenses	<u>56,826</u>	<u>56,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>
Operating income loss	<u>(56,186)</u>	<u>(56,811)</u>	<u>640</u>	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>-</u>
Non-operating revenues:							
Investment income	628	628	-	-	-	-	-
Total non-operating revenues (expenses)	<u>628</u>	<u>628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(55,558)	(56,183)	640	-	-	(15)	-
Total net position - beginning 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>
Total net position - end of year	<u>\$ (129,068)</u>	<u>\$ 510,735</u>	<u>\$ 29,128</u>	<u>\$ 3,345</u>	<u>\$ (671,285)</u>	<u>\$ 127,256</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, 2014

	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	\$ 640	\$ -	\$ 640	\$ -	\$ -	\$ -	\$ -
Payments to suppliers	(56,723)	(56,723)	-	-	-	-	-
Payments to employees	(88)	(88)	-	-	-	-	-
Other cash receipts (payments)	23,148	23,788	(640)	-	-	-	-
Net cash used for operating activities	(33,023)	(33,023)	-	-	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(22,748)	(22,748)	-	-	-	-	-
Net cash flows (used for) provided by capital and related financing activities	(22,748)	(22,748)	-	-	-	-	-
Cash flows from investing activities:							
Interest and other income earned	628	628	-	-	-	-	-
decrease in investments	560,588	560,588	-	-	-	-	-
Net cash provided by investing activities	561,216	561,216	-	-	-	-	-
Net increase in cash	505,445	505,445	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-	-	-
Cash at end of year	\$ 505,445	\$ 505,445	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash used for operating activities:							
Operating income (loss)	\$ (56,186)	\$ (56,811)	\$ 640	\$ -	\$ -	\$ (15)	\$ -
Adjustments to reconcile operating income (loss) to net cash used for operating activities:							
Depreciation	-	-	-	-	-	-	-
(Increase) decrease in assets:							
Due to other funds	(566)	59	(640)	-	-	15	-
Interest	-	-	-	-	-	-	-
Increase (decrease) in liabilities:							
Accounts payable:							
Due to other funds	23,729	23,729	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Net cash provided by operating activities	\$ (33,023)	\$ (33,023)	\$ -	\$ -	\$ -	\$ -	\$ -

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