

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

Financial Statements and Independent Auditor's Report
and Additional Information

For The Year Ended September 30, 2015

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

Table of Contents
September 30, 2015

| <u>Item</u> | <u>Page No.</u> |
|---|-----------------|
| I. COMPREHENSIVE FINANCIAL STATEMENTS | |
| A. Independent Auditor’s Report on Financial Statements | 1 |
| B. Management’s Discussion and Analysis | 4 |
| C. Combined Financial Statements: | |
| Statements of Net Position | 26 |
| Statements of Revenues, Expenses and Changes in Net Position | 28 |
| Statements of Cash Flows | 29 |
| Notes to Combined Financial Statements | 31 |
| D. Supplemental Information: | |
| Supplemental Schedule of Funding Progress and Actuarial Accrued Liability – Post Employment Benefits Other Than Pension (Unaudited) | 65 |
| Supplemental Schedule of Proportionate Share of the Net Pension Liability | 66 |
| Supplemental Schedule of Pension Contributions | 67 |
| Supplemental Schedule of Salaries, Wages and Benefits | 68 |
| E. Combining Financial Statements | |
| Major Enterprise Funds: | |
| Community Development Block Grants | |
| Low Income Housing Program | |
| Section 8 Housing Choice Voucher Program | |
| Economic, Social, Political Development of the the Territories | |
| Supportive Housing for the Elderly | |
| Statements of Net Position | 69 |
| Statements of Revenues, Expenses and Changes in Net Position | 71 |
| Statements of Cash Flows | 72 |
| Community Development Block Grants | 74 |
| Low Income Housing Program | 77 |
| Section 8 Housing Choice Voucher Program | 81 |

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

Table of Contents
September 30, 2015

| <u>Item</u> | <u>Page No.</u> |
|---|-----------------|
| I. COMPREHENSIVE FINANCIAL STATEMENTS | |
| E. Combining Financial Statements, continued | |
| Non-Major Enterprise Funds: | |
| Statements of Net Position | 85 |
| Statements of Revenues, Expenses and Changes in Net Position | 87 |
| Statements of Cash Flows | 88 |
| Supportive Housing Program | 89 |
| Shelter Plus Care Program | 92 |
| Public Housing Capital Fund Program | 95 |
| HOME Investment Partnerships Program | 99 |
| Emergency Shelter Grants | 102 |
| Ross Opportunity and Supportive Services | 105 |
| Other Enterprise Funds: | |
| Statements of Net Position | 108 |
| Statements of Revenues, Expenses and Changes in Net Position | 109 |
| Statements of Cash Flows | 110 |

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

Table of Contents
September 30, 2015

| <u>Item</u> | <u>Page No.</u> |
|--|-----------------|
| I. COMPREHENSIVE FINANCIAL STATEMENTS | |
| E. Combining Financial Statements, continued | |
| Local Funds: | 111 |
| Sinajana Non-Title I | |
| Government of Guam Astumbo | |
| Nauru Project | |
| Government of Guam | |
| Low Cost Housing/GHURA 500 | |
| Central Office Cost Center | |
| Down Payment Closing Cost | |
| Home Rehabilitation Loan | |
| As-Atdas Project | |
| Revolving Funds: | 114 |
| Local Revolving Fund | |
| Revolving Fund | |
| Trust Funds: | 117 |
| Yona Rehabilitation Loan Escrow | |
| Sinajana/Asan Rehabilitation | |
| War in the Pacific | |
| Other Funds: | 120 |
| Yona Urban Renewal Escrow | |
| Sinajana Urban Renewal | |
| GHURA Rehabilitation | |
| Existing Operating Reserve | |
| Program Income Account – Asan | |
| Program Income Account – Sinajana | |

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

Table of Contents
September 30, 2015

| <u>Item</u> | <u>Page No.</u> |
|---|-----------------|
| II. SINGLE AUDIT AND HUD REPORTS | |
| Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 123 |
| Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required OMB Circular A-133 | 125 |
| Schedule of Expenditures of Federal Awards | 126 |
| Independent Auditor’s Report on Compliance For Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures and Federal Awards | 125 |
| Independent Auditor’s Report on Compliance with Specific Requirements Applicable to Affirmative Fair Housing and Non-Discrimination | 130 |
| Schedule of Findings and Questioned Costs: | |
| Summary of Auditor’s Results | 131 |
| Findings and Questioned Costs | 133 |
| Summary Schedule of Prior Year Audit Findings | 139 |
| III. SUMMARY OF UNRESOLVED QUESTIONED COSTS | 140 |
| IV. MANAGEMENT’S PLAN OF CORRECTIVE ACTION | 141 |



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Guam Housing and Urban Renewal Authority

Report on the Financial Statements

We have audited the accompanying financial statement of net position of the Guam Housing and Urban Renewal Authority, (the Authority), a component unit of the Government of Guam, as of September 30, 2015, and related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2015, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in the Note 1 to the financial statements, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68* during the year ended September 30, 2015. As a result of adopting these standards, the Authority has restated its net position as of October 1, 2014 to reflect the adoption of these standards. Our opinion is not modified with respect to this matter.

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 25, the Schedule of Funding Progress on page 65, the Schedule of the Authority's Proportionate Share of the Net Pension Liability on page 66, the Schedule of Pension Contributions on page 67 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Financial Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The Schedule of Salaries, Wages and Benefits on page 68 and the Combining financial statements on pages 69 through 122 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Salaries, Wages and Benefits and the Combining financial statements and is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Salaries, Wages and Benefits and the Combining financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and compliance.



Tamuning, Guam
June 1, 2016

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

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, 2015. We encourage you to consider the information presented here in conjunction with GHURA's financial statements included in the report on pages 26 through 30.

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 91 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 \$44,809,113 and expenses of \$44,736,795 for the year ended September 30, 2015 (\$44,677,488 and \$46,214,790 for the year ended September 30, 2014), representing revenues increase of \$131,625 and expenses decrease of \$1,477,995 (approximately 0.3% increase and 3.2% decrease), respectively, over September 30, 2014 figures.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Total assets and deferred outflows of resources of the Authority of \$42,896,298 increased \$646,512 or approximately 1.5% as compared to \$42,249,786 in the prior year.

The Authority's cash and cash equivalents at September 30, 2015 totaled \$9,219,351, an increase of \$83,395, or approximately 0.90% as compared to \$9,135,956 as of September 30, 2014.

The Authority's working capital decreased by \$911,687 or approximately 7.1% as of September 30, 2015.

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, 2015

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 31 through 64 of this report.

Supplementary Information

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The Schedule of Expenditures of Federal Awards can be found on pages 128 and 129 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). The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) GHURA's flat rent amount.

GHURA owns and operates 750 Public Housing units consisting of four Asset Management Properties (AMP): AMP 1 Central Site Base, AMP 2 - Southeast Site Base, AMP 3 - Southwest Site Base, and AMP 4 - Northern Site Base. These site bases consist of the following developments:

- AMP 1 – Site Base consists of 158 units located at Sinajana, Agana Heights, Mongmong, and Asan.
- AMP 2 – Site Base consists of 163 units located at Yona, Inarajan, and Talofofo and Talofofo Elderly.
- AMP 3 – Site Base consists of 195 units located at Agat, Agat Elderly, Merizo, Merizo Elderly, and Umatac.
- AMP 4 – Site Base consists of 234 units located at Toto, Dededo, and Dededo Elderly.

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

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

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

At the end of FY 2015, the Authority had 729 units occupied with 97.2% occupancy rate and an adjusted rate of 98.4% with 9 units under modernization. For the fiscal year ended September 30, 2015, the Authority received \$2.07 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 | 153 | 10 | 3 | 93.9% | 95.7% |
| AMP3 | 195 | 192 | 3 | 2 | 98.5% | 99.5% |
| AMP4 | 234 | 226 | 8 | 4 | 96.6% | 98.3% |
| TOTAL | 750 | 729 | 21 | 9 | 97.2% | 98.4% |

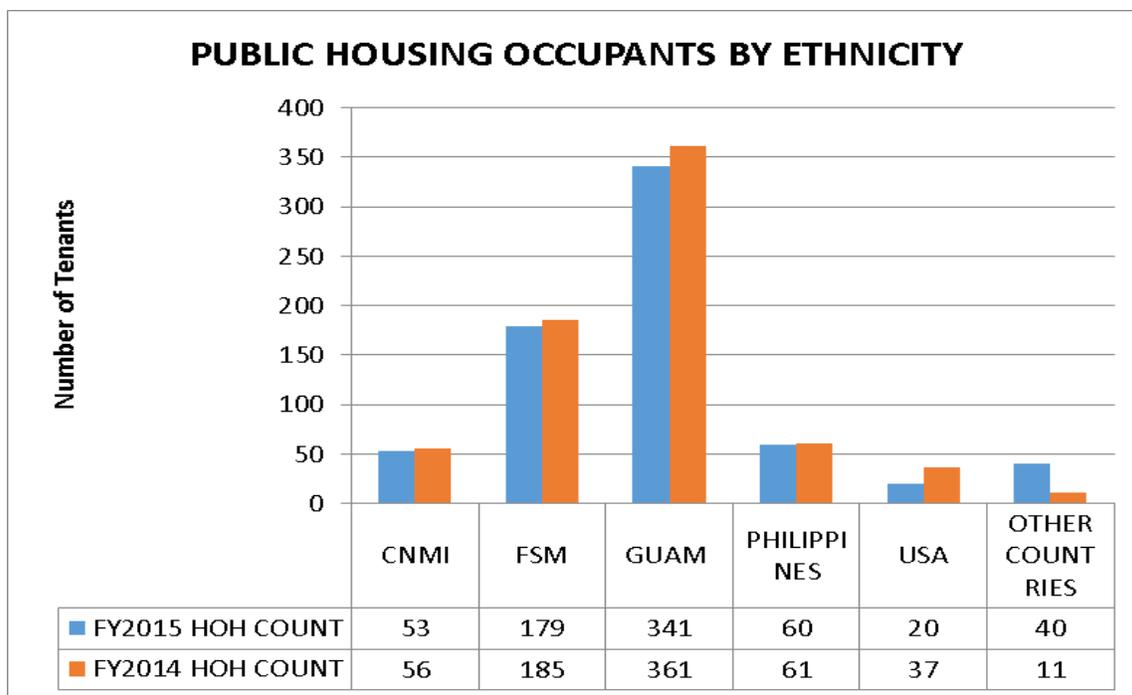
Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Table B represents the Head of Household (HOH) tenants' ethnicities in the Public Housing Program for the Fiscal Year 2015.

TABLE B

| LOCATION | FY 2015 | % | FY 2014 | % |
|-----------------|---------|-------|---------|-------|
| CNMI | 53 | 7.6% | 56 | 7.9% |
| FSM | 179 | 25.8% | 185 | 26% |
| GUAM | 341 | 49.2% | 361 | 50.8% |
| PHILIPPINES | 60 | 8.7% | 61 | 8.6% |
| USA | 20 | 2.9% | 37 | 5.2% |
| OTHER COUNTRIES | 40 | 5.8% | 11 | 1.5% |
| TOTAL | 693 | 100% | 711 | 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 \$1.3 million (based on the most recent grant) to implement such plan.

HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority. The funds are used for repairs, major replacements, upgrading and

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

other non-routine maintenance work that needs to be done on the Authority's dwelling units to keep them clean, safe, and in good condition. A portion of the funds may also be used to support operations and to make improvements in the management and operation of the Authority.

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.

At the end of fiscal year 2015, the Section 8 HCV Program assisted 2,425 families; of which more than 82 percent of participant families assisted were from single-female head of households and less than 18 percent from male head of household. The average household size is four, consisting of children under the age of 17.

The average household annual income of families under the Section 8 program was \$15,803; with the family's income sources coming primarily from general assistance such as Supplemental Nutrition Assistance Program (SNAP; commonly known as food stamps) and Temporary Assistance for Needy Families (TANF). Approximately 90 percent of all Section 8 families were reportedly receiving some form of general assistance.

Project-based Assistance Program:

At the end of the fiscal year, GHURA began implementation of the Section 8 Project-based Housing Assistance program by accepting applications. GHURA and the Summer Town Estates, LLC forged a public-private partnership for the purpose of addressing the need for additional affordable rental housing for seniors. A total of 112 rental units were built at the Summer Town Estates, at Lada, Dededo; and elderly families who qualify are provided rental assistance through the Section 8 Project-based Assistance Program. The project-based assistance program is similar to the tenant-based program; only the assistance is tied to the unit. The family will continue to receive assistance for as long as they continue living in the unit. The assistance stops when the family moves out.

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 an 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

GHURA ported a total of 20 participants to other PHA jurisdictions. All 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.

One of the key features 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 towards the purchase of a new home.

GHURA had a total of 82 FSS participants solely from the Section 8 Housing Voucher (HCV) Program as of Dec 2015. The Public Housing Program recently has been reestablished under the FSS program which was granted 25 slots.

Towards the end of fiscal year 2015, GHURA was awarded \$125,718 for the FSS coordinator positions. This brought in an additional FSS coordinator to help manage the FSS program.

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 \$448,000 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2015

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 FY2015, GHURA administered \$4.1 million in eligible CPD-funded activities. In fiscal year 2014 alone, a total of \$4,029,304 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$1,177,231 were approved for activities in fiscal year 2015. Project selection was based on the review of applications submitted by community groups for activities which would satisfy the needs and goals outlined in the report "*Guam Consolidated Plan (2010-2014) Strategic Plan*".

Community Development Block Grants

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

Public Service –

- (1) To support the operations of a shelter for special needs individuals, homeless men and men of low/moderate income in recovery from substance abuse.
- (2) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received match funding to support the operation of the Homeless Management Information System (HMIS). HMIS is the repository for data which tracks the assistance provided to the island's homeless through the various government and non-profit service providers.
- (3) 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

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 Talofoto Multipurpose Sports Field. Funds were used to renovate the baseball field to provide the community in Talofoto with a decent and safe recreational facility.
- (3) Removal of Architectural Barriers to Accessibility-Funds were used to make accessibility improvements by equipping GHURA's main facility with an elevator and rehabilitating the public restrooms to meet ADA requirements.
- (4) Sinajana Community Recreation Facility-Funds were used to rehabilitate the Sinajana baseball field, basketball court, and the park across the GHURA main facility to provide the community in Sinajana with a decent and safe recreational facility.
- (5) Agafa Gumas Community Recreational Facility-Funds were used to rehabilitate the basketball court and providing ADA accessibility, and constructing a perimeter fence and skate park within the recreational facility.

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

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

Emergency Solutions Grant (ESG)

In FY2015, 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

Housing 1st Rental Assistance 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, participants receive support services through a network of local service agencies.

Caridad Supportive Services Program-Provides housing and case management for homeless adults with disabilities.

Guma' Hinemlo. Guma' Hinemlo is an 8-unit residential facility serving persons with disabilities.

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.

Oasis Empowerment Center. Elim Pacific Ministries operates a facility serving women in recovery from substance abuse.

Y' Jahame Permanent Housing Program is an 8-unit project-based permanent housing program for homeless persons with disabilities.

Empowered Together. Elim Pacific Ministries provides permanent housing and supportive services to chronic homeless women with children who are recovering from substance abuse.

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

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.

Tax credits are allocated to eligible jurisdictions by the Internal Revenue Service on an annual basis. Since 2005, the LIHTC program has been a primary tool in support of affordable housing development in Guam. The LIHTC program has contributed to the construction of 826 units of affordable housing in northern and central Guam. Another 93 units are under construction as of the issuance of this report.

| Low Income Housing Tax Credit Program - Guam | | | | |
|---|-----------------------|-------------------|--------------------------------|---------------------|
| Project Name | Developer | # of Units | Village | Status |
| Ironwood Estates | Ironwood Estates LLC | 108 | Machanao, Dededo | In Service* |
| Ironwood Manor | Ironwood Manor LLC | 100 | Machanao, Dededo | In Service* |
| Ironwood Glen | Ironwood Glen LLC | 93 | Machanao, Dededo | In Service* |
| Ironwood Heights I | Ironwood Heights LLC | 72 | Highway 14B, Tamuning | In Service* |
| Ironwood Heights II | Ironwood Heights LLC | 60 | Highway 14B, Tamuning | In Service* |
| Summer Green Residences | Summer Green DE LLC | 72 | So. Marine Corps. Dr. Tamuning | In Service* |
| Summer Homes | Summer Homes DE LLC | 81 | Route 9, Dededo | In Service* |
| Summer Town Estates | Summer Town DE LLC | 240 | Lada Avenue, Dededo | In Service** |
| | Total Units | 826 | | |
| Summer Town Estates Phase II | Summer Town II DE LLC | 93 | Lada Avenue, Dededo | Under Construction* |
| | Total Units | 919 | | |

* Individuals and Families

** Elderly Housing. Serving persons 55 years of age (Phase I) and 62 years of age (Phase II)

State and Local Funds

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

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)

| | 2015 | 2014 | 2013 |
|------------------------------------|----------------|----------------|----------------|
| Current assets | \$ 15.7 | \$ 16.4 | \$ 16.5 |
| Capital assets and other, net | 25.1 | 25.3 | 26.5 |
| Other noncurrent assets | 2.0 | 0.6 | 0.7 |
| Total assets | <u>\$ 42.8</u> | <u>\$ 42.3</u> | <u>\$ 43.7</u> |
| Current liabilities | \$ 3.8 | \$ 3.6 | \$ 3.5 |
| Long term debt, net | 1.1 | 1.2 | 1.2 |
| Other noncurrent liabilities | 11.8 | 0.6 | 0.6 |
| Total liabilities | <u>16.7</u> | <u>5.4</u> | <u>5.3</u> |
| Net position: | | | |
| Investment in capital assets, net | 26.9 | 27.1 | 28.4 |
| Restricted | 0.6 | 1.5 | 2.2 |
| Unrestricted | (1.4) | 8.3 | 7.9 |
| Total net position | <u>26.1</u> | <u>36.9</u> | <u>38.4</u> |
| Total liabilities and net position | <u>\$ 42.8</u> | <u>\$ 42.3</u> | <u>\$ 43.7</u> |

During FY2015, there was an overall increase in assets of \$0.6 million (\$1.4 million decrease in 2014). The increase was primarily attributable to current year operations and period charges.

For more detailed information see pages 26 and 27 for the Statement of Net Position.

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, 2015.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2015

TABLE 2
CHANGE IN UNRESTRICTED NET POSITION
(IN MILLIONS)

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|------------------------|----------------------|----------------------|
| Unrestricted net position, beginning of year | \$ 8.3 | \$ 7.8 | \$ 8.2 |
| Results of operations | 0.1 | (1.5) | (3.6) |
| Adjustments: | | | |
| Depreciation (1) | 2.1 | 2.2 | 2.5 |
| Adjusted results from operations | <u>2.2</u> | <u>0.7</u> | <u>(1.1)</u> |
| Reclassification to restricted assets | <u>(0.8)</u> | <u>0.7</u> | <u>1.7</u> |
| Capital activity, net | (0.2) | (0.9) | (1.0) |
| Prior period adjustment | <u>(10.8)</u> | <u>-</u> | <u>-</u> |
| Unrestricted net position, end of year | <u><u>\$ (1.3)</u></u> | <u><u>\$ 8.3</u></u> | <u><u>\$ 7.8</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, 2015

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)

| | 2015 | 2014 | 2013 |
|--------------------------------|---------|----------|----------|
| Revenues: | | | |
| Operating subsidies and grants | \$ 42.0 | \$ 42.4 | \$ 42.3 |
| Capital grants | 1.3 | 1.2 | 1.2 |
| Other income | 0.8 | 1.0 | 1.2 |
| Tenant revenue | 0.7 | 1.1 | 0.5 |
| Total revenues | 44.8 | 45.7 | 45.2 |
| Expenses: | | | |
| Housing assistance payments | 30.0 | 30.2 | 33.2 |
| Administrative | 6.9 | 8.7 | 8.9 |
| Maintenance | 4.5 | 4.8 | 3.1 |
| Depreciation | 2.1 | 2.2 | 2.5 |
| Tenant services | 0.3 | 0.3 | 0.3 |
| General and other | 0.4 | 0.5 | 0.4 |
| Utilities | 0.5 | 0.5 | 0.4 |
| Total expenses | 44.7 | 47.2 | 48.8 |
| Change in net position | \$ 0.1 | \$ (1.5) | \$ (3.6) |

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

Revenues

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

Tenant Revenue

Tenant revenue, which accounted for 1.40% of total current year revenues, increased by \$140,599, or approximately 28.1% (\$4,206 increase, or approximately 0.8%, in 2014). The increase in the current year revenues is attributed to increase in tenant income and charges for the period.

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.

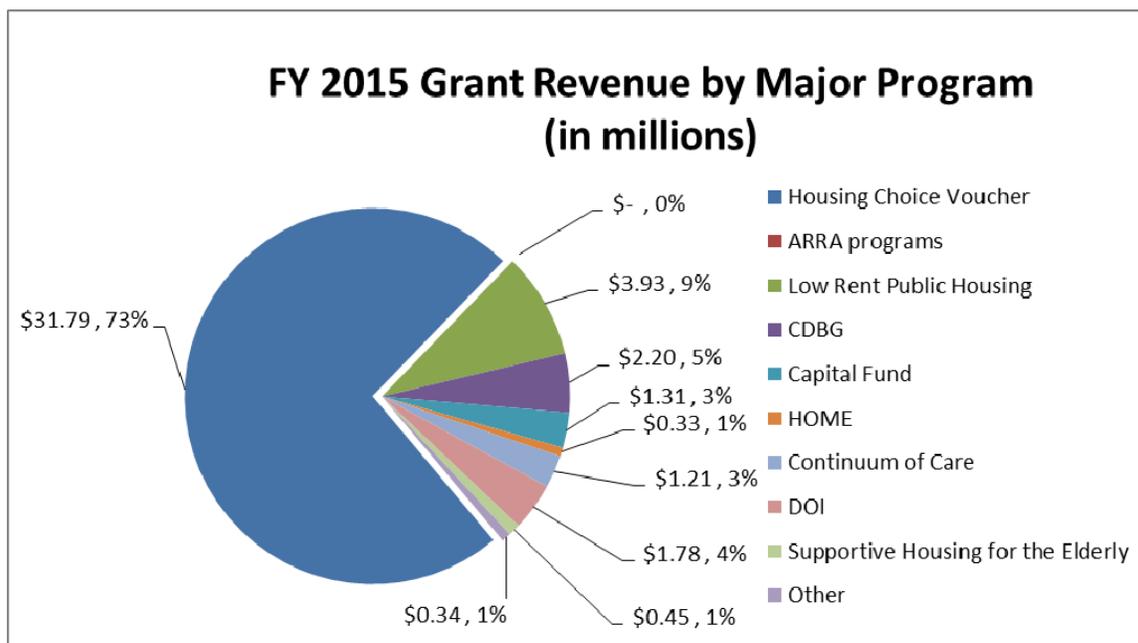
Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2015

Operating and Capital Grant Revenue by Major Program Sources

TABLE 4
OPERATING SUBSIDIES AND GRANTS
(IN MILLIONS)

| | 2015 | 2014 | 2013 |
|------------------------------------|----------------|----------------|----------------|
| Housing Choice Voucher | \$ 31.8 | \$ 31.2 | \$ 33.3 |
| Low Rent Public Housing | 3.9 | 3.9 | 2.9 |
| CDBG | 2.2 | 2.8 | 2.8 |
| HOME | 0.3 | 1.8 | 1.2 |
| Capital Fund | 1.3 | 1.2 | 1.2 |
| Continuum of Care | 1.2 | 1.1 | 0.9 |
| DOI | 1.8 | 0.5 | 0.2 |
| Supportive Housing for the Elderly | 0.5 | 0.4 | 0.4 |
| ARRA programs | - | - | 0.3 |
| Other | 0.3 | 0.6 | 0.3 |
| | <u>\$ 43.3</u> | <u>\$ 43.5</u> | <u>\$ 43.5</u> |



Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Other Revenue

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

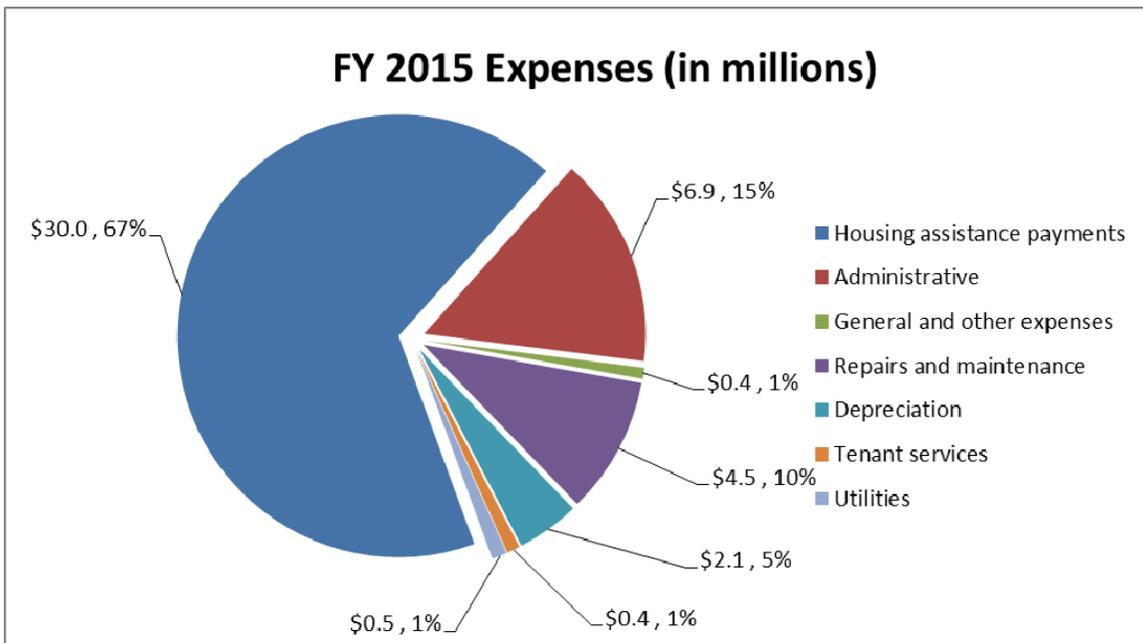
Expenses

Operating Expenses

Operating expenses totaled \$44.7 million in 2015 (\$46.2 million in 2014), which represents a 3.2% decrease from prior year. Administrative expense was approximately 15.3% of total revenues in 2015 (18.6% of revenues in 2014).

Other Expenses

During 2015, there was an 0.7% decrease in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to lower unit month leasing costs (8.9% decrease in 2014). Housing assistance payment expenses decreased by approximately \$0.2 million in 2015 (\$2.97 million in 2014).



Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the Authority had approximately \$25.1 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 \$218,265, or approximately 0.9% from the end of last year (\$1,203,363 in 2014 or approximately 4.5%).

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2015

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

| | 2015 | 2014 | 2013 |
|----------------------------|----------------|----------------|----------------|
| Land | \$ 3.7 | \$ 3.7 | \$ 3.7 |
| Buildings | 89.7 | 88.1 | 87.3 |
| Equipment - administrative | 2.2 | 2.1 | 2.1 |
| Equipment - dwelling | 1.9 | 1.9 | 1.9 |
| Leasehold improvements | 0.3 | 0.1 | - |
| | <u>97.8</u> | <u>95.9</u> | <u>95.0</u> |
| Accumulated depreciation | <u>(72.7)</u> | <u>(70.6)</u> | <u>(68.5)</u> |
| Capital assets, net | <u>\$ 25.1</u> | <u>\$ 25.3</u> | <u>\$ 26.5</u> |

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 52 of the Notes to the accompanying financial statements.

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

| | 2015 | 2014 | 2013 |
|------------------------------|----------------|----------------|----------------|
| Balance at beginning of year | \$ 25.3 | \$ 26.5 | \$ 27.8 |
| Additions | 1.9 | 0.9 | 1.1 |
| Disposition/transfers | - | - | - |
| Depreciation | (2.1) | (2.1) | (2.4) |
| Balance at end of year | <u>\$ 25.1</u> | <u>\$ 25.3</u> | <u>\$ 26.5</u> |

Major additions are summarized as follows:

| | 2015 | 2014 | 2013 |
|---------------------------------|---------------|---------------|---------------|
| Building improvements and plans | \$ 1.9 | \$ 0.9 | \$ 1.1 |
| Equipment purchases | - | - | - |
| Total additions | <u>\$ 1.9</u> | <u>\$ 0.9</u> | <u>\$ 1.1</u> |

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Debt Outstanding

As of year-end, the Authority had \$1,154,274 in debt (mortgage loan) outstanding compared to \$1,209,507 last year, for a \$55,233 decrease (debt retirement):

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

| | 2015 | 2014 | 2013 |
|-----------------------|---------|---------|---------|
| RD - Guma Trankilidat | \$ 1.15 | \$ 1.21 | \$ 1.26 |

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

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

| | 2015 | 2014 | 2013 |
|--|----------|----------|----------|
| Cash flows provided by (used in) operations | \$ 0.5 | \$ (0.1) | \$ (2.4) |
| Cash flows provided by (used in) financing activities | (0.6) | (0.4) | (0.4) |
| Cash flows provided by investing activities | 0.2 | 0.9 | 0.5 |
| | 0.1 | 0.4 | (2.3) |
| Net increase (decrease) in cash and cash equivalents | 9.1 | 8.7 | 11.0 |
| Cash and cash equivalents at beginning of year | \$ 9.2 | \$ 9.1 | \$ 8.7 |
| | \$ 9.2 | \$ 9.1 | \$ 8.7 |
| Reconciliation of operating loss to net cash (used for) provided by operating activities | | | |
| Operating loss | \$ (1.0) | \$ (2.4) | \$ (4.8) |
| Adjustments to reconcile net loss to net cash (used for) provided by operating activities: | | | |
| Depreciation | 2.0 | 2.2 | 2.5 |
| Bad debts | 0.1 | - | - |
| Prior period adjustment | (1.0) | - | - |
| (Increase) decrease in assets | - | 2.9 | 0.2 |
| Increase (decrease) in liabilities | 0.4 | (2.8) | (0.2) |
| Net cash (used for) provided by operating activities | \$ 0.5 | \$ (0.1) | \$ (2.3) |

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Economic factors

Significant economic factors that affect the Authority are as follows:

Federal funding of HUD. As the Authority receives the majority of its operating revenue from financial assistance from HUD, the Authority and its financial operations are significantly affected by the federal government's annual appropriation to HUD. The effect of the federal budget not being approved has left a great deal of ambiguity in developing the Authority's budget and planning for the fiscal year 2015 and beyond. The Authority's budget for fiscal year 2015 was developed with the most conservative estimates of revenue, assuming federal uncertainty in appropriations and potential cuts to programs affecting the Authority.

The Authority has been proactive in assessing its financial condition and attempting to align its activities and the financial position of the agency so it can respond to new terms and conditions that may be incorporated into this extension. By incorporating its estimate of these possible changes and reductions into its budget for the current and future fiscal years, the Authority hopes to avoid any significant reductions in service levels or ongoing operations. However, any deviation from current estimates of funding to be received would have to be reexamined.

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.

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

On March 1, 2013, the President of the United States, as required by the Budget Control Act of 2011, issued a sequestration order cancelling \$85 billion in Federal budgetary resources across the Federal government for FY 2013. As a result of the sequestration, those major HUD programs administered by the Agency that are expected to be most impacted by funding reductions are as follows: Housing Choice Voucher (HCV) program housing payments assistance program - approximately 94.1%; HCV program funding for administrative fees at 69.1%; and Low Rent Public Housing Operating Fund at 73% to 77%.

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

In order to comply with statutory Flat Rent changes contained within the FY2015 Appropriations Act and Notice PIH 2015-13 that replaces Notice PIH 2014-12, GHURA has updated its Public

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Housing Agency (PHA) Plan for Fiscal Year 2015 and is in the process of revising applicable portions of its Admissions and Continued Occupancy Policy (ACOP).

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.

Rental Assistance Demonstration

The HUD Rental Assistance Demonstration (RAD) Program is under continuing review by GHURA. GHURA's aim is to determine its applicability and benefit to the island's inventory of

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

Public Housing. Participation in the RAD Program would see the conversion of Public Housing properties to a Section 8 Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) program. The RAD Program is a key component of the HUD Office of Public and Indian Housing's rental housing preservation strategy, working to preserve the nation's stock of deeply affordable rental housing, and to promote efficiency within and among HUD programs to build strong, stable communities.

Audit and Compliance

In order to ensure accountability for performance and results, the Executive Management is using a Management Scorecard. The Executive Management will use this scorecard to track how well departments are executing the management initiatives, and where they stand at a given point in time against the overall standards for success. Scores are based on standards established under the Public Housing Assessment System, Section Eight Management Assessment System, Voucher Management System, Rental Integrity Monitoring Reviews, and independent audits, to name a few. Over time, the scores should improve as departments correct the problems. The Executive Management will update this report twice a year and issue a mid-year report. We will hold ourselves responsible and report honestly when progress is too slow.

Systems, Controls, and Legal Compliance

Systems

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

The software exchanges data with HUD's web-based reporting requirements, transmits and receives electronic banking payment (receivables) on a daily basis, as well as other various Government of Guam agencies. All modules are accessible simultaneously by the approximate 90 staff via remote sites, designed to improve our customer service and support. These remote locations in Agat, Yona, Toto, Tumon, and Agana all access the main host server located in Sinajana via a common telecommunications media. Additionally, a second software is utilized to effectively track and forecast grant expenditures managed by CPD. These grants include CDBG, Home, ESG, and Continuum of Care programs. 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)

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2015

laws and regulations are followed; and (5) reliable and timely information is obtained, maintained, reported and used for decision making.

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

Legal Compliance

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

Accountability

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

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, 2015

| Assets | Major Enterprise Funds | Non-Major Enterprise Funds | Other Enterprise Funds | Eliminations | Total |
|---|---------------------------|-------------------------------|------------------------------|-----------------------|----------------------|
| Current assets: | | | | | |
| Cash: (Notes 1, 2 and 3) | | | | | |
| Unrestricted | \$ 6,480,361 | \$ 75,285 | \$ 833,576 | \$ - | \$ 7,389,222 |
| Restricted - other | 1,495,827 | - | 102,353 | - | 1,598,180 |
| Restricted - FSS | 212,452 | - | 113 | - | 212,565 |
| Restricted - security deposits | 19,384 | - | - | - | 19,384 |
| Total cash | <u>8,208,024</u> | <u>75,285</u> | <u>936,042</u> | <u>-</u> | <u>9,219,351</u> |
| Accounts receivable: | | | | | |
| Notes receivable - current portion (Note 4) | - | - | 106,569 | - | 106,569 |
| Tenants (Note 1) | 186,902 | - | - | - | 186,902 |
| HUD | 801,162 | 538,695 | - | - | 1,339,857 |
| Other Government Agencies | 148,715 | 11,136 | 9,774 | - | 169,625 |
| Due from other funds (Notes 1 and 5) | 1,295,693 | 215,459 | 4,996,605 | (6,507,757) | - |
| Interest | 248 | - | 13 | - | 261 |
| Other | 87,686 | - | 115,491 | - | 203,177 |
| | <u>2,520,406</u> | <u>765,290</u> | <u>5,228,452</u> | <u>(6,507,757)</u> | <u>2,006,391</u> |
| Allowance for doubtful accounts | (91,074) | - | (111,793) | - | (202,867) |
| Total accounts receivable, net | <u>2,429,332</u> | <u>765,290</u> | <u>5,116,659</u> | <u>(6,507,757)</u> | <u>1,803,524</u> |
| Investments: (Notes 1, 2, and 3) | | | | | |
| Unrestricted | 1,021,294 | - | 74,992 | - | 1,096,286 |
| Restricted/reserved by fiscal agent | 389,805 | - | - | - | 389,805 |
| Total investments | <u>1,411,099</u> | <u>-</u> | <u>74,992</u> | <u>-</u> | <u>1,486,091</u> |
| Prepayments and other current assets | | | | | |
| Inventories (Note 1) | 7,172 | 283 | 75,039 | - | 82,494 |
| Other real estate (Notes 1 and 6) | 203,414 | - | - | - | 203,414 |
| | <u>-</u> | <u>-</u> | <u>2,948,029</u> | <u>-</u> | <u>2,948,029</u> |
| Total current assets | <u>12,259,041</u> | <u>840,858</u> | <u>9,150,761</u> | <u>(6,507,757)</u> | <u>15,742,903</u> |
| Noncurrent assets: | | | | | |
| Capital assets, net (Notes 1 and 7) | 16,108,901 | 8,120,182 | 856,183 | - | 25,085,266 |
| Notes receivable - noncurrent (Note 4) | - | - | 749,393 | - | 749,393 |
| Total noncurrent assets | <u>16,108,901</u> | <u>8,120,182</u> | <u>1,605,576</u> | <u>-</u> | <u>25,834,659</u> |
| Total assets | <u>28,367,942</u> | <u>8,961,040</u> | <u>10,756,337</u> | <u>(6,507,757)</u> | <u>41,577,562</u> |
| Deferred outflows of resources from pension (Note 13) | 961,886 | 63,826 | 293,024 | - | 1,318,736 |
| Total assets and deferred outflows of resources | <u>\$ 29,329,828</u> | <u>\$ 9,024,866</u> | <u>\$ 11,049,361</u> | <u>\$ (6,507,757)</u> | <u>\$ 42,896,298</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, 2015

| Liabilities and Net Position | Major Enterprise Funds | Non-Major Enterprise Funds | Other Enterprise Funds | Eliminations | Total |
|--|---------------------------|-------------------------------|---------------------------|-----------------------|----------------------|
| Current liabilities: | | | | | |
| Bank overdraft | \$ 12,752 | \$ - | \$ 20,200 | \$ - | \$ 32,952 |
| Accounts payable | 60,714 | 19 | 78,981 | - | 139,714 |
| Current portion of note payable (Notes 8 and 9) | 59,000 | - | - | - | 59,000 |
| Current portion of compensated absences (Notes 1 and 9) | 57,050 | 7,304 | 22,584 | - | 86,938 |
| Due to HUD | 7,075 | - | - | - | 7,075 |
| Due to other funds (Notes 1 and 5) | 2,610,287 | 386,267 | 3,511,203 | (6,507,757) | - |
| Security deposits | 140,435 | - | 3,173 | - | 143,608 |
| FSS - tenant escrow | 212,451 | - | 113 | - | 212,564 |
| Accrued salaries and wages | 120,646 | 8,418 | 42,777 | - | 171,841 |
| Accrued liabilities - PILOT | 98,145 | - | - | - | 98,145 |
| Accrued liabilities | - | - | 165,017 | - | 165,017 |
| Deferred revenues (Note 1) | 99,658 | 379,891 | 1,274,330 | - | 1,753,879 |
| Other current liabilities | 916 | - | 951,694 | - | 952,610 |
| Total current liabilities | <u>3,479,129</u> | <u>781,899</u> | <u>6,070,072</u> | <u>(6,507,757)</u> | <u>3,823,343</u> |
| Non-current liabilities: | | | | | |
| Net pension liability (Notes 9 and 13) | 7,137,635 | 473,625 | 2,174,366 | - | 9,785,626 |
| Long-term portion of note payable (Notes 8 and 9) | 1,095,274 | - | - | - | 1,095,274 |
| Accrued compensated absences (Notes 1 and 9) | 493,487 | 71,565 | 168,298 | - | 733,350 |
| Total non-current liabilities | <u>8,726,396</u> | <u>545,190</u> | <u>2,342,664</u> | <u>-</u> | <u>11,614,250</u> |
| Total liabilities | <u>12,205,525</u> | <u>1,327,089</u> | <u>8,412,736</u> | <u>(6,507,757)</u> | <u>15,437,593</u> |
| Deferred inflows of resources from pension (Note 13) | 961,374 | 63,792 | 292,867 | - | 1,318,033 |
| Commitments and contingencies (Notes 8, 12, 15, 16 and 18) | | | | | |
| Net position: (Notes 1 and 11) | | | | | |
| Investment in capital assets, net of related debt | 14,954,627 | 8,120,182 | 3,804,212 | - | 26,879,021 |
| Restricted | 535,974 | - | 101,071 | - | 637,045 |
| Unrestricted | 672,328 | (486,197) | (1,561,525) | - | (1,375,394) |
| Total net position | <u>16,162,929</u> | <u>7,633,985</u> | <u>2,343,758</u> | <u>-</u> | <u>26,140,672</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 29,329,828</u> | <u>\$ 9,024,866</u> | <u>\$ 11,049,361</u> | <u>\$ (6,507,757)</u> | <u>\$ 42,896,298</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 Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2015

| | Major Enterprise Funds | Non-Major Enterprise Funds | Other Enterprise Funds | Eliminations | Total |
|--|---------------------------|-------------------------------|---------------------------|--------------------|----------------------|
| Operating revenues: | | | | | |
| HUD PHA Operating Grants | \$ 38,363,053 | \$ 2,156,339 | \$ - | \$ - | \$ 40,519,392 |
| Other Government Grants (Note 1) | 1,783,529 | 11,136 | - | - | 1,794,665 |
| Management fees (Note 1) | - | - | 1,056,622 | (1,056,622) | - |
| Other income | 128,438 | 159,590 | 476,931 | (60,000) | 704,959 |
| Tenant rental income | 587,466 | 53,459 | - | - | 640,925 |
| Bookkeeping fees (Note 1) | - | - | 275,145 | (275,145) | - |
| Asset management fees (Note 1) | - | - | 90,000 | (90,000) | - |
| Property sales | - | - | 42,229 | - | 42,229 |
| Total operating revenues | <u>40,862,486</u> | <u>2,380,524</u> | <u>1,940,927</u> | <u>(1,481,767)</u> | <u>43,702,170</u> |
| Operating expenses: | | | | | |
| Housing assistance payments | 30,047,160 | - | - | - | 30,047,160 |
| Repairs and maintenance | 4,062,128 | 402,282 | 11,218 | - | 4,475,628 |
| Other administrative expenses | 481,605 | 1,452,895 | 304,300 | - | 2,238,800 |
| Salaries and wages | 2,307,138 | 304,644 | 1,278,009 | - | 3,889,791 |
| Depreciation | 1,386,989 | 643,488 | 24,774 | - | 2,055,251 |
| Management fees (Note 1) | 1,002,984 | 53,638 | 60,000 | (1,116,622) | - |
| Employee benefits | 327,412 | 64,984 | 152,767 | - | 545,163 |
| Office expense | 282,602 | 18,518 | 84,631 | - | 385,751 |
| Utilities | 416,171 | 1,054 | 78,051 | - | 495,276 |
| Bookkeeping fees (Note 1) | 275,145 | - | - | (275,145) | - |
| Insurance | 122,486 | 2,627 | 14,534 | - | 139,647 |
| Compensated absences | 61,299 | 9,682 | 10,287 | - | 81,268 |
| Professional fees | 79,274 | 5,920 | 82,136 | - | 167,330 |
| Asset management fees (Note 1) | 90,000 | - | - | (90,000) | - |
| Travel | 3,430 | 7,272 | 13,697 | - | 24,399 |
| Tenant services | - | 17,050 | - | - | 17,050 |
| Protective services | 3,033 | 11 | 397 | - | 3,441 |
| Bad debts | 65,148 | - | - | - | 65,148 |
| Advertising and marketing | 19,709 | 2,762 | 11,474 | - | 33,945 |
| Total operating expenses | <u>41,033,713</u> | <u>2,986,827</u> | <u>2,126,275</u> | <u>(1,481,767)</u> | <u>44,665,048</u> |
| Operating Income (loss) | <u>(171,227)</u> | <u>(606,303)</u> | <u>(185,348)</u> | <u>-</u> | <u>(962,878)</u> |
| Non-operating revenues (expenses): | | | | | |
| Capital Grants | - | 1,022,722 | - | - | 1,022,722 |
| Interest income on unrestricted investments | 10,223 | - | 1,281 | - | 11,504 |
| Fraud recovery | 23,530 | - | - | - | 23,530 |
| Other income | 48,965 | 222 | - | - | 49,187 |
| Other expense | (500) | - | - | - | (500) |
| Interest expense | (71,247) | - | - | - | (71,247) |
| Total non-operating revenues (expenses), net | <u>10,971</u> | <u>1,022,944</u> | <u>1,281</u> | <u>-</u> | <u>1,035,196</u> |
| Change in net position | <u>(160,256)</u> | <u>416,641</u> | <u>(184,067)</u> | <u>-</u> | <u>72,318</u> |
| Net position - beginning of year | 24,214,015 | 7,740,948 | 4,931,640 | - | 36,886,603 |
| Prior period adjustment - pension (Note 1) | (7,890,830) | (523,604) | (2,403,815) | - | (10,818,249) |
| Total net position - beginning of year, as restated (Note 1) | <u>16,323,185</u> | <u>7,217,344</u> | <u>2,527,825</u> | <u>-</u> | <u>26,068,354</u> |
| Total net position - end of year | <u>\$ 16,162,929</u> | <u>\$ 7,633,985</u> | <u>\$ 2,343,758</u> | <u>\$ -</u> | <u>\$ 26,140,672</u> |

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

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

Combined Statements of Cash Flows
For the Year Ended September 30, 2015

| | Major Enterprise Funds | Non-Major Enterprise Funds | Other Enterprise Funds | Eliminations | Total |
|---|------------------------------|----------------------------------|------------------------------|--------------|---------------------|
| Cash flows from operating activities: | | | | | |
| Operating grants received | \$ 39,800,310 | \$ 2,159,484 | \$ 261,151 | \$ - | \$ 42,220,945 |
| Receipts from tenants and customers | 677,029 | 211,850 | 1,688,194 | (1,481,767) | 1,095,306 |
| Assistance paid | (30,047,160) | - | - | - | (30,047,160) |
| Cash payments to suppliers for goods and services | (7,479,684) | (2,041,873) | (1,060,610) | 1,481,767 | (9,100,400) |
| Cash payments to employees for services | (2,386,839) | (312,896) | (1,280,638) | - | (3,980,373) |
| Other cash receipts (payments) | 16,248 | 500 | 312,983 | - | 329,731 |
| | <u>579,904</u> | <u>17,065</u> | <u>(78,920)</u> | <u>-</u> | <u>518,049</u> |
| Net cash provided by (used for) operating activities | | | | | |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers | - | - | - | - | - |
| Net cash used for noncapital financing activities | | | | | |
| Cash flows from capital and related financing activities: | | | | | |
| Interest paid | (71,247) | - | - | - | (71,247) |
| Repayment of note payable | (55,233) | - | - | - | (55,233) |
| Capital grants received | - | 1,307,777 | - | - | 1,307,777 |
| Acquisition of capital assets | (267,903) | (1,307,777) | (262,307) | - | (1,837,987) |
| | <u>(394,383)</u> | <u>-</u> | <u>(262,307)</u> | <u>-</u> | <u>(656,690)</u> |
| Net cash used for capital and related financing activities | | | | | |
| Cash flows from investing activities: | | | | | |
| Interest and other income received | 81,614 | 222 | 681 | - | 82,517 |
| Deposits to restricted accounts | (133,299) | - | 272,818 | - | 139,519 |
| | <u>(51,685)</u> | <u>222</u> | <u>273,499</u> | <u>-</u> | <u>222,036</u> |
| Net cash provided by investing activities | | | | | |
| Net change in cash | 133,836 | 17,287 | (67,728) | - | 83,395 |
| Cash at beginning year | 8,074,188 | 57,998 | 1,003,770 | - | 8,710,177 |
| Cash at end of year | <u>\$ 8,208,024</u> | <u>\$ 75,285</u> | <u>\$ 936,042</u> | <u>\$ -</u> | <u>\$ 9,219,351</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, 2015

| | Major Enterprise Funds | Non-Major Enterprise Funds | Other Enterprise Funds | Eliminations | Total |
|--|---------------------------|-------------------------------|---------------------------|--------------|-------------------|
| Reconciliation of operating loss to net cash provided by (used for) operating activities: | | | | | |
| Operating income (loss) | \$ (171,227) | \$ (606,303) | \$ (185,348) | \$ - | \$ (962,878) |
| Adjustments to reconcile operating loss to net cash provided by (used for) operating activities: | | | | | |
| Depreciation | 1,386,989 | 643,488 | 24,774 | - | 2,055,251 |
| Bad debts | 65,148 | - | - | - | 65,148 |
| Non-cash pension costs | (753,710) | (50,013) | (229,605) | - | (1,033,328) |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable: | | | | | |
| Notes receivable | - | - | (194,103) | - | (194,103) |
| Tenant | (27,211) | - | - | - | (27,211) |
| HUD | (354,519) | 159,182 | - | - | (195,337) |
| Other Government Agencies | (148,715) | (1,362) | (9,774) | - | (159,851) |
| Due from other funds | 176,957 | (92,733) | (26,115) | - | 58,109 |
| Travel advances | - | - | 9,875 | - | 9,875 |
| Interest | (238) | - | (8) | - | (246) |
| Other | (38,292) | - | 247,990 | - | 209,698 |
| Prepayments and other assets | 57,595 | 811 | 8,533 | - | 66,939 |
| Inventories | 11,331 | - | - | - | 11,331 |
| Other real estate | - | - | 103,959 | - | 103,959 |
| Increase (decrease) in liabilities: | | | | | |
| Bank overdraft | 12,752 | - | 20,200 | - | 32,952 |
| Accounts payable | 5,512 | - | 48,927 | - | 54,439 |
| Compensated absences | (66,471) | 30,833 | 10,288 | - | (25,350) |
| Payable to HUD | (33,588) | 10,890 | - | - | (22,698) |
| Due to other funds | 200,728 | (103,080) | (68,862) | - | 28,786 |
| Security deposits | 1,147 | (1,500) | - | - | (353) |
| Accrued salaries and wages | 13,099 | (5,878) | 7,659 | - | 14,880 |
| Accrued FSS escrow liability | 102,737 | - | 113 | - | 102,850 |
| Other current liabilities | 916 | - | 169,125 | - | 170,041 |
| Accrued liabilities | - | - | (26) | - | (26) |
| Deferred revenues | 138,964 | 32,730 | (16,522) | - | 155,172 |
| Net cash provided by (used for) operating activities | <u>\$ 579,904</u> | <u>\$ 17,065</u> | <u>\$ (78,920)</u> | <u>\$ -</u> | <u>\$ 518,049</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, 2015

(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, 729 (out of 743 available) units or 98.12% were leased as of September 30, 2015, while 707 (out of 727 available) units or 97.25% were leased as of September 30, 2014. These properties are modernized under HUD's Capital Funds Program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(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 2,414 or 94.4% and 2,267 or 89.08%, as of September 30, 2015 and 2014, respectively.

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.

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, 2015

(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.

HOME Investment Partnership Program

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

Emergency Shelter Grant Program

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

Resident Opportunity and Supportive Services

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

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, 2015

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

Non-Major Enterprise Funds, continued

Affordable Care Act – Maternal, Infant, and Early Childhood Home Visiting Program

The Maternal, Infant, and Early Childhood Home Visiting Program is designed : (1) to strengthen and improve the programs and activities carried out under Title V; (2) to improve coordination of services for at risk communities; and (3) to identify and provide comprehensive services to improve outcomes for families who reside in at risk communities. Voluntary evidence-based home visiting is the primary strategy to deliver services. A nurse, social worker, parent educator, or other paraprofessional regularly visits an expectant mother or father, new parent, or primary caregiver of a young child from birth to kindergarten entry to support and strengthen the parent-child relationship to improve the health, development and well-being for the child and family.

Substance Abuse and Mental Health Service Services – Projects of Regional and National Significance (SAMHSA)

This Program was reauthorized by the Children's Health Action of 2000, Public law 106-310. Under this reauthorization, SAMHSA was given the authority to address priority substance abuse treatment, prevention and mental health needs of regional and national significance through assistance (grants and cooperative agreements) to States, political subdivisions of States, Indian tribes and tribal organizations, and other public or nonprofit private entities. Grants and cooperative agreements may be for (1) knowledge and development and application projects for treatment and rehabilitation and the conduct or support of evaluations of such projects; (2) training and technical assistance; (3) targeted capacity response programs (4) systems change grants including statewide family network grants and client-oriented and consumer run self-help activities and (5) programs to foster health and development of children; (6) coordination and integration of primary care services into publicly-funded community mental health centers and other community-based behavioral health settings funded under Affordable Care Act (ACA).

Family Self-Sufficiency Program

The objectives of this program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Neighborhood Stabilization Program – Recovery Act Fund

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

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

Other Enterprise Funds

The following funds were determined to be non-major enterprise funds for the year ended September 30, 2015:

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, 2015

(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, 2015, 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. 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.

GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which 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.

Upon implementation of GASB Statements Nos. 68 and 71, the Authority recorded a charge to beginning net position of \$10,818,249 as October 1, 2014, and recorded deferred outflows of resources and deferred inflows of resources of \$1,318,033 and \$1,318,736, respectively.

| | <u>As previously Reported</u> | <u>Adjustment</u> | <u>Restated</u> |
|-------------------------------|-----------------------------------|-------------------|-----------------|
| Net Position, October 1, 2014 | \$36,886,603 | \$10,818,249 | \$26,068,354 |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

c) New Accounting Standards, continued

GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* in January 2013, 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.

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 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 the Authority's financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Net Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes accounting and financial reporting standards for pensions that do not meet the requirements set forth in Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*, and makes some modifications to GASB Statement No. 67 and 68. The Provisions that effect pensions not within the scope of GASB Statement No. 67 and 68 will be effective for fiscal year beginning after June 15, 2015.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

c) New Accounting Standards, continued

Management has not yet determined the effect of implementation this Statement will have on the Authority's financial statements. In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No., 57, *OPEB Measurements by Agent Employers and Agent-Multiple-Employer Plans*, and addresses financial reporting requirements for governments whose employees are provided with postemployment benefits other than pensions (other postemployment benefits or OPEB). The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*, which eliminates two of the four categories of authoritative GAAP that exist under the existing hierarchy prescribed by Statement No. 55. The hierarchy becomes (1) GASB Statements and (2) GASB technical bulletins and implementation guides in addition to AICPA guidance that the GASB clears. The provisions of Statement No. 76 are effective for fiscal years beginning after June 15, 2015. Management does not believe that the implementation of this Statement will have a material effect on the Authority's financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, which requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The provisions in Statement No. 77 are effective for fiscal years beginning after December 15, 2015. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In December 2015, GASB issued Statement No.78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local government employers whose employees are provided with such pensions. GASB Statement No. 78 will be effective for fiscal years beginning after December 15, 2015.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

c) New Accounting Standards, continued

Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. GASB Statement No. 79 will be effective for fiscal years beginning after December 15, 2015. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The Statement is intended to provide clarity about how certain component units incorporated as not-for-profit corporations, with the primary state or local government being the sole corporate member, should be presented in the financial statements of the primary state or local government. GASB Statement No. 80 will be effective for fiscal years beginning after June 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-interest Agreements*. This Statement is intended to provide recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 81 is effective for fiscal years beginning after December 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73*. This Statement addresses the presentation of payroll – related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB Statement No. 82 is effective for fiscal years beginning after June 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

d) Fund Financial Statements, continued

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.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

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 \$10,705,442 and \$11,177,638 as of September 30, 2015 and are deposited in financial institutions subject to coverage by the Federal Deposit Insurance Corporation (FDIC).

h) Accounts Receivables – Tenants

The Authority recognizes bad debts using the allowance method and is only written off after approval by management and subsequent reporting to the Board of Commissioners.

i) Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds and programs for goods and services rendered. The balances of these receivables/payables at September 30, 2015 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(1) Summary of Significant Accounting Policies, continued

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, 2015 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, 2015

(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) Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. The Authority has determined the differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and pension contributions made subsequent to the measurement date qualify for reporting in this category.

p) Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then. The Authority has determined the differences between projected and actual earnings on pension plan investments and changes in proportion and differences between the Authority's pension contributions and proportionate share of contributions qualify for reporting in this category.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

q) 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, 2015 and 2014, accrued earned compensated absences totaled \$820,288 and \$754,876, 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, 2015, the total amount of unused sick leave for members under the DCRS plan was \$747,648 of which 50%, or \$373,824 was accrued in the accompanying financial statements while \$621,323 of which 50%, or \$310,662 was accrued as of September 30, 2014.

r) Pensions

Pensions are required to be recognized and disclosed using the accrual basis of accounting. The Authority recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents the Authority's proportional share of excess total pension liability over the pension plan assets – actuarially calculated – of a single employer defined benefit plan, measured one year prior to the fiscal year-end and rolled forward. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources, depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or as deferred outflows of resources, that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted-average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

s) Unearned Revenues

The Authority reports unearned revenues on its Statement of Net position. Unearned 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 unearned revenue is removed from the Statement of Net position, and the revenue is recognized.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

t) 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.

u) 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. The Authority paid management fees to COCC of \$1,481,767 for the year ended September 30, 2015.

u) 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.

v) 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.

w) 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

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

w) *HUD Subsidies and Contributions, continued*

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.

x) *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.

y) *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.

z) *Advertising and Marketing Expenses*

The Authority incurred advertising and marketing costs totaling \$33,945 for the fiscal year ended September 30, 2015. These costs primarily relate to construction bids and related procurement solicitation costs.

aa) *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, 2015 consist of the following:

| | |
|---------------------------------|----------------------|
| Cash on hand and due from banks | \$ 9,219,351 |
| Investments | <u>1,486,091</u> |
| | <u>\$ 10,705,442</u> |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(2) *Cash and Investments, continued*

Of the above cash and investments, \$2,219,934 was restricted at September 30, 2015. 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.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(2) *Cash and Investments, continued*

a) Deposits, continued

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, 2015 and 2014, the carrying amount of the Authority's total cash and cash equivalents was \$10,786,107 and \$11,177,640, respectively, with a corresponding bank balance of \$10,784,207 and \$11,175,038, 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, 2015 and 2014, bank deposits in the amount of \$10,784,204 and \$11,380,690 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.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(3) *Restricted Cash and Investments*

The restriction of the Authority's restricted cash and investments as of September 30, 2015 and 2014, are summarized as follows:

| | |
|---------------------------------------|---------------------|
| Restricted cash: | |
| Public Housing | \$ 1,260,140 |
| Section 8 HCV | 256,687 |
| Supportive Housing for the Elderly | 210,836 |
| Revolving Fund | 101,071 |
| Local Funds | <u>1,395</u> |
| Total restricted cash | <u>1,830,129</u> |
| Restricted investments: | |
| Supportive Housing for the Elderly | \$ 205,387 |
| Public Housing | <u>184,418</u> |
| Total restricted cash | <u>389,805</u> |
| Total restricted cash and investments | <u>\$ 2,219,934</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, 2015, GHURA had \$191,452 and \$205,387 in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$19,384 in a restricted cash account tenant security deposits. Interest income earned is reinvested when related time certificates of deposit mature.

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 \$115,966 and \$96,598, and \$109,714 and \$134,594, for the year ended, September 30, 2015 and September 30, 2014 respectively.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(3) *Restricted Cash and Investments, continued*

The Section 8 HCV program also has restricted cash of \$140,720 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.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,120,807, 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.

(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 as of September 30, 2015:

| | |
|---|-------------------|
| Due in varying monthly installments, interest free, with maturities to 2026 including loans | \$ 714,703 |
| HOME Rehabilitation loans due in varying monthly installments, interest free, with maturities to 2026, including loans | <u>141,259</u> |
| | 855,962 |
| Current portion | <u>(106,569)</u> |
| | <u>\$ 749,393</u> |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(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.

The composition of the inter-fund receivable and payable balances as of September 30, 2015 is as follows:

| | Due from <u>Other Funds</u> | Due to Other <u>Funds</u> | Net Receivable <u>(Payable)</u> |
|--|--------------------------------|------------------------------|---------------------------------------|
| CDBG | \$ - | \$ (261,021) | \$ (261,021) |
| Low Income Housing | 1,295,308 | (1,381,154) | (85,846) |
| Section 8 Housing Choice Voucher | - | (604,846) | (604,846) |
| Economic, Social and Development of the Territories | 385 | (148,715) | (148,330) |
| Supportive Housing for the Elderly | - | (214,551) | (214,551) |
| Non-major Enterprise Funds | 215,459 | (386,267) | (170,808) |
| Other Enterprise Funds | <u>4,996,605</u> | <u>(3,511,203)</u> | <u>1,485,402</u> |
| Net Inter-Fund Balances | <u>\$ 6,507,757</u> | <u>\$ (6,507,757)</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, 2015, the Authority had eighty-three (83) lots in its inventory with an estimated value of \$2,876,119. In addition, the Authority has five (5) 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, 2015.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(7) Capital Assets

A summary of changes in capital assets for the years ended September 30, 2015 and 2014 are as follows:

September 30, 2015

| | Balance 9/30/2014 | Additions | Transfers Disposals | Balance 9/30/2015 |
|------------------------------------|----------------------|---------------------|------------------------|----------------------|
| Structures | \$ 88,071,808 | \$ 1,620,232 | \$ - | \$ 89,692,040 |
| Furniture, fixtures, and equipment | 4,059,559 | 38,325 | - | 4,097,884 |
| Leasehold Improvements | 138,907 | 179,430 | - | 318,337 |
| | <u>92,270,274</u> | <u>1,837,987</u> | - | <u>94,108,261</u> |
| Accumulated depreciation | <u>(70,642,625)</u> | <u>(2,055,251)</u> | - | <u>(72,697,876)</u> |
| Net depreciable assets | 21,627,649 | (217,264) | - | 21,410,385 |
| Land | <u>3,675,882</u> | - | - | <u>3,675,882</u> |
| Net capital assets | <u>\$ 25,303,531</u> | <u>\$ (217,264)</u> | <u>\$ -</u> | <u>\$ 25,086,267</u> |

September 30, 2014

| | Balance 9/30/2013 | Additions | Transfers Disposals | Balance 9/30/2014 |
|------------------------------------|----------------------|-----------------------|------------------------|----------------------|
| 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> |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(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 as of September 30, 2015:

| | |
|---|---------------------|
| 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) | \$ 1,154,274 |
| Current portion | <u>(59,000)</u> |
| | <u>\$ 1,095,274</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> |
|-------------------------------------|---------------------|-------------------|-------------------------------|
| 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 | 75,000 | 51,480 | 126,480 |
| 2021 through 2025 | 448,000 | 184,400 | 632,400 |
| 2026-through 2030 | <u>374,274</u> | <u>38,188</u> | <u>412,462</u> |
| | <u>\$ 1,154,274</u> | <u>\$ 522,988</u> | <u>\$ 1,677,262</u> |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(9) Noncurrent Liabilities

A summary of changes in noncurrent liabilities during fiscal year ended September 30, 2015 is as follows:

| | Outstanding October 1, 2014 | Increases | Decreases | Outstanding September 30, 2015 | Current | Noncurrent |
|-----------------------|-----------------------------------|---------------------|--------------------|--------------------------------------|-------------------|----------------------|
| Notes Payable | \$ 1,209,507 | \$ - | \$ (55,233) | \$ 1,154,274 | \$ 59,000 | \$ 1,095,274 |
| Compensated Absences | 754,873 | 65,415 | - | 820,288 | 86,938 | 733,350 |
| Net Pension Liability | <u>-</u> | <u>9,785,026</u> | <u>-</u> | <u>9,785,026</u> | <u>-</u> | <u>9,785,026</u> |
| | <u>\$ 1,964,380</u> | <u>\$ 9,850,441</u> | <u>\$ (55,233)</u> | <u>\$ 11,759,588</u> | <u>\$ 145,938</u> | <u>\$ 11,613,650</u> |

(10) HUD Contributions Earned - HAP

HUD contributions earned by GHURA consist of housing assistance payments and an administrative fee. The administrative fee is based on the number of units leased. The Authority earned an administrative fee totaling \$2,238,655 for the fiscal year ended September 30, 2015, 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, 2015

(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.

The net position of the Authority's Section 8 HCV program as of September 30, 2015 is comprised of the following:

| | Balance at October 1, 2014 | Net Change | Balance at September 30, 2015 |
|---|----------------------------------|-----------------------|-------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Administrative Fee Equity: | | | |
| Invested in capital assets, net of related debt | \$ 205,689 | \$ (27,671) | \$ 178,018 |
| Unrestricted net position | <u>(52,888)</u> | <u>(2,175,005)</u> | <u>(2,227,893)</u> |
| Total Administrative Fee Equity | 152,801 | (2,202,676) | (2,049,875) |
| HAP Equity: | | | |
| Restricted net position | <u>617,702</u> | <u>(476,982)</u> | <u>140,720</u> |
| Total Housing Choice Voucher Equity | <u>\$ 770,503</u> | <u>\$ (2,679,658)</u> | <u>\$ (1,909,155)</u> |

(12) Commitments

Housing Assistance Payments

At September 30, 2015 and 2014, GHURA had 2,414 and 2,267 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(12) Commitments, continued

Construction Work-in-Progress

GHURA has entered into development stage contracts for certain programs. Un-liquidated contracts as of September 30, 2015 are as follows:

| | <u>Contract</u> <u>Amount</u> | <u>Liquidations</u> | <u>Unliquidated</u> <u>Contract</u> |
|--------------------|----------------------------------|-----------------------|--|
| Low Income Housing | \$ 751,711 | \$ 559,940 | \$ 191,771 |
| CDBG Grants | 1,175,174 | 200,151 | 975,023 |
| Other Projects | <u>277,802</u> | <u>-</u> | <u>277,802</u> |
| Total | <u>\$ 2,204,687</u> | <u>\$ 760,091</u> | <u>\$ 1,444,596</u> |

(13) Employees Retirement Plan

Defined Benefit Plan

Plan Description:

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(13) *Employees Retirement Plan, continued*

Defined Benefit Plan, continued

Plan Membership: As of September 30, 2014, the most recent measurement date, plan membership consisted of the following:

| | |
|--|---------------|
| Retirees and beneficiaries currently receiving benefits | 7,226 |
| Terminated employees entitled to benefits but not yet receiving them | 4,941 |
| Current members | <u>2,692</u> |
| | <u>14,859</u> |

Benefits Provided: The DB Plan provides benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or \$6,000, whichever is greater. Cost-of-living adjustments and other supplemental annuity benefits are provided to members and beneficiaries at the discretion of the Guam Legislature, but are provided outside of the Plan.

Members who joined the DB Plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age.

Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984 and prior to October 1, 1995 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age.

Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon the attainment of the age of 60 years. In the event of disability during employment, members under the age of 65 with six or more years of credited service, who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(13) Employees Retirement Plan, continued

Contributions and Funding Policy:

Contribution requirements of participating employers and active members are determined in accordance with Guam law. Employer contributions are actuarially determined under the One-Year Lag methodology. Under this methodology, the actuarial valuation date is used for calculating the employer contributions for the second following fiscal year. As a result of actuarial valuations performed as of September 30, 2013, 2012, and 2011 contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2015, 2014 and 2013, respectively, have been determined as follows:

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|---------------|
| Normal Cost, as % of DB Plan payroll | 15.92% | 16.61% | 17.52% |
| Employee contributions (DB Plan employees) | <u>9.50%</u> | <u>9.50%</u> | <u>9.50%</u> |
| Employer portion of normal costs (% of DB Plan payroll) | <u>6.37%</u> | <u>7.11%</u> | <u>8.02%</u> |
| Employer portion of normal cost, % of total payroll | 2.05% | 2.39% | 3.00% |
| Unfunded liability costs, as % of total payroll | <u>24.09%</u> | <u>24.01%</u> | <u>24.33%</u> |
| Government contribution as % of DB Plan payroll | <u>26.14%</u> | <u>26.40%</u> | <u>27.33%</u> |

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---------------|---------------|---------------|---------------|
| Employer rate | <u>29.85%</u> | <u>30.03%</u> | <u>30.09%</u> |
| Employee rate | <u>9.50%</u> | <u>9.50%</u> | <u>9.50%</u> |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(13) *Employees Retirement Plan, continued*

Actuarial Assumptions: Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The methods and assumptions used to determine contribution rates are as follows:

| | |
|--------------------------------|--|
| Valuation date: | September 30, 2014 |
| Actuarial Cost Method: | Entry age normal |
| Amortization Method: | Level percentage of payroll, closed |
| Remaining Amortization Period: | 16.58 years |
| Asset Valuation Method: | 3-year smoothed market value |
| Inflation: | 2.75% |
| Total payroll growth: | 3.00% per year |
| Salary increases: | 4.50% to 7.50% |
| Expected rate of return: | 7.00% |
| Discount rate: | 7.00% |
| Retirement age: | 40% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 15% until age 65, 20% from 65-69, and 100% at age 70. |
| Mortality: | RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP-2000 disability mortality table with no set forwards. |
| Other information: | Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012. |

Discount Rate: The total pension liability is calculated using a discount rate of 7.0% that is a blend of the expected investment rate of return and a high quality bond index rate. There was no change in the discount rate since the previous year. The expected investment rate of return applies for as long as the plan assets (including future contributions) are projected to be sufficient to make the projected benefit payments. If plan assets are projected to be depleted at some point in the future, the rate of return of a high quality bond index is used for the period after the depletion date.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(13) Employees Retirement Plan, continued

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.0%) in measuring the 2014 Net Pension Liability.

| | 1% Decrease in Discount Rate <u>6.0%</u> | Current Discount Rate <u>7.0%</u> | 1% Increase in Discount Rate <u>8.0%</u> |
|-----------------------|--|---|--|
| Net Pension Liability | <u>\$12,541,882</u> | <u>\$9,785,626</u> | <u>\$7,704,288</u> |

Pension Liability: At September 30, 2015 and 2014, the Authority reported a liability of \$9,785,626 and \$11,952,878, respectively, for its proportionate share of the net pension liability. The Authority's proportion of the net pension liability was based on projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of the Government of Guam and its component units, actuarially determined. At September 30, 2015 and 2014, the Authority's proportion was 0.7852% and 0.917121%, respectively.

Pension Expense: For the years ended September 30, 2015 and 2014, the Authority recognized pension expense (recovery) of (\$480,446) and \$762,746, respectively.

Deferred Outflows and Inflows of Resources: As of September 30, 2015, the Authority reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 72,600 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,318,035 |
| Authority contributions subsequent to the measurement date | 1,246,136 | - |
| Changes in proportion and difference between the Authority contributions and proportionate share of contributions | <u>-</u> | <u>-</u> |
| Total | <u>\$ 1,318,736</u> | <u>\$ 1,318,035</u> |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(13) *Employees Retirement Plan, continued*

Deferred outflows of resources at September 30, 2015, resulting from the Authority's employer contributions of \$1,246,136 subsequent to the measurement date will be recognized as a decrease in net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and defined inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended <u>September 30</u> | |
|-----------------------------------|------------|
| 2016 | \$ 324,560 |
| 2017 | 397,160 |
| 2018 | 397,160 |
| 2019 | 126,555 |

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, 2015 and 2014 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, 2015, the retirement expense contribution was \$416,426 and \$813,042 for the DB and DCRS Plans, respectively, and for the year ended September 30, 2014, the retirement expense contribution was \$375,779 and \$817,263 for the DB and DCRS Plans, respectively.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2015

(13) *Employees Retirement Plan, continued*

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.

(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, 2015, the Authority had deposited \$1,026,429 into the typhoon coverage escrow account.

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(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, 2015. 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.

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 6, 2006 to the date of reinstatement which was March 25, 2014. 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 estimated amount of damages may range approximately between \$45,376 to \$65,000. However, no additional provision for potential liability that may result from this claim has been recorded in the accompanying financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements September 30, 2015

(15) Contingencies, continued

HUD

During FY 2015, 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. Therefore, no liability which may ultimately arise from these matters have been recorded in the accompanying financial statements.

(16) Economic Dependency

HUD and other federal government agencies provided approximately \$42.3 million in 2015 to the Authority, which represents approximately 96.8% of the Authority's total revenues for the year ended September 30, 2015.

(17) 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.

(18) Subsequent Events

The Authority had been served 18 subpoenas from the federal government from July 2015 to May 2016. The nature of the subpoenas are not available at this time.

On June 10, 2016, federal and local investigators served the Authority with a search warrant. The nature of the investigation is not available 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
Employments 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 and 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.

| <u>Actuarial Valuation Date</u> | <u>Actuarial of Value Assets</u> | <u>Actuarial Accrued Liability (AAL)</u> | <u>Unfunded Accrued Liability (AAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a % of Covered Payroll</u> |
|-------------------------------------|--------------------------------------|--|---|-------------------------|----------------------------|---|
| October 1, 2007 | \$ - | \$ - | \$ - | 0.0% | \$ 3,636,858 | 0.00% |
| October 1, 2009 | \$ - | \$ - | \$ - | 0.0% | \$ 3,856,752 | 0.00% |
| October 1, 2011 | \$ - | \$ 6,167,000 | \$ 6,167,000 | 0.0% | \$ 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 GHURA's retirees, which was not separately presented in the OPEB valuation.

See Accompanying Independent Auditors' Report.

Government of Guam
(A Component Unit of the Government of Guam)

Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Years Years*

| | 2015 | 2014 |
|---|------------------|------------------|
| Total Government of Guam net pension liability | \$ 1,246,306,754 | \$ 1,303,304,636 |
| GHURA proportionate share of the net pension liability | \$ 9,785,625 | \$ 11,952,878 |
| GHURA proportionate share of the net pension liability | 0.785% | 0.917% |
| GHURA's covered-employee payroll** | \$ 4,404,881 | \$ 4,244,960 |
| GHURA proportionate share of the net pension liability as a percentage of its covered employee payroll | 222.15% | 281.58% |
| Plan Fiduciary net position as a percentage of the total pension liability | 56.60% | 53.94% |

*This data is presented for those years for which information is available.

**Covered-employee payroll data from the actuarial valuation date with a one-year lag.

See Accompanying Independent Auditors' Report.

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

Required Supplemental Information (Unaudited)
Schedule of Pension Contributions
Last 10 Fiscal Years*

| | 2015 | 2014 |
|--|--------------|--------------|
| Total Government of Guam net pension liability | \$ 1,134,630 | \$ 1,134,630 |
| GHURA proportionate share of the net pension liability | 1,314,859 | 1,206,032 |
| Contribution (excess) deficiency | \$ (180,229) | \$ (71,402) |
| GHURA's covered-employee payroll | \$ 4,404,881 | \$ 4,244,960 |
| GHURA proportionate share of the net pension liability | 29.85% | 28.41% |

* This data is presented for those years for which information is available.

** Covered-employee payroll data from the actuarial valuation date with a one-year lag.

See Accompanying Independent Auditors' Report.

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

Supplementary Information

Schedule of Salaries, Wages and Benefits

For the Year Ended September 30, 20145

| | |
|--|-------------------------|
| Salaries | \$ 4,404,881 |
| Retirement benefits | 1,314,859 |
| Benefits other than retirement | 294,776 |
| Overtime pay | <u>64,776</u> |
| Total salaries, wages and benefits | <u>\$ 6,079,292</u> |
| Employees at end of year | <u>90</u> |

Note 1: The salaries, wages and benefits noted above are reported in the accompanying financial statements on a functional basis by program for the years ended September 30, 2015.

See Accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position

September 30, 2015

| Assets | Total | Community Development Block Grant | Low Income Housing | Section 8 Housing Choice Voucher | Economic, Social, Political and Development of the Territories | Supportive Housing for the Elderly |
|--|----------------------|---|-----------------------|--|---|--|
| Current assets: | | | | | | |
| Cash: | | | | | | |
| Unrestricted | \$ 6,480,361 | \$ 77,108 | \$ 5,758,303 | \$ 594,661 | \$ - | \$ 50,289 |
| Restricted - security deposits | 19,384 | - | - | - | - | 19,384 |
| Restricted - FSS escrow account | 212,452 | - | 96,485 | 115,967 | - | - |
| Restricted - other | 1,495,827 | - | 1,163,655 | 140,720 | - | 191,452 |
| Total cash | 8,208,024 | 77,108 | 7,018,443 | 851,348 | - | 261,125 |
| Accounts receivable: | | | | | | |
| Tenants | 186,902 | - | 98,547 | 79,731 | - | 8,624 |
| HUD | 801,162 | 413,882 | 324,539 | 62,741 | - | - |
| Federal government | 148,715 | - | - | - | 148,715 | - |
| Due from other funds | 1,295,693 | - | 1,295,308 | - | 385 | - |
| Interest | 248 | - | 212 | - | - | 36 |
| Other | 87,686 | - | - | 79,155 | - | 8,531 |
| | 2,520,406 | 413,882 | 1,718,606 | 221,627 | 149,100 | 17,191 |
| Allowance for doubtful accounts | (91,074) | - | (77,724) | - | - | (13,350) |
| Total accounts receivable, net | 2,429,332 | 413,882 | 1,640,882 | 221,627 | 149,100 | 3,841 |
| Investments: | | | | | | |
| Unrestricted | 1,021,294 | - | 1,021,294 | - | - | - |
| Restricted/reserved by fiscal agent | 389,805 | - | 184,418 | - | - | 205,387 |
| Total investments | 1,411,099 | - | 1,205,712 | - | - | 205,387 |
| Prepayments and other current assets | 7,172 | 120 | 7,052 | - | - | - |
| Inventories | 203,414 | - | 194,996 | - | - | 8,418 |
| Total current assets | 12,259,041 | 491,110 | 10,067,085 | 1,072,975 | 149,100 | 478,771 |
| Noncurrent assets: | | | | | | |
| Capital assets, net | 16,108,901 | 148,701 | 13,887,974 | 178,018 | - | 1,894,208 |
| Other assets | - | - | - | - | - | - |
| Total noncurrent assets | 16,108,901 | 148,701 | 13,887,974 | 178,018 | - | 1,894,208 |
| Total assets | 28,367,942 | 639,811 | 23,955,059 | 1,250,993 | 149,100 | 2,372,979 |
| Deferred outflows of resources from pension | 961,886 | 179,480 | 455,887 | 300,540 | - | 25,979 |
| Total assets and deferred outflows of resources | \$ 29,329,828 | \$ 819,291 | \$ 24,410,946 | \$ 1,551,533 | \$ 149,100 | \$ 2,398,958 |

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, 2015

| Liabilities and Net Position | Total | Community Development Block Grant | Low Income Housing | Section 8 Housing Choice Voucher | Economic, Social, Political and Development of the Territories | Supportive Housing for the Elderly |
|--|----------------------|---|-----------------------|--|---|--|
| Current liabilities: | | | | | | |
| Bank overdraft | \$ 12,752 | \$ - | \$ - | \$ 12,752 | \$ - | \$ - |
| Accounts payable | 60,714 | 1,978 | 4,112 | 34,671 | - | 19,953 |
| Current portion of long-term debt | 59,000 | - | - | - | - | 59,000 |
| Current portion of compensated absences | 57,050 | 11,478 | 26,465 | 17,615 | - | 1,492 |
| Due to HUD | 7,075 | - | 3,363 | 3,712 | - | - |
| Due to other funds | 2,610,287 | 261,021 | 1,381,154 | 604,846 | 148,715 | 214,551 |
| Security deposits | 140,435 | 2,590 | 118,160 | - | - | 19,685 |
| FSS - tenant escrow | 212,451 | - | 96,485 | 115,966 | - | - |
| Accrued salaries and wages | 120,646 | 11,757 | 66,925 | 34,990 | - | 6,974 |
| Accrued liabilities - PILOT | 98,145 | - | 98,145 | - | - | - |
| Deferred revenues | 99,658 | 90,555 | 5,209 | 3,509 | 385 | - |
| Other current liabilities | 916 | - | 916 | - | - | - |
| Total current liabilities | 3,479,129 | 379,379 | 1,800,934 | 828,061 | 149,100 | 321,655 |
| Noncurrent liabilities: | | | | | | |
| Net pension liability | 7,137,635 | 1,331,823 | 3,382,891 | 2,230,144 | - | 192,777 |
| Long-term debt, net of current portion | 1,095,274 | - | - | - | - | 1,095,274 |
| Accrued compensated absences | 270,687 | 47,461 | 116,041 | 93,518 | - | 13,667 |
| Other long-term liabilities | 222,800 | 64,269 | 94,098 | 64,433 | - | - |
| Total noncurrent liabilities | 8,726,396 | 1,443,553 | 3,593,030 | 2,388,095 | - | 1,301,718 |
| Total liabilities | 12,205,525 | 1,822,932 | 5,393,964 | 3,216,156 | 149,100 | 1,623,373 |
| Deferred inflows of resources | 961,374 | 179,385 | 455,644 | 300,380 | - | 25,965 |
| Net position: | | | | | | |
| Investment in capital assets, net of related debt | 14,954,627 | 148,701 | 13,887,974 | 178,018 | - | 739,934 |
| Restricted | 535,974 | - | 184,418 | 140,720 | - | 210,836 |
| Unrestricted | 672,328 | (1,331,727) | 4,488,946 | (2,283,741) | - | (201,150) |
| Total net position | 16,162,929 | (1,183,026) | 18,561,338 | (1,965,003) | - | 749,620 |
| Total liabilities, deferred inflows of resources and net position | \$ 29,329,828 | \$ 819,291 | \$ 24,410,946 | \$ 1,551,533 | \$ 149,100 | \$ 2,398,958 |

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, 2015

| | Total | Community Development Block Grant | Low Income Housing | Section 8 Housing Choice Voucher | Economic, Social, Political and Development of the Territories | Supportive Housing for the Elderly |
|--|----------------------|---|-----------------------|--|---|--|
| Operating revenues: | | | | | | |
| HUD PHA Operating Grants | \$ 38,363,053 | \$ 2,196,186 | \$ 3,933,618 | \$ 31,784,853 | \$ - | \$ 448,396 |
| Other Government Grants | 1,783,529 | - | - | - | 1,783,529 | - |
| Tenant rental income | 587,466 | 13,985 | 469,197 | - | - | 104,284 |
| Other income | 128,438 | 16,248 | 112,190 | - | - | - |
| Total operating revenues | <u>40,862,486</u> | <u>2,226,419</u> | <u>4,515,005</u> | <u>31,784,853</u> | <u>1,783,529</u> | <u>552,680</u> |
| Operating expenses: | | | | | | |
| Housing assistance payments | 30,047,160 | - | - | 30,047,160 | - | - |
| Repairs and maintenance | 4,062,128 | 1,393,082 | 905,366 | - | 1,735,535 | 28,145 |
| Salaries and wages | 2,307,138 | 323,347 | 915,255 | 944,887 | 33,922 | 89,727 |
| Depreciation | 1,386,989 | 25,763 | 1,247,312 | 34,353 | - | 79,561 |
| Other administrative expenses | 481,604 | 148,313 | 196,188 | 113,581 | - | 23,522 |
| Management fees | 1,002,984 | - | 546,400 | 417,776 | - | 38,808 |
| Employee benefits | 327,412 | (16,354) | 194,602 | 119,272 | 13,752 | 16,140 |
| Office expense | 282,602 | 29,291 | 101,017 | 146,929 | - | 5,365 |
| Bookkeeping fees | 275,146 | - | 65,559 | 209,587 | - | - |
| Insurance | 122,486 | 3,608 | 108,989 | 4,469 | - | 5,420 |
| Utilities | 416,171 | 947 | 225,481 | - | - | 189,743 |
| Asset management fees | 90,000 | - | 90,000 | - | - | - |
| Payments in-lieu of taxes | - | - | - | - | - | - |
| Professional fees | 79,274 | 20,454 | 19,951 | 38,532 | - | 337 |
| Travel | 3,430 | 3,430 | - | - | - | - |
| Protective services | 3,033 | - | 1,897 | 792 | - | 344 |
| Bad debts | 65,148 | - | 64,699 | - | - | 449 |
| Advertising and marketing | 19,709 | 14,830 | 2,766 | 1,754 | 320 | 39 |
| Compensated absences | 61,299 | 14,835 | 27,175 | 16,027 | - | 3,262 |
| Total operating expenses | <u>41,033,713</u> | <u>1,961,546</u> | <u>4,712,657</u> | <u>32,095,119</u> | <u>1,783,529</u> | <u>480,862</u> |
| Operating income (loss) | <u>(171,227)</u> | <u>264,873</u> | <u>(197,652)</u> | <u>(310,266)</u> | <u>-</u> | <u>71,818</u> |
| Non-operating revenues (expenses): | | | | | | |
| Interest income on restricted investments | - | - | - | - | - | - |
| Interest income on unrestricted investments | 10,223 | - | 10,003 | - | - | 220 |
| Interest expense | (71,247) | - | - | - | - | (71,247) |
| Capital grants | - | - | - | - | - | - |
| Fraud recovery | 23,530 | - | - | 23,530 | - | - |
| Casualty loss | (500) | - | (500) | - | - | - |
| Other income | 48,965 | - | 8,182 | 16,709 | - | 24,074 |
| Total non-operating revenues (expenses), net | <u>10,971</u> | <u>-</u> | <u>17,685</u> | <u>40,239</u> | <u>-</u> | <u>(46,953)</u> |
| Change in net position | <u>(160,256)</u> | <u>264,873</u> | <u>(179,967)</u> | <u>(270,027)</u> | <u>-</u> | <u>24,865</u> |
| Net position at beginning of year | 24,214,015 | 24,464 | 22,481,174 | 770,503 | - | 937,874 |
| Prior period adjustment, pension | (7,890,830) | (1,472,363) | (3,739,869) | (2,465,479) | - | (213,119) |
| Total net position at beginning of year, as restated | <u>16,323,185</u> | <u>(1,447,899)</u> | <u>18,741,305</u> | <u>(1,694,976)</u> | <u>-</u> | <u>724,755</u> |
| Total net position at end of year | <u>\$ 16,162,929</u> | <u>\$ (1,183,026)</u> | <u>\$ 18,561,338</u> | <u>\$ (1,965,003)</u> | <u>\$ -</u> | <u>\$ 749,620</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, 2015

| | Total | Community Development Block Grant | Low Income Housing | Section 8 Housing Choice Voucher | Economic, Social, Political and Development of the Territories | Supportive Housing for the Elderly |
|---|---------------------|---|-----------------------|--|---|--|
| Cash flows from operating activities: | | | | | | |
| Operating grants received | \$ 38,016,781 | \$ 2,230,922 | \$ 3,616,050 | \$ 31,721,413 | \$ - | \$ 448,396 |
| Other federal grants received | 1,783,529 | - | - | - | 1,783,529 | - |
| Receipts from customers and tenants | 677,029 | 13,985 | 558,760 | - | - | 104,284 |
| Assistance paid | (30,047,160) | - | - | (30,047,160) | - | - |
| Payments to suppliers | (7,479,684) | (1,737,166) | (2,391,445) | (1,201,874) | (1,749,607) | (399,592) |
| Payments to employees | (2,386,839) | (338,182) | (911,287) | (1,011,008) | (33,922) | (92,440) |
| Other cash receipts (payments) | 16,248 | 16,248 | - | - | - | - |
| Net cash provided by (used for) operating activities | 579,904 | 185,807 | 872,078 | (538,629) | - | 60,648 |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers (in) out from other funds | - | - | - | - | - | - |
| Net cash used for noncapital financing activities | - | - | - | - | - | - |
| Cash flows from capital and related financing activities: | | | | | | |
| Repayment of note payable | (55,233) | - | - | - | - | (55,233) |
| Interest paid | (71,247) | - | - | - | - | (71,247) |
| Capital grants received | - | - | - | - | - | - |
| Acquisition of capital assets | (267,903) | (150,000) | (15,995) | (6,682) | - | (95,226) |
| Net cash used for capital and related financing activities | (394,383) | (150,000) | (15,995) | (6,682) | - | (221,706) |
| Cash flows from investing activities: | | | | | | |
| Interest and other income received | 81,614 | - | 17,482 | 40,242 | - | 23,890 |
| Deposits to restricted accounts | (133,299) | - | (133,519) | - | - | 220 |
| Net cash provided by investing activities | (51,685) | - | (116,037) | 40,242 | - | 24,110 |
| Net increase (decrease) in cash | 133,836 | 35,807 | 740,046 | (505,069) | - | (136,948) |
| Cash at beginning year | 8,074,188 | 41,301 | 6,278,397 | 1,356,417 | - | 398,073 |
| Cash at end of year | \$ 8,208,024 | \$ 77,108 | \$ 7,018,443 | \$ 851,348 | \$ - | \$ 261,125 |

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, 2015

| | <u>Total</u> | <u>Community Development Block Grant</u> | <u>Low Income Housing</u> | <u>Section 8 Housing Choice Voucher</u> | <u>Economic, Social, Political and Development of the Territories</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) | \$ (171,227) | \$ 264,873 | \$ (197,652) | \$ (310,266) | \$ - | \$ 71,818 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Depreciation | 1,386,989 | 25,763 | 1,247,312 | 34,353 | - | 79,561 |
| Bad debts | 65,148 | - | 64,699 | - | - | 449 |
| Non-cash pension costs | (753,710) | (140,636) | (357,221) | (235,496) | - | (20,357) |
| (Increase) decrease in assets: | | | | | | |
| Accounts receivable: | | | | | | |
| Tenant receivables | (27,211) | - | (22,627) | (5,035) | - | 451 |
| HUD | (354,519) | 31,949 | (323,727) | (62,741) | - | - |
| Other federal government | (148,715) | - | - | - | (148,715) | - |
| Due from other funds | 176,957 | - | 177,342 | - | (385) | - |
| Interest | (238) | - | (203) | - | - | (35) |
| Other | (38,292) | - | - | (38,513) | - | 221 |
| Prepayments and other assets | 57,595 | 2,499 | 49,265 | 2,746 | - | 3,085 |
| Inventories | 11,331 | - | 11,825 | - | - | (494) |
| Increase (decrease) in liabilities: | | | | | | |
| Bank overdraft | 12,752 | - | - | 12,752 | - | - |
| Account payable | 5,512 | - | 1,998 | (14,164) | - | 17,678 |
| HUD | (33,588) | - | (35,268) | 1,680 | - | - |
| Compensated absences and sick leave | (66,471) | (108,373) | 30,600 | 8,041 | - | 3,261 |
| Due to other funds | 200,728 | (25,628) | 105,339 | 69,272 | 148,715 | (96,970) |
| Security deposits | 1,147 | (285) | 1,312 | - | - | 120 |
| Accrued salaries and wages | 13,099 | 846 | 15,524 | (5,131) | - | 1,860 |
| FSS - tenant escrow | 102,737 | - | 96,485 | 6,252 | - | - |
| Other current liabilities | 916 | - | 916 | - | - | - |
| Accrued liabilities - PILOT | - | - | - | - | - | - |
| Deferred revenues | 138,964 | 134,799 | 6,159 | (2,379) | 385 | - |
| Net cash provided by (used for) operating activities | <u>\$ 579,904</u> | <u>\$ 185,807</u> | <u>\$ 872,078</u> | <u>\$ (538,629)</u> | <u>\$ -</u> | <u>\$ 60,648</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, 2015**

| 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 | B-14-ST- Account |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|
| Current assets: | | | | | | | | | | |
| Cash - unrestricted | \$ 77,108 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 77,108 | \$ - | \$ - |
| Accounts receivable - HUD | 413,882 | 24,443 | 21,968 | 34,721 | 7,106 | 137,785 | 272 | - | 39,504 | 148,083 |
| Total current assets | 490,990 | 24,443 | 21,968 | 34,721 | 7,106 | 137,785 | 272 | 77,108 | 39,504 | 148,083 |
| Prepayments and other assets | 120 | - | - | 120 | - | - | - | - | - | - |
| Capital assets | 180,540 | 15,191 | - | - | 15,349 | - | - | - | - | 150,000 |
| Accumulated depreciation | (31,839) | (15,191) | - | - | (9,565) | - | - | - | - | (7,083) |
| Capital assets, net | 148,701 | - | - | - | 5,784 | - | - | - | - | 142,917 |
| Total assets | 639,811 | 24,443 | 21,968 | 34,841 | 12,890 | 137,785 | 272 | 77,108 | 39,504 | 291,000 |
| Deferred outflows of resources | 179,480 | - | - | - | - | - | - | - | 179,480 | - |
| Total assets and deferred outflows | \$ 819,291 | \$ 24,443 | \$ 21,968 | \$ 34,841 | \$ 12,890 | \$ 137,785 | \$ 272 | \$ 77,108 | \$ 218,984 | \$ 291,000 |
| Liabilities and Net Position | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Accounts payable | \$ 1,978 | \$ - | \$ 35 | \$ 1,943 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Security deposits | 2,590 | - | - | - | - | - | - | 2,590 | - | - |
| Due to other funds | 261,021 | 22,261 | 21,933 | 32,898 | 7,106 | 132,275 | 272 | (9,531) | 31,127 | 22,680 |
| Accrued salaries and wages | 11,757 | - | - | - | - | 392 | - | 794 | 8,376 | 2,195 |
| Compensated absences - current | 11,478 | - | - | - | - | - | - | - | - | 11,478 |
| Deferred revenues | 90,555 | 2,182 | - | - | - | 5,118 | - | 83,255 | - | - |
| Total current liabilities | 379,379 | 24,443 | 21,968 | 34,841 | 7,106 | 137,785 | 272 | 77,108 | 39,503 | 36,353 |
| Noncurrent liabilities: | | | | | | | | | | |
| Compensated absences - noncurrent | 47,461 | - | - | - | - | - | - | - | - | 47,461 |
| Accrued sick leave | 64,269 | - | - | - | - | - | - | - | - | 64,269 |
| Net pension liability | 1,331,823 | - | - | - | - | - | - | - | 1,331,823 | - |
| Total noncurrent liabilities | 1,443,553 | - | 1,331,823 | 111,730 |
| Total liabilities | 1,822,932 | 24,443 | 21,968 | 34,841 | 7,106 | 137,785 | 272 | 77,108 | 1,371,326 | 148,083 |
| Deferred inflows of resources: | | | | | | | | | | |
| Deferred inflows from pension | 179,385 | - | - | - | - | - | - | - | 179,385 | - |
| Net Position: | | | | | | | | | | |
| Invested in capital assets, net of related debt | 148,701 | - | - | - | 5,784 | - | - | - | - | 142,917 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (1,331,727) | - | - | - | - | - | - | - | (1,331,727) | - |
| Total net position | (1,183,026) | - | - | - | 5,784 | - | - | - | (1,331,727) | 142,917 |
| Total liabilities, deferred inflows of resources and net assets | \$ 819,291 | \$ 24,443 | \$ 21,968 | \$ 34,841 | \$ 12,890 | \$ 137,785 | \$ 272 | \$ 77,108 | \$ 218,984 | \$ 291,000 |

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, 2015

| | 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 | B-14-ST- 66-0001 |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|-----------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Federal contributions | \$ 2,196,186 | \$ - | \$ - | \$ - | \$ 11,367 | \$ 132,365 | \$ 105,176 | \$ - | \$ 1,556,271 | \$ 391,007 |
| Tenant rental | 13,985 | - | - | - | - | - | - | 13,985 | - | - |
| Other | 16,248 | 559 | - | - | - | 13,987 | - | 1,702 | - | - |
| Total Revenues | 2,226,419 | 559 | - | - | 11,367 | 146,352 | 105,176 | 15,687 | 1,556,271 | 391,007 |
| Operating expenses: | | | | | | | | | | |
| Repairs and maintenance | 1,393,082 | 393 | - | - | - | 132,476 | 87,896 | 3,489 | 1,168,828 | - |
| Other | 148,313 | 160 | - | - | - | 75 | 1,750 | - | 72,653 | 73,675 |
| Administrative salaries | 323,347 | - | - | - | 7,324 | 9,985 | 63,492 | 7,433 | 205,631 | 29,482 |
| Employee benefits | (16,354) | - | - | - | 2,836 | 3,704 | 24,548 | 2,696 | (61,360) | 11,222 |
| Management fees | - | - | - | - | - | - | - | - | - | - |
| Professional fees | 20,454 | - | - | - | - | 112 | 9,387 | - | 10,055 | 900 |
| Advertising and marketing | 14,830 | - | - | - | - | - | 1,814 | - | 10,496 | 2,520 |
| Depreciation | 25,763 | 9,115 | - | - | 9,565 | - | - | - | - | 7,083 |
| Office expense | 29,291 | 6 | - | - | - | - | 20,660 | 25 | 8,600 | - |
| Utilities | 947 | - | - | - | - | - | - | 947 | - | - |
| Travel | 3,430 | - | - | - | - | - | 3,430 | - | - | - |
| Compensated absences | 14,835 | - | - | - | - | - | (108,373) | - | - | 123,208 |
| Insurance | 3,608 | - | - | - | 1,207 | - | 572 | 1,097 | 732 | - |
| Total operating expenses | 1,961,546 | 9,674 | - | - | 20,932 | 146,352 | 105,176 | 15,687 | 1,415,635 | 248,090 |
| Operating income (loss) | 264,873 | (9,115) | - | - | (9,565) | - | - | - | 140,636 | 142,917 |
| Non-operating revenues and expenses: | | | | | | | | | | |
| Interest income | - | - | - | - | - | - | - | - | - | - |
| Other income | - | - | - | - | - | - | - | - | - | - |
| Other expense | - | - | - | - | - | - | - | - | - | - |
| Capital Grants | - | - | - | - | - | - | - | - | - | - |
| Total non-operating revenues and (expense), net | - | - | - | - | - | - | - | - | - | - |
| Change in net position | 264,873 | (9,115) | - | - | (9,565) | - | - | - | 140,636 | 142,917 |
| Total net position - beginning of year | 24,464 | 9,115 | - | - | 15,349 | - | - | - | - | - |
| Prior period adjustment | (1,472,363) | - | - | - | - | - | - | - | (1,472,363) | - |
| Total net position - end of year | \$ (1,183,026) | \$ - | \$ - | \$ - | \$ 5,784 | \$ - | \$ - | \$ - | \$ (1,331,727) | \$ 142,917 |

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 | B-14-ST- 66-0001 |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|
| Cash flows from operating activities: | | | | | | | | | | |
| Operating grants received | \$ 2,230,922 | \$ - | \$ - | \$ - | \$ 11,367 | \$ 132,365 | \$ 105,176 | \$ 34,736 | \$ 1,556,271 | \$ 391,007 |
| Receipts from tenants | 13,985 | - | - | - | - | - | - | 13,985 | - | - |
| Payments to suppliers | (1,737,166) | (559) | - | - | (4,043) | (136,367) | (150,057) | (7,183) | (1,350,640) | (88,317) |
| Payments to employees | (338,182) | - | - | - | (7,324) | (9,985) | 44,881 | (7,433) | (205,631) | (152,690) |
| Other receipts | 16,248 | 559 | - | - | - | 13,987 | - | 1,702 | - | - |
| Net cash provided by operating activities | 185,807 | - | - | - | - | - | - | 35,807 | - | 150,000 |
| Cash flows from capital and related financing activities: | | | | | | | | | | |
| Capital grants received | - | - | - | - | - | - | - | - | - | - |
| Acquisition of fixed assets | (150,000) | - | - | - | - | - | - | - | - | (150,000) |
| Net cash used for capital and related financing activities | (150,000) | - | - | (150,000) |
| Cash flows from investing activities: | | | | | | | | | | |
| Interest and other income received | - | - | - | - | - | - | - | - | - | - |
| Net cash provided from investing activities | - | - | - | - | - | - | - | - | - | - |
| Net change in cash | 35,807 | - | - | - | - | - | - | 35,807 | - | - |
| Cash and cash equivalents at beginning year | 41,301 | - | - | - | - | - | - | 41,301 | - | - |
| Cash and cash equivalents at end of year | \$ 77,108 | \$ - | \$ 77,108 | \$ - | \$ - |
| Reconciliation of change in net assets to net cash provided by (used in) operating activities: | | | | | | | | | | |
| Operating income (loss) | \$ 264,873 | \$ (9,115) | \$ - | \$ - | \$ (9,565) | \$ - | \$ - | \$ - | \$ 140,636 | \$ 142,917 |
| Adjustments to reconcile net loss to net cash provided by (used) operating activities: | | | | | | | | | | |
| Depreciation | 25,763 | 9,115 | - | - | 9,565 | - | - | - | - | 7,083 |
| Non-cash pension cost | (140,636) | - | - | - | - | - | - | - | (140,636) | - |
| (Increase) decrease in assets: | | | | | | | | | | |
| Accounts receivable - HUD | 31,949 | - | - | - | 11,165 | (122,896) | 129,380 | - | 162,383 | (148,083) |
| Prepayments and other assets | 2,499 | - | - | - | 1,207 | - | 573 | 719 | - | - |
| Increase (decrease) in liabilities: | | | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | - | - | - | - |
| Security deposits | (285) | - | - | - | - | - | - | (285) | - | - |
| Compensated absences | (108,373) | - | - | - | - | - | (108,373) | - | - | - |
| Due to other funds | (25,628) | (253) | - | - | (2,436) | 136,994 | (13,609) | (73) | (168,931) | 22,680 |
| Accrued salaries and wages | 846 | - | - | - | (1,098) | (111) | (7,398) | 710 | 6,548 | 2,195 |
| Deferred revenues | 134,799 | 253 | - | - | (8,838) | (13,987) | (573) | 34,736 | - | 123,208 |
| Net cash provided by operating activities | \$ 185,807 | \$ - | \$ 35,807 | \$ - | \$ 150,000 |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Statements of Net Position
September 30, 2015

| ASSETS | Total | AMP 1 | AMP 2 | AMP 3 | AMP 4 |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
| Current assets: | | | | | |
| Cash: | | | | | |
| Cash - General Fund | \$ 5,758,303 | \$ 1,500,648 | \$ 1,513,926 | \$ 1,457,889 | \$ 1,285,840 |
| Restricted Cash - FSS Escrow | 96,485 | 42,148 | 30,088 | 8,803 | 15,446 |
| Restricted Cash - other | <u>1,163,655</u> | <u>246,274</u> | <u>253,605</u> | <u>303,227</u> | <u>360,549</u> |
| Total cash | <u>7,018,443</u> | <u>1,789,070</u> | <u>1,797,619</u> | <u>1,769,919</u> | <u>1,661,835</u> |
| Accounts receivable: | | | | | |
| Tenants | 98,547 | 5,835 | 20,435 | 36,647 | 35,630 |
| HUD | 324,539 | 65,099 | 77,812 | 82,004 | 99,624 |
| Due from other programs | 1,295,308 | 158,838 | 119 | 64,360 | 1,071,991 |
| Interest | <u>212</u> | <u>7</u> | <u>32</u> | <u>97</u> | <u>76</u> |
| | 1,718,606 | 229,779 | 98,398 | 183,108 | 1,207,321 |
| Allowance for doubtful accounts | <u>(77,724)</u> | <u>(3,013)</u> | <u>(13,836)</u> | <u>(27,743)</u> | <u>(33,132)</u> |
| Total accounts receivable | <u>1,640,882</u> | <u>226,766</u> | <u>84,562</u> | <u>155,365</u> | <u>1,174,189</u> |
| Inventories | 194,996 | 45,796 | 41,531 | 52,564 | 55,105 |
| Investments: | | | | | |
| General fund | 1,021,294 | - | 143,462 | 503,656 | 374,176 |
| Restricted - security deposits | <u>184,418</u> | <u>38,851</u> | <u>40,080</u> | <u>47,928</u> | <u>57,559</u> |
| Total investments | <u>1,205,712</u> | <u>38,851</u> | <u>183,542</u> | <u>551,584</u> | <u>431,735</u> |
| Prepaid and other current assets | <u>7,052</u> | <u>-</u> | <u>-</u> | <u>5,086</u> | <u>1,966</u> |
| Total current assets | <u>10,067,085</u> | <u>2,100,483</u> | <u>2,107,254</u> | <u>2,534,518</u> | <u>3,324,830</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 | 2,488,057 | 793,781 | 669,990 | 436,174 | 588,112 |
| Accumulated depreciation | <u>(65,155,639)</u> | <u>(10,855,962)</u> | <u>(14,315,938)</u> | <u>(20,232,964)</u> | <u>(19,750,775)</u> |
| Net capital assets | <u>13,887,974</u> | <u>2,963,512</u> | <u>2,947,564</u> | <u>3,122,608</u> | <u>4,854,290</u> |
| Total assets | 23,955,059 | 5,063,995 | 5,054,818 | 5,657,126 | 8,179,120 |
| Deferred outflows of resources from pensions | <u>455,887</u> | <u>103,125</u> | <u>101,938</u> | <u>85,850</u> | <u>164,974</u> |
| Total assets and deferred outflows of resources | <u>\$ 24,410,946</u> | <u>\$ 5,167,120</u> | <u>\$ 5,156,756</u> | <u>\$ 5,742,976</u> | <u>\$ 8,344,094</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Statements of Net Position, Continued
September 30, 2015

| LIABILITIES AND NET ASSETS | Total | AMP 1 | AMP 2 | AMP 3 | AMP 4 |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
| Liabilities: | | | | | |
| Accounts payable: | | | | | |
| Vendors | \$ 4,112 | \$ 1,268 | \$ 110 | \$ 1,175 | \$ 1,559 |
| HUD | 3,363 | - | 3,363 | - | - |
| FSS- tenant escrow | 96,485 | 42,148 | 30,088 | 8,803 | 15,446 |
| Tenant security deposits | 118,160 | 25,325 | 25,855 | 30,638 | 36,342 |
| Due to other funds | 1,381,154 | - | 517,781 | 863,373 | - |
| Accrued salaries and wages | 66,925 | 13,909 | 15,637 | 14,824 | 22,555 |
| Compensated absences, current portion | 26,465 | 6,276 | 7,887 | 3,532 | 8,770 |
| Other current liabilities | 916 | 313 | - | 603 | - |
| Accrued liabilities - PILOT | 98,145 | 47,557 | - | 845 | 49,743 |
| Total accounts payable | <u>1,795,725</u> | <u>136,796</u> | <u>600,721</u> | <u>923,793</u> | <u>134,415</u> |
| Deferred credits: | | | | | |
| Tenants prepaid rents | - | - | - | - | - |
| Other | 5,209 | 1,527 | 3,682 | - | - |
| Total deferred credits | <u>5,209</u> | <u>1,527</u> | <u>3,682</u> | <u>-</u> | <u>-</u> |
| Total current liabilities | <u>1,800,934</u> | <u>138,323</u> | <u>604,403</u> | <u>923,793</u> | <u>134,415</u> |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 3,382,891 | 765,236 | 756,429 | 637,044 | 1,224,182 |
| Compensated absences, net of current portion | 116,041 | 23,865 | 33,085 | 22,683 | 36,408 |
| Other - sick leave, net of current portion | 94,098 | 35,962 | 36,970 | 10,361 | 10,805 |
| Total noncurrent liabilities | <u>3,593,030</u> | <u>825,063</u> | <u>826,484</u> | <u>670,088</u> | <u>1,271,395</u> |
| Total liabilities | <u>5,393,964</u> | <u>963,386</u> | <u>1,430,887</u> | <u>1,593,881</u> | <u>1,405,810</u> |
| Deferred inflows of resources from pension | <u>455,644</u> | <u>103,070</u> | <u>101,884</u> | <u>85,804</u> | <u>164,886</u> |
| Net position: | | | | | |
| Invested in capital assets, net of related debt | 13,887,974 | 2,963,512 | 2,947,564 | 3,122,608 | 4,854,290 |
| Restricted | 184,418 | 38,851 | 40,080 | 47,928 | 57,559 |
| Unrestricted | 4,488,946 | 1,098,301 | 636,341 | 892,755 | 1,861,549 |
| Total net position | <u>18,561,338</u> | <u>4,100,664</u> | <u>3,623,985</u> | <u>4,063,291</u> | <u>6,773,398</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 24,410,946</u> | <u>\$ 5,167,120</u> | <u>\$ 5,156,756</u> | <u>\$ 5,742,976</u> | <u>\$ 8,344,094</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2015

| | <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 | \$ 3,933,618 | \$ 788,635 | \$ 931,569 | \$ 1,019,536 | \$ 1,193,878 |
| Tenant rental income | 469,197 | 153,578 | 72,569 | 59,684 | 183,366 |
| Other income | <u>112,190</u> | <u>21,702</u> | <u>13,591</u> | <u>41,174</u> | <u>35,723</u> |
| Total operating revenues | <u>4,515,005</u> | <u>963,915</u> | <u>1,017,729</u> | <u>1,120,394</u> | <u>1,412,967</u> |
| Operating expenses: | | | | | |
| Depreciation | 1,247,312 | 198,789 | 269,210 | 318,988 | 460,325 |
| Ordinary repairs and maintenance | 905,366 | 227,663 | 178,294 | 223,878 | 275,531 |
| Administrative salaries | 618,303 | 105,562 | 119,417 | 121,812 | 271,512 |
| Management fees | 546,400 | 118,519 | 119,832 | 136,084 | 171,965 |
| Tenant services - salaries | 296,952 | 78,578 | 84,709 | 56,761 | 76,904 |
| Utilities | 225,481 | 26,653 | 31,994 | 63,105 | 103,729 |
| Other administrative expenses | 196,188 | 43,020 | 40,962 | 75,185 | 37,021 |
| Insurance | 108,989 | 25,176 | 23,542 | 27,849 | 32,422 |
| Offices supplies | 101,017 | 23,081 | 18,196 | 30,998 | 28,742 |
| Asset management fees | 90,000 | 18,960 | 19,560 | 23,400 | 28,080 |
| Employee benefits - tenant services | 74,219 | 31,489 | 16,125 | 6,701 | 19,904 |
| Bookkeeping fees | 65,559 | 14,220 | 14,378 | 16,328 | 20,633 |
| Bad debts | 64,699 | (979) | 11,617 | 32,297 | 21,764 |
| Employee benefits - administrative | 64,137 | (2,181) | 21,733 | 13,725 | 30,860 |
| Employee benefits - ordinary maintenance | 56,246 | 19,215 | 12,160 | 24,871 | - |
| Compensated absences | 27,175 | 13,546 | 10,041 | 10,728 | (7,140) |
| Legal and professional fees | 19,951 | 700 | 820 | 950 | 17,481 |
| Advertising and marketing | 2,766 | 502 | 583 | 940 | 741 |
| Protective services | <u>1,897</u> | <u>679</u> | <u>418</u> | <u>456</u> | <u>344</u> |
| Total operating expenses | <u>4,712,657</u> | <u>943,192</u> | <u>993,591</u> | <u>1,185,056</u> | <u>1,590,818</u> |
| Operating income (loss) | <u>(197,652)</u> | <u>20,723</u> | <u>24,138</u> | <u>(64,662)</u> | <u>(177,851)</u> |
| Non-operating revenues and (expenses): | | | | | |
| Interest on general fund investments | 10,003 | 2,122 | 2,273 | 2,907 | 2,701 |
| Casualty loss | (500) | - | - | - | (500) |
| Other income | <u>8,182</u> | <u>1,746</u> | <u>665</u> | <u>3,317</u> | <u>2,454</u> |
| Total non-operating revenues, net | <u>17,685</u> | <u>3,868</u> | <u>2,938</u> | <u>6,224</u> | <u>4,655</u> |
| Changes in net assets | <u>(179,967)</u> | <u>24,591</u> | <u>27,076</u> | <u>(58,438)</u> | <u>(173,196)</u> |
| Net position, beginning of year | 22,481,174 | 4,922,060 | 4,433,160 | 4,825,997 | 8,299,957 |
| Prior period adjustment, pension | <u>(3,739,869)</u> | <u>(845,987)</u> | <u>(836,251)</u> | <u>(704,268)</u> | <u>(1,353,363)</u> |
| Net position, beginning of year, as restated | <u>18,741,305</u> | <u>4,076,073</u> | <u>3,596,909</u> | <u>4,121,729</u> | <u>6,946,594</u> |
| Total net position, end of year | <u>\$ 18,561,338</u> | <u>\$ 4,100,664</u> | <u>\$ 3,623,985</u> | <u>\$ 4,063,291</u> | <u>\$ 6,773,398</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Statements of Cash Flows
Year Ended September 30, 2015

| | <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 | \$ 3,616,050 | \$ 725,063 | \$ 858,251 | \$ 938,482 | \$ 1,094,254 |
| Receipts from tenants | 558,760 | 178,606 | 88,857 | 95,022 | 196,275 |
| Payments to suppliers | (2,391,445) | (551,934) | (478,218) | (640,269) | (721,024) |
| Payments to employees | (911,287) | (197,686) | (214,167) | (153,995) | (345,439) |
| Other cash receipts (payments) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided by operating activities | <u>872,078</u> | <u>154,049</u> | <u>254,723</u> | <u>239,240</u> | <u>224,066</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | <u>(15,995)</u> | <u>-</u> | <u>-</u> | <u>(15,995)</u> | <u>-</u> |
| Net cash used in capital and related financing activities | <u>(15,995)</u> | <u>-</u> | <u>-</u> | <u>(15,995)</u> | <u>-</u> |
| Cash flows from investing activities: | | | | | |
| Deposits to investments | (133,519) | (43,473) | (38,762) | (38,641) | (12,643) |
| Interest and other income received | <u>17,482</u> | <u>3,862</u> | <u>2,907</u> | <u>6,131</u> | <u>4,582</u> |
| Net cash used in investing activities | <u>(116,037)</u> | <u>(39,611)</u> | <u>(35,855)</u> | <u>(32,510)</u> | <u>(8,061)</u> |
| Net change in cash | 740,046 | 114,438 | 218,868 | 190,735 | 216,005 |
| Cash and cash equivalents at beginning 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> |
| Cash and cash equivalents at end of year | <u>\$ 7,018,443</u> | <u>\$ 1,789,070</u> | <u>\$ 1,797,619</u> | <u>\$ 1,769,919</u> | <u>\$ 1,661,835</u> |
| Reconciliation of operating loss to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ (197,652) | \$ 20,723 | \$ 24,138 | \$ (64,662) | \$ (177,851) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | | | | |
| Depreciation | 1,247,312 | 198,789 | 269,210 | 318,988 | 460,325 |
| Bad debts | 64,699 | (979) | 11,617 | 32,297 | 21,764 |
| Non-cash pension costs | (357,221) | (80,806) | (79,876) | (67,270) | (129,269) |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable: | | | | | |
| Tenants | (22,627) | 3,326 | 2,697 | (5,836) | (22,814) |
| HUD | (323,727) | (65,099) | (77,000) | (82,004) | (99,624) |
| Due from other funds | 177,342 | 10,821 | (119) | - | 166,640 |
| Interest | (203) | (6) | (31) | (93) | (73) |
| Other | - | - | - | - | - |
| Prepaid and other assets | 49,265 | 12,189 | 13,896 | 11,192 | 11,988 |
| Inventories | 11,825 | 4,866 | (414) | (8,036) | 15,409 |
| Increase (decrease) in liabilities: | | | | | |
| Accounts payable - Vendors | 1,998 | 1,268 | - | 442 | 288 |
| Compensated absences | 30,600 | 2,703 | 10,041 | 22,019 | (4,163) |
| HUD | (35,268) | - | 3,363 | (532) | (38,099) |
| Due to other funds | 105,339 | - | 39,477 | 65,862 | - |
| Security deposits | 1,312 | 300 | 996 | 2,715 | (2,699) |
| Accrued salaries and wages | 15,524 | 1,966 | 2,958 | 3,802 | 6,798 |
| FSS - tenant escrow | 96,485 | 42,148 | 30,088 | 8,803 | 15,446 |
| Other current liabilities | 916 | 313 | - | 603 | - |
| Accrued liabilities - PILOT | - | - | - | - | - |
| Deferred credits | <u>6,159</u> | <u>1,527</u> | <u>3,682</u> | <u>950</u> | <u>-</u> |
| Net cash provided by operating activities | <u>\$ 872,078</u> | <u>\$ 154,049</u> | <u>\$ 254,723</u> | <u>\$ 239,240</u> | <u>\$ 224,066</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, 2015

| Assets | Total | Certificate Program | Moderate Rehabilitation K-1 | Moderate Rehabilitation K-2 | Housing Choice Vouchers |
|---|---------------------|------------------------|--------------------------------|--------------------------------|----------------------------|
| Current assets: | | | | | |
| Cash: | | | | | |
| Unrestricted | \$ 594,661 | \$ - | \$ - | \$ - | \$ 594,661 |
| Restricted - FSS escrow | 115,967 | - | - | - | 115,967 |
| Restricted - other | 140,720 | - | - | - | 140,720 |
| Total cash | <u>851,348</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>851,348</u> |
| Accounts receivable: | | | | | |
| Tenants | 79,731 | - | - | - | 79,731 |
| HUD | 62,741 | - | - | - | 62,741 |
| Other | 79,155 | - | - | - | 79,155 |
| Total accounts receivable | <u>221,627</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>221,627</u> |
| Prepaid expenses | - | - | - | - | - |
| Total current assets | <u>1,072,975</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,072,975</u> |
| Noncurrent assets: | | | | | |
| Capital Assets: | | | | | |
| Land, structures, and equipment | 863,332 | - | - | - | 863,332 |
| Accumulated depreciation | (685,314) | - | - | - | (685,314) |
| Total capital assets, net | <u>178,018</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>178,018</u> |
| Total assets | <u>1,250,993</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,250,993</u> |
| Deferred outflows of resources from pension | 300,540 | - | - | - | 300,540 |
| Total assets and deferred outflows of resources | <u>\$ 1,551,533</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,551,533</u> |
| Liabilities and Net Position | | | | | |
| Current Liabilities: | | | | | |
| Bank overdraft | \$ 12,752 | \$ - | \$ - | \$ - | \$ 12,752 |
| Accounts payable | 34,671 | - | - | - | 34,671 |
| Accrued salaries and wages | 34,990 | - | - | - | 34,990 |
| Due to other funds | 604,846 | - | - | - | 604,846 |
| Compensated absences, current portion | 17,615 | - | - | - | 17,615 |
| Due to HUD | 3,712 | - | - | - | 3,712 |
| FSS escrow | 115,966 | - | - | - | 115,966 |
| Deferred revenues | 3,509 | - | - | - | 3,509 |
| Total current liabilities | <u>828,061</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>828,061</u> |
| Noncurrent Liabilities: | | | | | |
| Net pension liability | 2,230,144 | - | - | - | 2,230,144 |
| Compensated absences, net of current portion | 93,518 | - | - | - | 93,518 |
| Other liabilities - sick leave | 64,433 | - | - | - | 64,433 |
| Total noncurrent liabilities | <u>2,388,095</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,388,095</u> |
| Total liabilities | <u>3,216,156</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,216,156</u> |
| Deferred inflows in resources | 300,380 | - | - | - | 300,380 |
| Net Position: | | | | | |
| Invested in capital assets, net of related debt | 178,018 | - | - | - | 178,018 |
| Restricted | 140,720 | - | - | - | 140,720 |
| Unrestricted | (2,283,741) | - | - | - | (2,283,741) |
| Total net assets | <u>(1,965,003)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,965,003)</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 1,551,533</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,551,533</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, 2015

| | <u>Total</u> | <u>Certificate Program</u> | <u>Moderate Rehabilitation K-1</u> | <u>Moderate Rehabilitation K-2</u> | <u>Housing Choice Vouchers</u> |
|---|------------------------------|--------------------------------|--|--|------------------------------------|
| Operating revenues: | | | | | |
| Housing assistance payments | \$ 29,546,198 | \$ - | \$ - | \$ - | \$ 29,546,198 |
| Ongoing administrative fees earned | 2,238,655 | - | - | - | 2,238,655 |
| Other grants - FSS | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total operating revenues | <u>31,784,853</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,784,853</u> |
| Operating expenses: | | | | | |
| Housing assistance payments | 30,047,160 | - | - | - | 30,047,160 |
| Administrative salaries | 944,887 | - | - | - | 944,887 |
| Management fees | 417,776 | - | - | - | 417,776 |
| Bookkeeping fees | 209,587 | - | - | - | 209,587 |
| Office expense | 146,929 | - | - | - | 146,929 |
| Employee benefit contribution - administrative | 119,272 | - | - | - | 119,272 |
| Other administrative expenses | 113,581 | - | - | - | 113,581 |
| Professional fees | 38,532 | - | - | - | 38,532 |
| Depreciation | 34,353 | - | - | - | 34,353 |
| Compensated absences | 16,027 | - | - | - | 16,027 |
| Insurance | 4,469 | - | - | - | 4,469 |
| Advertising and marketing | 1,754 | - | - | - | 1,754 |
| Protective services | 792 | - | - | - | 792 |
| Total operating expenses | <u>32,095,119</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,095,119</u> |
| Operating loss | <u>(310,266)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(310,266)</u> |
| Non-operating revenues and transfers: | | | | | |
| Fraud recovery | 23,530 | - | - | - | 23,530 |
| Other income | 16,709 | - | - | - | 16,709 |
| Total non-operating revenues | <u>40,239</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>40,239</u> |
| Change in net position | <u>(270,027)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(270,027)</u> |
| Net position, beginning of year | 770,503 | - | - | - | 770,503 |
| Prior period adjustment, pension | (2,465,479) | - | - | - | (2,465,479) |
| Total net position, beginning of year, as restated | <u>(1,694,976)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,694,976)</u> |
| Total net position, end of year | <u>\$ (1,965,003)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,965,003)</u> |

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, 2015

| | Total | Certificate Program | Moderate Rehabilitation K-1 | Moderate Rehabilitation K-2 | Housing Choice Vouchers |
|---|-------------------|------------------------|--------------------------------|--------------------------------|----------------------------|
| Cash flows from operating activities: | | | | | |
| Operating grants received | \$ 31,721,413 | \$ - | \$ - | \$ - | \$ 31,721,413 |
| Assistance paid | (30,047,160) | - | - | - | (30,047,160) |
| Payments to suppliers | (1,201,874) | - | - | - | (1,201,874) |
| Payments to employees | (1,011,008) | - | - | - | (1,011,008) |
| Other receipts and (payments) | - | - | - | - | - |
| Net cash provided by (used in) operating activities | <u>(538,629)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(538,629)</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> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | (6,682) | - | - | - | (6,682) |
| Net cash flows used in capital and related financing activities | <u>(6,682)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(6,682)</u> |
| Cash flows from investing activities: | | | | | |
| Other income received | 40,242 | - | - | - | 40,242 |
| Decrease in restricted investments | - | - | - | - | - |
| Net cash provided by (used in) investing activities | <u>40,242</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>40,242</u> |
| Net decrease in cash and cash equivalents | (505,069) | - | - | - | (505,069) |
| Cash and cash equivalents at beginning of year | <u>1,356,417</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,356,417</u> |
| Cash and cash equivalents at end of year | <u>\$ 851,348</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 851,348</u> |
| Unrestricted cash | \$ 594,661 | - | - | - | 594,661 |
| Restricted - FSS escrow account | 115,967 | - | - | - | 115,967 |
| Restricted cash | <u>140,720</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>140,720</u> |
| Total cash and cash equivalents at end of year | <u>\$ 851,348</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 851,348</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, 2015

| | <u>Total</u> | <u>Certificate Program</u> | <u>Moderate Rehabilitation K-1</u> | <u>Moderate Rehabilitation K-2</u> | <u>Housing Choice Vouchers</u> |
|---|---------------------|--------------------------------|--|--|------------------------------------|
| Reconciliation of operating loss to net cash used for operating activities: | | | | | |
| Operating loss | \$ (310,266) | \$ - | \$ - | \$ - | \$ (310,266) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | | | | |
| Depreciation | 34,353 | - | - | - | 34,353 |
| Non-cash pension costs | (235,496) | - | - | - | (235,496) |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable: | | | | | |
| Tenants | (5,035) | - | - | - | (5,035) |
| HUD | (62,741) | - | - | - | (62,741) |
| Due from other funds | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Other | (38,513) | - | - | - | (38,513) |
| Prepayments and other assets | 2,746 | - | - | - | 2,746 |
| Increase (decrease) in liabilities: | | | | | |
| Bank overdraft | 12,752 | - | - | - | 12,752 |
| Accounts payable | (14,164) | - | - | - | (14,164) |
| Compensated absences and sick leave | 8,041 | - | - | - | 8,041 |
| Due to HUD | 1,680 | - | - | - | 1,680 |
| Due to other funds | 69,272 | - | - | - | 69,272 |
| Accrued salaries and wages | (5,131) | - | - | - | (5,131) |
| FSS Escrow | 6,252 | - | - | - | 6,252 |
| Deferred revenues | (2,379) | - | - | - | (2,379) |
| Net cash used for operating activities | <u>\$ (538,629)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (538,629)</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, 2015

| ASSETS | Total | Supportive Housing Program | Shelter Plus Care | Public Housing Capital Fund Program | HOME Investment Partnership Program | Emergency Shelter Grants Program | Resident Opportunities and Supportive Services | Multifamily Housing Service Coordinator | Affordable Care Act - Maternal Infant & Early Childhood Home Visiting Program | Substance Abuse & Health Services - Projects of Regional & National Significance | Family Self-Sufficiency Program | ARRA - CFDA 14.256 Neighborhood Stabilization | ARRA - CFDA 81.042 Weatherization Assistance |
|--|--------------|----------------------------|-------------------|-------------------------------------|-------------------------------------|----------------------------------|--|---|---|--|---------------------------------|---|--|
| Current assets: | | | | | | | | | | | | | |
| Cash: | | | | | | | | | | | | | |
| Unrestricted | \$ 75,285 | \$ - | \$ - | \$ - | \$ 60,626 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,659 | \$ - |
| Restricted - security deposits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total cash | 75,285 | - | - | - | 60,626 | - | - | - | - | - | - | 14,659 | - |
| Accounts receivable: | | | | | | | | | | | | | |
| Due from other funds | 215,459 | - | - | 209,409 | - | - | - | - | - | - | - | 6,050 | - |
| HUD | 538,695 | 110,603 | 448 | 172,607 | 174,627 | 28,468 | 5,298 | 14,137 | - | - | 32,507 | - | - |
| Federal Government | 10,208 | - | - | - | - | - | - | - | 10,208 | - | - | - | - |
| Other Government | 928 | - | - | - | - | - | - | - | - | 928 | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 765,290 | 110,603 | 448 | 382,016 | 174,627 | 28,468 | 5,298 | 14,137 | 10,208 | 928 | 32,507 | 6,050 | - |
| Allowance for doubtful accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total accounts receivable | 765,290 | 110,603 | 448 | 382,016 | 174,627 | 28,468 | 5,298 | 14,137 | 10,208 | 928 | 32,507 | 6,050 | - |
| Prepaid and other assets | 283 | - | - | - | 283 | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total current assets | 840,858 | 110,603 | 448 | 382,016 | 235,536 | 28,468 | 5,298 | 14,137 | 10,208 | 928 | 32,507 | 20,709 | - |
| Noncurrent assets: | | | | | | | | | | | | | |
| Capital assets, net: | | | | | | | | | | | | | |
| Land and infrastructure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciable buildings, property and equipment, net | 8,120,182 | - | - | 8,117,067 | 3,115 | - | - | - | - | - | - | - | - |
| Total non-current assets | 8,120,182 | - | - | 8,117,067 | 3,115 | - | - | - | - | - | - | - | - |
| Total assets | 8,961,040 | 110,603 | 448 | 8,499,083 | 238,651 | 28,468 | 5,298 | 14,137 | 10,208 | 928 | 32,507 | 20,709 | - |
| Deferred outflows of resources from pension | 63,826 | - | - | - | 47,738 | - | 9,099 | - | - | - | 6,989 | - | - |
| Total assets and deferred outflows of resources | \$ 9,024,866 | \$ 110,603 | \$ 448 | \$ 8,499,083 | \$ 286,389 | \$ 28,468 | \$ 14,397 | \$ 14,137 | \$ 10,208 | \$ 928 | \$ 39,496 | \$ 20,709 | \$ - |

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, 2015

| LIABILITIES AND NET POSITION | Total | Supportive Housing Program | Shelter Plus Care | Public Housing Capital Fund Program | HOME | Emergency | Resident | Multifamily | Affordable Care Act | Substance Abuse & | Family Self-Sufficiency Program | ARRA - CFDA | ARRA - CFDA |
|--|---------------------|----------------------------|-------------------|-------------------------------------|--------------------------------|------------------------|---------------------------------------|-----------------------------|---|--|---------------------------------|-----------------------------------|----------------------------------|
| | | | | | Investment Partnership Program | Shelter Grants Program | Opportunities and Supportive Services | Housing Service Coordinator | - Maternal Infant & Early Childhood Home Visiting Program | Health Services - Projects of Regional & National Significance | | 14.256 Neighborhood Stabilization | 81.042 Weatherization Assistance |
| Liabilities: | | | | | | | | | | | | | |
| Accounts payable | \$ 19 | \$ - | \$ - | \$ - | \$ 19 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Current portion of compensated absences | 7,304 | - | - | - | 4,688 | - | - | 786 | - | - | 1,830 | - | - |
| Due to HUD | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Due to other funds | 386,267 | 109,538 | - | 77,181 | 120,606 | 28,244 | 11,191 | 5,986 | 10,208 | 928 | 15,245 | 7,140 | - |
| Deferred revenues | 379,891 | - | - | 304,835 | 61,487 | - | - | - | - | - | - | 13,569 | - |
| Accrued salaries and wages | 8,418 | 1,065 | 448 | - | 3,099 | 224 | 1,237 | - | - | - | 2,345 | - | - |
| Total current liabilities | 781,899 | 110,603 | 448 | 382,016 | 189,899 | 28,468 | 12,428 | 6,772 | 10,208 | 928 | 19,420 | 20,709 | - |
| Noncurrent liabilities: | | | | | | | | | | | | | |
| Net pension liability | 473,625 | - | - | - | 354,240 | - | 67,521 | - | - | - | 51,864 | - | - |
| Accrued compensated absences | 42,970 | - | - | - | 19,385 | - | - | 5,021 | - | - | 18,564 | - | - |
| Other liabilities | 28,595 | - | - | - | 26,251 | - | - | 2,344 | - | - | - | - | - |
| Total noncurrent liabilities | 545,190 | - | - | - | 399,876 | - | 67,521 | 7,365 | - | - | 70,428 | - | - |
| Total liabilities | 1,327,089 | 110,603 | 448 | 382,016 | 589,775 | 28,468 | 79,949 | 14,137 | 10,208 | 928 | 89,848 | 20,709 | - |
| Deferred inflows of resources from pension | 63,792 | - | - | - | 47,713 | - | 9,094 | - | - | - | 6,985 | - | - |
| Net position: | | | | | | | | | | | | | |
| Investment in capital assets, net of related debt | 8,120,182 | - | - | 8,117,067 | 3,115 | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (486,197) | - | - | - | (354,214) | - | (74,646) | - | - | - | (57,337) | - | - |
| Total net position | 7,633,985 | - | - | 8,117,067 | (351,099) | - | (74,646) | - | - | - | (57,337) | - | - |
| Total liabilities, deferred inflows of resources and net position | \$ 9,024,866 | \$ 110,603 | \$ 448 | \$ 8,499,083 | \$ 286,389 | \$ 28,468 | \$ 14,397 | \$ 14,137 | \$ 10,208 | \$ 928 | \$ 39,496 | \$ 20,709 | \$ - |

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, 2015

| | Total | Supportive Housing Program | Shelter Plus Care | Public Housing Capital Fund Program | HOME Investment Partnership Program | Emergency Shelter Grant Program | Resident Opportunities and Supportive Services | Multifamily Housing Service Coordinator | Affordable Care Act - Maternal Infant & Early Childhood Home Visiting Program | Substance Abuse & Health Services - Projects of Regional & National Significance | Family Self- Sufficiency Program | ARRA - CFDA 14.256 Neighborhood Stablization | ARRA - CFDA 81.042 Weatherizatoin Assistance |
|--|---------------------|----------------------------------|----------------------|--|--|---------------------------------------|---|--|---|--|--|---|---|
| Operating revenues: | | | | | | | | | | | | | |
| HUD PHA Operating Grants | \$ 2,156,339 | \$ 940,604 | \$ 270,114 | \$ 284,325 | \$ 328,742 | \$ 190,241 | \$ 24,192 | \$ 55,031 | \$ - | \$ - | \$ 63,090 | \$ - | \$ - |
| Other Government Grants | 11,136 | - | - | - | - | - | - | - | 10,208 | 928 | - | - | - |
| Tenant rental income | 53,459 | - | - | - | 53,459 | - | - | - | - | - | - | - | - |
| Other income | 159,590 | - | 500 | - | 159,074 | - | - | - | - | - | - | 16 | - |
| Total operating revenues | 2,380,524 | 940,604 | 270,614 | 284,325 | 541,275 | 190,241 | 24,192 | 55,031 | 10,208 | 928 | 63,090 | 16 | - |
| Operating expenses: | | | | | | | | | | | | | |
| Repairs and maintenance | 402,282 | - | - | - | 397,591 | - | - | - | 4,691 | - | - | - | - |
| Administrative salaries | 268,189 | 15,755 | 11,647 | 81,341 | 80,061 | 9,318 | 28,884 | - | 3,952 | 680 | 36,551 | - | - |
| Management fees | 53,638 | - | - | 53,638 | - | - | - | - | - | - | - | - | - |
| Employee benefits | 64,984 | 5,703 | 4,655 | 31,372 | (7,051) | 3,401 | 4,275 | 14,670 | 1,565 | 248 | 6,146 | - | - |
| Depreciation | 643,488 | - | - | 638,338 | 5,150 | - | - | - | - | - | - | - | - |
| Utilities | 1,054 | - | - | - | 397 | - | 657 | - | - | - | - | - | - |
| Tenant salaries | 36,455 | - | - | - | - | - | - | 36,455 | - | - | - | - | - |
| Insurance | 2,627 | - | - | - | 2,627 | - | - | - | - | - | - | - | - |
| Tenant services | 17,050 | - | - | 17,050 | - | - | - | - | - | - | - | - | - |
| Travel | 7,272 | - | - | 3,842 | 3,430 | - | - | - | - | - | - | - | - |
| Advertising and Marketing | 2,762 | - | - | - | 2,403 | 359 | - | - | - | - | - | - | - |
| Office expense | 18,518 | 18 | - | 36 | 11,074 | (3) | 4,532 | 2,861 | - | - | - | - | - |
| Professional fees | 5,920 | 1,350 | - | - | 4,120 | 450 | - | - | - | - | - | - | - |
| Protective services | 11 | - | - | - | 11 | - | - | - | - | - | - | - | - |
| Compensated absences | 9,682 | - | - | - | 6,059 | - | (17,835) | 1,065 | - | - | 20,393 | - | - |
| Other | 1,452,895 | 917,778 | 254,312 | 97,046 | 3,146 | 176,716 | 3,679 | (20) | - | - | - | 238 | - |
| Total operating expenses | 2,986,827 | 940,604 | 270,614 | 922,663 | 509,018 | 190,241 | 24,192 | 55,031 | 10,208 | 928 | 63,090 | 238 | - |
| Operating income (loss) | (606,303) | - | - | (638,338) | 32,257 | - | - | - | - | - | - | (222) | - |
| Non-operating revenues (expenses): | | | | | | | | | | | | | |
| Capital grants | 1,022,722 | - | - | 1,022,722 | - | - | - | - | - | - | - | - | - |
| Interest income on unrestricted investments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other income | 222 | - | - | - | - | - | - | - | - | - | - | 222 | - |
| Total non-operating revenues (expenses), net | 1,022,944 | - | - | 1,022,722 | - | - | - | - | - | - | - | 222 | - |
| Changes in nets position | 416,641 | - | - | 384,384 | 32,257 | - | - | - | - | - | - | - | - |
| Net position - beginning of year | 7,740,948 | - | - | 7,732,683 | 8,265 | - | - | - | - | - | - | - | - |
| Prior period adjustment, pension | (523,604) | - | - | - | (391,621) | - | (74,646) | - | - | - | (57,337) | - | - |
| Total net position - beginning of year, as restated | 7,217,344 | - | - | 7,732,683 | (383,356) | - | (74,646) | - | - | - | (57,337) | - | - |
| Total net position - end of year | \$ 7,633,985 | \$ - | \$ - | \$ 8,117,067 | \$ (351,099) | \$ - | \$ (74,646) | \$ - | \$ - | \$ - | \$ (57,337) | \$ - | \$ - |

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, 2015

| | TOTAL | Supportive Housing Program | Shelter Plus Care | Public Housing Capital Fund Program | HOME Investment Partnership Program | Emergency Shelter Grant Program | Resident Opportunities and Supportive Services | Multifamily Housing Service Coordinator | Affordable Care Act - Maternal Infant & Early Childhood Home Visiting Program | Substance Abuse & Health Services - Projects of Regional & National Significance | Family Self-Sufficiency Program | ARRA - CFDA 14.256 Neighborhood Stabilization | ARRA - CFDA 81.042 Weatherization Assistance |
|--|--------------|----------------------------|-------------------|-------------------------------------|-------------------------------------|---------------------------------|--|---|---|--|---------------------------------|---|--|
| Cash flows from operating activities: | | | | | | | | | | | | | |
| Operating grants received | \$ 2,148,348 | \$ 940,604 | \$ 269,624 | \$ 284,325 | \$ 346,618 | \$ 190,241 | \$ 31,322 | \$ 55,031 | \$ - | \$ - | \$ 30,583 | \$ - | \$ - |
| Other government grants received | 11,136 | - | - | - | - | - | - | - | 10,208 | 928 | - | - | - |
| Receipts from customers | 211,850 | - | - | - | 211,616 | - | - | - | - | - | - | 234 | - |
| Assistance paid | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments to suppliers | (2,041,873) | (924,849) | (259,090) | (202,984) | (433,347) | (180,604) | (20,273) | (17,511) | (6,256) | (248) | 3,623 | (334) | - |
| Payments to employees | (312,896) | (15,755) | (11,034) | (81,341) | (107,722) | (9,637) | (11,049) | (37,520) | (3,952) | (680) | (34,206) | - | - |
| Other cash receipts (payments) | 500 | - | 500 | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by (used for) operating activities | 17,065 | - | - | - | 17,165 | - | - | - | - | - | - | (100) | - |
| Cash flows from capital and related financing activities: | | | | | | | | | | | | | |
| Interest paid | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment of note payable | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital grants received | 1,307,777 | - | - | 1,307,777 | - | - | - | - | - | - | - | - | - |
| Acquisition of fixed assets | (1,307,777) | - | - | (1,307,777) | - | - | - | - | - | - | - | - | - |
| Net cash flows used for capital and related financing activities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash flows from investing activities: | | | | | | | | | | | | | |
| Interest and other income received | 222 | - | - | - | - | - | - | - | - | - | - | 222 | - |
| Net cash provided by investing activities | 222 | - | - | - | - | - | - | - | - | - | - | 222 | - |
| Net increase (decrease) in cash | 17,287 | - | - | - | 17,165 | - | - | - | - | - | - | 122 | - |
| Cash at beginning of year | 57,998 | - | - | - | 43,461 | - | - | - | - | - | - | 14,537 | - |
| Cash at end of year | \$ 75,285 | \$ - | \$ - | \$ - | \$ 60,626 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,659 | \$ - |
| Reconciliation to operating loss to net cash provided by (used for) operating activities: | | | | | | | | | | | | | |
| Operating income (loss) | \$ (606,303) | \$ - | \$ - | \$ (638,338) | \$ 32,257 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (222) | \$ - |
| Adjustments to reconcile operating loss to net cash provided by (used for) operating activities: | | | | | | | | | | | | | |
| Depreciation | 643,488 | - | - | 638,338 | 5,150 | - | - | - | - | - | - | - | - |
| Non-cash pension costs | (50,013) | - | - | - | (37,406) | - | (7,130) | - | - | - | (5,477) | - | - |
| (Increase) decrease in assets: | | | | | | | | | | | | | |
| Accounts receivable: | | | | | | | | | | | | | |
| Tenants | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HUD | 159,182 | (77,505) | 178 | 49,706 | 224,883 | 529 | (5,298) | (804) | - | - | (32,507) | - | - |
| Due from other funds | (92,733) | - | - | (48,272) | (57,045) | - | - | - | - | - | - | (403) | 12,987 |
| Due from other government agencies | (1,362) | - | - | - | - | - | - | - | (10,208) | (928) | - | - | 9,774 |
| Prepayments and other assets | 811 | - | - | - | 811 | - | - | - | - | - | - | - | - |
| Increase (decrease) in liabilities: | | | | | | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Compensated absences | 30,833 | - | - | - | 9,375 | - | - | 1,064 | - | - | 20,394 | - | - |
| Due to HUD | 10,890 | - | (301) | - | - | - | 11,191 | - | - | - | - | - | - |
| Due to other funds | (103,080) | 76,679 | - | (10,594) | (172,622) | (210) | - | (260) | 10,208 | 928 | 15,245 | 307 | (22,761) |
| Security deposits | (1,500) | - | - | - | (1,500) | - | - | - | - | - | - | - | - |
| Deferred revenues | 32,730 | (239) | - | 13,638 | 17,876 | - | 1,237 | - | - | - | - | 218 | - |
| Accrued salaries and wages | (5,878) | 1,065 | 123 | (4,478) | (4,614) | (319) | - | - | - | 2,345 | - | - | - |
| Net cash provided by (used for) operating activities | \$ 17,065 | \$ - | \$ - | \$ - | \$ 17,165 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (100) | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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, 2015

| ASSETS | Total | GU0001- L9C-001205 | GU0015- L9C-001201 | GU0016- L9C-001201 | GU0013- L9C-001201 | GU0018- L9C-001200 | GU0002- L9C-001306 | GU0007- L9C-001306 | GU0016- L9C-001302 | GU0003- L9C-001306 | GU0004- L9C-001306 | GU0015- L9C-001306 | GU0007- L9C-001407 | GU0003- L9C-001407 | GU0004- L9C-001407 |
|--------------------------|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts Receivable: | | | | | | | | | | | | | | | |
| HUD | \$ 110,603 | - | - | - | - | - | 14,691 | - | 12,527 | - | - | 31,827 | 458 | 50,650 | 450 |
| Due from other funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prepaid and other assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital assets, net | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | \$ 110,603 | \$ - | \$ 14,691 | \$ - | \$ 12,527 | \$ - | \$ - | \$ 31,827 | \$ 458 | \$ 50,650 | \$ 450 |

LIABILITIES AND NET POSITION

| | | | | | | | | | | | | | | | |
|-----------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|------------------|-------------|-------------|------------------|---------------|------------------|---------------|
| Accounts payable: | | | | | | | | | | | | | | | |
| Due to other funds | \$ 109,538 | \$ - | \$ - | \$ - | \$ - | \$ - | 14,691 | \$ - | 12,519 | \$ - | \$ - | 31,750 | \$ 450 | \$ 49,678 | \$ 450 |
| Accrued salaries and wages | 1,065 | - | - | - | - | - | - | - | 8 | - | - | 77 | 8 | 972 | - |
| HUD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued liabilities: | | | | | | | | | | | | | | | |
| Compensated absences - current | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Compensated absences - noncurrent | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net position | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | \$ 110,603 | \$ - | \$ 14,691 | \$ - | \$ 12,527 | \$ - | \$ - | \$ 31,827 | \$ 458 | \$ 50,650 | \$ 450 |

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, 2015

| | Total | GU0001- L9C-001205 | GU0015- L9C-001201 | GU0016- L9C-001201 | GU0013- L9C-001201 | GU0018- L9C-001200 | GU0002- L9C-001306 | GU0007- L9C-001306 | GU0016- L9C-001302 | GU0003- L9C-001306 | GU0004- L9C-001302 | GU0015- L9C-001306 | GU0007- L9C-001407 | GU0003- L9C-001407 | GU0004- L9C-001407 |
|--|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues: | | | | | | | | | | | | | | | |
| Federal contributions | \$ 940,604 | \$ 39,132 | \$ 83,195 | \$ 93,209 | \$ 13,687 | \$ 11,811 | \$ 27,685 | \$ 123,725 | \$ 66,154 | \$ 280,008 | \$ 93,445 | \$ 55,145 | \$ 458 | \$ 52,500 | \$ 450 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | 940,604 | 39,132 | 83,195 | 93,209 | 13,687 | 11,811 | 27,685 | 123,725 | 66,154 | 280,008 | 93,445 | 55,145 | 458 | 52,500 | 450 |
| Operating expenses: | | | | | | | | | | | | | | | |
| Administrative salaries | 15,755 | 787 | 966 | 975 | 192 | - | - | 2,302 | 1,891 | 5,403 | 177 | 964 | 6 | 2,092 | - |
| Employee benefits | 5,703 | 307 | 353 | 384 | 70 | - | - | 841 | 734 | 1,862 | 65 | 355 | 2 | 730 | - |
| Repair and maintenance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office expense | 18 | - | - | - | - | - | - | - | 9 | - | - | - | - | 9 | - |
| Legal | 1,350 | - | - | - | - | - | - | - | - | - | 450 | - | - | 450 | 450 |
| Travel | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 917,778 | 38,038 | 81,876 | 91,850 | 13,425 | 11,811 | 27,685 | 120,582 | 63,520 | 272,743 | 92,753 | 53,826 | 450 | 49,219 | - |
| Total operating expenses | 940,604 | 39,132 | 83,195 | 93,209 | 13,687 | 11,811 | 27,685 | 123,725 | 66,154 | 280,008 | 93,445 | 55,145 | 458 | 52,500 | 450 |
| 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, 2015

| | <u>Total</u> | <u>GU0001- L9C-001205</u> | <u>GU0015- L9C-001201</u> | <u>GU0016- L9C-001201</u> | <u>GU0013- L9C-001201</u> | <u>GU0018- L9C-001200</u> | <u>GU0002- L9C-001306</u> | <u>GU0007- L9C-001306</u> | <u>GU0016- L9C-001302</u> | <u>GU0003- L9C-001306</u> | <u>GU0004- L9C-001306</u> | <u>GU0015- L9C-001306</u> | <u>GU0007- L9C-001407</u> | <u>GU0003- L9C-001407</u> | <u>GU0004- L9C-001407</u> | |
|---|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------|
| Cash flows from operating activities: | | | | | | | | | | | | | | | | |
| Operating grants received | \$ 830,001 | \$ 39,132 | \$ 83,195 | \$ 93,209 | \$ 13,687 | \$ 11,811 | \$ 12,994 | \$ 123,725 | \$ 53,627 | \$ 280,008 | \$ 93,445 | \$ 23,318 | \$ - | \$ 1,850 | \$ - | \$ - |
| Payments to suppliers | (814,246) | (38,345) | (82,229) | (92,234) | (13,495) | (11,811) | (12,994) | (121,423) | (51,736) | (274,605) | (93,268) | (22,354) | 6 | 242 | - | - |
| Payments to employees | (15,755) | (787) | (966) | (975) | (192) | - | - | (2,302) | (1,891) | (5,403) | (177) | (964) | (6) | (2,092) | - | - |
| 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 | (110,603) | - | - | - | - | - | (14,691) | - | (12,527) | - | - | (31,827) | (458) | (50,650) | (450) | |
| Accounts receivable - Due from other funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Increase (decrease) in liabilities: | | | | | | | | | | | | | | | | |
| Due to other funds | 109,538 | - | - | - | - | - | 14,691 | - | 12,519 | - | - | 31,750 | 450 | 49,678 | 450 | |
| Accrued salaries and wages | 1,065 | - | - | - | - | - | - | - | 8 | - | - | 77 | 8 | 972 | - | |
| 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 | GU0011-L9C- 0011405 | GU0011-L9C- 001203 |
|--|---------------|-----------------------|------------------------|-----------------------|
| Cash | \$ - | \$ - | \$ - | \$ - |
| Accounts Receivable: | | | | |
| HUD | 448 | - | 448 | - |
| Due from other funds | - | - | - | - |
| Prepaid and other assets | - | - | - | - |
| Capital assets, net | - | - | - | - |
| TOTAL | \$ 448 | \$ - | \$ 448 | \$ - |
| <u>LIABILITIES AND NET POSITION</u> | | | | |
| Accounts payable: | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - |
| Accrued salaries and wages | 448 | - | 448 | - |
| HUD | - | - | - | - |
| Deferred revenues | - | - | - | - |
| Total liabilities | 448 | - | 448 | - |
| Net position | - | - | - | - |
| TOTAL | \$ 448 | \$ - | \$ 448 | \$ - |

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>GU0011L9C- 001405</u> | <u>GU0011-L9C- 001203</u> |
|---|----------------|-------------------------------|------------------------------|-------------------------------|
| Revenues: | | | | |
| Federal contributions | \$ 270,114 | \$ 256,850 | \$ 448 | \$ 12,816 |
| Other | <u>500</u> | <u>500</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>270,614</u> | <u>257,350</u> | <u>448</u> | <u>12,816</u> |
| Operating expenses: | | | | |
| Administrative salaries | 11,647 | 11,327 | 320 | - |
| Employee benefits | 4,655 | 4,527 | 128 | - |
| Depreciation | - | - | - | - |
| Other | <u>254,312</u> | <u>241,496</u> | <u>-</u> | <u>12,816</u> |
| Total operating expenses | <u>270,614</u> | <u>257,350</u> | <u>448</u> | <u>12,816</u> |
| Operating income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Non-operating revenues (expenditures): | | | | |
| Interest income | - | - | - | - |
| Interest expense | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total non-operating revenues (expenses) | <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> |
| Total net position - end of year | <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>GU0011-L9C- 0011405</u> | <u>GU0011-L9C- 001203</u> |
|---|-------------------|-------------------------------|--------------------------------|-------------------------------|
| Cash flows from operating activities: | | | | |
| Operating grants received | \$ 184,494 | \$ 150,057 | \$ 92,247 | \$ 92,247 |
| Payments to suppliers | (13,264) | (257,350) | (448) | (12,816) |
| Payments to employees | - | - | - | - |
| Net cash provided (used) by operating activities | <u>171,230</u> | <u>(107,293)</u> | <u>91,799</u> | <u>79,431</u> |
| Cash flows from investing activities: | | | | |
| Acquisition of fixed assets | - | - | - | - |
| Net cash provided (used) by investing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | |
| Transfers from fund balance | - | - | - | - |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | 171,230 | (107,293) | 91,799 | 79,431 |
| Cash and cash equivalents at beginning year | - | - | - | - |
| Cash and cash equivalents at end of year | <u>\$ 171,230</u> | <u>\$ (107,293)</u> | <u>\$ 91,799</u> | <u>\$ 79,431</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 | - | 170 | - | - |
| Accounts receivable - Due from other funds | - | - | - | - |
| Other assets | - | - | - | - |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable - Due to other funds | - | - | - | - |
| Accounts payable - HUD | - | - | - | - |
| Accrued salaries and wages | - | (170) | - | - |
| Deferred revenues | - | - | - | - |
| Net cash provided (used) by operating activities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM

CFDA NO. 14.872

Combining Statements of Net Position

September 30, 2015

| 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 | GQ-501-14 |
|---|--------------|------------|------------|---------------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Current assets: | | | | | | | | | | | | | |
| Cash: | | | | | | | | | | | | | |
| Cash - General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash - other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total cash | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accounts receivable: | | | | | | | | | | | | | |
| HUD | 172,607 | - | - | - | - | - | - | 10,888 | - | - | 46,393 | 22,894 | 92,432 |
| Due from other programs | 209,409 | 39,353 | 7,689 | 420 | 85,515 | - | - | 67,100 | 9,942 | - | (610) | - | - |
| | 382,016 | 39,353 | 7,689 | 420 | 85,515 | - | - | 77,988 | 9,942 | - | 45,783 | 22,894 | 92,432 |
| Allowance for doubtful accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total accounts receivable | 382,016 | 39,353 | 7,689 | 420 | 85,515 | - | - | 77,988 | 9,942 | - | 45,783 | 22,894 | 92,432 |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments: | | | | | | | | | | | | | |
| General fund | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Security deposits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total investments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prepaid and other current assets | | | | | | | | | | | | | |
| Total current assets | 382,016 | 39,353 | 7,689 | 420 | 85,515 | - | - | 77,988 | 9,942 | - | 45,783 | 22,894 | 92,432 |
| Noncurrent assets: | | | | | | | | | | | | | |
| Capital Assets: | | | | | | | | | | | | | |
| Land, structures and equipment, at cost | 12,502,092 | 1,121,733 | 1,652,281 | 535,370 | 1,832,828 | 769,191 | 1,171,850 | 1,281,844 | 1,344,600 | 949,494 | 761,688 | 826,758 | 254,455 |
| Accumulated depreciation | (4,385,025) | (607,488) | (955,245) | (249,839) | (847,619) | (330,992) | (405,710) | (381,424) | (369,859) | (164,720) | (43,702) | (28,427) | - |
| Net capital assets | 8,117,067 | 514,245 | 697,036 | 285,531 | 985,209 | 438,199 | 766,140 | 900,420 | 974,741 | 784,774 | 717,986 | 798,331 | 254,455 |
| Other assets | | | | | | | | | | | | | |
| Total noncurrent assets | 8,117,067 | 514,245 | 697,036 | 285,531 | 985,209 | 438,199 | 766,140 | 900,420 | 974,741 | 784,774 | 717,986 | 798,331 | 254,455 |
| Total assets | \$ 8,499,083 | \$ 553,598 | \$ 704,725 | \$ 285,951 | \$ 1,070,724 | \$ 438,199 | \$ 766,140 | \$ 978,408 | \$ 984,683 | \$ 784,774 | \$ 763,769 | \$ 821,225 | \$ 346,887 |

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, 2015

| LIABILITIES AND NET POSITION | 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 | GQ-501-14 |
|---|---------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Liabilities: | | | | | | | | | | | | | |
| Accounts payable: | | | | | | | | | | | | | |
| Accrued salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | 77,181 | - | (3,982) | - | (87) | - | (73,693) | 10,888 | (1,874) | - | 45,723 | 7,774 | 92,432 |
| Accrued liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Compensated absences, current portion | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total accounts payable | <u>77,181</u> | <u>-</u> | <u>(3,982)</u> | <u>-</u> | <u>(87)</u> | <u>-</u> | <u>(73,693)</u> | <u>10,888</u> | <u>(1,874)</u> | <u>-</u> | <u>45,723</u> | <u>7,774</u> | <u>92,432</u> |
| Deferred credits: | | | | | | | | | | | | | |
| Deferred revenue | 304,835 | 39,353 | 11,671 | 420 | 85,602 | - | 73,693 | 67,100 | 11,816 | - | 60 | 15,120 | - |
| Total deferred credits | <u>304,835</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>60</u> | <u>15,120</u> | <u>-</u> |
| Total current liabilities | <u>382,016</u> | <u>39,353</u> | <u>7,689</u> | <u>420</u> | <u>85,515</u> | <u>-</u> | <u>-</u> | <u>77,988</u> | <u>9,942</u> | <u>-</u> | <u>45,783</u> | <u>22,894</u> | <u>92,432</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> | <u>-</u> |
| Total liabilities | <u>382,016</u> | <u>39,353</u> | <u>7,689</u> | <u>420</u> | <u>85,515</u> | <u>-</u> | <u>-</u> | <u>77,988</u> | <u>9,942</u> | <u>-</u> | <u>45,783</u> | <u>22,894</u> | <u>92,432</u> |
| Net Position: | | | | | | | | | | | | | |
| Invested in capital assets, net of related debt | 8,117,067 | 514,245 | 697,036 | 285,531 | 985,209 | 438,199 | 766,140 | 900,420 | 974,741 | 784,774 | 717,986 | 798,331 | 254,455 |
| Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total net position | <u>8,117,067</u> | <u>514,245</u> | <u>697,036</u> | <u>285,531</u> | <u>985,209</u> | <u>438,199</u> | <u>766,140</u> | <u>900,420</u> | <u>974,741</u> | <u>784,774</u> | <u>717,986</u> | <u>798,331</u> | <u>254,455</u> |
| Total liabilities and net position | <u>\$ 8,499,083</u> | <u>\$ 553,598</u> | <u>\$ 704,725</u> | <u>\$ 285,951</u> | <u>\$ 1,070,724</u> | <u>\$ 438,199</u> | <u>\$ 766,140</u> | <u>\$ 978,408</u> | <u>\$ 984,683</u> | <u>\$ 784,774</u> | <u>\$ 763,769</u> | <u>\$ 821,225</u> | <u>\$ 346,887</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, 2015

| | 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 | GQ-501-14 |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating revenues: | | | | | | | | | | | | | |
| HUD PHA Grants | \$ 284,325 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,084 | \$ 165,206 | \$ 98,035 |
| Program income | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total operating revenues | <u>284,325</u> | <u>-</u> | <u>21,084</u> | <u>165,206</u> | <u>98,035</u> |
| Operating expenses: | | | | | | | | | | | | | |
| Depreciation | 638,338 | 73,504 | 105,465 | 35,691 | 118,374 | - | - | 85,457 | 89,022 | 63,034 | 39,364 | 28,427 | - |
| Management fees | 53,637 | - | - | - | - | - | - | - | - | - | 3,634 | 25,822 | 24,181 |
| Other miscellaneous expenses | 97,047 | - | - | - | - | - | - | - | - | - | 17,450 | 75,238 | 4,359 |
| Salaries and wages | 81,341 | - | - | - | - | - | - | - | - | - | - | 43,684 | 37,657 |
| Employee benefits | 31,372 | - | - | - | - | - | - | - | - | - | - | 16,584 | 14,788 |
| Compensated absences | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office expense | 36 | - | - | - | - | - | - | - | - | - | - | 36 | - |
| Tenant services | 17,050 | - | - | - | - | - | - | - | - | - | - | - | 17,050 |
| Advertising and marketing | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel | 3,842 | - | - | - | - | - | - | - | - | - | - | 3,842 | - |
| Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Professional fees | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total operating expenses | <u>922,663</u> | <u>73,504</u> | <u>105,465</u> | <u>35,691</u> | <u>118,374</u> | <u>-</u> | <u>-</u> | <u>85,457</u> | <u>89,022</u> | <u>63,034</u> | <u>60,448</u> | <u>193,633</u> | <u>98,035</u> |
| Operating loss | <u>(638,338)</u> | <u>(73,504)</u> | <u>(105,465)</u> | <u>(35,691)</u> | <u>(118,374)</u> | <u>-</u> | <u>-</u> | <u>(85,457)</u> | <u>(89,022)</u> | <u>(63,034)</u> | <u>(39,364)</u> | <u>(28,427)</u> | <u>-</u> |
| Non-operating revenues: | | | | | | | | | | | | | |
| Capital grants | 1,022,722 | - | - | - | - | - | - | - | - | - | 82,054 | 686,213 | 254,455 |
| Other income | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total non-operating revenues | <u>1,022,722</u> | <u>-</u> | <u>82,054</u> | <u>686,213</u> | <u>254,455</u> |
| Change in net position | 384,384 | (73,504) | (105,465) | (35,691) | (118,374) | - | - | (85,457) | (89,022) | (63,034) | 42,690 | 657,786 | 254,455 |
| Total net position - beginning of year | <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> | <u>-</u> |
| Total net position - end of year | <u>\$ 8,117,067</u> | <u>\$ 514,245</u> | <u>\$ 697,036</u> | <u>\$ 285,531</u> | <u>\$ 985,209</u> | <u>\$ 438,199</u> | <u>\$ 766,140</u> | <u>\$ 900,420</u> | <u>\$ 974,741</u> | <u>\$ 784,774</u> | <u>\$ 717,986</u> | <u>\$ 798,331</u> | <u>\$ 254,455</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA No. 14.872

Combining Statements of Cash Flows
For the Year Ended September 30, 2015

| | 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 | GQ-501-14 |
|---|--------------|-------------|--------------|---------------|----------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-----------|
| Cash flows from operating activities: | | | | | | | | | | | | | |
| Operating grants received | \$ 284,325 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,084 | \$ 165,206 | \$ 98,035 |
| Receipts from customers | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments to suppliers | (202,984) | - | - | - | - | - | - | - | - | - | (21,084) | (121,522) | (60,378) |
| Payments to employees | (81,341) | - | - | - | - | - | - | - | - | - | - | (43,684) | (37,657) |
| Net cash provided by operating activities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash flows from capital and related financing activities: | | | | | | | | | | | | | |
| Capital grants received | 1,307,777 | - | - | - | - | - | - | - | - | - | 82,054 | 971,268 | 254,455 |
| Acquisition of capital assets | (1,307,777) | - | - | - | - | - | - | - | - | - | (82,054) | (971,268) | (254,455) |
| 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 | \$ (638,338) | \$ (73,504) | \$ (105,465) | \$ (35,691) | \$ (118,374) | \$ - | \$ - | \$ (85,457) | \$ (89,022) | \$ (63,034) | \$ (39,364) | \$ (28,427) | \$ - |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | | | | | | | | | | | | |
| Depreciation | 638,338 | 73,504 | 105,465 | 35,691 | 118,374 | - | - | 85,457 | 89,022 | 63,034 | 39,364 | 28,427 | - |
| (Increase) decrease in assets: | | | | | | | | | | | | | |
| Due from HUD | 49,706 | - | - | (420) | - | 38,100 | 73,252 | - | - | - | 400 | 30,806 | (92,432) |
| Due from other funds | (48,272) | (39,353) | - | - | - | - | - | - | 1,874 | - | (10,793) | - | - |
| Increase (decrease) in liabilities: | | | | | | | | | | | | | |
| Accrued salaries and wages | (4,478) | - | - | - | - | - | - | - | (1,874) | - | - | (2,604) | - |
| Due to other funds | (10,594) | 39,353 | - | - | - | (38,100) | (73,252) | - | - | - | 12,295 | (43,322) | 92,432 |
| Compensated absences | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred credits | 13,638 | - | - | 420 | - | - | - | - | - | - | (1,902) | 15,120 | - |
| Net cash provided by operating activities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Net Position
September 30, 2015

| 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 | M-14-ST- 66-0202 | Program Income |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-------------------|
| Cash | \$ 60,626 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 60,626 |
| Accounts Receivable: | | | | | | | | | | |
| HUD | 174,627 | 108,601 | (12,939) | 28,208 | (7,424) | 1,052 | 84 | - | 57,045 | - |
| Due from other funds | - | - | - | - | - | - | - | - | - | - |
| Prepaid and other assets | 283 | - | - | 85 | 198 | - | - | - | - | - |
| Capital assets | 8,265 | - | - | - | - | 8,265 | - | - | - | - |
| Accumulated depreciation | (5,150) | - | - | - | - | (5,150) | - | - | - | - |
| Total assets | <u>238,651</u> | <u>108,601</u> | <u>(12,939)</u> | <u>28,293</u> | <u>(7,226)</u> | <u>4,167</u> | <u>84</u> | <u>-</u> | <u>57,045</u> | <u>60,626</u> |
| Deferred outflows of resources from pension | 47,738 | - | - | - | - | - | - | - | 47,738 | - |
| Total assets and deferred outflows of resources | <u>\$ 286,389</u> | <u>\$ 108,601</u> | <u>\$ (12,939)</u> | <u>\$ 28,293</u> | <u>\$ (7,226)</u> | <u>\$ 4,167</u> | <u>\$ 84</u> | <u>\$ -</u> | <u>\$ 104,783</u> | <u>\$ 60,626</u> |
| LIABILITIES AND NET POSITION | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Vendors | \$ 19 | \$ - | \$ - | \$ 19 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to HUD | - | - | - | - | - | - | - | - | - | - |
| Due to other funds | 120,606 | 108,601 | (12,939) | 28,274 | (7,226) | 1,052 | 84 | - | 3,621 | (861) |
| Accrued salaries and wages | 3,099 | - | - | - | - | - | - | - | 3,099 | - |
| Security deposits | - | - | - | - | - | - | - | - | - | - |
| Compensated absences - current | 4,688 | - | - | - | - | - | - | - | 4,688 | - |
| Deferred revenues | 61,487 | - | - | - | - | - | - | - | - | 61,487 |
| Total current liabilities | <u>189,899</u> | <u>108,601</u> | <u>(12,939)</u> | <u>28,293</u> | <u>(7,226)</u> | <u>1,052</u> | <u>84</u> | <u>-</u> | <u>11,408</u> | <u>60,626</u> |
| Noncurrent liabilities: | | | | | | | | | | |
| Net pension liability | 354,240 | - | - | - | - | - | - | - | 354,240 | - |
| Compensated absences -noncurrent | 19,385 | - | - | - | - | - | - | - | 19,385 | - |
| Other liabilities - sick leave | 26,251 | - | - | - | - | - | - | - | 26,251 | - |
| Total noncurrent liabilities | <u>399,876</u> | <u>-</u> | <u>399,876</u> | <u>-</u> |
| Total liabilities | <u>589,775</u> | <u>108,601</u> | <u>(12,939)</u> | <u>28,293</u> | <u>(7,226)</u> | <u>1,052</u> | <u>84</u> | <u>-</u> | <u>411,284</u> | <u>60,626</u> |
| Deferred inflows of resources from pension | 47,713 | - | - | - | - | - | - | - | 47,713 | - |
| Net position: | | | | | | | | | | |
| Invested in capital, net of related debt | 3,115 | - | - | - | - | 3,115 | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (354,214) | - | - | - | - | - | - | - | (354,214) | - |
| Total net position | <u>(351,099)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,115</u> | <u>-</u> | <u>-</u> | <u>(354,214)</u> | <u>-</u> |
| Total liabilities, net position and inflows of resources | <u>\$ 286,389</u> | <u>\$ 108,601</u> | <u>\$ (12,939)</u> | <u>\$ 28,293</u> | <u>\$ (7,226)</u> | <u>\$ 4,167</u> | <u>\$ 84</u> | <u>\$ -</u> | <u>\$ 104,783</u> | <u>\$ 60,626</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, 2015

| | 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 | M-14-ST- 66-0202 | Program Income |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-------------------|
| Revenues: | | | | | | | | | | |
| PHA Operating grants | \$ 328,742 | \$ - | \$ - | \$ - | \$ - | \$ 1 | \$ 201,128 | \$ 67,765 | \$ 59,848 | \$ - |
| Tenant rental income | 53,459 | - | - | - | - | - | - | - | - | 53,459 |
| Other | 159,074 | - | - | - | - | - | - | - | 150,000 | 9,074 |
| Total Revenues | 541,275 | - | - | - | - | 1 | 201,128 | 67,765 | 209,848 | 62,533 |
| Operating expenses: | | | | | | | | | | |
| Repairs and maintenance | 397,591 | - | - | - | - | - | 181,152 | 4,567 | 150,607 | 61,265 |
| Administrative salaries | 80,061 | - | - | - | - | 1 | 8,117 | 67,244 | 4,262 | 437 |
| Employee benefits | (7,051) | - | - | - | - | - | 3,343 | 25,141 | (35,766) | 231 |
| Compensated absences | 6,059 | - | - | - | - | - | - | (44,265) | 50,324 | - |
| Office expense | 11,074 | - | - | - | - | - | 6,481 | 3,927 | 666 | - |
| Professional fees | 4,120 | - | - | - | - | - | - | 2,789 | 1,331 | - |
| Advertising and marketing | 2,403 | - | - | - | - | - | 360 | 1,220 | 823 | - |
| Utilities | 397 | - | - | - | - | - | 76 | 265 | - | 56 |
| Travel | 3,430 | - | - | - | - | - | - | 3,430 | - | - |
| Depreciation | 5,150 | - | - | - | - | 5,150 | - | - | - | - |
| Insurance | 2,627 | - | - | - | - | - | 811 | 1,158 | 129 | 529 |
| Protective services | 11 | - | - | - | - | - | 11 | - | - | - |
| Other | 3,146 | - | - | - | - | - | 777 | 2,289 | 65 | 15 |
| Total operating expenses | 509,018 | - | - | - | - | 5,151 | 201,128 | 67,765 | 172,441 | 62,533 |
| Operating income | 32,257 | - | - | - | - | (5,150) | - | - | 37,407 | - |
| Non-operating revenues: | | | | | | | | | | |
| Other income | - | - | - | - | - | - | - | - | - | - |
| Other expense | - | - | - | - | - | - | - | - | - | - |
| Total non-operating revenues, net | - | - | - | - | - | - | - | - | - | - |
| Change in net position | 32,257 | - | - | - | - | (5,150) | - | - | 37,407 | - |
| Net position - beginning of year | 8,265 | - | - | - | - | 8,265 | - | - | - | - |
| Prior period adjustment | (391,621) | - | - | - | - | - | - | - | (391,621) | - |
| Net position - beginning of year, as restated | (383,356) | - | - | - | - | 8,265 | - | - | (391,621) | - |
| Total net position - end of year | \$ (351,099) | \$ - | \$ - | \$ - | \$ - | \$ 3,115 | \$ - | \$ - | \$ (354,214) | \$ - |

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, 2015

| | 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 | M-14-ST- 66-0202 | Program Income |
|--|------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-------------------|
| Cash flows from operating activities: | | | | | | | | | | |
| Operating grants received | \$ 346,618 | \$ - | \$ - | \$ - | \$ - | \$ 1 | \$ 201,128 | \$ 67,765 | \$ 59,848 | \$ 17,876 |
| Receipts from customers | 211,616 | - | - | - | - | - | - | - | 150,000 | 61,616 |
| Payments to suppliers | (433,347) | - | - | - | - | - | (193,011) | (22,979) | (155,261) | (62,096) |
| Payments to employees | (107,722) | - | - | - | - | (1) | (8,117) | (44,786) | (54,587) | (231) |
| Other cash receipts (payments) | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by (used in) operating activities | 17,165 | - | - | - | - | - | - | - | - | 17,165 |
| Cash flows from investing activities: | | | | | | | | | | |
| Acquisition of fixed assets | - | - | - | - | - | - | - | - | - | - |
| Net cash used in investing activities | - | - | - | - | - | - | - | - | - | - |
| Cash flows from capital and related financing activities: | | | | | | | | | | |
| Transfers from fund balance | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by (used in) capital and related financing activities | - | - | - | - | - | - | - | - | - | - |
| Net decrease in cash and cash equivalents | 17,165 | - | - | - | - | - | - | - | - | 17,165 |
| Cash and cash equivalents at beginning year | 43,461 | - | - | - | - | - | - | - | - | 43,461 |
| Cash and cash equivalents at end of year | <u>\$ 60,626</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 60,626</u> |
| Reconciliation of operating loss to net cash provided by (used in) operating activities: | | | | | | | | | | |
| Operating income (loss) | \$ 32,257 | \$ - | \$ - | \$ - | \$ - | \$ (5,150) | \$ - | \$ - | \$ 37,407 | \$ - |
| Adjustments to reconcile change in net assets to net provided by (used in) operating activities: | | | | | | | | | | |
| Depreciation | 5,150 | - | - | - | - | 5,150 | - | - | - | - |
| Non-cash pension costs | (37,406) | - | - | - | - | - | - | - | (37,406) | - |
| (Increase) decrease in assets: | | | | | | | | | | |
| Accounts receivable - HUD | 224,883 | - | - | - | - | - | 180,418 | 44,265 | - | 200 |
| Accounts receivable - Due from other funds | (57,045) | - | - | - | - | - | - | - | (57,045) | - |
| Prepaid and other assets | 811 | - | - | - | - | - | 811 | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in liabilities: | | | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | - | - | - | - |
| Accrued salaries and wages | (4,614) | - | - | - | - | - | (3,586) | (4,127) | 3,099 | - |
| Compensated absences | 9,375 | - | - | - | - | - | (811) | (40,138) | 50,324 | - |
| Security deposits | (1,500) | - | - | - | - | - | - | - | - | (1,500) |
| Due to other funds | (172,622) | - | - | - | - | - | (176,832) | - | 3,621 | 589 |
| Deferred revenues | 17,876 | - | - | - | - | - | - | - | - | 17,876 |
| Net cash provided by (used in) operating activities | <u>\$ 17,165</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,165</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 Net Position
September 30, 2015

| <u>ASSETS</u> | <u>Total</u> | <u>E-12-DC- 66-0001</u> | <u>E-13-DC- 66-0001</u> | <u>E-14-DC- 66-0001</u> |
|--------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|
| Cash | \$ - | \$ - | \$ - | \$ - |
| Accounts Receivable: | | | | |
| HUD | 28,468 | 4 | - | 28,464 |
| Due from other funds | - | - | - | - |
| Prepaid and other assets | - | - | - | - |
| Capital assets, net | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u>\$ 28,468</u> | <u>\$ 4</u> | <u>\$ -</u> | <u>\$ 28,464</u> |

LIABILITIES AND NET POSITION

| | | | | |
|-----------------------------------|----------------------|-----------------|-----------------|----------------------|
| Accounts payable: | | | | |
| Due to other funds | \$ 28,244 | \$ 4 | \$ - | \$ 28,240 |
| HUD | - | - | - | - |
| Accrued salaries and wages | 224 | - | - | 224 |
| Accrued liabilities: | | | | |
| Compensated absences - current | - | - | - | - |
| Salaries and wages | - | - | - | - |
| - | - | - | - | - |
| Deferred revenue | - | - | - | - |
| Compensated absences - noncurrent | - | - | - | - |
| Net position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u>\$ 28,468</u> | <u>\$ 4</u> | <u>\$ -</u> | <u>\$ 28,464</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**EMERGENCY SHELTER GRANTS
CFDA NO. 14.231**

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2015

| | <u>Total</u> | <u>E-12-DC- 66-0001</u> | <u>E-13-DC- 66-0001</u> | <u>E-14-DC- 66-0001</u> |
|---|--------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenues: | | | | |
| Federal contributions | \$ 190,241 | \$ (4) | \$ 96,589 | \$ 93,656 |
| Other | - | - | - | - |
| Total Revenues | <u>190,241</u> | <u>(4)</u> | <u>96,589</u> | <u>93,656</u> |
| Operating expenses: | | | | |
| Administrative salaries | 9,318 | - | 8,259 | 1,059 |
| Employee benefits | 3,401 | - | 3,008 | 393 |
| Repair and maintenance | - | - | - | - |
| Office expenses | (3) | (4) | - | 1 |
| Depreciation | - | - | - | - |
| Advertising and marketing | 359 | - | 100 | 259 |
| Legal | 450 | - | 450 | - |
| Travel | - | - | - | - |
| Other | 176,716 | - | 84,772 | 91,944 |
| Total operating expenses | <u>190,241</u> | <u>(4)</u> | <u>96,589</u> | <u>93,656</u> |
| Operating income | <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> |
| Change in net position | - | - | - | - |
| Total net position - beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net position - end of year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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, 2015

| | <u>Total</u> | <u>E-12-DC- 66-0001</u> | <u>E-13-DC- 66-0001</u> | <u>E-13-DC- 66-0001</u> |
|--|--------------------|-----------------------------|-----------------------------|-----------------------------|
| Cash flows from operating activities: | | | | |
| Operating grants received | \$ 190,241 | \$ (4) | \$ 96,589 | \$ 93,656 |
| Payments to suppliers | (180,604) | 4 | (87,787) | (92,821) |
| Payments to employees | <u>(9,637)</u> | <u>-</u> | <u>(8,802)</u> | <u>(835)</u> |
| Net cash provided (used) by operating activities | <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> |
| Net cash provided (used) by investing activities | <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> |
| Net cash provided (used) by capital and related financing activities | <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> |
| Cash and cash equivalents at end of year | <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 | 529 | - | 28,993 | (28,464) |
| Prepaide and other assets | - | - | - | - |
| Increase (decrease) in liabilities: | | | | |
| Accrued salaries and wages | (319) | - | (543) | 224 |
| Due to other funds | (210) | - | (28,450) | 28,240 |
| Deferred revenues | <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> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

ROSS OPPORUNITY AND SUPPORTIVE SERVICES

CFDA NO. 14.870

Combining Statements of Net Position

September 30, 2015

| ASSETS | Total | GQ001-RPS 035A010 | GQ001-RPS 009A013 |
|--|-----------|----------------------|----------------------|
| Cash | \$ - | \$ - | \$ - |
| Accounts Receivable: | | | |
| HUD | 5,298 | - | 5,298 |
| Due from other funds | - | - | - |
| Prepaid and other assets | - | - | - |
| Capital assets, net | - | - | - |
| Total Assets | 5,298 | - | 5,298 |
| Deferred outflows of resources from pension | 9,099 | - | 9,099 |
| Total assets and deferred outflows of resources | \$ 14,397 | \$ - | \$ 14,397 |
| LIABILITIES AND NET POSITION | | | |
| Current liabilities: | | | |
| Due to other funds | \$ 11,191 | \$ - | \$ 11,191 |
| Accrued salaries and wages | 1,237 | - | 1,237 |
| Current portion of accrued compensated absences | - | - | - |
| Total current liabilities | 12,428 | - | 12,428 |
| Net pension liability | 67,521 | - | 67,521 |
| Accrued compensated absences, net of current portion | - | - | - |
| Total liabilities | 79,949 | - | 79,949 |
| Deferred inflows of resources from pension | 9,094 | - | 9,094 |
| Net position: | | | |
| Restricted | - | - | - |
| Unrestricted | (74,646) | - | (74,646) |
| | (74,646) | - | (74,646) |
| Total liabilities, deferred inflows of resources and net positions | \$ 14,397 | \$ - | \$ 14,397 |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES
CFDA NO. 14.870**

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2015

| | <u>Total</u> | <u>GQ001-RPS 035A010</u> | <u>GQ001-RPS 009A013</u> |
|---|--------------------|------------------------------|------------------------------|
| Revenues: | | | |
| HUD -PHA Operating Grants | \$ 24,192 | \$ 5,543 | \$ 18,649 |
| Other | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenues | <u>24,192</u> | <u>5,543</u> | <u>18,649</u> |
| Operating expenses: | | | |
| Administrative salaries | 28,884 | 11,954 | 16,930 |
| Employee benefits | 4,275 | 4,723 | (448) |
| Utilities | 657 | 657 | - |
| Office expenses | 4,532 | 2,565 | 1,967 |
| Depreciation | - | - | - |
| Advertising and marketing | - | - | - |
| Legal | - | - | - |
| Compensated absences | (17,835) | (17,835) | - |
| Other | <u>3,679</u> | <u>3,479</u> | <u>200</u> |
| Total operating expenses | <u>24,192</u> | <u>5,543</u> | <u>18,649</u> |
| Operating income | <u>-</u> | <u>-</u> | <u>-</u> |
| Non-operating revenues (expenses): | | | |
| Interest income | - | - | - |
| Interest expense | <u>-</u> | <u>-</u> | <u>-</u> |
| Total non-operating revenues (expenses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in net position | - | - | - |
| Total net position - beginning of year | - | - | - |
| Prior period adjustments | <u>(74,646)</u> | <u>-</u> | <u>(74,646)</u> |
| Total net position - end of year | <u>\$ (74,646)</u> | <u>\$ -</u> | <u>\$ (74,646)</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES

CFDA NO. 14.870

Combining Statements of Cash Flows

Year Ended September 30, 2015

| | <u>Total</u> | <u>GQ001-RPS 035A010</u> | <u>GQ001-RPS 009A013</u> |
|--|--------------------|------------------------------|------------------------------|
| Cash flows from operating activities: | | | |
| Operating grants received | \$ 31,322 | \$ 5,543 | \$ 25,779 |
| Payments to suppliers | (20,273) | (11,424) | (8,849) |
| Payments to employees | (11,049) | 5,881 | (16,930) |
| Net cash provided (used) by operating activities | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities: | | | |
| Acquisition of fixed assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided (used) by investing activities | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | |
| Transfers from fund balance | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided (used) by capital and related financing activities | <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> |
| Cash and cash equivalents at end of year | <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: | | | |
| Non-cash pension costs | (7,130) | - | (7,130) |
| (Increase) decrease in assets: | | | |
| Accounts receivable - HUD | (5,298) | - | (5,298) |
| Prepaide and other assets | - | - | - |
| Increase (decrease) in liabilities: | | | |
| Accrued salaries and wages | - | - | - |
| Due to other funds | 11,191 | - | 11,191 |
| Deferred revenues | 1,237 | - | 1,237 |
| Net cash provided (used) by operating activities | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Net Position
September 30, 2015

| ASSETS | TOTAL | Local Funds | Revolving Funds | Trust Funds | Other Funds |
|---|----------------------|---------------------|---------------------|------------------|---------------------|
| Current assets: | | | | | |
| Cash | | | | | |
| Unrestricted | \$ 833,576 | \$ 446,026 | \$ 226,608 | \$ - | \$ 160,942 |
| Restricted - FSS | 113 | 113 | - | - | - |
| Restricted - other | 102,353 | 1,282 | 101,071 | - | - |
| Total cash | <u>936,042</u> | <u>447,421</u> | <u>327,679</u> | <u>-</u> | <u>160,942</u> |
| Account receivable: | | | | | |
| Due from other funds | 4,996,605 | 1,268,968 | 3,176,964 | 3,865 | 546,808 |
| Other governments | 9,774 | - | 9,774 | - | - |
| Promissory notes, current portion | 106,569 | 106,569 | - | - | - |
| Travel advances | 13,136 | - | 13,136 | - | - |
| Accrued interest | 13 | - | - | 13 | - |
| Other | 102,355 | 4,739 | 94,176 | - | 3,440 |
| Total accounts receivable | 5,228,452 | 1,380,276 | 3,294,050 | 3,878 | 550,248 |
| Allowance for doubtful accounts | (111,793) | (109,343) | (2,450) | - | - |
| Total accounts receivable, net | <u>5,116,659</u> | <u>1,270,933</u> | <u>3,291,600</u> | <u>3,878</u> | <u>550,248</u> |
| Investments | 74,992 | - | - | 74,992 | - |
| Prepaid and other assets | 75,039 | 30 | 75,009 | - | - |
| Other real estate | 2,948,029 | 2,948,029 | - | - | - |
| Total current assets | <u>9,150,761</u> | <u>4,666,413</u> | <u>3,694,288</u> | <u>78,870</u> | <u>711,190</u> |
| Noncurrent assets: | | | | | |
| Capital assets, net | 856,183 | 337,362 | 41,598 | - | 477,223 |
| Promissory notes - noncurrent | 749,393 | 749,393 | - | - | - |
| Total non-current assets | <u>1,605,576</u> | <u>1,086,755</u> | <u>41,598</u> | <u>-</u> | <u>477,223</u> |
| Deferred outflows of resources from pension | 293,024 | 293,024 | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 11,049,361</u> | <u>\$ 6,046,192</u> | <u>\$ 3,735,886</u> | <u>\$ 78,870</u> | <u>\$ 1,188,413</u> |
| LIABILITIES AND NET POSITION | | | | | |
| Liabilities: | | | | | |
| Accounts payable: | | | | | |
| Bank overdraft | \$ 20,200 | \$ 20,200 | \$ - | \$ - | \$ - |
| Due to other funds | 3,511,203 | (119,584) | 2,229,269 | - | 1,401,518 |
| Vendors and contractors | 78,981 | 17,924 | 61,057 | - | - |
| Compensated absences - current portion | 22,584 | 22,584 | - | - | - |
| Other | 951,694 | - | 951,694 | - | - |
| Accrued salaries and wages | 42,777 | 42,777 | - | - | - |
| Accrued liabilities | 165,017 | 26,765 | 138,252 | - | - |
| Accrued FSS Escrow liabilities | 113 | 113 | - | - | - |
| Security deposits | 3,173 | 3,173 | - | - | - |
| Deferred revenues | 1,274,330 | 1,262,559 | 11,771 | - | - |
| Total Current Liabilities | <u>6,070,072</u> | <u>1,276,511</u> | <u>3,392,043</u> | <u>-</u> | <u>1,401,518</u> |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 2,174,366 | 2,174,366 | - | - | - |
| Accrued compensated absences | 95,303 | 95,303 | - | - | - |
| Accrued sick leave | 72,995 | 72,995 | - | - | - |
| Total noncurrent liabilities | <u>2,342,664</u> | <u>2,342,664</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>8,412,736</u> | <u>3,619,175</u> | <u>3,392,043</u> | <u>-</u> | <u>1,401,518</u> |
| Deferred inflows of resources from pension | 292,867 | 292,867 | - | - | - |
| Net Position: | | | | | |
| Investment in capital assets, net of related debt | 3,804,212 | 3,285,391 | 41,598 | - | 477,223 |
| Restricted | 101,071 | - | 101,071 | - | - |
| Unrestricted | (1,561,525) | (1,151,241) | 201,174 | 78,870 | (690,328) |
| Total Net Position | <u>2,343,758</u> | <u>2,134,150</u> | <u>343,843</u> | <u>78,870</u> | <u>(213,105)</u> |
| Total Liabilities, deferred inflows of resources and net position | <u>\$ 11,049,361</u> | <u>\$ 6,046,192</u> | <u>\$ 3,735,886</u> | <u>\$ 78,870</u> | <u>\$ 1,188,413</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, 2015

| | TOTAL | Local Funds | Revolving Funds | Trust Funds | Other Funds |
|---|---------------------|---------------------|--------------------|------------------|---------------------|
| Operating revenues: | | | | | |
| Property Sales | \$ 42,229 | \$ 42,229 | \$ - | \$ - | \$ - |
| Management fees | 1,056,622 | 1,056,622 | - | - | - |
| Asset management fees | 90,000 | 90,000 | - | - | - |
| Bookkeeping fees | 275,145 | 275,145 | - | - | - |
| Other Federal Grants | - | - | - | - | - |
| Other | 476,931 | 206,006 | 270,925 | - | - |
| Total operating revenues | <u>1,940,927</u> | <u>1,670,002</u> | <u>270,925</u> | <u>-</u> | <u>-</u> |
| Operating expenses: | | | | | |
| Repairs and maintenance | 11,218 | 2,514 | 8,704 | - | - |
| Administrative salaries | 1,278,009 | 1,210,173 | 65,324 | - | 2,512 |
| Employee benefits | 152,767 | 129,216 | 22,658 | - | 893 |
| Depreciation | 24,774 | 12,387 | - | - | 12,387 |
| Office expense | 84,631 | 46,062 | 38,534 | - | 35 |
| Legal and professional fees | 82,136 | 51,374 | 21,960 | - | 8,802 |
| Utilities | 78,051 | 78,051 | - | - | - |
| Compensated absences | 10,287 | 10,287 | - | - | - |
| Travel | 13,697 | 6,862 | 6,835 | - | - |
| Insurance | 14,534 | 14,534 | - | - | - |
| Management fees | 60,000 | - | - | - | 60,000 |
| Bad debts | - | - | - | - | - |
| Advertising and marketing | 11,474 | 3,631 | 7,843 | - | - |
| Protective services | 397 | 397 | - | - | - |
| Other | 304,300 | 266,306 | 37,994 | - | - |
| Total operating expenses | <u>2,126,275</u> | <u>1,831,794</u> | <u>209,852</u> | <u>-</u> | <u>84,629</u> |
| Operating income (loss) | <u>(185,348)</u> | <u>(161,792)</u> | <u>61,073</u> | <u>-</u> | <u>(84,629)</u> |
| Non-operating revenues and (expense): | | | | | |
| Other income | - | - | - | - | - |
| Recovery of bad debts | - | - | - | - | - |
| Other expense | - | - | - | - | - |
| Investment income | 1,281 | 600 | 9 | 80 | 592 |
| Total non-operating revenues and (expenses), net | <u>1,281</u> | <u>600</u> | <u>9</u> | <u>80</u> | <u>592</u> |
| Change in net position | <u>(184,067)</u> | <u>(161,192)</u> | <u>61,082</u> | <u>80</u> | <u>(84,037)</u> |
| Net position - beginning of year | 4,931,640 | 4,699,157 | 282,761 | 78,790 | (129,068) |
| Prior period adjustment - net pension liability | <u>(2,403,815)</u> | <u>(2,403,815)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net position - beginning of year, as restated | <u>2,527,825</u> | <u>2,295,342</u> | <u>282,761</u> | <u>78,790</u> | <u>(129,068)</u> |
| Total net position - end of year | <u>\$ 2,343,758</u> | <u>\$ 2,134,150</u> | <u>\$ 343,843</u> | <u>\$ 78,870</u> | <u>\$ (213,105)</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, 2015

| | <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 | \$ 261,151 | \$ - | \$ 261,151 | \$ - | \$ - |
| Receipts from customers and tenants | 1,688,194 | 1,688,206 | - | (12) | - |
| Payments to suppliers | (1,060,610) | (911,847) | (68,487) | - | (80,276) |
| Payments to employees | (1,280,638) | (1,212,802) | (65,324) | - | (2,512) |
| Other cash receipts (payments) | 312,983 | 49,546 | 263,437 | - | - |
| Net cash provided by operating activities | <u>(78,920)</u> | <u>(386,897)</u> | <u>390,777</u> | <u>(12)</u> | <u>(82,788)</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | <u>(262,307)</u> | - | - | - | <u>(262,307)</u> |
| Net cash flows used for capital and related financing activities | <u>(262,307)</u> | - | - | - | <u>(262,307)</u> |
| Cash flows from investing activities: | | | | | |
| Interest and other income received | 681 | - | 9 | 80 | 592 |
| Deposits in restricted accounts | 272,818 | 272,886 | - | (68) | - |
| Net cash used for investing activities | <u>273,499</u> | <u>272,886</u> | <u>9</u> | <u>12</u> | <u>592</u> |
| Net change in cash | <u>(67,728)</u> | <u>(114,011)</u> | <u>390,786</u> | <u>-</u> | <u>(344,503)</u> |
| Cash at beginning of year | <u>1,003,770</u> | <u>561,432</u> | <u>(63,107)</u> | <u>-</u> | <u>505,445</u> |
| Cash at end of year | <u>\$ 936,042</u> | <u>\$ 447,421</u> | <u>\$ 327,679</u> | <u>\$ -</u> | <u>\$ 160,942</u> |
| Reconciliation of operating loss to net cash provided by (used for) operating activities: | | | | | |
| Operating income (loss) | \$ (185,348) | \$ (161,792) | \$ 61,073 | \$ - | \$ (84,629) |
| Adjustments to reconcile change in net position to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | 24,774 | 12,387 | - | - | 12,387 |
| Bad debts | - | - | - | - | - |
| Non-cash pension costs | (229,605) | (229,605) | - | - | - |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable: | | | | | |
| Promissory notes | (194,103) | (194,103) | - | - | - |
| Due from other funds | (26,115) | (156,297) | 130,182 | - | - |
| Other governments | (9,774) | - | (9,774) | - | - |
| Travel advances | 9,875 | - | 9,875 | - | - |
| Accrued interest | (8) | 4 | - | (12) | - |
| Other | 247,990 | 261,784 | (13,794) | - | - |
| Prepaid expenses and other assets | 8,533 | 8,529 | 4 | - | - |
| Land held for sale | 103,959 | 103,959 | - | - | - |
| Increase (decrease) in liabilities: | | | | | |
| Bank overdraft | 20,200 | 20,200 | - | - | - |
| Accounts payable | 48,927 | (175) | 49,102 | - | - |
| Compensated absences | 10,288 | 10,288 | - | - | - |
| Due to other funds | (68,862) | (54,494) | (3,822) | - | (10,546) |
| Accrued salaries and wages | 7,659 | 7,659 | - | - | - |
| Accrued FSS Escrow liabilities | 113 | 113 | - | - | - |
| Other current liabilities | 169,125 | - | 169,125 | - | - |
| Accrued liabilities | (26) | 1,168 | (1,194) | - | - |
| Deferred revenues | (16,522) | (16,522) | - | - | - |
| Net cash provided by (used for) operating activities | <u>\$ (78,920)</u> | <u>\$ (386,897)</u> | <u>\$ 390,777</u> | <u>\$ (12)</u> | <u>\$ (82,788)</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, 2015

| ASSETS | TOTAL | Sinajana Non-Title I | Gov Guam Astumbo | Nauru Project | Gov Guam | Low Cost Housing | Central Office Cost Center | Down Payment Closing Cost | Home Rehabilitation | As-Atdas Project |
|---|---------------------|-------------------------|---------------------|------------------|------------------|---------------------|-------------------------------|------------------------------|------------------------|---------------------|
| Current assets: | | | | | | | | | | |
| Cash - unrestricted | \$ 446,026 | \$ - | \$ - | \$ - | \$ - | \$ 428,100 | \$ - | \$ 10,478 | \$ 7,448 | \$ - |
| Cash - restricted for FSS | 113 | - | - | - | - | - | 113 | - | - | - |
| Cash - other restricted | 1,282 | - | - | - | - | - | 1,282 | - | - | - |
| Total cash | <u>447,421</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>428,100</u> | <u>1,395</u> | <u>10,478</u> | <u>7,448</u> | <u>-</u> |
| Accounts receivable: | | | | | | | | | | |
| Due from other funds | 1,268,968 | 1,666 | 771,149 | 4,835 | 43,727 | - | 449,330 | 56 | (1,795) | - |
| Promissory notes, current portion | 106,569 | - | - | - | - | - | - | 89,122 | 17,447 | - |
| Allowance for doubtful accounts | (109,343) | - | - | - | - | - | - | (109,343) | - | - |
| Accrued interest | - | - | - | - | - | - | - | - | - | - |
| Other | 4,739 | - | 4,600 | - | - | 139 | - | - | - | - |
| Total accounts receivable | <u>1,270,933</u> | <u>1,666</u> | <u>775,749</u> | <u>4,835</u> | <u>43,727</u> | <u>139</u> | <u>449,330</u> | <u>(20,165)</u> | <u>15,652</u> | <u>-</u> |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Prepaid and other assets | 30 | - | - | - | - | - | 30 | - | - | - |
| Land held for sale | 2,948,029 | - | 71,830 | - | - | 2,876,199 | - | - | - | - |
| Total current assets | <u>4,666,413</u> | <u>1,666</u> | <u>847,579</u> | <u>4,835</u> | <u>43,727</u> | <u>3,304,438</u> | <u>450,755</u> | <u>(9,687)</u> | <u>23,100</u> | <u>-</u> |
| Noncurrent assets: | | | | | | | | | | |
| Capital assets | 440,569 | - | 1,774 | - | - | 286,440 | 152,355 | - | - | - |
| Accumulated depreciation | (103,207) | - | (1,774) | - | - | (12,387) | (89,046) | - | - | - |
| Capital assets, net | <u>337,362</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>274,053</u> | <u>63,309</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Promissory notes, noncurrent | 749,393 | - | - | - | - | - | - | 625,581 | 123,812 | - |
| Total non-current assets | <u>1,086,755</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>274,053</u> | <u>63,309</u> | <u>625,581</u> | <u>123,812</u> | <u>-</u> |
| Total assets | <u>5,753,168</u> | <u>1,666</u> | <u>847,579</u> | <u>4,835</u> | <u>43,727</u> | <u>3,578,491</u> | <u>514,064</u> | <u>615,894</u> | <u>146,912</u> | <u>-</u> |
| Deferred outflows of resources from pension | 293,024 | - | - | - | - | - | 293,024 | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 6,046,192</u> | <u>\$ 1,666</u> | <u>\$ 847,579</u> | <u>\$ 4,835</u> | <u>\$ 43,727</u> | <u>\$ 3,578,491</u> | <u>\$ 807,088</u> | <u>\$ 615,894</u> | <u>\$ 146,912</u> | <u>\$ -</u> |
| LIABILITIES AND NET POSITION | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable: | | | | | | | | | | |
| Bank overdraft | \$ 20,200 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,200 | \$ - | \$ - | \$ - |
| Vendors | 17,924 | - | - | - | - | - | 17,827 | 97 | - | - |
| Security deposits | 3,173 | - | 3,173 | - | - | - | - | - | - | - |
| Due to other funds | (119,584) | - | 119,219 | - | - | (30,978) | - | (139,247) | (68,578) | - |
| Accrued salaries and wages | 42,777 | - | - | - | - | - | 42,777 | - | - | - |
| Compensated absences - current portion | 22,584 | - | - | - | - | - | 22,584 | - | - | - |
| Accrued FSS Escrow liabilities | 113 | - | - | - | - | - | 113 | - | - | - |
| Accrued liabilities | 26,765 | - | 738 | - | - | 26,027 | - | - | - | - |
| Deferred revenues | 1,262,559 | - | - | - | - | - | 57,933 | 1,002,292 | 202,334 | - |
| Total current liabilities | <u>1,276,511</u> | <u>-</u> | <u>123,130</u> | <u>-</u> | <u>-</u> | <u>(4,951)</u> | <u>161,434</u> | <u>863,142</u> | <u>133,756</u> | <u>-</u> |
| Noncurrent liabilities: | | | | | | | | | | |
| Net pension liability | 2,174,366 | - | - | - | - | - | 2,174,366 | - | - | - |
| Accrued compensated absences | 95,303 | - | - | - | - | - | 95,303 | - | - | - |
| Accrued sick leave | 72,995 | - | - | - | - | - | 72,995 | - | - | - |
| Total noncurrent liabilities | <u>2,342,664</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,342,664</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>3,619,175</u> | <u>-</u> | <u>123,130</u> | <u>-</u> | <u>-</u> | <u>(4,951)</u> | <u>2,504,098</u> | <u>863,142</u> | <u>133,756</u> | <u>-</u> |
| Deferred inflows of resources from pension | 292,867 | - | - | - | - | - | 292,867 | - | - | - |
| Net position: | | | | | | | | | | |
| Investment in capital assets, net of related debt | 3,285,391 | - | 71,830 | - | - | 3,150,252 | 63,309 | - | - | - |
| Unrestricted | (1,151,241) | 1,666 | 652,619 | 4,835 | 43,727 | 433,190 | (2,053,186) | (247,248) | 13,156 | - |
| Total net position | <u>2,134,150</u> | <u>1,666</u> | <u>724,449</u> | <u>4,835</u> | <u>43,727</u> | <u>3,583,442</u> | <u>(1,989,877)</u> | <u>(247,248)</u> | <u>13,156</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 6,046,192</u> | <u>\$ 1,666</u> | <u>\$ 847,579</u> | <u>\$ 4,835</u> | <u>\$ 43,727</u> | <u>\$ 3,578,491</u> | <u>\$ 807,088</u> | <u>\$ 615,894</u> | <u>\$ 146,912</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, 2015

| | 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 | \$ 42,229 | \$ - | \$ 37,229 | \$ - | \$ - | \$ 5,000 | \$ - | \$ - | \$ - | \$ - |
| Management fees | 1,056,622 | - | - | - | - | - | 1,056,622 | - | - | - |
| Asset management fees | 90,000 | - | - | - | - | - | 90,000 | - | - | - |
| Bookkeeping fees | 275,145 | - | - | - | - | - | 275,145 | - | - | - |
| Other Federal Grants | - | - | - | - | - | - | - | - | - | - |
| Other | 206,006 | - | - | - | - | - | 200,538 | - | 5,443 | 25 |
| Total operating revenues | 1,670,002 | - | 37,229 | - | - | 5,000 | 1,622,305 | - | 5,443 | 25 |
| Operating expenses: | | | | | | | | | | |
| Administrative salaries | 1,210,173 | - | 10,880 | - | - | 251,806 | 944,174 | 3,313 | - | - |
| Employee benefits | 129,216 | - | 3,829 | - | - | 18,228 | 105,860 | 1,299 | - | - |
| Professional fees | 51,374 | - | 5,259 | - | - | 2,219 | 43,896 | - | - | - |
| Management fees | - | - | - | - | - | - | - | - | - | - |
| Travel | 6,862 | - | - | - | - | 6,760 | 102 | - | - | - |
| Project costs | - | - | - | - | - | - | - | - | - | - |
| Insurance | 14,534 | - | - | - | - | - | 14,534 | - | - | - |
| Protective services | 397 | - | - | - | - | - | 397 | - | - | - |
| Repairs and maintenance | 2,514 | - | - | - | - | - | 2,514 | - | - | - |
| Office expense | 46,062 | - | 28 | - | - | 52 | 45,982 | - | - | - |
| Depreciation | 12,387 | - | - | - | - | 12,387 | - | - | - | - |
| Compensated absences | 10,287 | - | - | - | - | - | 10,287 | - | - | - |
| Advertising and marketing | 3,631 | - | - | - | - | - | 3,631 | - | - | - |
| Utilities | 78,051 | - | - | - | - | - | 78,051 | - | - | - |
| Bad debts | - | - | - | - | - | - | - | - | - | - |
| Other | 266,306 | - | - | - | - | 122,787 | 15,524 | 97,995 | 30,000 | - |
| Total operating expenses | 1,831,794 | - | 19,996 | - | - | 414,239 | 1,264,952 | 102,607 | 30,000 | - |
| Operating income (loss) | (161,792) | - | 17,233 | - | - | (409,239) | 357,353 | (102,607) | (24,557) | 25 |
| Non-operating revenues and expenses: | | | | | | | | | | |
| Other income | - | - | - | - | - | - | - | - | - | - |
| Other expense | - | - | - | - | - | - | - | - | - | - |
| Investment income | 600 | - | - | - | - | 600 | - | - | - | - |
| Total non-operating revenues and (expense), net | 600 | - | - | - | - | 600 | - | - | - | - |
| Change in net position | (161,192) | - | 17,233 | - | - | (408,639) | 357,353 | (102,607) | (24,557) | 25 |
| Total net position - beginning of year | 4,699,157 | 1,666 | 707,216 | 4,835 | 43,727 | 3,992,081 | 56,585 | (144,641) | 37,713 | (25) |
| Prior period adjustment - net pension liability | (2,403,815) | - | - | - | - | - | (2,403,815) | - | - | - |
| Total net position - beginning of year, as restated | 2,295,342 | 1,666 | 707,216 | 4,835 | 43,727 | 3,992,081 | (2,347,230) | (144,641) | 37,713 | (25) |
| Total net position - end of year | \$ 2,134,150 | \$ 1,666 | \$ 724,449 | \$ 4,835 | \$ 43,727 | \$ 3,583,442 | \$ (1,989,877) | \$ (247,248) | \$ 13,156 | \$ - |

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, 2015

| | 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 | 1,688,206 | - | 39,528 | - | - | 5,000 | 1,622,305 | - | 21,373 | - |
| Payments to suppliers | (911,847) | - | (28,648) | - | - | (79,343) | (674,107) | (99,475) | (30,274) | - |
| Payments to employees | (1,212,802) | - | (10,880) | - | - | (251,806) | (946,803) | (3,313) | - | - |
| Other cash receipts (payments) | 49,546 | - | - | - | - | - | - | 49,546 | - | - |
| Net cash provided by (used for) operating activities | (386,897) | - | - | - | - | (326,149) | 1,395 | (53,242) | (8,901) | - |
| 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 | - | - | - | - | - | - | - | - | - | - |
| Deposits in restricted accounts | 272,886 | - | - | - | - | 272,474 | - | 412 | - | - |
| Net cash provided by (used for) in investing activities | 272,886 | - | - | - | - | 272,474 | - | 412 | - | - |
| Net change in cash | (114,011) | - | - | - | - | (53,675) | 1,395 | (52,830) | (8,901) | - |
| Cash at beginning of year | 561,432 | - | - | - | - | 481,775 | - | 63,308 | 16,349 | - |
| Cash at end of year | \$ 447,421 | \$ - | \$ - | \$ - | \$ - | \$ 428,100 | \$ 1,395 | \$ 10,478 | \$ 7,448 | \$ - |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | | | | | | | | |
| Operating income (loss) | \$ (161,792) | \$ - | \$ 17,233 | \$ - | \$ - | \$ (409,239) | \$ 357,353 | \$ (102,607) | \$ (24,557) | \$ 25 |
| Adjustments to reconcile change in net position to net cash provided by (used in) operating activities: | | | | | | | | | | |
| Depreciation | 12,387 | - | - | - | - | 12,387 | - | - | - | - |
| Non-cash pension cost | (229,605) | - | - | - | - | - | (229,605) | - | - | - |
| (Increase) decrease in assets: | | | | | | | | | | |
| Accounts receivable: | | | | | | | | | | |
| Promissory notes | (194,103) | - | - | - | - | - | - | (209,995) | 15,892 | - |
| Due from other funds | (156,297) | - | - | - | - | - | (172,886) | 56 | (2) | 16,535 |
| Accrued interest | 4 | - | - | - | - | 4 | - | - | - | - |
| Other | 261,784 | - | 2,299 | - | - | - | - | 259,485 | - | - |
| Prepaid and other assets | 8,529 | - | - | - | - | - | 8,529 | - | - | - |
| Land held for sale | 103,959 | - | - | - | - | 103,959 | - | - | - | - |
| Increase (decrease) in liabilities: | | | | | | | | | | |
| Bank overdraft | 20,200 | - | - | - | - | - | 20,200 | - | - | - |
| Accounts payable | (175) | - | - | - | - | - | (256) | 81 | - | - |
| Compensated absences | 10,288 | - | - | - | - | - | 10,288 | - | - | - |
| Due to other funds | (54,494) | - | (20,270) | - | - | (33,690) | - | (262) | (272) | - |
| Accrued salaries and wages | 7,659 | - | - | - | - | - | 7,659 | - | - | - |
| Accrued FSS Escrow liabilities | 113 | - | - | - | - | - | 113 | - | - | - |
| Accrued liabilities | 1,168 | - | 738 | - | - | 430 | - | - | - | - |
| Deferred revenue | (16,522) | - | - | - | - | - | - | - | 38 | (16,560) |
| Other | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by (used for) operating activities | \$ (386,897) | \$ - | \$ - | \$ - | \$ - | \$ (326,149) | \$ 1,395 | \$ (53,242) | \$ (8,901) | \$ - |

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, 2015

| ASSETS | Total | Local Revolving Fund | Revolving Fund |
|---|--------------|----------------------------|-------------------|
| Current Assets: | | | |
| Cash: | | | |
| Unrestricted | \$ 226,608 | \$ 37,725 | \$ 188,883 |
| Restricted - tenant security deposits | - | - | - |
| Restricted - other | 101,071 | - | 101,071 |
| Total cash | 327,679 | 37,725 | 289,954 |
| Accounts Receivable: | | | |
| Due from other funds | 3,176,964 | (85,824) | 3,262,788 |
| Other governments | 9,774 | - | 9,774 |
| Other | 94,176 | 68,274 | 25,902 |
| Travel advances | 13,136 | - | 13,136 |
| Allowance for doubtful accounts - other | (2,450) | - | (2,450) |
| Total accounts receivable | 3,291,600 | (17,550) | 3,309,150 |
| Investments | - | - | - |
| Prepaid and other assets | 75,009 | - | 75,009 |
| Total current assets | 3,694,288 | 20,175 | 3,674,113 |
| Noncurrent Assets: | | | |
| Capital Assets: | | | |
| Land | 41,598 | 41,598 | - |
| Furniture and equipment | 37,434 | 37,434 | - |
| Accumulated depreciation | (37,434) | (37,434) | - |
| | 41,598 | 41,598 | - |
| Total non-current assets | 41,598 | 41,598 | - |
| Total assets | \$ 3,735,886 | \$ 61,773 | \$ 3,674,113 |
| LIABILITIES AND NET POSITION | | | |
| Liabilities: | | | |
| Accounts Payable: | | | |
| Due to other funds | \$ 2,229,269 | \$ 144,567 | \$ 2,084,702 |
| Vendors | 61,057 | - | 61,057 |
| Other | 951,694 | - | 951,694 |
| Other accrued liabilities | 138,252 | - | 138,252 |
| Deferred revenues | 11,771 | - | 11,771 |
| Total liabilities | 3,392,043 | 144,567 | 3,247,476 |
| Net position: | | | |
| Investment in capital assets, net of related debt | 41,598 | 41,598 | - |
| Restricted | 101,071 | - | 101,071 |
| Unrestricted | 201,174 | (124,392) | 325,566 |
| Total net position | 343,843 | (82,794) | 426,637 |
| Total liabilities and net position | \$ 3,735,886 | \$ 61,773 | \$ 3,674,113 |

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, 2015

| | Total | Local Revolving Fund | Revolving Fund |
|--|------------|----------------------------|-------------------|
| Operating revenues: | | | |
| Other Government Grants | \$ - | \$ - | \$ - |
| Other | 270,925 | - | 270,925 |
| | 270,925 | - | 270,925 |
| Total operating revenues | 270,925 | - | 270,925 |
| Operating Expenses: | | | |
| Administrative salaries | 65,324 | - | 65,324 |
| Employee benefits | 22,658 | - | 22,658 |
| Management fees | - | - | - |
| Advertising and marketing | 7,843 | 4,573 | 3,270 |
| Office expense | 38,534 | - | 38,534 |
| Legal and professional fees | 21,960 | 6,600 | 15,360 |
| Depreciation | - | - | - |
| Travel | 6,835 | 6,835 | - |
| Bad debts | - | - | - |
| Repairs and maintenance | 8,704 | - | 8,704 |
| Other | 37,994 | 13,001 | 24,993 |
| | 209,852 | 31,009 | 178,843 |
| Total operating expenses | 209,852 | 31,009 | 178,843 |
| Operating income (loss) | 61,073 | (31,009) | 92,082 |
| Non-operating revenues: | | | |
| Investment income | 9 | 9 | - |
| Recovery of bad debts | - | - | - |
| Other income | - | - | - |
| | 9 | 9 | - |
| Total non-operating revenues | 9 | 9 | - |
| Change in net position | 61,082 | (31,000) | 92,082 |
| Total net position - beginning of year | 282,761 | (51,794) | 334,555 |
| Total net position - end of year | \$ 343,843 | \$ (82,794) | \$ 426,637 |

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, 2015

| | Total | Local Revolving Fund | Revolving Fund |
|--|-------------------|----------------------------|-------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Cash flows from operating activities: | | | |
| Operating grants received | \$ 261,151 | \$ - | \$ 261,151 |
| Payments to suppliers | (68,487) | (31,009) | (37,478) |
| Payments to employees | (65,324) | (65,324) | |
| Other cash receipts (payments) | <u>263,437</u> | <u>50,319</u> | <u>213,118</u> |
| Net cash provided by (used for) operating activities | <u>390,777</u> | <u>19,310</u> | <u>371,467</u> |
| Cash flows from investing activities: | | | |
| Investment and other income received | <u>9</u> | <u>9</u> | <u>-</u> |
| Net cash provided by investing activities | <u>9</u> | <u>9</u> | <u>-</u> |
| Net change in cash | 390,786 | 19,319 | 371,467 |
| Cash at beginning of year | <u>(63,107)</u> | <u>18,406</u> | <u>(81,513)</u> |
| Cash at end of year | <u>\$ 327,679</u> | <u>\$ 37,725</u> | <u>\$ 289,954</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ 61,073 | \$ (31,009) | \$ 92,082 |
| 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 | 130,182 | 41,476 | 88,706 |
| Other governments | (9,774) | - | (9,774) |
| Travel advances | 9,875 | - | 9,875 |
| Other | (13,794) | - | (13,794) |
| Prepaid expenses and other assets | 4 | - | 4 |
| Increase (decrease) in liabilities: | | | |
| Accounts payable: | | | |
| Vouchers | 49,102 | - | 49,102 |
| Due to other funds | (3,822) | 8,843 | (12,665) |
| Other | 169,125 | - | 169,125 |
| Other accrued liabilities | (1,194) | - | (1,194) |
| Deferred revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided by (used for) operating activities | <u>\$ 390,777</u> | <u>\$ 19,310</u> | <u>\$ 371,467</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, 2015

| 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 | 13 | - | 13 | - |
| Investments | <u>74,992</u> | <u>-</u> | <u>74,992</u> | <u>-</u> |
| Total assets | <u>\$ 78,870</u> | <u>\$ 900</u> | <u>\$ 75,005</u> | <u>\$ 2,965</u> |
| <u>Liabilities and Net Position</u> | | | | |
| Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net position: | | | | |
| Investment in capital assets, net of related debt | - | - | - | - |
| Restricted | - | - | - | - |
| Unrestricted | <u>78,870</u> | <u>900</u> | <u>75,005</u> | <u>2,965</u> |
| Total net position | <u>78,870</u> | <u>900</u> | <u>75,005</u> | <u>2,965</u> |
| Total liabilities and net position | <u>\$ 78,870</u> | <u>\$ 900</u> | <u>\$ 75,005</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 Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2015

| | <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>80</u> | <u>-</u> | <u>80</u> | <u>-</u> |
| Change in net position | 80 | - | 80 | - |
| Net position - beginning of year | <u>78,790</u> | <u>900</u> | <u>74,925</u> | <u>2,965</u> |
| Net position - end of year | <u>\$ 78,870</u> | <u>\$ 900</u> | <u>\$ 75,005</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, 2015

| | Total | Yona Rehabilitation Loan Escrow | Sinajana Rehabilitation Escrow | War in the Pacific |
|--|----------------|---------------------------------------|--------------------------------------|-----------------------|
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ - | \$ - | \$ - | \$ - |
| Other cash receipts (payments) | (12) | - | (12) | - |
| Net cash provided by operating activities | (12) | - | (12) | - |
| Cash flows from investing activities: | | | | |
| Interest income received | 80 | - | 80 | - |
| Deposits in restricted accounts | (68) | - | (68) | - |
| Net cash provided by investing activities | 12 | - | 12 | - |
| Net change in cash | - | - | - | - |
| Cash at beginning of year | - | - | - | - |
| Cash at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ - | \$ - | \$ - | \$ - |
| (Increase) decrease in assets: | | | | |
| Accounts receivable - interest | (12) | - | (12) | - |
| Due from other funds | - | - | - | - |
| Increase (decrease) in liabilities: | | | | |
| Other current liabilities | - | - | - | - |
| Net cash provided by operating activities | <u>\$ (12)</u> | <u>\$ -</u> | <u>\$ (12)</u> | <u>\$ -</u> |

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

OTHER FUNDS
Combining Statements of Net Position
September 30, 2015

| 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 | \$ 160,942 | \$ 160,942 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable: | | | | | | | |
| Due from other funds | 546,808 | - | 2,161 | - | 439,280 | 105,367 | - |
| Interest | - | - | - | - | - | - | - |
| Other | 3,440 | - | - | 3,440 | - | - | - |
| | <u>711,190</u> | <u>160,942</u> | <u>2,161</u> | <u>3,440</u> | <u>439,280</u> | <u>105,367</u> | <u>-</u> |
| Investments | - | - | - | - | - | - | - |
| Total current assets | <u>711,190</u> | <u>160,942</u> | <u>2,161</u> | <u>3,440</u> | <u>439,280</u> | <u>105,367</u> | <u>-</u> |
| Noncurrent assets: | | | | | | | |
| Capital assets, net | 477,223 | 272,668 | 38,815 | - | 65,858 | 99,882 | - |
| Total non-current assets | <u>477,223</u> | <u>272,668</u> | <u>38,815</u> | <u>-</u> | <u>65,858</u> | <u>99,882</u> | <u>-</u> |
| Total assets | <u>\$ 1,188,413</u> | <u>\$ 433,610</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 | \$ 1,401,518 | \$ 6,912 | \$ 11,848 | \$ 95 | \$ 1,176,423 | \$ 77,993 | \$ 128,247 |
| Accrued liabilities | - | - | - | - | - | - | - |
| Total liabilities | <u>1,401,518</u> | <u>6,912</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 | 477,223 | 272,668 | 38,815 | - | 65,858 | 99,882 | - |
| Unrestricted (deficit) | (690,328) | 154,030 | (9,687) | 3,345 | (737,143) | 27,374 | (128,247) |
| Total net position | <u>(213,105)</u> | <u>426,698</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>\$ 1,188,413</u> | <u>\$ 433,610</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, 2015

| | TOTAL | Yona Urban Renewal | Sinajana Urban Renewal | GHURA Rehabilitation | Existing Operating Reserve | Program Income Account Asan | Program Income Account Sinajana |
|---|---------------------|--------------------------|------------------------------|-------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| Operating revenues: | | | | | | | |
| Property Sales | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - | - | - | - |
| Total operating revenues | - | - | - | - | - | - | - |
| Operating expenses: | | | | | | | |
| Administrative salaries | 2,512 | 2,512 | - | - | - | - | - |
| Employee benefits | 893 | 893 | - | - | - | - | - |
| Depreciation | 12,387 | 12,387 | - | - | - | - | - |
| Management fee | 60,000 | 60,000 | - | - | - | - | - |
| Legal and professional fees | 8,802 | 8,802 | - | - | - | - | - |
| Advertising and marketing | - | - | - | - | - | - | - |
| Repairs and maintenance | - | - | - | - | - | - | - |
| Office expenses | 35 | 35 | - | - | - | - | - |
| Bad debts | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total operating expenses | 84,629 | 84,629 | - | - | - | - | - |
| Operating income loss | (84,629) | (84,629) | - | - | - | - | - |
| Non-operating revenues: | | | | | | | |
| Interest income | 592 | 592 | - | - | - | - | - |
| Total non-operating revenues (expenses) | 592 | 592 | - | - | - | - | - |
| Change in net position | (84,037) | (84,037) | - | - | - | - | - |
| Total net position - beginning of year | (129,068) | 510,735 | 29,128 | 3,345 | (671,285) | 127,256 | (128,247) |
| Total net position - end of year | <u>\$ (213,105)</u> | <u>\$ 426,698</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, 2015

| | TOTAL | Yona Urban Renewal | Sinajana Urban Renewal | GHURA Rehabilitation | Existing Operating Reserve | Program Income Account Asan | Program Income Account Sinajana |
|---|-------------|--------------------------|------------------------------|-------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| Cash flows from operating activities: | | | | | | | |
| Receipts from customers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Payments to suppliers | (80,276) | (80,276) | - | - | - | - | - |
| Payments to employees | (2,512) | (2,512) | - | - | - | - | - |
| Other cash receipts (payments) | - | - | - | - | - | - | - |
| Net cash used for operating activities | (82,788) | (82,788) | - | - | - | - | - |
| Cash flows from capital and related financing activities: | | | | | | | |
| Acquisition of capital assets | (262,307) | (262,307) | - | - | - | - | - |
| Net cash flows (used for) provided by capital and related financing activities | (262,307) | (262,307) | - | - | - | - | - |
| Cash flows from investing activities: | | | | | | | |
| Interest and other income earned | 592 | 592 | - | - | - | - | - |
| Decrease in investments | - | - | - | - | - | - | - |
| Net cash provided by investing activities | 592 | 592 | - | - | - | - | - |
| Net increase in cash | (344,503) | (344,503) | - | - | - | - | - |
| Cash at beginning of year | 505,445 | 505,445 | - | - | - | - | - |
| Cash at end of year | \$ 160,942 | \$ 160,942 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reconciliation of operating loss to net cash used for operating activities: | | | | | | | |
| Operating income (loss) | \$ (84,629) | \$ (84,629) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Adjustments to reconcile operating income (loss) to net cash used for operating activities: | | | | | | | |
| Depreciation | 12,387 | 12,387 | - | - | - | - | - |
| (Increase) decrease in assets: | | | | | | | |
| Due to other funds | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Increase (decrease) in liabilities: | | | | | | | |
| Accounts payable: | | | | | | | |
| Due to other funds | (10,546) | (10,546) | - | - | - | - | - |
| Other current liabilities | - | - | - | - | - | - | - |
| Net cash provided by operating activities | \$ (82,788) | \$ (82,788) | \$ - | \$ - | \$ - | \$ - | \$ - |

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