

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

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

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**For The Year Ended September 30, 2010  
(With Comparative Totals for September 30, 2009)**

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

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### **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Guam Housing and Urban Renewal Authority:

I have audited the accompanying statements of net assets, revenues, expenses and changes in net assets and cash flows of each major fund and the aggregate remaining fund information of the Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam as of and for the year ended September 30, 2010, which collectively comprise GHURA's basic financial statements. These financial statements are the responsibility of the GHURA's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from GHURA's 2009 financial statements and, in my report dated April 29, 2010 I expressed an unqualified opinion on those financial statements.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Guam Housing and Urban Renewal Authority as of September 30, 2010, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 29 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. This supplementary information is the responsibility of the management of the Guam Housing and Urban Renewal Authority. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.



My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining financial statements and schedules on pages 63 through 117 and the supplementary information on pages 137 through 158 are presented for purpose of additional analysis and are not required part of the basic financial statements. These are the responsibility of the management of GHURA. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 21, 2011 on my consideration of the Guam Housing and Urban Renewal Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

*J. Scott Magliani & Company*

Hagåtña, Guam  
February 21, 2011

# **Guam Housing and Urban Renewal Authority**

## **Management Discussion and Analysis September 30, 2010**

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, 2010. We encourage you to consider the information presented here in conjunction with GHURA's financial statements included in the report on pages 30 through 62.

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

### **PROFILE OF THE AUTHORITY**

#### **Our Mission**

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

#### **General Information**

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

The GHURA's staff's commitment to Excellence is the foundation for facilitating our clients' goals. We aggressively pursue partnerships with public and/or private entities to allow for the implementation of programs beneficial to our clients.

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

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



# Guam Housing and Urban Renewal Authority

## Management Discussion and Analysis September 30, 2010

### **Financial Highlights**

The Authority had revenues of \$68,484,775 and expenses of \$66,997,641 for the year ended September 30, 2010 (\$47,697,144 and \$48,934,261 for the year ended September 30, 2009), representing increases of \$20,787,631 and \$18,063,383 (approximately 43.6% and 36.9%), respectively over September 30, 2009 figures.

Total assets of the Authority of \$53,426,753 increased by \$1,018,823, or approximately 1.9% as compared to \$52,407,930 in the prior year at September 30, 2010.

The Authority's cash and cash equivalents at September 30, 2010 totaled \$7,688,425, an increase of \$863,254, or approximately 12.6% as compared to \$6,825,171 as of September 30, 2009.

The Authority's working capital increased by \$2,049,149 or approximately 13.5% as of September 30, 2010.

### **Overview of the Financial Statements**

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

### **Authority-Wide Financial Statements**

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

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

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

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

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

## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

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

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

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

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the authority-wide financial statements. The notes to the financial statements can be found on pages 35 through 59 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 page 122 of this report.

#### **Fund Financial Statements**

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



## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

#### **The Authority's Funds**

##### **Business Type Funds**

##### **Public Housing - Asset Management Properties**

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

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

AMP 1 – Central Site Base consists of 158 units located at Sinajana, Agana Heights, Mongmong, and Asan.

AMP 2 – Southeast Site Base consists of 163 units located at Yona, Inarajan, and Talofofo and Talofofo Elderly.

AMP 3 – Southwest Site Base consists of 195 units located at Agat, Agat Elderly, Merizo, Merizo Elderly, and Umatac.

AMP 4 – Northern Site Base consists of 234 units located at Toto, Dededo, and Dededo Elderly.

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

The intention of working under an Asset Management Project (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 2010, the Authority had 681 units leased with an occupancy rate of 97.7%, based on 697 units available for occupancy. For the fiscal year ended September 30, 2010, the Authority received \$4.6 million in Operating Subsidy funds and \$1.95 million in Capital Fund Program funds for our Public Housing program.



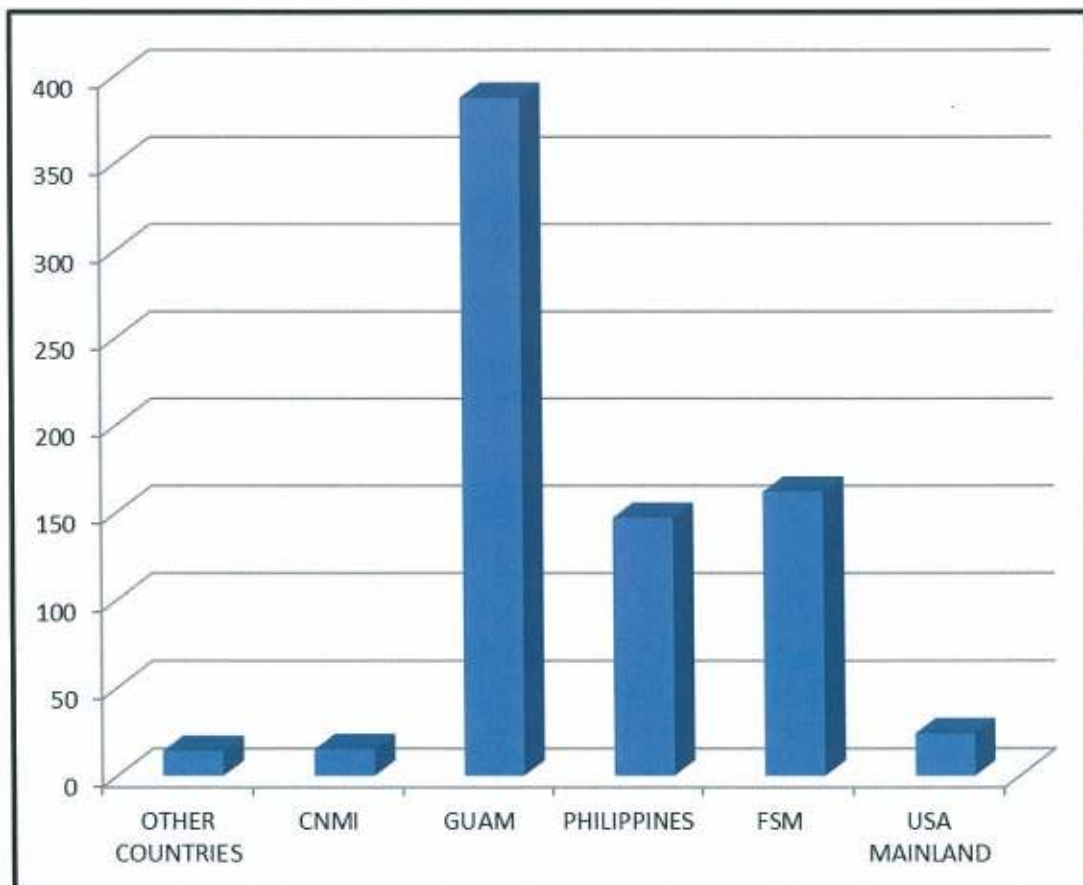
## Guam Housing and Urban Renewal Authority

Management Discussion and Analysis  
September 30, 2010

Table A represents the Head of Household (HOH) tenants' ethnicities in the Public Housing Program for the Fiscal Year 2010.

**TABLE A**

PUBLIC HOUSING 2010		
HOH BIRTH PLACE	QNTY	%
OTHER COUNTRIES	14	2%
CNMI	15	2%
GUAM	388	52%
PHILIPPINES	147	20%
FSM	162	22%
USA MAINLAND	24	3%



## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

#### **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 \$1.5 million to implement such plans.

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

#### **THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

The Section 8 Housing Choice Voucher Program was the result of the Quality Housing and Work Responsibility Act (QHWRA) of 1998. Prior to QHWRA the Section 8 Program was known as the Section 8 Certificate Program and during the Public Housing Reform HUD issued three conforming rules that began the changes from the Certificate Program to the new housing voucher program. The QHWRA eventually combined the certificate program into the new housing choice voucher program. By October 2001, the certificate program was completely phased out. The HCV Program, although quite similar to the former certificate program, takes into account significant mandates and discretions such as allowing Public Housing Agencies to set payment standards between 90 percent and 110 percent; changes in calculating the total tenant payment, imposing a 40% cap on the family's share and requiring PHA's to perform a reasonable rents test.

GHURA administers 2,545 vouchers and in recent years has received more than \$30 million annually to fund monthly rental assistance paid out to property owners on behalf of eligible participants. The HCV Program also provides for tenant-paid utility allowances, and escrow accounts for participants of the Family Self-Sufficiency Program.

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

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



## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010

In 2010, the Section 8 HCV Program reported the following profile:

- 81 percent of participating families are from female head-of-households and 19 percent from male head-of-households;
- The average annual household income is \$13,122;
- 43 percent of families were in three-bedroom units; 30 percent in two-bedroom units; and 17 percent in four-bedroom units; and the remaining 13 percent are in one, five and six bedroom units;
- Approximately 97 percent of families receive some form of general assistance or TANF; 62 percent receive income through wages; 38 percent receive child support; and 2 percent own businesses; 10 percent receive social security benefits; 4 percent receive income from other sources; and 24 percent receive non-cash items from various sources.
- 88 percent are reported as Pacific Islander; 9 percent are of Asian descent; and the remaining 3 percent are white, black, American Indian, and other.

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

- The ***Mainstream Housing and Opportunities for Persons with Disabilities Program***: A special admissions voucher program designed to enable persons with disabilities to locate and lease suitable and accessible housing in the private market. 175 housing vouchers are available to eligible families regardless of the person's disability. The Mainstream Housing Voucher Program is a referral-based program. GHURA accepts applicant referrals from partnering non-profit and other government organizations who provide services to persons with disabilities. Partnering organizations include the Department of Mental Health, Department of Integrated Services for Individuals with Disabilities; Guma Mami; The Developmental Disabilities Council, The Salvation Army and Catholic Social Services.
- The ***Family Unification Program***: A special admissions voucher program designed to assist families who have lost or are at risk of losing their children to foster care as a result of inadequate housing. 133 housing vouchers are available for families who meet the program criteria. FUP is a referral-based program and applicants are received from Guam's Department of Public Health and Social Services' Child Protective Service Division.
- The ***Veteran Affairs Supportive Housing Program***: A special admissions voucher program for homeless veterans. 30 VASH vouchers are available strictly for homeless veterans. The program is a referral-based program and clients are received from the Department of Veteran Affairs (VA). Families are selected for referral and are provided one-to-one case management by VA personnel.

## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010

- The ***Family Self-sufficiency Program***: The FSS program is a housing service available to Section 8 participants who have the desire to achieve economic and social independence. The program links clients to various employment opportunities available in the community as well as provide basic life skills to the elderly and the disabled clients. One of the significant services provided by the FSS program is the escrow program. Families who work and earn income sign up for the escrow account and the increase earned from wages are put into escrow. The escrow is a form of savings account that is allowed to accumulate for a period of five years. When the family reaches their goal in the fifth-year and has achieved economic self-sufficiency, the family is paid their escrow and may use it toward furthering their goal of self-sufficiency such as purchasing a home, or paying college tuition.
- The ***Section 8 Homeownership Program***: Participants of the Section 8 Program may use Section 8 assistance toward paying a mortgage in lieu of monthly rental payments. The participant is required to secure a mortgage loan and GHURA will pay up to 70 percent of the monthly mortgage payments. Compliance requirements for Section 8 Homeownership Program are similar to the regular Section 8 HCV program, except the HQS inspection is performed only prior to occupancy.

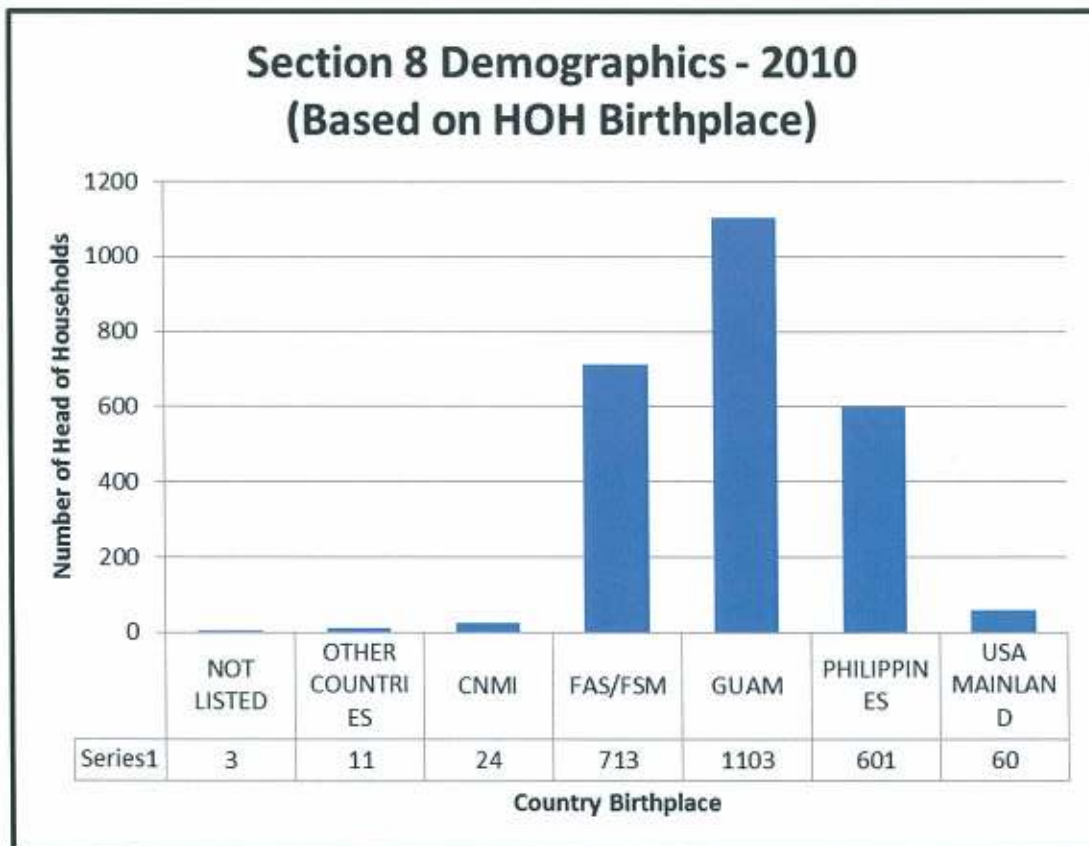
## Guam Housing and Urban Renewal Authority

Management Discussion and Analysis  
September 30, 2010

Table B represents the Head of Household (HOH) tenants' ethnicities in the Section 8 Housing Choice Voucher Program for the Fiscal Year 2010.

**TABLE B**

SECTION 8 DEMOGRAPHICS - 2010		
HOH BIRTH PLACE	QNTY	%/state
NOT LISTED	3	0.1%
OTHER COUNTRIES	11	0.4%
CNMI	24	1.0%
FAS/FSM	713	28.3%
GUAM	1103	43.9%
PHILIPPINES	601	23.9%
USA MAINLAND	60	2.4%





## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

#### **COMMUNITY PLANNING AND DEVELOPMENT FUNDS**

Of the many HUD-funded activities administered by GHURA, the activities funded through the HUD Community Planning and Development Office 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 benefit the gamut of desires ranging from the homeless to those trying to afford their first home purchase.

On a yearly basis, Guam receives funds from HUD's Office of Community Planning and Development (CPD) to address housing and community needs in Guam. The Guam Housing and Urban Renewal Authority (GHURA) is the administrator of these funds from HUD. CPD, 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). Guam 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 FY2010, GHURA administered \$22.6 million in eligible activities. In FY2010 alone, a total of \$4,353,553 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$779,815 were approved for activities in FY2010. 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's PY2005-2009 Consolidated Plan".

#### **Community Development Block Grants (CDBG)**

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) Funds were used to support the operations of a shelter for homeless men and men of low/moderate income in recovery from substance abuse.
- (2) Guam provided funds for Homeless Awareness Outreach activities for the annual Point-In-Time Count of homeless persons and the Hope for the Homeless, Passport to Services event providing direct access to the homeless of critical health and social services.
- (3) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) receives match funding to support the operation of the Homeless Management Information System (HMIS). HMIS is the repository of data which tracks the assistance provided to the island's homeless through the various government and non-profit service providers.

## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

#### *Public Facilities and Improvements –*

- (1) Lighthouse Recovery Center enhancements. Operated by The Salvation Army Corps Guam, this substance abuse center requested funds to improve security and facility control and to allow for protected outside activity areas for clients.
- (2) The Guma' San Jose Emergency Housing facility in Dededo, the first such facility designed to primarily serve families with children, was funded by CDBG and CDBG-R funds.
- (3) The LIHENG Transitional Housing Apartments in Mangilao were renovated for kitchen and other improvements to sustain the useful life of the facility.
- (4) Ongoing construction of the Northern Region Pool Complex.
- (5) Ongoing expansion and renovation of the Southern Region Community Health Center facility in Inarajan.
- (6) CDBG & CDBG-R funds were used to construct the new Southern Police Precinct facility.
- (7) CDBG & CDBG-R funds were used to construct the relocated Agat/Santa Rita Fire Station.

#### *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) Habitat for Humanity Guam received funds to support the Homebuyer Sweat Equity Program in the acquisition of a parcel for development and sale to an eligible low-income family.
- (2) The Micronesian Self-Help Housing Corporation, in partnership with GHURA and USDA Rural Development continued the development of the 56-unit Sagan Bonita Affordable Housing project in Mangilao. The units upon completion will be sold to eligible homebuyers.

*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. Five families were assisted by the REHAB program during FY2010.

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



## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

#### **Emergency Shelter Grant (ESG)**

In FY2010, ESG funded activities serving homeless populations. ESG funds were used for such activities as the following:

##### *Operations –*

- (1) The Lighthouse Recovery Center receives ESG funds to operate a transitional housing facility providing shelter and supportive services to homeless men recovering from chronic substance abuse. Operational costs include such items as maintenance, occupancy costs, food, furnishings and equipment.
- (2) FSC/One-Stop received funds to support the operations of Homeless Prevention and Rapid-Rehousing Program.

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

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

#### **Continuum of Care Grant Funds**

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

*Supportive Housing Program (SHP) –* The Supportive Housing Program (SHP) is designed to develop supportive housing and services that will allow homeless persons to live as independently as possible. Assistance in the Supportive Housing Program is provided to help homeless persons meet three overall goals. These goals are to achieve residential stability, to increase their skill levels and/or incomes, and to obtain greater self-determination (i.e. more influence over decisions that affect their lives). SHP funds in the current reporting year were used to fund five programs:

- (1) Karidat Support Services Only (SSO). Karidat SSO is a program serving persons with disabilities.
- (2) Guma' Hinemlo. Guma' Hinemlo is an 8-unit residential facility serving persons with disabilities.
- (3) Homeless Management Information System. HMIS is the data repository to record the provision of services and track participants receiving assistance for homelessness. The service is intended as a tool to improve the provision of services by the numerous service providers.
- (4) LIHENG Transitional Housing Case Management. Catholic Social Services operates 30 units of transitional housing.
- (5) Oasis Empowerment Center. Elim Pacific Ministries operates a facility serving women in recovery from substance abuse.

## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

#### **Other HUD Community Planning and Development (CPD) Funding**

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

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

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

HPRP funds were used to assist homeless persons with housing and re-housing needs. Guam received \$1,221,922 of HPRP funds for eligible activities in support of the homeless for a defined three-year period. The HPRP program will conclude in the calendar year 2012.

#### **Leveraging of HUD CPD Funds**

GHURA promotes the use of CPD funds on activities that present the best opportunities for positive leverage of its limited HUD funds. As such, the management of multiple funding sources is frequently necessary. In FY2010, GHURA activities were leveraged by diversity of other sources to its positive advantage. CDBG funds were leveraged by U.S. Department of Interior funds (Compact Impact funds) for the Guam Department of Parks and Recreation in the development and construction of the Northern Region Pool Complex in Dededo. CDBG funds were leveraged by U.S. Health and Human Services funding for capital improvements, and the Tobacco Settlement Fund, for the Guam Department of Public Health's renovation and expansion of the Southern Region Community Health Center in Inarajan. HOME funds have been leveraged by funds secured through Micronesian Self-Help Housing Corporation and the Rural Development office of the U.S. Department of Agriculture for the Sagan Bonita Affordable Housing Program, a development of for-purchase housing for low and moderate-income homebuyers.

#### **State and Local Funds**

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



# Guam Housing and Urban Renewal Authority

## Management Discussion and Analysis September 30, 2010

### Authority-Wide Financial Statements

#### Statement of Net Assets

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

TABLE 1

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current assets	\$ 22.6	\$ 21.1	\$ 19.9
Capital assets and other, net	29.9	30.3	31.0
Other noncurrent assets	<u>1.0</u>	<u>1.0</u>	<u>1.3</u>
Total assets	<u>\$ 53.5</u>	<u>\$ 52.4</u>	<u>\$ 52.2</u>
Current liabilities	\$ 5.4	\$ 6.0	\$ 4.5
Long term debt, net	1.4	1.4	1.4
Other noncurrent liabilities	<u>0.7</u>	<u>0.5</u>	<u>0.5</u>
Total liabilities	<u>7.5</u>	<u>7.9</u>	<u>6.4</u>
Net assets:			
Invested in capital assets, net	31.9	34.3	33.3
Restricted	2.9	2.6	4.7
Unrestricted	<u>11.2</u>	<u>7.6</u>	<u>7.8</u>
Total net assets	<u>46.0</u>	<u>44.5</u>	<u>45.8</u>
Total liabilities and net assets	<u>\$ 53.5</u>	<u>\$ 52.4</u>	<u>\$ 52.2</u>

During 2010, there was an overall increase in assets of \$1.1 million (\$0.2 million in 2009). The increase was primarily attributable to current year operations and period charges.

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

# Guam Housing and Urban Renewal Authority

## Management Discussion and Analysis September 30, 2010

### Major Factors Affecting the Statement of Net Assets

Table 2 presents details on the change in Unrestricted Net Assets for the fiscal year ended September 30, 2010.

**TABLE 2**  
**CHANGE IN UNRESTRICTED NET ASSETS**  
**(IN MILLIONS)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Unrestricted net assets, beginning of year	\$ 7.6	\$ 7.8	\$ 5.4
Results of operations	1.5	(1.2)	(3.1)
Adjustments:			
Depreciation (1)	<u>3.3</u>	<u>3.0</u>	<u>3.0</u>
Adjusted results from operations	<u>4.8</u>	<u>1.8</u>	<u>(0.1)</u>
Reclassification to restricted assets	(0.3)	(2.0)	3.7
Capital activity, net	(0.9)	-	(1.2)
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted net assets, end of year	<u>\$ 11.2</u>	<u>\$ 7.6</u>	<u>\$ 7.8</u>

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

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

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

## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:			
Operating subsidies and grants	\$ 62.2	\$ 42.9	\$ 38.5
Capital grants	2.7	2.2	1.4
Other income	2.8	2.1	4.6
Tenant revenue	0.5	0.3	0.3
Investment income	0.3	0.2	0.3
Total revenue	<u>68.5</u>	<u>47.7</u>	<u>45.1</u>
Expenses:			
Housing assistance payments	32.7	31.5	29.7
Maintenance	12.6	3.5	3.5
Administrative	17.1	9.9	10.6
Depreciation	3.4	3.0	3.0
Tenant services	0.4	0.3	0.3
General and other	0.5	0.4	0.8
Utilities	0.3	0.3	0.3
Total expenses	<u>67.0</u>	<u>48.9</u>	<u>48.2</u>
Excess (Deficiency) of revenues over expenses	<u>\$ 1.5</u>	<u>\$ (1.2)</u>	<u>\$ (3.1)</u>

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

#### Revenues

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

#### Tenant Revenue

Tenant related revenue, which accounted for 0.7% of total current year revenues, increased by \$211,754, or approximately 72.1% (\$105,418, or approximately 56%, in 2009). This increase is attributed to an increases in tenant income and charges for the period, and continued emphasis on enforcement of program regulations.

## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010

#### Operating Subsidies and Grants

Operating subsidies, operating and capital grant revenue increased by a net \$19.8 million, or approximately 43.8% from the prior year. The net increase resulted primarily from the following: \$4.3 million from American Reinvestment and Recovery Act (ARRA) program funding (21.6%); \$0.4 million in Low Rent Housing program funding; \$3.6 million in Housing Choice Voucher program activities funding; \$1.3 million in CDBG program funding; \$0.2 million in HOME program funding; \$3.1 million in Tobacco Backed Asset Bond funds; and \$6.9 million in new program funding (34.9%) which included \$6.2 million in Internal Revenue Service Section 1602 funding and \$0.7 million in Department of the Interior funds.

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

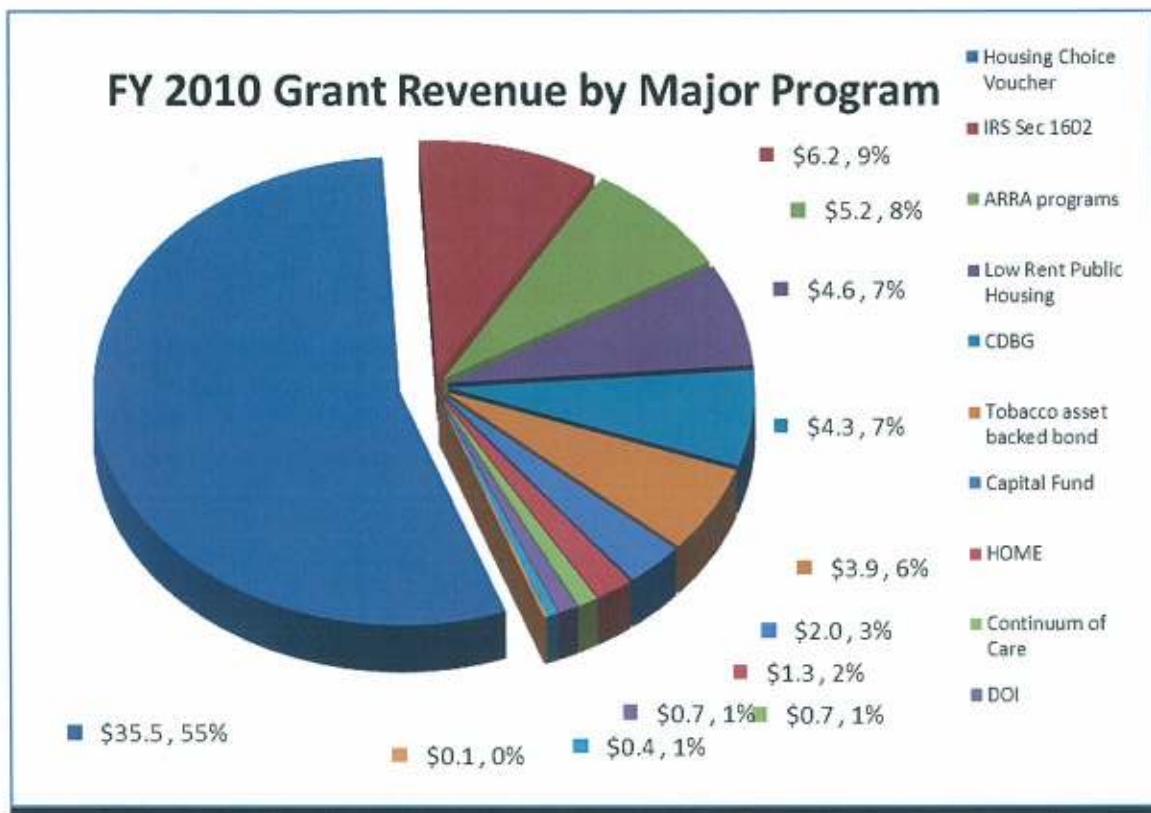
#### **Operating and Capital Grant Revenue by Major Program Sources**

**TABLE 4**  
**OPERATING SUBSIDIES AND GRANTS**  
**(IN MILLIONS)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Housing Choice Voucher	\$ 35.5	\$ 31.8	\$ 28.7
IRS Sec 1602	6.2	-	-
ARRA programs	5.2	1.0	-
Low Rent Public			
Housing	4.6	4.2	3.5
CDBG	4.3	3.0	3.7
Capital Fund	2.0	2.1	1.6
HOME	1.3	1.1	1.2
Continuum of Care	0.7	0.7	
DOI	0.7	-	-
Supportive Housing for			
the Elderly	0.4	0.4	0.4
Other	4.0	0.9	0.8
	<u>\$ 64.9</u>	<u>\$ 45.2</u>	<u>\$ 39.9</u>

## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010



#### 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 \$30.9 million in 2010 (\$14.4 million in 2009), which represents a 114% increase from prior year. Administrative expense was approximately 14.5% of total revenues in 2010 (23.5% of revenues in 2009).

##### *Other Expenses*

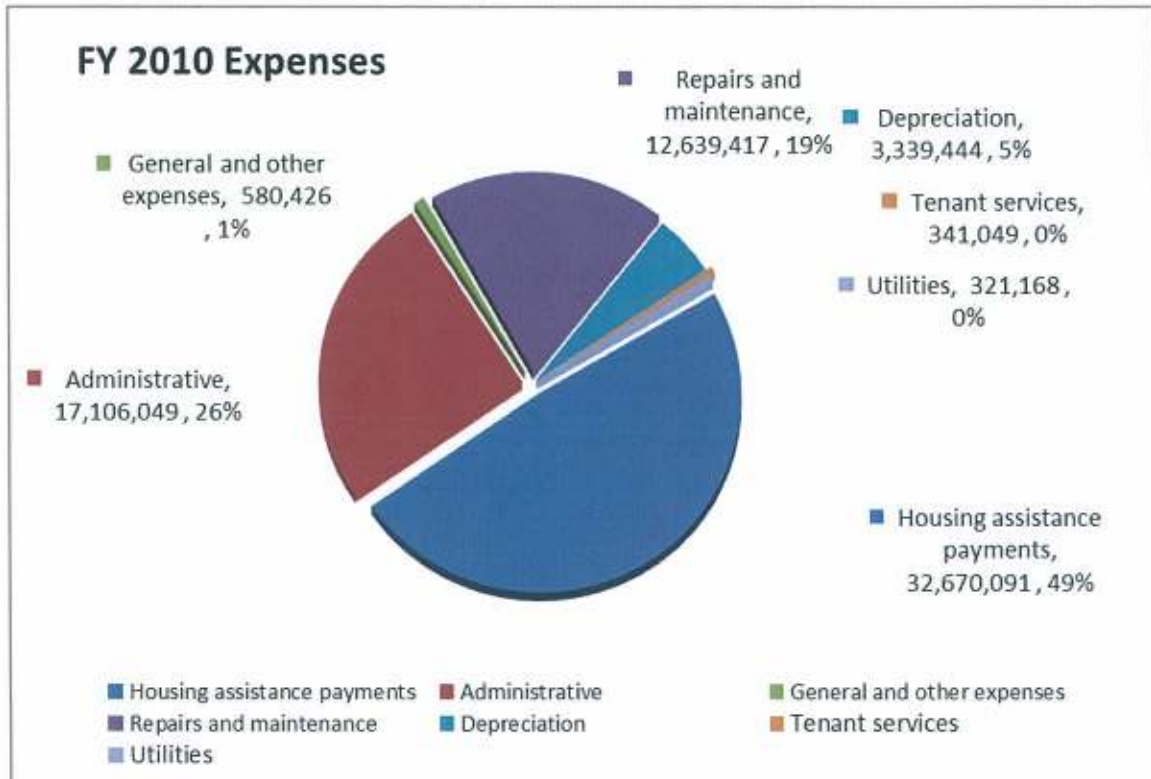
During 2010, there was a 3.8% increase in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to higher unit leasing levels (6% increase in 2009). Housing assistance payment expenses increased by approximately \$1.2 million in 2010 (increase of \$1.8 million in 2009).



## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis

September 30, 2010



## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010

#### Capital Assets and Debt Administration

##### Capital Assets

At the end of fiscal year 2010, the Authority had approximately \$29.9 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 \$399,522, or approximately 1.3% from the end of last year (\$715,626 in 2009 or approximately 2.3%).

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

	2010	2009	2008
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	83.3	80.6	78.6
Equipment - administrative	2.1	2.1	2.1
Equipment - dwelling	1.5	1.3	1.1
	<u>90.6</u>	<u>87.7</u>	<u>85.5</u>
Accumulated depreciation	<u>(60.7)</u>	<u>(57.4)</u>	<u>(54.5)</u>
Capital assets, net	<u>\$ 29.9</u>	<u>\$ 30.3</u>	<u>\$ 31.0</u>

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

# Guam Housing and Urban Renewal Authority

## Management Discussion and Analysis September 30, 2010

### CHANGE IN CAPITAL ASSETS (IN MILLIONS)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Balance at beginning of year	\$ 30.3	\$ 31.0	\$ 32.8
Additions	2.9	2.3	1.7
Disposition/transfers	-	-	(0.5)
Depreciation	(3.3)	(3.0)	(3.0)
Balance at end of year	<u>\$ 29.9</u>	<u>\$ 30.3</u>	<u>\$ 31.0</u>

Major additions are summarized as follows:

Major additions:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Capital improvements programs (modernization completed on variety of Authority's Low Rent Housing buildings)			
Building improvements and plans	\$ 2.7	\$ 2.0	\$ 1.6
Equipment purchases	0.0	0.3	0.1
Total additions	<u>\$ 2.7</u>	<u>\$ 2.3</u>	<u>\$ 1.7</u>

## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis**

September 30, 2010

#### **Debt Outstanding**

As of year-end, the Authority had \$1,400,541 in debt (mortgage loan) outstanding compared to \$1,442,123 last year, for a \$41,582 decrease (debt retirement):

**Table 7**

#### **OUTSTANDING DEBT, AT YEAR-END (IN MILLIONS)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>
RD Loan – Guma Trankilidat	\$1.40	\$1.44	\$1.48

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

# Guam Housing and Urban Renewal Authority

## Management Discussion and Analysis September 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash flows (used) provided by operations	\$ 0.5	\$ 2.3	\$ (1.4)
Cash flows used in financing activities	(0.3)	(0.2)	(1.6)
Cash flows used in investing activities	<u>0.7</u>	<u>0.0</u>	<u>(6.4)</u>
Net increase (decrease) in cash and cash equivalents	0.9	2.1	(9.4)
Cash and cash equivalents at beginning of year	<u>6.8</u>	<u>4.7</u>	<u>14.1</u>
Cash and cash equivalents at end of year	<u>\$ 7.7</u>	<u>\$ 6.8</u>	<u>\$ 4.7</u>
Reconciliation in change in net assets provided by operating activities:			
Operating loss	\$ (1.9)	\$ (3.6)	\$ (3.1)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:			
Depreciation	3.3	3.0	3.0
Bad debts	-	-	0.2
(Increase) decrease in assets	(0.5)	(2.2)	(0.4)
Increase (Decrease) in liabilities	<u>(0.4)</u>	<u>5.1</u>	<u>(1.1)</u>
Net cash (used) provided by operating activities	<u>\$ 0.5</u>	<u>\$ 2.3</u>	<u>\$ (1.4)</u>

In 2010, net increase in cash flows arose primarily from operation of the Housing Choice Voucher and the Low Rent Public Housing programs.



## Guam Housing and Urban Renewal Authority

### Management Discussion and Analysis September 30, 2010

#### **Economic factors**

Significant economic factors that affect the Authority are as follows:

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

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

The local economy is heavily dependent on the tourism industry, the source of which is from Asian markets, primarily Japan. Unlike most public housing authorities in the U. S. mainland, the local economy does not follow the U. S. national economic trends. The tourism industry appears to be in an initial recovery stage. However, adverse economic conditions, compounded by the effects of ever-increasing worldwide price 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 the sufficient income to move to a new rental unit.



## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

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 their rank, a military household could receive a housing allowance of \$1,700 to \$2,500. Developers are targeting the higher income housing market which can demand rents of \$2,000 or more.

#### **Audit and Compliance**

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

Scores are based on standards established under the Public Housing Assessment System (PHAS), Section Eight Management Assessment System (SEMAP), Voucher Management System (VMS), Rental Integrity Monitoring (RIM) 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 consist of Agat, Yona, Toto, Tumon, and Agana all access the main host server located in Sinajana via a common telecommunications media.



## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis**

**September 30, 2010**

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

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

#### *Controls*

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

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

#### *Legal Compliance*

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

#### *Accountability*

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

#### *Fraud, Waste, and Abuse*

The Authority must maintain their 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

## **Guam Housing and Urban Renewal Authority**

### **Management Discussion and Analysis September 30, 2010**

preventive measures in place so that any irregularity can be quickly detected and resolved as efficiently, professionally, and fairly as possible. Because preventive measures are the most effective way to deter widespread program irregularities, they will be an integral part of daily operations.

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

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

#### **Financial Contact**

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

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

Combined Statements of Net Assets  
September 30, 2010  
(With comparative totals as of September 30, 2009)

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2010	Total 2009
Current assets:						
Cash: (Notes 1 and 2)						
Unrestricted	\$ 2,942,590	\$ 90,776	\$ 2,641,227	\$ -	\$ 5,674,593	\$ 4,524,216
Restricted - other (Note 3)	362,638	375,997	1,260,431	-	1,999,066	2,285,889
Restricted - security deposits	-	14,766	-	-	14,766	15,066
Total cash	<u>3,305,228</u>	<u>481,539</u>	<u>3,901,658</u>	<u>-</u>	<u>7,688,425</u>	<u>6,825,171</u>
Accounts receivable:						
Notes receivable - current portion (Note 4)	254	-	72,273	-	72,527	45,942
Tenants (Note 1)	33,391	10,354	-	-	43,745	50,564
HUD	1,033,133	646,417	-	-	1,679,550	1,424,097
Other Government Agencies	59,320	-	830,203	-	889,523	-
Due from other funds (Notes 1 and 5)	7,944,467	41,498	7,955,339	(15,941,304)	-	-
Interest	424	58	388	-	870	16,110
Other	211,368	2,070	484,558	-	697,996	1,029,440
	<u>9,282,357</u>	<u>700,397</u>	<u>9,342,761</u>	<u>(15,941,304)</u>	<u>3,384,211</u>	<u>2,566,153</u>
Allowance for doubtful accounts	(5,340)	-	(92,048)	-	(97,388)	(112,372)
Total accounts receivable, net	<u>9,277,017</u>	<u>700,397</u>	<u>9,250,713</u>	<u>(15,941,304)</u>	<u>3,286,823</u>	<u>2,453,781</u>
Investments: (Notes 1, 2, 3 and 11)						
Unrestricted	3,078,000	-	1,356,997	-	4,434,997	5,295,809
Restricted/reserved by fiscal agent	3,292,681	204,026	-	-	3,496,707	2,587,388
Total investments	<u>6,370,681</u>	<u>204,026</u>	<u>1,356,997</u>	<u>-</u>	<u>7,931,704</u>	<u>7,883,197</u>
Prepayments and other current assets	31,247	2,547	76,022	-	109,816	160,597
Inventories (Note 1)	185,293	8,504	-	-	193,797	197,546
Other real estate (Notes 1 and 6)	-	-	3,361,341	-	3,361,341	3,603,912
Total current assets	<u>19,169,466</u>	<u>1,397,013</u>	<u>17,946,731</u>	<u>(15,941,304)</u>	<u>22,571,906</u>	<u>21,124,204</u>
Noncurrent assets:						
Capital assets, net (Notes 1 and 7)	27,401,226	2,129,765	352,466	-	29,883,457	30,282,980
Notes receivable - noncurrent (Note 4)	-	-	934,334	-	934,334	963,690
Other assets	37,056	-	-	-	37,056	37,056
Total noncurrent assets	<u>27,438,282</u>	<u>2,129,765</u>	<u>1,286,800</u>	<u>-</u>	<u>30,854,847</u>	<u>31,283,726</u>
Total assets	<u>\$ 46,607,748</u>	<u>\$ 3,526,778</u>	<u>\$ 19,233,531</u>	<u>\$ (15,941,304)</u>	<u>\$ 53,426,753</u>	<u>\$ 52,407,930</u>

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



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

Combined Statements of Net Assets, Continued  
September 30, 2010  
(With comparative totals as of September 30, 2009)

Liabilities and Net Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2010	Total 2009
<b>Current liabilities:</b>						
Current portion of note payable (Note 8)	\$ -	\$ 44,000	\$ -	\$ -	\$ 44,000	\$ 41,000
Accounts payable	176,917	16,998	20,033	-	213,948	195,212
Current portion of compensated absences (Note 1)	26,781	3,473	10,734	-	40,988	38,604
Payable HUD	-	-	-	-	-	406,166
Due to other funds (Notes 1 and 5)	5,406,081	1,192,227	9,342,996	(15,941,304)	-	-
Security deposits	118,234	14,766	-	-	133,000	127,332
Accrued salaries and wages	56,806	4,926	-	-	61,732	46,789
Accrued liabilities	54,834	-	282,002	-	336,836	340,463
Deferred revenues	303,162	9,740	1,737,191	-	2,050,093	2,104,489
Other current liabilities	357,192	-	2,134,013	-	2,491,205	2,673,194
<b>Total current liabilities</b>	<b>6,500,007</b>	<b>1,286,130</b>	<b>13,526,969</b>	<b>(15,941,304)</b>	<b>5,371,802</b>	<b>5,973,249</b>
<b>Non-current liabilities:</b>						
Long-term portion of note payable (Notes 8 and 9)	-	1,356,541	-	-	1,356,541	1,401,123
Accrued compensated absences (Notes 1 and 9)	480,361	64,885	156,688	-	701,934	524,216
<b>Total non-current liabilities</b>	<b>480,361</b>	<b>1,421,426</b>	<b>156,688</b>	<b>-</b>	<b>2,058,475</b>	<b>1,925,339</b>
<b>Total liabilities</b>	<b>6,980,368</b>	<b>2,707,556</b>	<b>13,683,657</b>	<b>(15,941,304)</b>	<b>7,430,277</b>	<b>7,898,588</b>
<b>Commitments and contingencies</b>						
<b>Net assets: (Note 11)</b>						
Invested capital assets, net of related debt	27,401,226	729,224	3,713,807	-	31,844,257	34,281,713
Restricted	3,292,681	580,023	1,260,431	-	5,133,135	2,621,538
Unrestricted	8,933,473	(490,025)	575,636	-	9,019,084	7,606,091
<b>Total net assets</b>	<b>39,627,380</b>	<b>819,222</b>	<b>5,549,874</b>	<b>-</b>	<b>45,996,476</b>	<b>44,509,342</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,607,748</b>	<b>\$ 3,526,778</b>	<b>\$ 19,233,531</b>	<b>\$ (15,941,304)</b>	<b>\$ 53,426,753</b>	<b>\$ 52,407,930</b>

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

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

Combined Statements of Revenues, Expenses and Changes in Net Assets  
For the Year Ended September 30, 2010  
(With comparative totals for the year ended September 30, 2009)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2010	Total 2009
Operating revenues:						
HUD PHA Operating Grants	\$ 48,195,574	\$ 2,578,615	\$ -	\$ -	\$ 50,774,189	\$ 42,188,141
Other Government Grants	613,363	671,585	10,100,619	-	11,385,567	738,338
Management fees	-	-	1,301,021	-	1,301,021	1,400,388
Other income	87,715	434,381	98,455	-	620,551	209,568
Tenant rental income	414,777	90,689	-	-	505,466	293,712
Bookkeeping fees	-	-	285,705	-	285,705	284,377
Asset management fees	-	-	90,000	-	90,000	90,000
Property sales	-	-	29,306	-	29,306	14,034
Total operating revenues	49,311,429	3,775,270	11,905,106	-	64,991,805	45,218,558
Operating expenses:						
Housing assistance payments	32,670,091	-	-	-	32,670,091	31,460,029
Repairs and maintenance	6,484,170	1,655,600	3,931,758	-	12,071,528	2,859,896
Project costs	-	-	6,221,796	-	6,221,796	-
Other administrative expenses	2,394,299	1,344,110	456,273	-	4,194,682	3,778,672
Administrative salaries	2,701,086	285,116	1,012,836	-	3,999,038	3,851,641
Depreciation	3,200,390	75,322	63,734	-	3,339,446	2,960,427
Management fees	1,231,439	69,582	-	-	1,301,021	1,400,388
Employee benefits	864,424	90,150	332,819	-	1,287,393	1,229,572
Office expense	301,705	40,805	63,079	-	405,589	-
Utilities	167,595	129,691	23,879	-	321,165	284,027
Bookkeeping fees	285,705	-	-	-	285,705	284,377
Insurance	189,431	11,058	14,793	-	215,282	221,539
Compensated absences	138,921	14,650	22,804	-	176,375	71,037
Professional fees	63,135	2,921	62,195	-	128,251	172,172
Asset management fees	90,000	-	-	-	90,000	90,000
Travel	51,070	2,558	19,912	-	73,540	53,054
Protective services	38,182	306	249	-	38,737	54,975
Bad debts	22,277	-	12,820	-	35,097	33,575
Payments in-lieu of taxes	30,041	-	-	-	30,041	7,005
Advertising and marketing	22,984	1,376	3,607	-	27,967	35,667
Tenant service	-	-	-	-	-	149
Total operating expenses	50,946,945	3,723,245	12,242,554	-	66,912,744	48,848,202
Operating income (loss)	(1,635,516)	52,025	(337,448)	-	(1,920,939)	(3,629,644)
Non-operating revenues (expenses):						
Capital Grants	2,718,055	-	-	-	2,718,055	2,186,291
Other income	38,524	4,036	293,062	-	335,622	19,820
Interest income on restricted investments	274,646	520	-	-	275,166	4,141
Fraud recovery	119,972	-	-	-	119,972	96,424
Interest income on unrestricted investments	32,321	1,804	10,030	-	44,155	171,910
Interest expense	-	(84,897)	-	-	(84,897)	(86,059)
Total non-operating revenues (expenses)	3,183,518	(78,537)	303,092	-	3,408,073	2,392,527
Change in net assets	1,548,002	(26,512)	(34,356)	-	1,487,134	(1,237,117)
Total net assets at beginning of year	38,079,378	845,734	5,584,230	-	44,509,342	45,746,459
Total net assets at end of year	\$ 39,627,380	\$ 819,222	\$ 5,549,874	\$ -	\$ 45,996,476	\$ 44,509,342

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, 2010  
(With comparative totals for the year ended September 30, 2009)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2010	Total 2009
Cash flows from operating activities:						
Operating grants received	\$ 48,890,464	\$ 3,001,259	\$ 9,068,661	\$ -	\$ 60,960,384	\$ 42,188,141
Receipts from customers	470,656	519,058	2,050,083	-	3,039,797	5,110,740
Assistance paid	(32,670,091)	-	-	-	(32,670,091)	(31,460,029)
Cash payments to suppliers for goods and services	(13,921,893)	(3,298,882)	(9,835,369)	-	(27,056,144)	(8,572,852)
Cash payments to employees for services	(2,547,604)	(270,082)	(986,307)	-	(3,803,993)	(4,961,572)
Net cash provided by (used in) operating activities	221,532	(48,647)	297,068	-	469,953	2,304,428
Cash flows from capital and related financing activities:						
Interest paid	-	(84,897)	-	-	(84,897)	(85,815)
Repayment of note payable	-	(41,582)	-	-	(41,582)	(40,966)
Capital grants received	2,718,055	-	-	-	2,718,055	2,186,291
Acquisition of fixed assets	(2,907,850)	(20,854)	(11,219)	-	(2,939,923)	(2,244,801)
Net cash used for capital and related financing activities	(189,795)	(147,333)	(11,219)	-	(348,347)	(185,291)
Cash flows from investing activities:						
Interest and other income received	480,383	6,402	303,370	-	790,155	195,871
Deposits to restricted accounts	(41,100)	(968)	(6,439)	-	(48,507)	(178,544)
Net cash provided by investing activities	439,283	5,434	296,931	-	741,648	17,327
Net increase (decrease) in cash	471,020	(190,546)	582,780	-	863,254	2,136,464
Cash at beginning year	2,834,208	672,085	3,318,878	-	6,825,171	4,688,707
Cash and cash equivalents at end of year	\$ 3,305,228	\$ 481,539	\$ 3,901,658	\$ -	\$ 7,688,425	\$ 6,825,171

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, 2010  
(With comparative totals for the year ended September 30, 2009)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2010	Total 2009
Reconciliation in change in net assets to net cash provided by operating activities:						
Operating income (loss)	\$ (1,635,516)	\$ 52,025	\$ (337,448)	\$ -	\$ (1,920,939)	\$ (3,629,644)
Adjustments to reconcile change in net assets cash provided by (used in) operating activities:						
Depreciation	3,200,390	75,322	63,734	-	3,339,446	2,960,427
Bad debts	22,277	-	12,820	-	35,097	33,575
(Increase) decrease in assets:						
Accounts receivable						
Notes receivable	(254)	-	3,025	-	2,771	66,289
Tenant	(36,216)	(7,046)	-	-	(43,262)	12,143
HUD	(6,512)	(248,941)	-	-	(255,453)	(234,430)
Other Government Agencies	(59,320)	-	(830,203)	-	(889,523)	-
Due from other funds	(1,916,611)	57,827	(1,530,125)	3,388,909	-	(2,061,916)
Other	13,621	-	317,823	-	331,444	(270,479)
Tenant advances						
Prepayments and other assets	14,133	(464)	37,112	-	50,781	242,712
Inventories	8,671	(4,922)	-	-	3,749	(88,420)
Other real estate	-	-	242,571	-	242,571	173,265
Increase (decrease) in liabilities:						
Accounts payable	5,163	6,805	6,768	-	18,736	2,247,795
Compensated absences	138,923	14,650	26,529	-	180,102	(16,973)
Payable to HUD	(406,166)	-	-	-	(406,166)	(113,522)
Due to other funds	695,968	4,679	2,688,262	(3,388,909)	-	3,788,826
Security deposits	4,634	1,034	-	-	5,668	(10,514)
Accrued salaries and wages	14,559	384	-	-	14,943	33,774
Other current liabilities	(13,612)	-	(168,377)	-	(181,989)	85,264
Accrued liabilities	30,041	-	(33,668)	-	(3,627)	128,636
Deferred revenues	147,359	-	(201,755)	-	(54,396)	(100,373)
Other liabilities	-	-	-	-	-	(942,007)
Net cash provided by (used in) operating activities	\$ 221,532	\$ (48,647)	\$ 297,068	\$ -	\$ 469,953	\$ 2,304,428

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

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

## (I) *Summary of Significant Accounting Policies*

### *a) Organization and Program Descriptions*

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

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

#### *Major Enterprise Funds*

##### *Community Development Block Grants (CDBG)*

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

##### *Low Income Housing Program*

Under this program, the Authority rents its own units to low-income households. The Low Income Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidies to enable the Authority to provide the housing at a rent that is based on 30 percent of household income. GHURA entered into an ACC which allowed the Authority to develop and operate a Low-Income Housing Program. Since that time, nine projects were developed: Guam 1-1 through 1-9. These completed projects provided a total of 750 units, of which, 681 (out of 697 available) units or 97.7% were leased as of September 30, 2010, while 728 (out of 750 available) units or 97.0% were leased as of September 30, 2009. These properties are modernized under HUD's Capital Funds Program.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

### *Major Enterprise Funds, continued*

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

### *Housing Choice Voucher Program*

The Housing Choice Voucher Program is funded by HUD. The principal purpose of the program is to enable lower income families to reside in existing privately owned housing. Assistance is calculated according to family needs and paid directly to the dwelling owner. GHURA was authorized by HUD to approve housing assistance payment contracts for 2,515 dwelling units, of which, 2,427 or 96.5% and 2463 or 98% were leased as of September 30, 2010 and 2009, respectively.

### *Public Housing Capital Fund Program*

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

### *Public Housing Capital Fund Stimulus (formula) Recovery Act Funded*

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

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

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

*Major Enterprise Funds, continued*

*Neighborhood Stabilization Program – Recovery Act Fund*

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

*Weatherization Assistance for Low-Income Persons – Recovery Act Funded*

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

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

The objectives of this program are to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly re-house persons who are homeless. It will provide temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless but for this assistance.

*Health Care and Other Facilities*

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

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

### *Non-Major Enterprise Funds*

#### *Supportive Housing for the Elderly*

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

#### *Supportive Housing Program*

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

#### *Shelter Plus Care*

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

#### *HOME Investment Partnership Program*

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

#### *Emergency Shelter 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.

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

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

*Non-Major Enterprise Funds, continued*

*Section 1602 Grant*

The program authorizes the U.S. Department of the Treasury to make cash assistance available to State housing credit agencies for subaward to developers of qualified buildings. The purpose of the cash assistance is to pay the developer's costs for construction or acquisition and rehabilitation of rental housing for low-income families and individuals. It provides affordable rental units to families earning 60% of HUD area median income and below.

*Other Enterprise Funds*

The following funds were determined to be non-major enterprise funds for the years ended September 30, 2010 and 2009:

*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, 2010  
(With comparative totals as of September 30, 2009)

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

### *b) Reporting Entity*

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

### *c) New Accounting Standards*

GASB Statement No. 51 – In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting standards for many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. This statement is effective for periods beginning after until June 30, 2009.

GASB Statement No. 54 – In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The provisions of this statement are effective for periods beginning after June 15, 2010. Management has not evaluated the effect that the implementation of this Statement will have on the financial statements of the Authority.

GASB Statement No. 55 – In March 2009, GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is to improve financial reporting by contributing to the GASB efforts to codify all generally accepted accounting principles (GAAP) for State and Local governments so that they derive from a single source. This Statement is effective upon issuance.

GASB Statement No. 56 – In March 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This Statement incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for State and Local governments, and addresses three issues from the AICPA's literature - related party transactions, going concern considerations and subsequent events. This Statement is effective upon issuance.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

### *c) New Accounting Standards*

GASB Statement No. 57 – In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*, and addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. The provisions of Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

GASB Statement No. 58 – In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, which provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code, and establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs.

Management does not believe that the implementation of these Statements will have material effect on the financial statements of the Authority.

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

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

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

#### *d) Fund Financial Statements*

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

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

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the GHURA's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

#### *e) Basis of Accounting*

The Authority has elected to use proprietary fund types as its principle reporting. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. GHURA's proprietary funds are enterprise funds used to account for those operations that are financed and operated in a manner similar to private business or where GHURA has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. Depreciation of assets is recognized in the statements of revenues, expenses and net assets. All assets and liabilities that are associated with the operation of the Authority are included in the statement of net assets. The principal operating revenues of the Authority are operating subsidies and administrative fees received from HUD and rental revenues received from residents.

Grants and similar items are recognized as revenue as soon as all eligible requirements have been met. Gains from sale of capital assets are included in operating revenues. Other expenses for the Authority include the cost of operating housing units, administrative expenses, depreciation and loss from sale of capital assets. Housing assistance payments from HUD are received by the Authority for each unit rented to qualified tenants in the public housing and Section 8 programs.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

*e) Basis of Accounting, continued*

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

*f) Budgets*

Budgets are adopted for applicable enterprise funds on a basis consistent with generally accepted accounting principles. GHURA is not legally required to adopt budgets for such funds. However, GHURA has contractual requirements to adopt budgets for applicable HUD programs.

The Authority's governing body, the Board of Commissioners, adopts budgets on a program or fund level basis. These budgets are submitted by the Authority's Executive Director, and approved by resolutions of the Board of Commissioners. The Authority is segmented into divisions and/or cost centers. These organizational units, individually and collectively, are expressed financially by program or fund source and budgets are developed annually for 12 months term, which begin October 1<sup>st</sup> and ends September 30<sup>th</sup> of fiscal each year.

Annual budgets are adopted for all enterprise funds. Throughout the fiscal year, the Authority monitors and evaluates expenditures rates and patterns. However, timely notice is not given to executive management regarding forthcoming changes in objectives or other conditions that may cause significant variations from approved budget defined plans.

The Authority's Board of Commissioners may authorize amendments to the budget based on the availability of financial resources. Formal budget revisions are authorized in the same manner as original budget submissions. When necessary, all HUD grant program revisions are submitted to HUD for required approval. During 2010, several budget revisions were necessary and the final Authority-wide budgets to actual amounts were not provided for financial statement presentation.

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### **(I) Summary of Significant Accounting Policies, continued**

#### ***g) Cash and Investments***

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

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

All of GHURA's certificates of deposit and bank accounts are held with FDIC insured banks. GHURA maintains collateralization on all bank accounts and certificates of deposit. Of GHURA's cash and investment accounts, approximately \$15,617,727 and \$14,705,968 as of September 30, 2010 and 2009, respectively, are deposited in financial institutions subject to coverage by the Federal Deposit Insurance Corporation (FDIC).

#### ***h) Accounts Receivables – Tenants***

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

#### ***i) Interfund 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, 2010 and 2009 are classified as due from other funds or due to other funds and are eliminated on the statement of net assets for financial statement presentation.

#### ***j) Inventories***

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

#### ***k) Prepayments***

Payments made to vendors for services that will benefit periods beyond September 30, 2010 are recorded as prepaid items.

#### ***l) Restricted Assets***

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

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

*m) Capital Assets and Depreciation*

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

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

<u>Category</u>	<u>Useful Life</u>
Buildings	40
Equipment	5
Furniture and fixtures	7
Vehicles	5

Upon retirement or other disposition of capital assets recorded, the cost and related accumulated depreciation are removed from the respective program's or fund's accounts and any gain or loss is included in the respective program's or fund's current operations. The Authority also has other assets, which consist primarily of property inventory under the Local Funds programs. Additionally, other assets include deferred charges, developmental costs, management improvements, and dwelling and non-dwelling costs from other various projects.

*n) Other Real Estate*

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



# **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

## **Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)**

### **(I) Summary of Significant Accounting Policies, continued**

#### ***o) Compensated Absences***

Earned employee vacation due is accrued at year end for financial statement reporting purposes. Included in the accounts payable and accrued liabilities at September 30, 2010 are amounts related to compensated absences earned but unused. The amounts are included as a component of operating expense in the Statement of Revenues, Expenses and Changes in Net Assets. As of September 30, 2010 and 2009, accrued earned compensated absences totaled \$742,922 and \$562,820, 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. At September 30, 2010, the total amount of unused sick leave for members under the DCRS plan was \$628,374 of which 50%, or \$314,187 was accrued in the accompanying financial statements while \$361,388 of which 50%, or 180,694 was accrued as of September 30, 2009.

#### ***p) Deferred Revenues***

The Authority reports deferred revenues on its Statement of Net Assets. Deferred revenues arise when resources arrive before the Authority has legal claim for them, such as when federal award money is received before the qualifying expenditure is made. In the subsequent period, when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Assets, and the revenue is recognized.

#### ***q) Noncurrent Liabilities***

Noncurrent liabilities include principal amounts of notes payable; and estimated amounts for accrued compensated absences for annual and sick leave earned by employees.

#### ***r) Management fees***

In lieu of cost allocation plan, HUD now requires Housing Authorities to charge each AMP property management and bookkeeping fees (\$7.50 per eligible unit) and an asset management fee (\$10 per AMP unit). Such fees are accounted for in the Authority's newly created Central Office Cost Center (COCC) which is reported in the Other Enterprise Funds. For the years ended September 30, 2010 and 2009, the Authority paid management fees to COCC of \$1,676,726 and \$1,774,765, respectively. HUD regulates the amount of management fees that can be paid.

#### ***s) Administrative and General Expenses***

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

# **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

## **Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)**

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

#### ***t) Net Assets***

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

#### ***u) HUD Subsidies and Contributions***

Subsidies and contributions from HUD are received periodically and represent the most significant source of revenues and contributed capital to the Authority. The terms of these subsidies are defined in various Consolidated Annual Contributions Contracts. HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are recorded as operating grant revenues in the accompanying Statement of Revenues, Expenses and Changes in Net Assets. HUD contributions for project acquisition and development or modernization are recorded under nonoperating revenues as capital grants in the accompanying Statement of Revenues, Expenses and Changes in Net Assets.

#### ***v) Tenant Rental Income***

Revenue from rental charges to residents is recognized ratably over the terms of the lease agreements, which are generally on a month-to-month basis or 12 month period.

The allowance for doubtful accounts is determined based on management estimates. While management believes the amount is adequate, the ultimate uncollectible balance may differ from the amounts provided.

#### ***w) Income Taxes***

Income derived or generated by the Authority is not subject to federal income tax pursuant to Internal Revenue Code Section 115. The Authority is exempt from local property taxes.

#### ***x) Advertising and Marketing Expenses***

For the fiscal years ending September 30, 2010 and 2009, the Authority incurred advertising and marketing costs totaling \$27,967 and \$35,667, respectively. These costs primarily relate to construction bids and related procurement solicitation costs.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

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

#### *y) Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### (2) *Cash and Investments*

Cash and cash equivalents and investments at September 30, 2010 consist of the following:

	<u>2010</u>	<u>2009</u>
Cash on hand and due from banks	\$ 7,688,425	\$ 6,825,171
Investments	<u>7,931,704</u>	<u>7,883,197</u>
	<u>\$ 15,620,129</u>	<u>\$ 14,708,368</u>

Of the above cash and cash equivalents and investments, \$2,944,840 and \$4,888,343 were restricted for at September 30, 2010 and 2009, respectively. Refer to Note 3 for further discussion on restricted cash, cash equivalents and investments.

The deposits and investment policies of the Authority are governed by 5 GCA 21, *Investments and Deposits*. Legally authorized investments include securities issued or guaranteed by the U.S. Treasury or agencies of the United States government; demand and time deposits in or certificates of, or bankers' acceptances issued by, any eligible financial institution; corporate debt obligations, including commercial paper; certain money market funds; state and local government securities, including municipal bonds; and repurchase and investment agreements. With the exception of investments in U.S. government securities, where are explicitly guaranteed by the United States government, all other investments must be rated Aa1/P-1 by Moody's.

#### *a) Deposits*

GASB Statement No. 3 requires government entities to categorize deposits to give an indication of the level of credit risk assumed by the entity at year-end based on the following categories:

Category 1 Deposits that are federally insured or collateralized with securities held by the Authority or its agent in the Authority's name;

Category 2 Deposits that are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name; or

Category 3 Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent but not in Authority's name and non-collateralized deposits.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### (2) *Cash and Investments, continued*

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 but retained disclosures for deposits falling under category 3. Category 3 deposits are those deposits that have exposure to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. The Authority has an investment and deposit policy for custodial credit risk. For deposits, a general depository agreement pursuant to HUD regulations must be executed by the Authority and the depository. The depository bank must be a bank or financial institution whose deposits are insured by FDIC, Federal Savings and Loan Insurance Corporation or the National Credit Union Administration and all deposits must be fully collateralized by U.S. securities.

For credit risk in the case of deposits, there is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2010 and 2009, the carrying amount of the Authority's total cash and cash equivalents was \$15,620,129 and \$14,708,368, respectively, with a corresponding bank balance of \$15,617,729 and \$14,705,968, 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, 2010 and 2009, bank deposits in the amount of \$10,370,129 and \$9,458,368 were in excess of FDIC insured limits of \$250,000 until December 31, 2013; however, they are fully collateralized by US 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, 2009, the Authority did not have any investments subject to GASB Statement No. 40. The Authority's investments are in certificates of deposits placed with FDIC insured financial institutions and are all collateralized by US securities.

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

**(2) Cash and Investments, continued**

Credit risk for investments is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Bank of Guam manages various special funds and invests securities in U.S. Treasuries, U.S. Agencies and Money Market Funds. The U.S. Treasuries are backed by the full faith and credit of the U.S. Government. While Agencies do have the same backing, they are implied to have the backing of the U.S. Government.

**(3) Restricted Cash and Investments**

The restriction of the Authorities restricted cash and investments as of September 30, 2010 and 2009, are summarized as follows:

	<u>2010</u>	<u>2009</u>
Restricted cash:		
Supportive Housing for the Elderly	\$ 390,763	\$ 206,544
Section 8 HCV	362,638	834,861
Central Office Cost Center	1,160,060	1,159,367
Revolving Fund	<u>100,371</u>	<u>100,183</u>
Total restricted cash	<u>2,013,832</u>	<u>2,300,955</u>
Restricted Investments:		
Supportive Housing for the Elderly	\$ 204,026	\$ 203,058
Section 8 HCV	3,109,485	2,202,003
Low Rent Housing	<u>183,196</u>	<u>182,327</u>
Total restricted investments	<u>3,496,707</u>	<u>2,587,388</u>
	<u>\$ 5,510,539</u>	<u>\$ 4,888,343</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, 2010, GHURA had \$375,997 and \$204,026 in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$14,766 in a restricted cash account tenant security deposits. Interest income earned is reinvested when related time certificates of deposit mature.



## GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

### (3) *Restricted Cash and Investments, continued*

#### *Section 8 HCV and Low Rent Housing*

An escrow account has been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency program (FSS). A portion of rent paid by residents participating in this program is held from them until the participating family meets individually established self-sufficiency goals. The escrow amount is remitted to the head of household upon completion of their specific work plan or 30 percent of the family's monthly adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. For the year ended September 30, 2010, FSS escrow amounts held by the Authority for the Section 8 and Low Rent Public Housing participants in the FSS program totaled \$362,638 and \$95,729, respectively.

The Section 8 HCV program also has restricted cash of \$3,109,485, which represents the remaining housing assistance payment (HAP) revenue that has accumulated since January 1, 2005. HUD PIH Notice 2006-03 required that excess (unused) HAP funding received in excess of related HAP expenses, from the above date be recognized as revenue, and that the accumulated revenue (HAP equity) be segregated as part of undesignated fund balance. Upon further clarification by HUD in PIH Notice 2008-09, which was issued on January 30, 2008, concerning the implementation of the aforementioned notice, the associated cash related to the aforementioned HAP equity under proprietary fund reporting should be reported as restricted. These funds are available only for certain eligible HAP expenses and not for program administrative purposes. This amount also represents HAP restricted equity balance as of September 30, 2010.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,064,332, which consists primarily of a separate, HUD approved typhoon coverage self-insurance fund. Based on the terms of the self-insurance agreement with HUD, the Authority would need HUD's approval for any withdrawal and expenditure of these funds. As of September 30, 2010, there was a balance of \$1,020,031 in the self-insurance account which is maintained in the Central Office Cost Center fund and reported in Other Enterprise Funds.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### (4) *Notes Receivable*

Loans receivable consist primarily for first time homebuyers under the Authority's Down Payment and Closing Cost Assistance Program to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. The loans are interest free loan and with a maximum loan amount of the lesser of \$18,000.00 or 18% of the purchase price and are collateralized by second mortgages on real estate and consist of the following:

	<u>2010</u>	<u>2009</u>
Due in varying monthly installments, interests free, with maturities to 2026, including loans	\$ 840,301	\$ 1,009,632
HOME Rehabilitation loans due in varying monthly installments, interest free, with maturities to 2026, including loans	<u>166,306</u>	<u>-</u>
	1,006,607	1,009,632
Current portion	<u>(72,273)</u>	<u>(45,942)</u>
	<u>\$ 934,334</u>	<u>\$ 963,690</u>

### (5) *Interfund Receivable/Payable Accounts*

GHURA maintains interfund receivable and payable accounts for all housing projects and funds that it administers and reports interfund transfers between many of its funds. The outstanding balances between funds result mainly from time lags between the date that 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. The amounts payable to the revolving fund are expected to be collected in the subsequent year. In accordance with GASBS No. 38, account balances for inter-fund activities were eliminated for financial statement reporting purposes.

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### (5) *Interfund Receivable/Payable Accounts, continued*

The composition of the inter-fund receivable and payable balances as of September 30, 2010 and 2009 are as follows:

*September 30, 2010*

	<u>Due from other Funds</u>	<u>Due to other Funds</u>	<u>Net Receivable (Payable)</u>
CDBG	\$ -	\$ 484,714	\$ (484,714)
Low Income Housing	7,839,526	145,498	7,694,028
Section 8 Programs	(2,211)	4,576,560	(4,578,771)
Capital Fund Project	(16,006)	90,765	(106,771)
ARRA Funds	123,158	108,544	14,614
Non-Major Enterprise Funds	41,498	1,192,227	(1,150,729)
Other Enterprise Funds	<u>7,953,339</u>	<u>9,342,996</u>	<u>(1,138,382)</u>
Net Interfund balances	<u>\$ 15,941,304</u>	<u>\$ 15,941,304</u>	<u>\$ -</u>

*September 30, 2009*

	<u>Due from other Funds</u>	<u>Due to other Funds</u>	<u>Net Receivable (Payable)</u>
CDBG	\$ -	\$ 408,672	\$ (408,672)
Low Income Housing	6,026,456	380,211	5,646,245
Section 8 Programs	1,400	3,669,504	(3,668,104)
Capital Fund Program	-	251,726	(251,726)
Non-Major Enterprise Funds	99,325	1,187,548	(1,088,223)
Other Enterprise Funds	<u>6,425,214</u>	<u>6,654,734</u>	<u>(229,520)</u>
Net Interfund balances	<u>\$ 12,552,395</u>	<u>\$ 12,552,395</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, 2010 and 2009, the Authority had ninety-seven (97) lots in its inventory with an estimated value of \$3,361,341 and \$3,603,912.



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

**(7) Capital Assets**

A summary of changes in capital assets for the years ended September 30, 2010 and 2009 are as follows:

	Balance 9/30/09	Additions	Transfers Disposals	Balance 9/30/10
Structures	\$ 80,643,269	\$ 2,768,402	\$ -	\$ 83,411,671
Furniture, Fixtures and Equipment	3,411,186	171,521	-	3,579,181
	84,054,455	2,939,923	-	86,990,852
Accumulated depreciation	(57,447,357)	(3,339,446)	-	(60,783,277)
Net depreciable assets	26,607,098	(399,523)	-	26,207,575
Land	3,675,882	-	-	3,675,882
Net Capital Assets	<u>\$ 30,282,980</u>	<u>\$ (399,523)</u>	<u>\$ -</u>	<u>\$ 29,883,457</u>

	Balance 9/30/08	Additions	Transfers Disposals	Balance 9/30/09
Structures	\$ 78,598,505	\$ 2,044,764	\$ -	\$ 80,643,269
Furniture, Fixtures and Equipment	3,211,149	200,037	-	3,411,186
	81,809,654	2,244,801	-	84,054,455
Accumulated depreciation	(54,486,930)	(2,960,427)	-	(57,447,357)
Net depreciable assets	27,322,724	(715,626)	-	26,607,098
Land	3,675,882	-	-	3,675,882
Net Capital Assets	<u>\$ 30,998,606</u>	<u>\$ (715,626)</u>	<u>\$ -</u>	<u>\$ 30,282,980</u>

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### (8) Notes Payable – Non-HUD

GHURA borrowed funds from an entity other than HUD to finance the construction of the elderly housing project, as follows:

	<u>2010</u>	<u>2009</u>
Due to USDA Rural Development, interest at 6%, principal and interest thereon payable at \$10,540 per month, maturing in April 2030, (Supportive Housing for the Elderly)	\$ 1,400,541	\$ 1,442,123
Current portion	<u>(44,000)</u>	<u>(41,000)</u>
	<u>\$ 1,356,541</u>	<u>\$ 1,401,123</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>
2011	\$ 44,000	\$ 82,480	\$ 126,480
2012	46,000	80,480	126,480
2013	49,000	77,480	126,480
2014	52,000	74,480	126,480
2015	55,000	71,480	126,480
2016 through 2020	332,000	300,400	632,400
2021 through 2025	448,000	184,400	632,400
2026 through 2030	<u>374,541</u>	<u>38,078</u>	<u>412,619</u>
	<u>\$ 1,400,541</u>	<u>\$ 909,278</u>	<u>\$ 2,309,819</u>



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

## (9) *Noncurrent Liabilities*

Noncurrent liability activities at September 30, 2010 and 2009 are as follows:

*September 30, 2010*

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

*September 30, 2009*

	Outstanding Balance 09/30/08	Increases	Decreases	Outstanding Balance 09/30/09	Current	Noncurrent
Note payable	\$ 1,483,089	\$ -	\$ (40,966)	\$ 1,442,123	\$ 41,000	\$ 1,401,123
HUD settlement	113,522	-	(113,522)	-	-	-
Compensated Absences	498,626	64,194	-	562,820	38,604	524,216
	<u>\$ 2,095,237</u>	<u>\$ 64,194</u>	<u>\$ (154,488)</u>	<u>\$ 2,004,943</u>	<u>\$ 79,604</u>	<u>\$ 1,925,339</u>

## (10) *HUD Contributions Earned - HAP*

HUD contributions earned by GHURA consist of housing assistance payments and an administrative fee. For fiscal year 2008, the administrative fee changed from a fixed amount to a varied amount based upon the number of units leased. The Authority earned an administrative fee totaling \$2,233,234 and \$2,520,771 for the fiscal years ended September 30, 2010 and 2009, respectively.

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

Beginning with the fiscal year ended September 30, 2009, HCV program equity is composed of Administrative Fee Equity and HAP Equity. Administrative Fee Equity, which consists of administrative fees earned in excess of program administrative expenses and can be utilized for administrative costs for the program or additional HAP to eligible families. HAP Equity, which represents excess HAP budget authority disbursed to the Authority that is not utilized to assist families and can be used only for HAP payments to eligible families.

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

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

As of September 30, 2010 and 2009, the Authority's Section 8 HCV net assets were comprised as following:

#### *September 30, 2010*

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

#### *September 30, 2009*

	<u>Balance at 9/30/08</u>	<u>Net Change</u>	<u>Balance at 9/30/09</u>
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 81,983	\$ (20,503)	\$ 61,480
Unrestricted net assets	<u>1,130,189</u>	<u>238,104</u>	<u>1,368,293</u>
Total Administrative Fee Equity	1,212,172	217,601	1,429,773
HAP Equity:			
Restricted net assets	<u>4,221,259</u>	<u>(2,019,256)</u>	<u>2,202,003</u>
Total Housing Choice Voucher Equity	<u>\$ 5,433,431</u>	<u>\$ (1,801,655)</u>	<u>\$ 3,631,776</u>



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### (12) Commitments

#### *Housing Assistance Payments*

At September 30, 2010 and 2009, GHURA had approximately 2,427 and 2,463 voucher contracts, respectively, with dwelling owners, all of which are funded for a period of twelve months. The entire amount of assistance payments committed under these contracts will be funded by HUD.

#### *Local Funds*

Proceeds from the sale of property in the amount of \$460,000 have been committed for use in a construction project jointly agreed to by GHURA and the Government of Guam. As of September 30, 2010 and 2009, \$459,403 and \$459,403, respectively, has been expended for the construction project.

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

#### *Construction Work-in-Progress*

GHURA has entered into development stage contracts for certain programs. Unliquidated contracts as of September 30, 2010 and 2009, are as follows:

#### *September 30, 2010*

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

#### *September 30, 2009*

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Unliquidated Contract</u>
Low Income Housing	\$ 3,197,327	\$ 1,259,602	\$ 1,937,725
CDBG Grants	<u>9,118,125</u>	<u>550,042</u>	<u>8,568,083</u>
	<u>\$ 12,315,452</u>	<u>\$ 1,809,644</u>	<u>\$ 10,505,808</u>

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

## (13) *Employees Retirement Plan*

### Defined Benefit Plan

#### *Plan Description:*

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

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

#### *Funding Policy:*

As a result of actuarial valuations performed as of September 30, 2008, 2007, and 2006, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2010, 2009 and 2008, respectively, have been determined as follows:

	2010	2009	2008
Normal Cost, as % of DB Plan payroll	18.34%	17.36%	17.94%
Employee contributions (DB Plan employees)	9.50%	9.50%	9.50%
Employer portion of normal costs (% of DB Plan payroll)	8.84%	7.86%	8.44%
Employer portion of normal cost, % of total payroll	3.73%	3.70%	3.99%
Unfunded liability costs, as % of total payroll	22.69%	19.68%	20.75%
Government contribution as % of DB Plan payroll	26.42%	23.38%	24.74%



## GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

### (13) *Employees Retirement Plan, continued*

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

	2010	2009	2008
Employer rate	26.04%	24.07%	24.07%
Employee rate	9.50%	9.50%	9.50%

#### 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, 2010 and 2009, 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, 2010, the retirement expense contribution was \$375,878 and \$648,883 for the DB and DCRS Plans, respectively and for the year ended September 30, 2009, the retirement expense contribution was \$371,904 and \$582,545 for the DB and DCRS Plans, respectively.

#### Other Post Employment Benefits

GovGuam, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a cost-sharing multiple employer defined benefit plan to provide certain postretirement healthcare benefits to retirees who are members of the GovGuam Retirement Fund. Under the Plan, known as the GovGuam Group Health Insurance Program, GovGuam provides medical, dental, and life insurance coverage. The retiree medical and dental plans are fully-insured products provided through insurance companies. GovGuam shares in the cost of these plans, with GovGuam's contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, GovGuam contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, GovGuam provides retirees with \$10,000 of life insurance coverage through an insurance company. Retirees do not share in the cost of this coverage. Because the Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements  
September 30, 2010  
(With comparative totals as of September 30, 2009)

## **(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, 2010, the Authority had deposited \$1,000,000 into the typhoon coverage escrow account.

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

## **(15) Contingencies**

### Federal Award Programs

The Authority participates in a number of federal award programs for specific purposes that are subject to review and audit by grantor agencies, namely the U.S. Department of Housing and Urban Development. Although the Authority has been audited in accordance with the provisions of OMB Circular A-133, these programs are still subject to financial and compliance audits by grantor or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant.

### Litigation

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

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Notes to Combined Financial Statements September 30, 2010 (With comparative totals as of September 30, 2009)

### (15) *Contingencies, continued*

#### Litigation, continued

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

### (16) *Lease Commitments*

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

<u>Year ending September 30</u>	<u>Amount</u>
2011	\$ 74,598
2012	<u>24,866</u>
	<u>\$ 99,464</u>

Rent expense for the years ended September 30, 2010 and 2009 was \$70,719 and \$65,119, respectively, which was allocated between the CDBG and HOME programs.

### (17) *Economic Dependency*

FASB Accounting Standards Codification Topic 280, requires disclosure in the financial statements of a situation where one entity provides more than 10% of the audit entity's revenues. HUD provided approximately \$50.7 million in 2010 and 44.4 million in 2009 to the Authority, which represents approximately 80% and 98% of the Authority's total revenues for the years ended September 30, 2010 and 2009.

### (18) *Subsequent Events*

The Authority evaluated subsequent events from September 30, 2010 through February 21, 2011, the date the financial statements were available to be issued. The Authority did not note any subsequent events requiring disclosure or adjustment to the statement of financial condition.

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## MAJOR PROGRAMS

### Combining Statements of Net Assets September 30, 2010

Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	ARRA CFDA 14.885 Formula Capital Fund Stimulus	ARRA CFDA 14.225 B-09-ST-66-0001	ARRA CFDA 14.256 Neighborhood Stabilization	ARRA CFDA #8.042 Weatherization Assistance	ARRA CFDA #14.257 Homeless Prevention	ARRA CFDA #93.703 Health Care and Other Facilities
<b>Current assets:</b>											
Cash:											
Unrestricted	\$ 2,942,590	\$ -	\$ 25,085	\$ 2,893,117	\$ -	\$ -	\$ -	\$ -	\$ 7,843	\$ 16,545	\$ -
Restricted - other	362,638	-	-	362,638	-	-	-	-	-	-	-
Total cash	3,305,228	-	25,085	3,255,755	-	-	-	-	7,843	16,545	-
Accounts receivable:											
Notes receivable - current portion	254	-	254	-	-	-	-	-	-	-	-
Tenants	33,391	-	33,391	-	-	-	-	-	-	-	-
HUD	1,033,133	626,021	(37,819)	-	417,043	-	9,272	-	-	18,616	-
Other Governments	59,320	-	-	-	-	-	-	-	59,320	-	-
Due from other funds	7,944,467	-	7,839,526	(2,211)	(16,006)	-	-	-	-	-	123,158
Interest	424	-	342	82	-	-	-	-	-	-	-
Other	211,368	-	-	211,368	-	-	-	-	-	-	-
Allowance for doubtful accounts	9,282,357	626,021	7,835,694	209,239	401,037	-	9,272	-	59,320	18,616	123,158
Total accounts receivable, net	(5,340)	-	(5,340)	-	-	-	-	-	-	-	-
Investments:											
Unrestricted	3,078,000	-	1,014,527	2,063,473	-	-	-	-	-	-	-
Restricted/reserved by fiscal agent	3,292,681	-	183,196	3,109,485	-	-	-	-	-	-	-
Total investments	6,370,681	-	1,197,723	5,172,958	-	-	-	-	-	-	-
Prepayments and other current assets											
Inventories	31,247	1,691	26,767	2,789	-	-	-	-	-	-	-
	185,293	-	185,293	-	-	-	-	-	-	-	-
Total current assets	19,169,466	627,712	9,265,222	8,640,741	401,037	-	9,272	-	67,163	35,161	123,158
<b>Noncurrent assets:</b>											
Capital assets, net	27,401,226	39,905	19,520,054	149,936	6,137,022	1,554,309	-	-	-	-	-
Other assets	37,056	-	-	37,056	-	-	-	-	-	-	-
Total noncurrent assets	27,438,282	39,905	19,520,054	186,992	6,137,022	1,554,309	-	-	-	-	-
Total assets	\$ 46,607,748	\$ 667,617	\$ 28,785,276	\$ 8,827,733	\$ 6,538,059	\$ 1,554,309	\$ 9,272	\$ -	\$ 67,163	\$ 35,161	\$ 123,158

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## MAJOR PROGRAMS

### Combining Statements of Net Assets, Continued September 30, 2010

Liabilities and Net Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Program	ARRA CFDA 14,885 Formula Capital Fund Stimulus	ARRA CFDA 14,225 B-09-ST-66-0001	ARRA CFDA 14,256 Neighborhood Stabilization	ARRA CFDA #81,042 Weatherization Assistance	ARRA CFDA #14,257 Homeless Prevention	ARRA CFDA #93,703 Health Care and Other Facilities
<b>Current liabilities:</b>											
Accounts payable	\$ 176,917	\$ 1,978	\$ -	\$ 51,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27	\$ 123,158
Current portion of compensated absences	26,781	3,959	13,338	9,068	416	-	-	-	-	-	-
Due to other funds	5,406,081	484,714	145,498	4,576,560	90,765	-	6,741	-	66,779	35,024	-
Security deposits	118,234	-	118,234	-	-	-	-	-	-	-	-
Accrued salaries and wages	56,806	9,314	23,006	21,461	-	-	2,531	-	384	110	-
Accrued liabilities	54,834	-	54,834	-	-	-	-	-	-	-	-
Deferred revenues	303,162	17,578	(12,216)	-	297,800	-	-	-	-	-	-
Other current liabilities	357,192	-	916	356,276	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>6,500,007</b>	<b>517,543</b>	<b>343,610</b>	<b>5,015,119</b>	<b>388,981</b>	<b>-</b>	<b>9,272</b>	<b>-</b>	<b>67,163</b>	<b>35,161</b>	<b>123,158</b>
<b>Noncurrent liabilities:</b>											
Accrued compensated absences	480,361	110,169	205,556	152,580	12,056	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>480,361</b>	<b>110,169</b>	<b>205,556</b>	<b>152,580</b>	<b>12,056</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,980,368</b>	<b>627,712</b>	<b>549,166</b>	<b>5,167,699</b>	<b>401,037</b>	<b>-</b>	<b>9,272</b>	<b>-</b>	<b>67,163</b>	<b>35,161</b>	<b>123,158</b>
<b>Net assets:</b>											
Invested capital assets, net of related debt	27,401,226	39,905	19,520,054	149,936	6,137,022	1,554,309	-	-	-	-	-
Restricted	3,292,681	-	183,196	3,109,485	-	-	-	-	-	-	-
Unrestricted	8,933,473	-	8,532,860	400,613	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>39,627,380</b>	<b>39,905</b>	<b>28,236,110</b>	<b>3,660,034</b>	<b>6,137,022</b>	<b>1,554,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,607,748</b>	<b>\$ 667,617</b>	<b>\$ 28,785,276</b>	<b>\$ 8,827,733</b>	<b>\$ 6,538,059</b>	<b>\$ 1,554,309</b>	<b>\$ 9,272</b>	<b>\$ -</b>	<b>\$ 67,163</b>	<b>\$ 35,161</b>	<b>\$ 123,158</b>

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

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## MAJOR PROGRAMS

### Statements of Revenues, Expenses and Changes in Net Assets For the Year Ended September 30, 2010

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	ARRA CFDA 14.885 Formula Capital Fund Stimulus	ARRA CFDA 14.225 B-09-ST-66-0001	ARRA CFDA 14.256 Neighborhood Stabilization	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #14.257 Homeless Prevention	ARRA CFDA #93.703 Health Care and Other Facilities
<b>Operating revenues:</b>											
HUD PHA Operating Grants	\$ 48,195,574	\$ 4,287,202	\$ 4,593,801	\$ 35,487,619	\$ 369,694	\$ -	\$ 2,724,691	\$ 100,674	\$ -	\$ 631,893	\$ -
Other Government Grants	613,363	-	-	-	-	-	-	-	111,031	-	502,332
Tenant rental income	414,777	-	414,777	-	-	-	-	-	-	-	-
Other income	87,715	4,904	82,811	-	-	-	-	-	-	-	-
Total operating revenues	49,311,429	4,292,106	5,091,389	35,487,619	369,694	-	2,724,691	100,674	111,031	631,893	502,332
<b>Operating expenses:</b>											
Housing assistance payments	32,670,091	-	-	32,670,091	-	-	-	-	-	-	-
Repairs and maintenance	6,484,170	3,026,140	331,022	1,580	-	-	2,623,096	-	-	-	502,332
Depreciation	3,200,390	6,921	2,272,402	23,609	467,598	429,860	-	-	-	-	-
Administrative salaries	2,701,086	461,741	975,894	1,063,706	77,295	-	72,102	5,837	30,147	14,364	-
Other administrative expenses	2,394,299	475,054	262,288	816,628	82,958	-	-	92,941	52,355	612,075	-
Management fees	1,231,439	61,750	494,077	521,710	153,902	-	-	-	-	-	-
Employee benefits	864,424	146,953	321,039	332,214	25,610	-	22,269	1,896	9,952	4,491	-
Office expense	301,705	56,569	131,538	97,002	7,816	-	4,687	-	4,093	-	-
Bookkeeping fees	285,705	-	65,827	219,878	-	-	-	-	-	-	-
Insurance	189,431	3,073	177,627	8,731	-	-	-	-	-	-	-
Utilities	167,595	-	143,879	23,716	-	-	-	-	-	-	-
Compensated absences	138,921	31,393	76,959	18,097	12,472	-	-	-	-	-	-
Asset management fees	90,000	-	90,000	-	-	-	-	-	-	-	-
Professional fees	63,135	13,272	9,308	34,592	4,499	-	501	-	13,585	963	-
Travel	51,070	5,925	3,026	25,655	843	-	2,036	-	-	-	-
Protective services	38,182	-	38,062	120	-	-	-	-	-	-	-
Payments in-lieu of taxes	30,041	-	30,041	-	-	-	-	-	912	-	-
Advertising and marketing	22,984	10,236	6,326	602	4,908	-	-	-	-	-	-
Bad debts	22,277	-	(22,681)	44,958	-	-	-	-	-	-	-
Total operating expenses	50,946,945	4,299,027	5,406,634	35,902,889	837,901	429,860	2,724,691	100,674	111,044	631,893	502,332
Operating loss	(1,635,516)	(6,921)	(315,245)	(415,270)	(468,207)	(429,860)	-	-	(13)	-	-
<b>Non-operating revenues:</b>											
Capital Grants	2,718,055	-	-	-	1,581,182	1,136,873	-	-	-	-	-
Interest income on restricted investments	274,646	-	-	274,646	-	-	-	-	-	-	-
Fraud recovery	119,972	-	-	119,972	-	-	-	-	-	-	-
Other income	38,524	-	13,741	24,174	609	-	-	-	-	-	-
Interest income on unrestricted investments	32,321	-	7,572	24,736	-	-	-	-	13	-	-
Total non-operating revenues	3,183,518	-	21,313	443,528	1,581,791	1,136,873	-	-	13	-	-
Change in net assets	1,548,002	(6,921)	(293,932)	28,258	1,113,584	707,013	-	-	-	-	-
Total net assets at beginning of year	38,079,378	46,826	28,530,042	3,631,776	5,023,438	847,296	-	-	-	-	-
Total net assets at end of year	\$ 39,627,380	\$ 39,905	\$ 28,236,110	\$ 3,660,034	\$ 6,137,022	\$ 1,554,309	\$ -	\$ -	\$ -	\$ -	\$ -

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## MAJOR PROGRAMS

### Statements of Cash Flows For the Year Ended September 30, 2010

	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	ARRA CFDA 14.885 Formula Capital Fund Stimulus	ARRA CFDA 14.225 B-09-ST- 66-0001	ARRA CFDA 14.256 Neighborhood Stabilization	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #14.257 Homeless Prevention	ARRA CFDA #93.703 Health Care and Other Facilities
<b>Total</b>										
Cash flows from operating activities:										
Operating grants received	\$ 48,890,464	\$ 4,587,766	\$ 35,487,619	\$ 534,628	\$ -	\$ 2,721,795	\$ 100,674	\$ 51,711	\$ 613,277	\$ 502,332
Receipts from customers	470,656	465,752	-	-	-	-	-	-	-	-
Assistance paid	(32,670,091)	-	(32,670,091)	-	-	-	-	-	-	-
Payments to suppliers	(13,733,481)	(4,018,483)	(1,607,984)	(457,333)	-	(2,651,542)	(94,837)	(14,105)	(582,478)	(502,332)
Payments to employees	(2,736,016)	(969,492)	(1,077,943)	(77,295)	-	(70,253)	(5,837)	(29,763)	(14,254)	-
Net cash provided by operating activities	221,532	65,543	131,601	-	-	-	-	7,843	16,545	-
Cash flows from capital and related financing activities:										
Capital grants received	2,718,055	-	-	1,581,182	1,136,873	-	-	-	-	-
Acquisition of fixed assets	(2,907,850)	(82,852)	(106,943)	(1,581,182)	(1,136,873)	-	-	-	-	-
Net cash used for capital and related financing activities	(189,795)	(82,852)	(106,943)	-	-	-	-	-	-	-
Cash flows from investing activities:										
Interest and other income received	480,383	21,313	459,070	-	-	-	-	-	-	-
Deposits to restricted accounts	(41,100)	-	(41,100)	-	-	-	-	-	-	-
Net cash used in investing activities	439,283	21,313	417,970	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	471,020	4,004	442,628	-	-	-	-	7,843	16,545	-
Cash and cash equivalents at beginning year	2,834,208	21,081	2,813,127	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ 3,305,228	\$ 25,085	\$ 3,255,755	\$ -	\$ -	\$ -	\$ -	\$ 7,843	\$ 16,545	\$ -
Cash, including time deposits	\$ 2,942,590	\$ 25,085	\$ 2,893,117	\$ -	\$ -	\$ -	\$ -	\$ 7,843	\$ 16,545	\$ -
Restricted cash, including time deposits	362,638	-	362,638	-	-	-	-	-	-	-
Total cash and cash equivalents at end of year	\$ 3,305,228	\$ 25,085	\$ 3,255,755	\$ -	\$ -	\$ -	\$ -	\$ 7,843	\$ 16,545	\$ -

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

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## MAJOR PROGRAMS

### Statements of Cash Flows, Continued For the Year Ended September 30, 2010

	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	ARRA CFDA 14-885 Formula Capital Fund Stimulus	ARRA CFDA 14-225 B-09-ST- 66-0001	ARRA CFDA 14-256 Neighborhood Stabilization	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #14-257 Homeless Prevention	ARRA CFDA #93.703 Health Care and Other Facilities
<b>Total</b>	\$ (1,635,516)	\$ (6,921)	\$ (315,245)	\$ (468,207)	\$ (429,860)	\$ -	\$ -	\$ (13)	\$ -	\$ -
Reconciliation in operating loss to net cash provided by operating activities:										
Operating loss	3,200,390	6,921	2,272,402	467,598	429,860	-	-	-	-	-
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	22,277	(32,681)	44,958	-	-	-	-	-	-	-
Depreciation	(254)	-	(254)	-	-	-	-	-	-	-
Bud debts	(36,216)	-	(36,216)	-	-	-	-	-	-	-
(Increase) decrease in assets:	(6,512)	8,819	6,181	-	-	(2,896)	-	(59,320)	(18,616)	-
Accounts receivable:	(59,220)	-	-	-	-	-	-	-	-	-
Notes receivable	(1,916,611)	-	(1,813,070)	16,006	-	-	-	-	-	(123,158)
Tenant receivables	13,621	-	3,611	-	-	-	-	-	-	-
HUD	14,133	-	13,621	-	-	-	-	-	-	-
Other Government Agencies	8,671	-	2,509	-	-	-	-	-	-	-
Due from other funds	-	(522)	-	-	-	-	-	-	-	-
Other	-	-	12,146	-	-	-	-	-	-	-
Prepayments and other assets	-	-	8,671	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:	5,163	(118,022)	-	-	-	-	-	-	27	123,158
Accounts payable	138,923	31,393	76,960	12,472	-	-	-	-	-	-
Compensated absences and sick leave	(406,166)	-	(532)	(405,634)	-	-	-	-	-	-
Payable to HUD	695,968	81,736	(151,679)	(192,803)	-	1,047	-	66,792	35,024	-
Due to other funds	4,634	-	4,634	-	-	-	-	-	-	-
Security deposits	14,559	1,955	6,401	-	-	1,849	-	384	110	-
Accrued salaries and wages	(13,612)	-	(13,612)	-	-	-	-	-	-	-
Other current liabilities	30,041	-	30,041	-	-	-	-	-	-	-
Accrued liabilities	147,359	(5,359)	(12,216)	164,934	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 221,532	\$ -	\$ 65,543	\$ 131,601	\$ -	\$ -	\$ -	\$ 7,843	\$ 16,545	\$ -

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**

**COMMUNITY DEVELOPMENT BLOCK GRANTS**

CFDA NO. 14.225

**Combining Statement of Net Assets**

**September 30, 2010**

Assets	TOTAL	B-04-ST- 66-0001	B-05-ST- 66-0001	B-06-ST- 66-0001	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001
Current assets:							
Cash - restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable - HUD	626,021	66,160	136,825	11	25,409	146,343	251,273
Total current assets	626,021	66,160	136,825	11	25,409	146,343	251,273
Prepayments and other assets	1,691	191	-	-	-	-	1,500
Capital assets, net	39,905	-	19,699	11,091	9,115	-	-
Total Assets	\$ 667,617	\$ 66,351	\$ 156,524	\$ 11,102	\$ 34,524	\$ 146,343	\$ 252,773
<b>Liabilities and Net Assets</b>							
Current liabilities:							
Accounts payable	\$ 1,978	\$ -	\$ -	\$ -	\$ -	\$ 35	\$ 1,943
Due to other funds	484,714	54,375	136,354	(3,871)	23,698	139,708	134,450
Accrued salaries and wages	9,314	-	-	-	462	6,600	2,252
Compensated absences - current	3,959	-	-	-	-	-	3,959
Deferred revenues	17,578	11,976	471	3,882	1,249	-	-
Total current liabilities	517,543	66,351	136,825	11	25,409	146,343	142,604
Compensated absences - noncurrent	110,169	-	-	-	-	-	110,169
Total liabilities	627,712	66,351	136,825	11	25,409	146,343	252,773
Net Assets:							
Invested in capital assets, net of related debt	39,905	-	19,699	11,091	9,115	-	-
Restricted	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total net assets	39,905	-	19,699	11,091	9,115	-	-
Total Liabilities and Net Assets	\$ 667,617	\$ 66,351	\$ 156,524	\$ 11,102	\$ 34,524	\$ 146,343	\$ 252,773

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**COMMUNITY DEVELOPMENT BLOCK GRANTS**

**CFDA NO. 14.225**

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
For the Year Ended September 30, 2010**

	<u>TOTAL</u>	<u>B-04-ST- 66-0001</u>	<u>B-05-ST- 66-0001</u>	<u>B-06-ST- 66-0001</u>	<u>B-07-ST- 66-0001</u>	<u>B-08-ST- 66-0001</u>	<u>B-09-ST- 66-0001</u>
Revenues:							
Federal contributions	\$ 4,287,202	\$ 40,761	\$ 64,369	\$ 445	\$ 1,056,989	\$ 1,846,011	\$ 1,278,627
Other	<u>4,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,849</u>	<u>1,055</u>	<u>-</u>
Total Revenues	4,292,106	40,761	64,369	445	1,060,838	1,847,066	1,278,627
Operating expenses:							
Repairs and maintenance	3,026,140	34,359	(243)	-	1,006,244	1,379,982	605,798
Other	475,054	-	54,013	-	34,588	24,668	361,785
Administrative salaries	461,741	4,663	7,979	344	14,655	362,876	71,224
Employee benefits	146,953	1,739	2,620	101	4,542	115,988	21,963
Management fees	61,750	-	-	-	-	-	61,750
Professional fees	13,272	-	-	-	788	6,010	6,474
Advertising and marketing	10,236	-	-	-	-	8,177	2,059
Depreciation	6,921	-	-	3,883	3,038	-	-
Office expense	56,569	-	-	-	-	28,941	27,628
Travel	5,925	-	-	-	-	2,662	3,263
Compensated absences	31,393	-	-	-	-	(82,735)	114,128
Insurance	<u>3,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>497</u>	<u>2,555</u>
Total operating expenses	<u>4,299,027</u>	<u>40,761</u>	<u>64,369</u>	<u>4,328</u>	<u>1,063,876</u>	<u>1,847,066</u>	<u>1,278,627</u>
Operating loss	<u>(6,921)</u>	<u>-</u>	<u>-</u>	<u>(3,883)</u>	<u>(3,038)</u>	<u>-</u>	<u>-</u>
Non-operating revenues:							
Interest income	-	-	-	-	-	-	-
Capital Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(6,921)	-	-	(3,883)	(3,038)	-	-
Total net assets, beginning of year	<u>46,826</u>	<u>-</u>	<u>19,699</u>	<u>14,974</u>	<u>12,153</u>	<u>-</u>	<u>-</u>
Total net assets, end of year	<u>\$ 39,905</u>	<u>\$ -</u>	<u>\$ 19,699</u>	<u>\$ 11,091</u>	<u>\$ 9,115</u>	<u>\$ -</u>	<u>\$ -</u>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**COMMUNITY DEVELOPMENT BLOCK GRANTS**

CFDA NO. 14.225

**Combining Statement of Cash Flows  
For the Year Ended September 30, 2010**

	<u>TOTAL</u>	<u>B-04-ST- 66-0001</u>	<u>B-05-ST- 66-0001</u>	<u>B-06-ST- 66-0001</u>	<u>B-07-ST- 66-0001</u>	<u>B-08-ST- 66-0001</u>	<u>B-09-ST- 66-0001</u>
Cash flows from operating activities:							
Operating grants received	\$ 4,290,662	\$ 40,761	\$ 57,115	\$ 145,245	\$ 1,089,032	\$ 1,931,155	\$ 1,027,354
Receipts from customers	4,904	-	-	-	3,849	1,055	-
Payments to suppliers	(3,804,387)	(36,098)	(49,136)	(144,901)	(1,074,436)	(1,655,562)	(844,254)
Payments to employees	(491,179)	(4,663)	(7,979)	(344)	(18,445)	(276,648)	(183,100)
Net cash provided by operating activities	-	-	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of change in net assets to net cash provided by (used in) operating activities:							
Operating loss	\$ (6,921)	\$ -	\$ -	\$ (3,883)	\$ (3,038)	\$ -	\$ -
Adjustments to reconcile net loss to net cash provided by (used) operating activities:							
Depreciation	6,921	-	-	3,883	3,038	-	-
(Increase) decrease in assets:							
Accounts receivable - HUD	8,819	-	(3,950)	144,800	33,043	86,199	(251,273)
Prepayments and other assets	(522)	-	-	-	189	789	(1,500)
Increase (decrease) in liabilities:							
Accounts payable	(118,022)	-	-	-	-	(119,965)	1,943
Compensated absences	31,393	-	-	-	-	(82,735)	114,128
Due to other funds	81,736	-	7,254	(144,800)	(28,442)	113,274	134,450
Accrued salaries and wages	1,955	-	-	-	(3,790)	3,493	2,252
Deferred revenues	(5,359)	-	(3,304)	-	(1,000)	(1,055)	-
Net cash provided by operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**LOW INCOME PUBLIC HOUSING**  
CFDA No. 14.850a

Statements of Net Assets  
September 30, 2010

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 25,085	\$ 3,860	\$ 1,870	\$ 6,353	\$ 13,002
Restricted Cash - FSS Escrow	-	-	-	-	-
Restricted Cash - other	-	-	-	-	-
Total cash	<u>25,085</u>	<u>3,860</u>	<u>1,870</u>	<u>6,353</u>	<u>13,002</u>
Accounts receivable:					
Tenants	33,391	12,039	10,193	4,596	6,563
Promissory notes	254	-	109	-	145
HUD	(37,819)	-	812	(532)	(38,099)
Due from other programs	7,839,526	2,387,563	1,412,659	1,163,715	2,875,589
Interest	342	11	52	157	122
Other	-	-	-	-	-
	<u>7,835,694</u>	<u>2,399,613</u>	<u>1,423,825</u>	<u>1,167,936</u>	<u>2,844,320</u>
Allowance for doubtful accounts	<u>(5,340)</u>	<u>(1,630)</u>	<u>(606)</u>	<u>(1,850)</u>	<u>(1,254)</u>
Total accounts receivable	<u>7,830,354</u>	<u>2,397,983</u>	<u>1,423,219</u>	<u>1,166,086</u>	<u>2,843,066</u>
Inventories	185,293	47,202	40,171	43,618	54,302
Investments:					
General fund	1,014,527	-	142,511	500,319	371,697
Restricted - security deposits	<u>183,196</u>	<u>38,593</u>	<u>39,815</u>	<u>47,631</u>	<u>57,157</u>
Total investments	<u>1,197,723</u>	<u>38,593</u>	<u>182,326</u>	<u>547,950</u>	<u>428,854</u>
Prepaid and other current assets	<u>26,767</u>	<u>7,250</u>	<u>5,497</u>	<u>6,387</u>	<u>7,633</u>
Total current assets	<u>9,265,222</u>	<u>2,494,888</u>	<u>1,653,083</u>	<u>1,770,394</u>	<u>3,346,857</u>
Noncurrent assets:					
Capital assets:					
Land	2,130,777	299,151	450,147	533,031	848,448
Infrastructure	651,548	85,239	107,587	289,788	168,934
Buildings and improvements, at cost	71,505,111	11,800,439	15,674,746	22,032,814	21,997,112
Furniture and equipment, at cost	2,089,137	719,938	574,372	336,338	458,489
Accumulated depreciation	<u>(56,856,519)</u>	<u>(9,455,661)</u>	<u>(12,632,821)</u>	<u>(18,174,420)</u>	<u>(16,593,617)</u>
Net capital assets	<u>19,520,054</u>	<u>3,449,106</u>	<u>4,174,031</u>	<u>5,017,551</u>	<u>6,879,366</u>
Total assets	<u>\$ 28,785,276</u>	<u>\$ 5,943,994</u>	<u>\$ 5,827,114</u>	<u>\$ 6,787,945</u>	<u>\$ 10,226,223</u>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**LOW INCOME PUBLIC HOUSING**  
CFDA No. 14.850a

Statements of Net Assets, Continued  
September 30, 2010

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
<b>Liabilities:</b>					
Accounts payable:					
Trade	\$ -	\$ -	\$ -	\$ -	\$ -
HUD	-	-	-	-	-
Tenant security deposits	118,234	23,343	25,495	35,594	33,802
Due to other funds	145,498	-	-	145,498	-
Accrued salaries and wages	23,006	5,784	5,055	4,503	7,664
Compensated absences, current portion	13,338	3,933	4,466	2,346	2,593
Other current liabilities	916	313	-	603	-
Accrued liabilities - PILOT	54,834	27,745	-	-	27,089
Total accounts payable	355,826	61,118	35,016	188,544	71,148
<b>Deferred credits:</b>					
Tenants prepaid rents	-	-	-	-	-
Other	(12,216)	(2,667)	(3,186)	(4,523)	(1,840)
Total deferred credits	(12,216)	(2,667)	(3,186)	(4,523)	(1,840)
Total current liabilities	343,610	58,451	31,830	184,021	69,308
<b>Noncurrent liabilities:</b>					
Compensated absences, net of current portion	114,394	33,699	38,059	13,507	29,129
Other - sick leave, net of current portion	91,162	27,237	27,751	29,335	6,839
Total noncurrent liabilities	205,556	60,936	65,810	42,842	35,968
Total liabilities	549,166	119,387	97,640	226,863	105,276
<b>Net assets:</b>					
Invested in capital assets, net of related debt	19,520,054	3,449,106	4,174,031	5,017,551	6,879,366
Restricted	183,196	38,593	39,815	47,631	57,157
Unrestricted	8,532,860	2,336,908	1,515,628	1,495,900	3,184,424
Total net assets	28,236,110	5,824,607	5,729,474	6,561,082	10,120,947
Total liabilities and net assets	\$ 28,785,276	\$ 5,943,994	\$ 5,827,114	\$ 6,787,945	\$ 10,226,223

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**LOW INCOME PUBLIC HOUSING**

CFDA No. 14.850a

Statements of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	<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	\$ 4,593,801	\$ 979,391	\$ 1,004,272	\$ 1,153,909	\$ 1,456,229
Tenant rental income	414,777	173,970	9,118	45,898	185,791
Other income	82,811	21,865	25,162	23,645	12,139
Total operating revenues	<u>5,091,389</u>	<u>1,175,226</u>	<u>1,038,552</u>	<u>1,223,452</u>	<u>1,654,159</u>
Operating expenses:					
Depreciation	2,272,402	405,353	489,307	638,336	739,406
Management fees	494,077	105,625	107,586	127,099	153,767
Ordinary maintenance - salaries	389,813	117,152	95,765	50,005	126,891
Administrative salaries	332,861	88,969	76,254	85,301	82,337
Tenant services - salaries	253,220	39,388	68,412	71,923	73,497
Ordinary repairs and maintenance	331,022	98,223	87,756	73,379	71,664
Insurance	177,627	49,238	35,780	41,836	50,773
Employee benefits - ordinary maintenance	122,835	37,902	28,541	19,015	37,377
Utilities	143,879	24,700	33,528	50,996	34,655
Offices supplies	131,538	27,299	34,794	34,793	34,652
Employee benefits - administrative	110,363	32,326	24,587	26,605	26,845
Asset management fees	90,000	18,960	19,560	23,400	28,080
Employee benefits - tenant services	87,841	10,865	21,070	26,734	29,172
Bookkeeping fees	65,827	14,070	14,332	16,928	20,497
Other administrative expenses	262,288	54,829	57,177	64,535	85,747
Protective services	38,062	977	4,199	18,610	14,276
Legal and professional fees	9,308	1,321	1,442	1,938	4,607
Advertising and marketing	6,326	695	1,406	1,776	2,449
Payments in-lieu of taxes	30,041	14,927	-	-	15,114
Travel	3,026	763	636	686	941
Bad debts	(22,681)	9,834	(13,351)	2,474	(21,638)
Compensated absences	76,959	16,407	35,545	26,146	(1,139)
Total operating expenses	<u>5,406,634</u>	<u>1,169,823</u>	<u>1,224,326</u>	<u>1,402,515</u>	<u>1,609,970</u>
Operating loss	<u>(315,245)</u>	<u>5,403</u>	<u>(185,774)</u>	<u>(179,063)</u>	<u>44,189</u>
Non-operating revenues:					
Capital grants	-	-	-	-	-
Interest on general fund investments	7,572	742	1,219	2,969	2,642
Other income	13,741	256	8,819	3,060	1,606
Total non-operating revenues	<u>21,313</u>	<u>998</u>	<u>10,038</u>	<u>6,029</u>	<u>4,248</u>
Changes in net assets	(293,932)	6,401	(175,736)	(173,034)	48,437
Total net assets, beginning of year	<u>28,530,042</u>	<u>5,818,206</u>	<u>5,905,210</u>	<u>6,734,116</u>	<u>10,072,510</u>
Total net assets, end of year	<u>\$ 28,236,110</u>	<u>\$ 5,824,607</u>	<u>\$ 5,729,474</u>	<u>\$ 6,561,082</u>	<u>\$ 10,120,947</u>

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, 2010

	Total	AMP 1	AMP 2	AMP 3	AMP 4
Cash flows from operating activities:					
Operating grants received	\$ 4,587,766	\$ 976,724	\$ 1,001,086	\$ 1,149,386	\$ 1,460,570
Receipts from customers	465,752	194,820	33,051	(858)	238,739
Payments to suppliers	(4,018,483)	(898,475)	(794,420)	(913,149)	(1,412,439)
Payments to employees	(969,492)	(244,389)	(239,080)	(205,457)	(280,566)
Net cash provided by operating activities	65,543	28,680	637	29,922	6,304
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	(82,852)	(29,678)	(9,911)	(34,029)	(9,234)
Net cash used in capital and related financing activities	(82,852)	(29,678)	(9,911)	(34,029)	(9,234)
Cash flows from investing activities:					
Interest and other income received	21,313	998	10,038	6,029	4,248
Net cash used in investing activities	21,313	998	10,038	6,029	4,248
Net increase in cash and cash equivalents	4,004	-	764	1,922	1,318
Cash and cash equivalents at beginning of year	21,081	3,860	1,106	4,431	11,684
Cash and cash equivalents at end of year	\$ 25,085	\$ 3,860	\$ 1,870	\$ 6,353	\$ 13,002
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (315,245)	\$ 5,403	\$ (185,774)	\$ (179,063)	\$ 44,189
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	2,272,402	405,353	489,307	638,336	739,406
Bad debts	(22,681)	9,834	(13,351)	2,474	(21,638)
(Increase) decrease in assets:					
Accounts receivable:					
Notes receivable	(245)	(245)	-	-	-
Tenants	(36,225)	(197)	(1,437)	(72,500)	37,909
HUD	6,181	-	-	-	6,181
Due from other funds	(1,813,070)	(413,644)	(329,586)	(238,003)	(831,837)
Prepaid and other assets	12,146	1,450	3,714	5,107	1,875
Inventories	8,671	(8,488)	3,846	288	13,025
Increase (decrease) in liabilities:					
Compensated absences	76,960	16,408	35,546	26,145	(1,139)
Accounts payable - HUD	(532)	-	-	(532)	-
Due to other funds	(151,679)	-	-	(151,679)	-
Security deposits	4,634	(573)	208	2,099	2,900
Accrued salaries and wages	6,401	1,119	1,350	1,773	2,159
Accrued liabilities - PILOT	30,041	14,927	-	-	15,114
Deferred credits	(12,216)	(2,667)	(3,186)	(4,523)	(1,840)
Net cash provided by operating activities	\$ 65,543	\$ 28,680	\$ 637	\$ 29,922	\$ 6,304

The accompanying notes are an integral part of these financial statements

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**HOUSING ASSISTANCE PAYMENTS PROGRAM**

CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Net Assets

September 30, 2010

Assets	Total	Contract No. SF-462			
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 2,893,117	\$ -	\$ -	\$ -	\$ 2,893,117
Restricted - FSS escrow account	362,638	-	-	-	362,638
Total cash	3,255,755	-	-	-	3,255,755
Accounts receivable:					
Due from other funds	(2,211)	-	-	-	(2,211)
Interest	82	-	82	-	-
Other	211,368	-	16,846	(11,477)	205,999
Total accounts receivable	209,239	-	16,928	(11,477)	203,788
Prepaid expenses and other assets	2,789	-	-	-	2,789
Investments:					
Unrestricted	2,063,473	-	286,093	-	1,777,380
Restricted reserve fund	3,109,485	-	-	-	3,109,485
Total investments	5,172,958	-	286,093	-	4,886,865
Total current assets	8,640,741	-	303,021	(11,477)	8,349,197
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	653,507	-	-	-	653,507
Accumulated depreciation	(503,571)	-	-	-	(503,571)
Total capital assets, net	149,936	-	-	-	149,936
Deferred assets	37,056	-	-	-	37,056
Total noncurrent assets	186,992	-	-	-	186,992
Total assets	\$ 8,827,733	\$ -	\$ 303,021	\$ (11,477)	\$ 8,536,189

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**HOUSING ASSISTANCE PAYMENTS PROGRAM**

CFDA NO. 14.856, 14.857, and 14.871

**Combining Statements of Net Assets**

**September 30, 2010**

Liabilities and Net Assets	Total	Contract No. SF-462			
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
<b>Current Liabilities:</b>					
Accounts payable	\$ 51,754	\$ -	\$ -	\$ -	\$ 51,754
Accrued salaries and wages	21,461	-	-	-	21,461
Due to other funds	4,576,560	-	(91,010)	(33,368)	4,700,938
Compensated absences, current portion	9,068	-	-	-	9,068
Other current liabilities	356,276	-	-	-	356,276
<b>Total current liabilities</b>	<b>5,015,119</b>	<b>-</b>	<b>(91,010)</b>	<b>(33,368)</b>	<b>5,139,497</b>
<b>Noncurrent Liabilities:</b>					
Compensated absences, net of current portion	101,923	-	-	-	101,923
Other liabilities - sick leave	50,657	-	-	-	50,657
<b>Total noncurrent liabilities</b>	<b>152,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,580</b>
<b>Total Liabilities</b>	<b>5,167,699</b>	<b>-</b>	<b>(91,010)</b>	<b>(33,368)</b>	<b>5,292,077</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	149,936	-	-	-	149,936
Restricted	3,109,485	-	-	-	3,109,485
Unrestricted	400,613	-	394,031	21,891	(15,309)
<b>Total Net Assets</b>	<b>3,660,034</b>	<b>-</b>	<b>394,031</b>	<b>21,891</b>	<b>3,244,112</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,827,733</b>	<b>\$ -</b>	<b>\$ 303,021</b>	<b>\$ (11,477)</b>	<b>\$ 8,536,189</b>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**HOUSING ASSISTANCE PAYMENTS PROGRAM**

CFDA NO. 14.856, 14.857, and 14.871

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended September 30, 2010

	Total	Contract No. SF-462			Housing Choice Vouchers
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	
Operating revenues:					
Housing Assistance Payments	\$ 35,487,619	\$ -	\$ -	\$ -	\$ 35,487,619
Other income	-	-	-	-	-
Total operating revenues	<u>35,487,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,487,619</u>
Operating expenses:					
Housing assistance payments	32,670,091	-	-	-	32,670,091
Administrative salaries	1,063,706	-	-	-	1,063,706
Other administrative expenses	816,628	-	4	-	816,624
Management fees	521,710	-	-	-	521,710
Employee benefit contribution	332,214	-	-	-	332,214
Bookkeeping fees	219,878	-	-	-	219,878
Office expense	97,002	-	-	-	97,002
Bad debts	44,958	-	-	-	44,958
Professional fees	34,592	-	-	-	34,592
Travel	25,655	-	-	-	25,655
Utilities	23,716	-	-	-	23,716
Depreciation	23,609	-	-	-	23,609
Compensated absences	18,097	-	-	-	18,097
Insurance	8,731	-	-	-	8,731
Repairs and maintenance	1,580	-	-	-	1,580
Advertising and marketing	602	-	-	-	602
Protective Services	120	-	-	-	120
Total operating expenses	<u>35,902,889</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>35,902,885</u>
Operating loss	<u>(415,270)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>(415,266)</u>
Non-operating revenues:					
Interest on operating reserve investments	24,736	-	81	-	24,655
Interest on general fund investments	274,646	-	1,217	-	273,429
Fraud recovery	119,972	-	-	-	119,972
Other income	24,174	-	-	-	24,174
Total non-operating revenues	<u>443,528</u>	<u>-</u>	<u>1,298</u>	<u>-</u>	<u>442,230</u>
Change in net assets	28,258	-	1,294	-	26,964
Net assets, beginning of year	<u>3,631,776</u>	<u>-</u>	<u>392,737</u>	<u>21,891</u>	<u>3,217,148</u>
Total net assets, end of year	<u>\$ 3,660,034</u>	<u>\$ -</u>	<u>\$ 394,031</u>	<u>\$ 21,891</u>	<u>\$ 3,244,112</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

Year Ended September 30, 2010

	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Cash flows from operating activities:					
Operating grants received	\$ 35,487,619	\$ -	\$ -	\$ -	\$ 35,487,619
Assistance paid	(32,670,091)	-	-	-	(32,670,091)
Payments to suppliers	(1,607,984)	-	-	-	(1,607,984)
Payments to employees	(1,077,943)	-	-	-	(1,077,943)
Net cash provided by operating activities	131,601	-	-	-	131,601
Cash flows from capital and related financing activities:					
Fixed asset acquisitions	(106,943)	-	-	-	(106,943)
Net cash flows used for capital and related financing activities	(106,943)	-	-	-	(106,943)
Cash flows from investing activities:					
Interest income received	458,970	-	-	-	458,970
Increase in restricted assets	(41,000)	-	-	-	(41,000)
Net cash provided by (used in) investing activities	417,970	-	-	-	417,970
Net decrease in cash and cash equivalents	442,628	-	-	-	442,628
Cash and cash equivalents at beginning of year	2,813,127	-	-	-	2,813,127
Cash and cash equivalents at end of year	\$ 3,255,755	\$ -	\$ -	\$ -	\$ 3,255,755
Unrestricted cash	\$ 2,349,331	-	-	-	2,349,331
Restricted cash	906,424	-	-	-	906,424
Total cash and cash equivalents at end of year	\$ 3,255,755	\$ -	\$ -	\$ -	\$ 3,255,755

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

Reconciliation of operating loss to net cash provided by (used in) operating activities:

Operating loss	\$ (415,270)	\$ -	\$ (4)	\$ -	\$ (415,266)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	23,609	-	-	-	23,609
Bad debts	44,958	-	-	-	44,958
(Increase) decrease in assets:					
Accounts receivable:					
Due from other funds	3,611	-	-	-	3,611
Other	13,621	-	4	-	13,617
Prepayments and other assets	2,509	-	-	-	2,509
Increase (decrease) in liabilities:					
Compensated absences and sick leave	18,098	-	-	-	18,098
HUD	(405,634)	-	-	-	(405,634)
Due to other funds	855,851	-	-	-	855,851
Accrued salaries and wages	3,860	-	-	-	3,860
Other current liabilities	(13,612)	-	-	-	(13,612)
Net cash provided by operating activities	\$ 131,601	\$ -	\$ -	\$ -	\$ 131,601

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**PUBLIC HOUSING CAPITAL FUND PROGRAM**  
CFDA NO. 14.872

Combining Statements of Net Assets  
September 30, 2010

ASSETS	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09
<b>Current assets:</b>								
Cash:								
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-
Accounts receivable:								
HUD	417,043	-	12,956	-	-	38,100	192,074	173,913
Due from other programs	(16,006)	-	-	-	-	-	-	(16,006)
Allowance for doubtful accounts	401,037	-	12,956	-	-	38,100	192,074	157,907
Total accounts receivable	401,037	-	12,956	-	-	38,100	192,074	157,907
Inventories	-	-	-	-	-	-	-	-
Investments:								
General fund	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-
Prepaid and other current assets	-	-	-	-	-	-	-	-
Total current assets	401,037	-	12,956	-	-	38,100	192,074	157,907
<b>Noncurrent assets:</b>								
Capital Assets:								
Land, structures and equipment, at cost	7,147,421	1,121,733	1,661,407	535,370	1,756,433	769,191	1,171,850	131,437
Accumulated depreciation	(1,010,399)	(232,231)	(342,900)	(71,383)	(230,103)	(76,026)	(57,756)	-
Net capital assets	6,137,022	889,502	1,318,507	463,987	1,526,330	693,165	1,114,094	131,437
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	6,137,022	889,502	1,318,507	463,987	1,526,330	693,165	1,114,094	131,437
Total assets	\$ 6,538,059	\$ 889,502	\$ 1,331,463	\$ 463,987	\$ 1,526,330	\$ 731,265	\$ 1,306,168	\$ 289,344

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**PUBLIC HOUSING CAPITAL FUND PROGRAM**  
CFDA NO. 14.872

Combining Statements of Net Assets, Continued  
September 30, 2010

LIABILITIES AND NET ASSETS	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09
<b>Liabilities:</b>								
Accounts payable:								
Due to other funds	\$ 90,765	\$ (39,353)	\$ (2,545)	\$ (420)	\$ (222,788)	\$ 35,674	\$ 163,250	\$ 156,947
Compensated absences, current portion	416	-	-	-	416	-	-	-
Total accounts payable	91,181	(39,353)	(2,545)	(420)	(222,372)	35,674	163,250	156,947
<b>Deferred credits:</b>								
Deferred revenue	297,800	39,353	24,627	420	201,190	2,426	28,824	960
Total deferred credits	297,800	39,353	24,627	420	201,190	2,426	28,824	960
Total current liabilities	388,981	-	22,082	-	(21,182)	38,100	192,074	157,907
<b>Noncurrent liabilities:</b>								
Compensated absences, net of current portion	12,056	-	-	-	12,056	-	-	-
Total noncurrent liabilities	12,056	-	-	-	12,056	-	-	-
Total liabilities	401,037	-	22,082	-	(9,126)	38,100	192,074	157,907
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	6,137,022	889,502	1,318,507	463,987	1,526,330	693,165	1,114,094	131,437
Restricted	-	-	-	-	-	-	-	-
Unrestricted	-	-	(9,126)	-	9,126	-	-	-
Total net assets	6,137,022	889,502	1,309,381	463,987	1,535,456	693,165	1,114,094	131,437
Total liabilities and net assets	\$ 6,538,059	\$ 889,502	\$ 1,331,463	\$ 463,987	\$ 1,526,330	\$ 731,265	\$ 1,306,168	\$ 289,344

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**PUBLIC HOUSING CAPITAL FUND PROGRAM**  
CFDA NO. 14.872

Combining Statement of Revenues, Expenses and Changes in Net Assets  
For the Year Ended September 30, 2010

	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09
<b>Operating revenues:</b>								
HUD PHIA Grants	\$ 369,694	\$ -	\$ 2,119	\$ -	\$ 71,687	\$ 81,410	\$ 60,576	\$ 153,902
Program income	-	-	-	-	-	-	-	-
Total operating revenues	<u>369,694</u>	<u>-</u>	<u>2,119</u>	<u>-</u>	<u>71,687</u>	<u>81,410</u>	<u>60,576</u>	<u>153,902</u>
<b>Operating expenses:</b>								
Depreciation	467,598	77,338	120,756	35,692	122,900	59,723	51,189	-
Management fees	153,902	-	-	-	-	-	-	153,902
Other miscellaneous expenses	82,958	-	1,422	-	2,589	24,057	54,890	-
Salaries and wages	77,295	-	(260)	-	34,443	43,112	-	-
Employee benefits	25,610	-	(80)	-	11,449	14,241	-	-
Compensated absences	12,472	-	-	-	12,472	-	-	-
Office expense	7,816	-	65	-	1,456	-	6,295	-
Advertising and marketing	4,908	-	972	-	3,936	-	-	-
Professional fees	4,499	-	-	-	4,499	-	-	-
Travel	843	-	-	-	843	-	-	-
Total operating expenses	<u>837,901</u>	<u>77,338</u>	<u>122,875</u>	<u>35,692</u>	<u>194,587</u>	<u>141,133</u>	<u>112,374</u>	<u>153,902</u>
Operating loss	<u>(468,207)</u>	<u>(77,338)</u>	<u>(120,756)</u>	<u>(35,692)</u>	<u>(122,900)</u>	<u>(59,723)</u>	<u>(51,798)</u>	<u>-</u>
<b>Non-operating revenues:</b>								
Capital grants	1,581,182	-	1,107	-	72,507	353,464	1,022,667	131,437
Other income	609	-	-	-	-	-	609	-
Total non-operating revenues	<u>1,581,791</u>	<u>-</u>	<u>1,107</u>	<u>-</u>	<u>72,507</u>	<u>353,464</u>	<u>1,023,276</u>	<u>131,437</u>
Change in net assets	1,113,584	(77,338)	(119,649)	(35,692)	(50,393)	293,741	971,478	131,437
Total net assets, beginning of year	5,023,438	966,840	1,429,030	499,679	1,585,849	399,424	142,616	-
Total net assets, end of year	<u>\$ 6,137,022</u>	<u>\$ 889,502</u>	<u>\$ 1,309,381</u>	<u>\$ 463,987</u>	<u>\$ 1,535,456</u>	<u>\$ 693,165</u>	<u>\$ 1,114,094</u>	<u>\$ 131,437</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, 2010

	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09
<b>Cash flows from operating activities:</b>								
Operating grants received	\$ 534,628	\$ -	\$ (1,107)	\$ -	\$ 263,554	\$ 56,302	\$ 61,017	\$ 154,862
Payments to suppliers	(457,333)	-	847	-	(229,111)	(13,190)	(61,017)	(154,862)
Payments to employees	(77,295)	-	260	-	(34,443)	(43,112)	-	-
Net cash provided by operating activities	-	-	-	-	-	-	-	-
<b>Cash flows from capital and related financing activities:</b>								
Capital grants received	1,581,182	-	1,107	-	72,507	353,464	1,022,667	131,437
Acquisition of capital assets	(1,581,182)	-	(1,107)	-	(72,507)	(353,464)	(1,022,667)	(131,437)
Net cash provided by investing activities	-	-	-	-	-	-	-	-
<b>Cash flows from investing activities:</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:</b>								
Operating loss	\$ (468,207)	\$ (77,338)	\$ (120,756)	\$ (35,692)	\$ (122,900)	\$ (59,723)	\$ (51,798)	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation	467,598	77,338	120,756	35,692	122,900	59,723	51,189	-
(Increase) decrease in assets:								
Due to other funds	16,006	-	-	-	-	-	-	16,006
Increase (decrease) in liabilities:								
Due to other funds	(192,803)	-	3,226	-	(204,339)	25,108	168	(16,966)
Compensated absences	12,472	-	-	-	12,472	-	-	-
Deferred credits	164,934	-	(3,226)	-	191,867	(25,108)	441	960
Net cash provided by operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**Non-Major Enterprise Funds**

**Combining Statements of Net Assets  
September 30, 2010**

ASSETS	TOTAL	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Economic, Social and Political Development of the Territories
<b>Current assets:</b>							
Cash:							
Unrestricted	\$ 90,776	\$ 90,776	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	375,997	375,997	-	-	-	-	-
Security deposit - restricted	14,766	14,766	-	-	-	-	-
Total cash	<u>481,539</u>	<u>481,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounts receivable:							
Tenants	10,354	10,354	-	-	-	-	-
Due from other funds	41,498	-	-	-	34,848	-	6,650
HUD	646,417	214,829	19,403	16,468	383,250	12,467	-
Federal Government	-	-	-	-	-	-	-
Interest	58	58	-	-	-	-	-
Other	2,070	2,070	-	-	-	-	-
Total accounts receivable	<u>700,397</u>	<u>227,311</u>	<u>19,403</u>	<u>16,468</u>	<u>418,098</u>	<u>12,467</u>	<u>6,650</u>
Investments:							
Unrestricted	-	-	-	-	-	-	-
Restricted/reserved by fiscal agent	204,026	204,026	-	-	-	-	-
Total investments	<u>204,026</u>	<u>204,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prepaid and other assets	2,547	2,145	-	-	402	-	-
Inventories	8,504	8,504	-	-	-	-	-
Total current assets	<u>1,397,013</u>	<u>923,525</u>	<u>19,403</u>	<u>16,468</u>	<u>418,500</u>	<u>12,467</u>	<u>6,650</u>
<b>Noncurrent assets:</b>							
Capital assets, net:							
Land and infrastructure	1,380,000	1,380,000	-	-	-	-	-
Depreciable buildings, property and equipment, net	749,765	731,932	-	-	17,833	-	-
Total non-current assets	<u>2,129,765</u>	<u>2,111,932</u>	<u>-</u>	<u>-</u>	<u>17,833</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 3,526,778</u>	<u>\$ 3,035,457</u>	<u>\$ 19,403</u>	<u>\$ 16,468</u>	<u>\$ 436,333</u>	<u>\$ 12,467</u>	<u>\$ 6,650</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

Non-Major Enterprise Funds  
Combining Statements of Net Assets, Continued  
September 30, 2010

LIABILITIES AND NET ASSETS	TOTAL	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Economic, Social and Political Development of the Territories
<b>Liabilities:</b>							
Current portion of long-term debt	\$ 44,000	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable:	16,998	2,067	-	-	8,281	-	6,650
Current portion of compensated absences	3,473	420	-	-	3,053	-	-
Due to other funds	1,192,227	808,578	19,403	11,982	339,835	12,429	-
Security Deposits	14,766	14,766	-	-	-	-	-
Accounts payable other	-	-	-	-	-	-	-
Deferred revenues	9,740	-	-	4,486	5,254	-	-
Accrued salaries and wages	4,926	1,212	-	-	3,676	38	-
Accrued liabilities - other	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>1,286,130</b>	<b>871,043</b>	<b>19,403</b>	<b>16,468</b>	<b>360,099</b>	<b>12,467</b>	<b>6,650</b>
<b>Noncurrent liabilities:</b>							
Long-term portion of notes payable	1,356,541	1,356,541	-	-	-	-	-
Accrued compensated absences	64,885	6,484	-	-	58,401	-	-
Other liabilities	-	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>1,421,426</b>	<b>1,363,025</b>	<b>-</b>	<b>-</b>	<b>58,401</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,707,556</b>	<b>2,234,068</b>	<b>19,403</b>	<b>16,468</b>	<b>418,500</b>	<b>12,467</b>	<b>6,650</b>
<b>Net assets:</b>							
Invested capital assets, net of related debt	729,224	711,391	-	-	17,833	-	-
Restricted	580,023	580,023	-	-	-	-	-
Unrestricted	(490,025)	(490,025)	-	-	-	-	-
<b>Total net assets</b>	<b>819,222</b>	<b>801,389</b>	<b>-</b>	<b>-</b>	<b>17,833</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,526,778</b>	<b>\$ 3,035,457</b>	<b>\$ 19,403</b>	<b>\$ 16,468</b>	<b>\$ 436,333</b>	<b>\$ 12,467</b>	<b>\$ 6,650</b>

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

# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## Non-Major Enterprise Funds Combining Statements of Revenues, Expenses and Changes in Net Assets Year Ended September 30, 2010

	TOTAL	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Economic, Social and Political Development of the Territories
Operating revenues:							
HUD PHA Operating Grants	\$ 2,578,615	\$ 391,443	\$ 496,226	\$ 260,130	\$ 1,325,504	\$ 105,312	\$ -
Other Government Grants	671,585	-	-	-	-	-	671,585
Tenant rental income	90,689	90,689	-	-	-	-	-
Other income	434,381	-	-	-	434,381	-	-
Total operating revenues	3,775,270	482,132	496,226	260,130	1,759,885	105,312	671,585
Operating expenses:							
Repairs and maintenance	1,655,600	6,104	-	-	977,911	-	671,585
Administrative salaries	285,116	62,379	-	-	215,729	7,008	-
Management fees	69,582	36,332	-	-	33,250	-	-
Utilities	129,691	129,691	-	-	-	-	-
Employee benefits	90,150	22,866	-	-	65,053	2,231	-
Depreciation	75,322	74,192	-	-	1,130	-	-
Insurance	11,058	10,359	-	-	699	-	-
Travel	2,558	203	-	-	2,355	-	-
Advertising and Marketing	1,376	691	-	-	685	-	-
Office expense	40,805	6,483	-	-	34,322	-	-
Professional fees	2,921	344	-	-	2,052	525	-
Compensated absences	14,650	(2,253)	-	-	16,903	-	-
Protective services	306	237	-	-	69	-	-
Other	1,344,110	81,349	496,226	260,130	410,857	95,548	-
Total operating expenses	3,723,245	428,977	496,226	260,130	1,761,015	105,312	671,585
Operating income (loss)	52,025	53,155	-	-	(1,130)	-	-
Non-operating revenues (expenses):							
Interest income on unrestricted investments	1,804	1,804	-	-	-	-	-
Interest income on restricted investments	520	520	-	-	-	-	-
Other income	4,036	4,036	-	-	-	-	-
Interest expense	(84,897)	(84,897)	-	-	-	-	-
Total non-operating revenues (expenses), net	(78,537)	(78,537)	-	-	-	-	-
Changes in nets assets	(26,512)	(25,382)	-	-	(1,130)	-	-
Total net assets at beginning of year	845,734	826,771	-	-	18,963	-	-
Total net assets at end of year	\$ 819,222	\$ 801,389	\$ -	\$ -	\$ 17,833	\$ -	\$ -

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, 2010

	TOTAL	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Economic, Social and Political Development of the Territories
<b>Cash flows from operating activities:</b>							
Operating grants received	\$ 3,001,259	\$ 183,311	\$ 515,130	\$ 257,083	\$ 1,271,175	\$ 102,975	\$ 671,585
Receipts from customers	519,058	84,677	-	-	434,381	-	-
Payments to suppliers	(3,284,232)	(254,161)	(515,130)	(257,083)	(1,490,268)	(96,005)	(671,585)
Payments to employees	(284,732)	(52,310)	-	-	(225,452)	(6,970)	-
<b>Net cash used in operating activities</b>	<b>(48,647)</b>	<b>(38,483)</b>	<b>-</b>	<b>-</b>	<b>(10,164)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from capital and related financing activities:</b>							
Interest paid	(84,897)	(84,897)	-	-	-	-	-
Repayment of note payable	(41,582)	(41,582)	-	-	-	-	-
Acquisition of fixed assets	(20,854)	(20,854)	-	-	-	-	-
<b>Net cash flows used for capital and related financing activities</b>	<b>(147,333)</b>	<b>(147,333)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities:</b>							
Interest and other income received	6,402	6,402	-	-	-	-	-
Deposits to restricted accounts	(968)	(968)	-	-	-	-	-
<b>Net cash used in investing activities</b>	<b>5,434</b>	<b>5,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(190,546)</b>	<b>(180,382)</b>	<b>-</b>	<b>-</b>	<b>(10,164)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>672,085</b>	<b>661,921</b>	<b>-</b>	<b>-</b>	<b>10,164</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 481,539</b>	<b>\$ 481,539</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ 52,025	\$ 53,155	\$ -	\$ -	\$ (1,130)	\$ -	\$ -
Adjustments to reconcile change net assets to net cash provided by operating activities:							
Depreciation	75,322	74,192	-	-	1,130	-	-
(Increase) decrease in assets:							
Accounts receivable:							
Tenants	(7,046)	(7,046)	-	-	-	-	-
HUD	(248,941)	(208,132)	18,904	(3,047)	(54,329)	(2,337)	-
Due from other funds	57,827	-	-	-	64,477	-	(6,650)
Prepayments and other assets	(464)	15,307	-	-	(15,771)	-	-
Inventories	(4,922)	(4,922)	-	-	-	-	-
Increase (decrease) in liabilities:							
Accounts payable	6,805	6,774	-	-	31	-	-
Compensated absences	14,650	7,911	-	-	6,739	-	-
Due to other funds	4,679	23,339	(18,904)	3,047	(11,752)	2,299	6,650
Deposits	1,034	1,034	-	-	-	-	-
Accrued salaries and wages	384	(95)	-	-	441	38	-
<b>Net cash provided by operating activities</b>	<b>\$ (48,647)</b>	<b>\$ (38,483)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,164)</b>	<b>\$ -</b>	<b>\$ -</b>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**SUPPORTIVE HOUSING FOR THE ELDERLY**

CFDA NO. 14.157  
Statement of Net Assets  
September 30, 2010

**ASSETS**

	<u>2010</u>
Current assets:	
Cash:	
Unrestricted	\$ 90,776
Restricted	375,997
Security deposits - restricted	14,766
Total cash	<u>481,539</u>
Accounts receivable:	
Tenants	10,354
HUD	214,829
Interest	58
Other	2,070
Total accounts receivable	<u>227,311</u>
Restricted/reserved investments	204,026
Inventories	8,504
Prepaid and other current assets	2,145
Total current assets	<u>923,525</u>
Noncurrent assets:	
Capital assets:	
Land	1,380,000
Buildings, property and equipment, net	731,932
Capital assets, net	<u>2,111,932</u>
Total Assets	<u>\$ 3,035,457</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Current liabilities:	
Current portion of long-term debt	\$ 44,000
Accounts payable	2,067
Due to other funds	808,578
Security deposits	14,766
Accrued liabilities	1,212
Compensated absences - current portion	420
Total current liabilities	<u>871,043</u>
Noncurrent liabilities:	
Long-term debt, net of current portion	1,356,541
Compensated absences	6,484
Total noncurrent liabilities	<u>1,363,025</u>
Total liabilities	<u>2,234,068</u>
Net assets:	
Invested capital assets, net of related debt	711,391
Restricted	580,023
Unrestricted	(490,025)
Total net assets	<u>801,389</u>
Total Liabilities and Net Assets	<u>\$ 3,035,457</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**SUPPORTIVE HOUSING FOR THE ELDERLY**

CFDA NO. 14.157

Statement of Revenues, Expenses and Changes in Net Assets

For the Years Ended September 30, 2010

	<u>2010</u>
Operating revenues:	
HUD PHA grants	\$ 391,443
Tenant income	<u>90,689</u>
Total operating revenues	<u>482,132</u>
Operating expenses:	
Utilities	129,691
Depreciation	74,192
Salaries and wages	62,379
Management fees	36,332
Employee benefits	22,866
Insurance	10,359
Office expense	6,483
Repairs and maintenance	6,104
Advertising and marketing	691
Legal and professional fees	344
Protective services	237
Travel	203
Compensated absences	(2,253)
Other expenses	<u>81,349</u>
Total operating expenses	<u>428,977</u>
Operating income	<u>53,155</u>
Non-operating revenues (expense):	
Interest income on unrestricted investments	1,804
Interest income on restricted investments	520
Interest expense	(84,897)
Other income	<u>4,036</u>
Total non-operating expenses, net	<u>(78,537)</u>
Change in net assets	(25,382)
Total net assets at beginning of year	<u>826,771</u>
Total net assets at end of year	<u>\$ 801,389</u>

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



# GUAM HOUSING AND URBAN RENEWAL AUTHORITY

## SUPPORTIVE HOUSING FOR THE ELDERLY

CFDA NO. 14.157

### Statement of Cash Flows

For the Year Ended September 30, 2010

	<u>2010</u>
Cash flows from operating activities:	
Operating grants received	\$ 183,311
Receipts from tenants and grants	\$ 84,677
Payments to suppliers	(254,161)
Payments to employees	<u>(52,310)</u>
Net cash used in operating activities	<u>(38,483)</u>
Cash flows from capital and related financing activities:	
Interest paid	(84,897)
Repayment of loan	(41,582)
Acquisition of fixed assets	<u>(20,854)</u>
Net cash used in capital and related financing activities	<u>(147,333)</u>
Cash flows from investing activities:	
Interest income received	6,402
Deposits to restricted cash	<u>(968)</u>
Net cash used in investing activities	<u>5,434</u>
Net increase in cash and cash equivalents	(180,382)
Cash and cash equivalents at beginning of year	<u>661,921</u>
Cash and cash equivalents at end of year	<u>\$ 481,539</u>
Cash and cash equivalents consist of the following:	
Cash	\$ 90,776
Security deposits	14,766
Restricted cash, including time deposits	<u>375,997</u>
Total cash and cash equivalents at end of year	<u>\$ 481,539</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**SUPPLEMENTAL INFORMATION**

**SUPPORTIVE HOUSING FOR THE ELDERLY**

CFDA NO. 14.157

Statement of Cash Flows, Continued

For the Years Ended September 30, 2010

	<u>2010</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 53,155
Adjustments to reconcile change in net assets provided by operating activities:	
Depreciation	74,192
(Increase) decrease in assets:	
Accounts receivable:	
Tenants	(7,046)
HUD	(208,132)
Inventories	(4,922)
Prepaid and other assets	15,307
Increase (decrease) in liabilities:	
Accounts payable	6,774
Due to other funds	23,339
Accrued salaries and wages	(95)
Security deposits	1,034
Compensated absences	<u>7,911</u>
Net cash used in operating activities	<u>\$ (38,483)</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**SUPPORTIVE HOUSING PROGRAM**  
CFDA NO. 14.235

Combining Statements of Net Assets  
September 30, 2010

ASSETS	GU08-B70-004	GU08-B70-0002	GU0007-B9C-000801	GU0003-B9C-000801	GU0004-B9C-000801	GU0002-B9C-000801	GU0006-B9C-000801	GU0003-B9C-000802	GU0004-B9C-000802	GU0007-B9C-000802
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:										
HUD	19,403	-	-	-	-	-	-	5,585	4,153	9,665
Due from other funds	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 19,403</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,585</b>	<b>\$ 4,153</b>	<b>\$ 9,665</b>
<b>LIABILITIES AND NET ASSETS</b>										
Accounts payable:										
Due to other funds	\$ 19,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,585	\$ 4,153	\$ 9,665
HUD	-	-	-	-	-	-	-	-	-	-
Accrued liabilities:										
Compensated absences - current	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-
Net assets	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 19,403</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,585</b>	<b>\$ 4,153</b>	<b>\$ 9,665</b>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**SUPPORTIVE HOUSING PROGRAM**

CFDA NO. 14.235

**Combining Statements of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010**

	GUO8-B70- 004	GUO8-B70- 0002	GU0007- B9C-000801	GU0003- B9C-000801	GU0004- B9C-000801	GU0002- B9C-000801	GU0006- B9C-000801	GU0003- B9C-000802	GU0004- B9C-000802	GU0007- B9C-000802
<b>Revenues:</b>										
Federal contributions	\$ 19,499	\$ -	\$ 98,243	\$ 238,651	\$ 66,497	\$ 18,954	\$ 34,979	\$ 5,585	\$ 4,153	\$ 9,665
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>496,226</b>	<b>19,499</b>	<b>98,243</b>	<b>238,651</b>	<b>66,497</b>	<b>18,954</b>	<b>34,979</b>	<b>5,585</b>	<b>4,153</b>	<b>9,665</b>
<b>Operating expenses:</b>										
Administrative salaries	-	-	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-	-	-
Repair and maintenance	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	496,226	19,499	98,243	238,651	66,497	18,954	34,979	5,585	4,153	9,665
<b>Total operating expenses</b>	<b>496,226</b>	<b>19,499</b>	<b>98,243</b>	<b>238,651</b>	<b>66,497</b>	<b>18,954</b>	<b>34,979</b>	<b>5,585</b>	<b>4,153</b>	<b>9,665</b>
<b>Operating income</b>	-	-	-	-	-	-	-	-	-	-
<b>Non-operating revenues (expenditures):</b>										
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	-	-	-	-	-	-	-	-	-	-
<b>Change in net assets</b>	-	-	-	-	-	-	-	-	-	-
<b>Total net assets, beginning of year</b>	-	-	-	-	-	-	-	-	-	-
<b>Total net assets, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2010

	GU008-B70-004	GU008-B70-0002	GU0007-B9C-000801	GU0003-B9C-000801	GU0004-B9C-000801	GU0002-B9C-000801	GU0006-B9C-000801	GU0003-B9C-000802	GU0004-B9C-000802	GU0007-B9C-000802
<b>Total</b>										
Cash flows from operating activities:										
Operating grants received	\$ 515,130	\$ -	\$ 124,934	\$ 250,267	\$ 66,407	\$ 18,954	\$ 34,979	\$ -	\$ -	\$ -
Payments to suppliers	(515,130)	-	(124,934)	(250,267)	(66,407)	(18,954)	(34,979)	-	-	-
Payments to employees	-	-	-	-	-	-	-	-	-	-
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	18,984	-	26,691	11,616	-	-	-	(5,585)	(4,153)	(9,665)
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:										
Accounts payable - Due to other funds	(18,984)	-	(26,691)	(11,616)	-	-	-	5,585	4,153	9,665
Other liabilities	-	-	-	-	-	-	-	-	-	-
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 Assets  
September 30, 2010

<u>ASSETS</u>	<u>Total</u>	<u>GUO8-C10- 0001</u>	<u>GUO8-C40- 0001</u>	<u>GUO8-C70- 0006</u>	<u>GUO001-C80- 0801</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	16,468	2,588	2,243	-	11,637
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
<b>TOTAL</b>	<u>\$ 16,468</u>	<u>\$ 2,588</u>	<u>\$ 2,243</u>	<u>\$ -</u>	<u>\$ 11,637</u>
 <u>LIABILITIES AND NET ASSETS</u>					
Accounts payable:					
Due to other funds	\$ 11,982	\$ 2,588	\$ (2,243)	\$ -	\$ 11,637
HUD	-	-	-	-	-
Deferred revenues	4,486	-	4,486	-	-
Total liabilities	<u>16,468</u>	<u>2,588</u>	<u>2,243</u>	<u>-</u>	<u>11,637</u>
Net assets	-	-	-	-	-
<b>TOTAL</b>	<u>\$ 16,468</u>	<u>\$ 2,588</u>	<u>\$ 2,243</u>	<u>\$ -</u>	<u>\$ 11,637</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 Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	Total	GUO8-C10- 0001	GUO8-C40- 0001	GUO8-C70- 0006	GUO001-C9C- 0000801
Revenues:					
Federal contributions	\$ 260,130	\$ -	\$ 130,962	\$ 31,096	\$ 98,072
Other	-	-	-	-	-
Total Revenues	<u>260,130</u>	<u>-</u>	<u>130,962</u>	<u>31,096</u>	<u>98,072</u>
Operating expenses:					
Administrative salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Depreciation	-	-	-	-	-
Other	260,130	-	130,962	31,096	98,072
Total operating expenses	<u>260,130</u>	<u>-</u>	<u>130,962</u>	<u>31,096</u>	<u>98,072</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenditures):					
Interest income	-	-	-	-	-
Interest expense	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	-	-	-	-	-
Total net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

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

Combining Statements of Cash Flows  
Year Ended September 30, 2010

	Total	GUO8-C10- 0001	GUO8-C40- 0001	GUO8-C70- 0006	GUO001-C9C- 0000801
Cash flows from operating activities:					
Operating grants received	\$ 257,083	\$ -	\$ 130,962	\$ 39,686	\$ 86,435
Payments to suppliers	(257,083)	-	(130,962)	(39,686)	(86,435)
Payments to employees	-	-	-	-	-
Net cash provided (used) by operating activities	-	-	-	-	-
Cash flows from investing activities:					
Acquisition of fixed assets	-	-	-	-	-
Net cash provided (used) by investing activities	-	-	-	-	-
Cash flows from capital and related financing activities:					
Transfers from fund balance	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -
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	(3,047)	-	-	8,590	(11,637)
Accounts receivable - Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Increase (decrease) in liabilities:	-	-	-	-	-
Accounts payable - Due to other funds	3,047	-	-	(8,590)	11,637
Accounts payable - HUD	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Net cash provided (used) by operating activities	\$ -	\$ -	\$ -	\$ -	\$ -

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

HOME Investment Partnerships Program  
CFDA NO. 14.239  
Combining Statements of Net Assets  
September 30, 2010

ASSETS	Total	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST 66-0202	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:										
HUD	383,250	70,973	5,913	23,472	(3,281)	(1,733)	108,601	63,156	116,149	-
Due from other funds	34,848	56,556	-	-	-	6,828	(28,536)	-	-	-
Prepaid and other assets	402	-	75	-	-	-	-	-	327	-
Capital assets	21,222	15,574	-	-	5,648	-	-	-	-	-
Accumulated depreciation	(3,389)	-	-	-	(3,389)	-	-	-	-	-
Total	\$ 436,333	\$ 143,103	\$ 5,988	\$ 23,472	\$ (1,022)	\$ 5,095	\$ 80,065	\$ 63,156	\$ 116,476	\$ -
<b>LIABILITIES AND NET ASSETS</b>										
Current liabilities:										
Vendors	\$ 8,281	\$ 8,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31	\$ -
Due to other funds	339,835	119,279	734	23,472	(3,281)	5,095	80,065	63,156	51,889	(574)
Accrued salaries and wages	3,676	-	-	-	-	-	-	-	3,102	574
Compensated absences - current	3,053	-	-	-	-	-	-	-	3,053	-
Deferred revenues	5,254	-	5,254	-	-	-	-	-	-	-
Total current liabilities	360,099	127,529	5,988	23,472	(3,281)	5,095	80,065	63,156	58,075	-
Noncurrent liabilities:										
Compensated absences - noncurrent	30,949	-	-	-	-	-	-	-	30,949	-
Other liabilities - sick leave	27,452	-	-	-	-	-	-	-	27,452	-
Total noncurrent liabilities	58,401	-	-	-	-	-	-	-	58,401	-
Total liabilities	418,500	127,529	5,988	23,472	(3,281)	5,095	80,065	63,156	116,476	-
Net assets:										
Invested in capital, net of related debt	17,833	15,574	-	-	2,259	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total net assets	17,833	15,574	-	-	2,259	-	-	-	-	-
Total	\$ 436,333	\$ 143,103	\$ 5,988	\$ 23,472	\$ (1,022)	\$ 5,095	\$ 80,065	\$ 63,156	\$ 116,476	\$ -

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

HOME Investment Partnerships Program  
CFDA NO. 14.239

Combining Statements of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST6 66-0202	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202
<b>Revenues:</b>									
PHA Operating grants	\$ 1,325,504	\$ -	\$ -	\$ 34,303	\$ 7,050	\$ 604,001	\$ 473,996	\$ 206,154	\$ -
Other	434,381	-	-	-	17,121	9,608	118,975	288,103	574
<b>Total Revenues</b>	<b>1,759,885</b>	<b>-</b>	<b>-</b>	<b>34,303</b>	<b>24,171</b>	<b>613,609</b>	<b>592,971</b>	<b>494,257</b>	<b>574</b>
<b>Operating expenses:</b>									
Repairs and maintenance	977,911	-	-	-	17,214	544,309	250,985	165,403	-
Administrative salaries	215,729	-	-	19,896	3,219	9,291	68,095	114,799	429
Employee benefits	65,053	-	-	5,910	988	2,828	20,745	34,437	145
Management fees	33,250	-	-	-	-	-	-	33,250	-
Compensated absences	16,903	-	-	-	-	-	(44,550)	61,453	-
Office expense	34,322	-	-	6,866	-	-	12,621	14,835	-
Travel	2,355	-	-	-	-	-	905	1,450	-
Professional fees	2,052	-	-	-	-	-	1,080	972	-
Advertising and marketing	685	-	-	151	-	-	101	433	-
Depreciation	1,130	-	-	1,130	-	-	-	-	-
Insurance	699	-	-	-	-	-	-	699	-
Protective services	69	-	-	41	-	-	-	28	-
Other	410,857	-	-	1,439	2,750	57,181	282,989	66,498	-
<b>Total operating expenses</b>	<b>1,761,015</b>	<b>-</b>	<b>-</b>	<b>35,433</b>	<b>24,171</b>	<b>613,609</b>	<b>592,971</b>	<b>494,257</b>	<b>574</b>
<b>Operating loss</b>	<b>(1,130)</b>	<b>-</b>	<b>-</b>	<b>(1,130)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-operating revenues:</b>									
Capital grants	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
<b>Total non-operating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>(1,130)</b>	<b>-</b>	<b>-</b>	<b>(1,130)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net assets, beginning of year</b>	<b>18,963</b>	<b>15,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net assets, end of year</b>	<b>\$ 17,833</b>	<b>\$ 15,574</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,259</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2010

	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST- 66-0202	M-07-ST- 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202
<b>Total</b>									
Cash flows from operating activities:									
Operating grants received	\$ 1,271,175	\$ -	\$ -	\$ 34,303	\$ 4,300	\$ 609,300	\$ 533,267	\$ 90,005	\$ -
Receipts from customers	434,381	-	-	-	17,121	9,608	118,975	288,103	574
Payments to suppliers	(1,490,268)	(10,164)	-	(14,407)	(17,396)	(608,628)	(572,542)	(266,412)	(719)
Payments to employees	(225,452)	-	-	(19,896)	(4,025)	(10,280)	(79,700)	(111,696)	145
Net cash provided by (used in) operating activities	(10,164)	(10,164)	-	-	-	-	-	-	-
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	(10,164)	(10,164)	-	-	-	-	-	-	-
Cash and cash equivalents at beginning year	10,164	10,164	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash provided by (used in) operating activities:									
Operating loss	\$ (1,130)	\$ -	\$ -	\$ (1,130)	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net provided by (used in) operating activities:									
Depreciation	1,130	-	-	1,130	-	-	-	-	-
(Increase) decrease in assets:									
Accounts receivable - HUD	(54,329)	-	-	-	(2,750)	5,299	59,271	(116,149)	-
Accounts receivable - Due from other funds	64,477	-	-	-	19,457	45,020	-	-	-
Prepaid and other assets	130	-	-	-	-	101	356	(327)	-
Inventories	(15,901)	-	-	-	-	-	(15,901)	-	-
Increase (decrease) in liabilities:									
Accounts payable	31	-	-	-	-	-	-	31	-
Accrued salaries and wages	441	-	-	-	(806)	(989)	(1,441)	3,103	574
Compensated absences	6,739	-	-	-	-	-	(54,714)	61,453	-
Accounts payable - Due to other funds	(11,752)	(10,164)	-	-	(15,901)	(49,431)	12,429	51,889	(574)
Deferred revenues	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ (10,164)	\$ (10,164)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**EMERGENCY SHELTER GRANTS  
CFDA NO. 14.231**

Combining Statements of Net Assets  
September 30, 2010

<u>ASSETS</u>	<u>Total</u>	<u>S-09-DC- 66-0001</u>	<u>S-07-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Cash	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:				
HUD	12,467	12,218	-	249
Due from other funds	-	-	-	-
Prepaid and other assets	-	-	-	-
Capital assets, net	-	-	-	-
<b>TOTAL</b>	<u>\$ 12,467</u>	<u>\$ 12,218</u>	<u>\$ -</u>	<u>\$ 249</u>

LIABILITIES AND NET ASSETS

Accounts payable:				
Due to other funds	\$ 12,429	\$ 12,180	\$ -	\$ 249
HUD	-	-	-	-
Accrued liabilities:				
Compensated absences - current	-	-	-	-
Salaries and wages	38	38	-	-
Deferred revenue	-	-	-	-
Compensated absences - noncurrent	-	-	-	-
Net assets	-	-	-	-
<b>TOTAL</b>	<u>\$ 12,467</u>	<u>\$ 12,218</u>	<u>\$ -</u>	<u>\$ 249</u>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**EMERGENCY SHELTER GRANTS  
CFDA NO. 14.231**

**Combining Statements of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010**

	<u>Total</u>	<u>S-09-DC- 66-0001</u>	<u>S-07-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Revenues:				
Federal contributions	\$ 105,312	\$ 73,277	\$ -	\$ 32,035
Other	-	-	-	-
Total Revenues	<u>105,312</u>	<u>73,277</u>	<u>-</u>	<u>32,035</u>
Operating expenses:				
Administrative salaries	7,008	2,255	-	4,753
Employee benefits	2,231	715	-	1,516
Repair and maintenance	-	-	-	-
Depreciation	-	-	-	-
Legal	525	525	-	-
Travel	-	-	-	-
Other	<u>95,548</u>	<u>69,782</u>	<u>-</u>	<u>25,766</u>
Total operating expenses	<u>105,312</u>	<u>73,277</u>	<u>-</u>	<u>32,035</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenses):				
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 assets	-	-	-	-
Total net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, 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**

**EMERGENCY SHELTER GRANTS  
CFDA NO. 14.231**

Combining Statements of Cash Flows  
Year Ended September 30, 2010

	Total	S-09-DC- 66-0001	S-07-DC- 66-0001	S-08-DC- 66-0001
Cash flows from operating activities:				
Operating grants received	\$ 102,975	\$ 61,059	\$ 527	\$ 41,389
Payments to suppliers	(96,005)	(58,842)	(527)	(36,636)
Payments to employees	(6,970)	(2,217)	-	(4,753)
Net cash provided (used) by operating activities	-	-	-	-
Cash flows from investing activities:				
Acquisition of fixed assets	-	-	-	-
Net cash provided (used) by investing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Transfers from fund balance	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-
Cash and cash equivalents at end of year	<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	(2,337)	(12,218)	527	9,354
Increase (decrease) in liabilities:				
Accrued salaries and wages	38	38	-	-
Accounts payable - Due to other funds	2,299	12,180	(527)	(9,354)
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

Other Enterprise Funds  
Combining Statement of Net Assets  
September 30, 2010

ASSETS	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Current assets:					
Cash	\$ 2,641,227	\$ 1,927,439	\$ 713,788	\$ -	\$ -
Unrestricted	1,260,431	1,160,060	100,371	-	-
Restricted	3,901,658	3,087,499	814,159	-	-
Total cash					
Accounts receivable:					
Due from other funds	7,955,339	4,383,899	3,017,570	7,062	546,808
Other Governments	830,203	830,203	-	-	-
Interest	388	186	-	20	182
Promissory notes, current portion	72,273	72,273	-	-	-
Allowance for doubtful accounts	(97,048)	(85,448)	(6,600)	-	-
Other	484,558	447,001	34,117	-	3,440
Total accounts receivable	9,250,713	5,648,114	3,045,087	7,082	550,430
Investments	1,356,997	650,963	-	71,306	634,728
Prepaid and other assets	76,022	7,389	68,633	-	-
Other real estate	3,361,341	3,361,341	-	-	-
Total current assets	17,946,731	12,755,306	3,927,879	78,388	1,185,158
Noncurrent assets:					
Capital assets, net	352,466	56,767	41,598	-	254,101
Promissory notes - noncurrent	934,334	934,334	-	-	-
Total non-current assets	1,286,800	991,101	41,598	-	254,101
Total Assets	\$ 19,233,531	\$ 13,746,407	\$ 3,969,477	\$ 78,388	\$ 1,439,259
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable:	\$ 9,342,996	\$ 6,429,474	\$ 1,454,659	\$ -	\$ 1,458,863
Due to other funds	20,033	12,678	7,355	-	-
Vendors and contractors	10,734	10,734	-	-	-
Compensated absences - current portion	2,134,013	-	2,134,013	-	-
Other	282,002	143,796	138,206	-	-
Accrued liabilities	1,737,191	1,706,651	30,540	-	-
Deferred revenues	13,526,969	8,303,333	3,764,773	-	1,458,863
Total Current Liabilities					
Noncurrent liabilities:					
Accrued compensated absences	94,953	94,953	-	-	-
Accrued sick leave	61,735	61,735	-	-	-
Total noncurrent liabilities	156,688	156,688	-	-	-
Total Current Liabilities	13,683,657	8,460,021	3,764,773	-	1,458,863
Net Assets:					
Invested capital assets, net of related debt	3,713,807	3,418,108	41,598	-	254,101
Restricted	1,260,431	1,160,060	100,371	-	-
Unrestricted	575,636	708,218	62,735	78,388	(273,705)
Total Net Assets	5,549,874	5,286,386	204,704	78,388	(19,604)
Total Liabilities and Net Assets	\$ 19,233,531	\$ 13,746,407	\$ 3,969,477	\$ 78,388	\$ 1,439,259

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

Other Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Operating revenues:					
Property Sales	\$ 29,306	\$ 17,607	\$ -	\$ -	\$ 11,699
Management fees	1,301,021	1,301,021	-	-	-
Asset management fees	90,000	90,000	-	-	-
Bookkeeping fees	285,705	285,705	-	-	-
Other Government Grants	10,100,619	6,221,796	3,878,823	-	-
Other	98,455	97,911	544	-	-
Total operating revenues	11,905,106	8,014,040	3,879,367	-	11,699
Operating expenses:					
Project costs	6,221,796	6,221,796	-	-	-
Repairs and maintenance	3,931,758	52,935	3,878,823	-	-
Administrative salaries	1,012,836	1,011,863	973	-	-
Employee benefits	332,819	332,507	312	-	-
Depreciation	63,734	15,747	-	-	47,987
Office expense	63,079	63,079	-	-	-
Legal and professional fees	62,195	61,845	-	-	350
Utilities	23,879	23,879	-	-	-
Compensated absences	22,804	22,804	-	-	-
Travel	19,912	19,912	-	-	-
Insurance	14,793	14,793	-	-	-
Bad debts	12,820	9,895	2,925	-	-
Advertising and marketing	3,607	2,376	264	-	967
Protective services	249	249	-	-	-
Other	456,273	435,221	21,052	-	-
Total operating expenses	12,242,554	8,288,901	3,904,349	-	49,304
Operating income (loss)	(337,448)	(274,861)	(24,982)	-	(37,605)
Non-operating revenues:					
Other income	293,062	2,639	290,423	-	-
Investment income	9,706	6,695	129	-	2,882
Total non-operating revenues	302,768	9,334	290,552	-	2,882
Change in net assets	(34,680)	(265,527)	265,570	-	(34,723)
Total net assets at beginning of year	5,584,230	5,551,913	(60,866)	78,064	15,119
Total net assets at end of year	\$ 5,549,550	\$ 5,286,386	\$ 204,704	\$ 78,064	\$ (19,604)

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

Other Enterprise Funds  
Combining Statement of Cash Flows  
Year Ended September 30, 2010

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Cash flows from operating activities:					
Operating grants received	\$ 9,068,661	\$ 5,189,294	\$ 3,879,367	\$ -	\$ -
Receipts from customers	2,050,083	2,038,369	-	15	11,699
Payments to suppliers	(9,835,369)	(5,868,519)	(3,966,499)	-	(351)
Payments to employees	(986,307)	(985,022)	(1,285)	-	-
Net cash provided by operating activities	297,068	374,122	(88,417)	15	11,348
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	(11,219)	-	-	-	(11,219)
Net cash flows used for capital and related financing activities	(11,219)	-	-	-	(11,219)
Cash flows from investing activities:					
Interest and other income received	303,370	9,334	290,830	324	2,882
Deposits in restricted accounts	(6,439)	(3,089)	-	(339)	(3,011)
Net cash used for investing activities	296,931	6,245	290,830	(15)	(129)
Net increase in cash and cash equivalents	582,780	380,367	202,413	-	-
Cash and cash equivalents at beginning of year	3,318,878	2,707,132	611,746	-	-
Cash and cash equivalents at end of year	\$ 3,901,658	\$ 3,087,499	\$ 814,159	\$ -	\$ -
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ (337,448)	\$ (274,861)	\$ (24,982)	\$ -	\$ (37,605)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation	63,734	15,747	-	-	47,987
Bad debts	12,820	9,895	2,925	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Promissory notes	3,025	3,025	-	-	-
Other Government Agencies	(830,203)	(830,203)	-	-	-
Due from other funds	(1,530,125)	(1,250,123)	(280,002)	-	-
Others	317,823	64,917	252,906	-	-
Prepaid expenses and other assets	37,112	2,689	34,423	-	-
Land held for sale	242,571	242,571	-	-	-
Increase (decrease) in liabilities:					
Accounts payable	6,768	1,976	4,792	-	-
Compensated absences	26,529	26,529	-	-	-
Due to other funds	2,688,262	2,568,839	129,805	-	(10,382)
Other current liabilities	(168,377)	(11,085)	(168,655)	15	11,348
Accrued liabilities	(33,668)	6,961	(40,629)	-	-
Deferred revenues	(201,755)	(202,755)	1,000	-	-
Other	-	-	-	-	-
Net cash provided by (used for) operating activities	\$ 297,068	\$ 374,122	\$ (88,417)	\$ 15	\$ 11,348

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprises Funds

**LOCAL FUNDS**  
Combining Statement of Net Assets  
September 30, 2010

ASSETS	Sinajana Non-Title I	Gov Guam Astumbo	Nauri Project	Section 1602 Low-Income Housing Credits	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
<b>Current assets:</b>	<b>TOTAL</b>								
Cash - unrestricted	\$ 1,927,439	\$ -	\$ -	\$ -	\$ -	\$ 464,124	\$ 1,447,726	\$ 13,065	\$ 2,519
Cash - restricted for FSS	95,729	-	-	-	-	-	95,729	-	-
Cash - other restricted	1,064,331	-	-	-	-	-	1,064,331	-	-
Total cash	3,087,499	-	-	5	-	464,124	2,607,786	13,065	2,519
<b>Accounts receivable:</b>									
Due from other funds	4,383,899	1,666	4,835	-	43,727	-	3,557,902	(200)	(179)
Other Governments	830,203	-	-	830,203	-	-	-	-	-
Prorated notes, current portion	72,273	-	-	-	-	-	-	58,401	13,872
Allowance for doubtful accounts	(85,448)	-	-	-	-	-	-	(85,448)	-
Accrued interest receivable	186	-	-	-	-	186	-	-	-
Other	447,001	-	-	-	-	139	-	446,862	-
Total accounts receivable	5,648,114	1,666	4,835	830,203	43,727	325	3,557,902	419,615	13,693
<b>Investments</b>									
Prepaid and other assets	650,963	-	-	-	-	650,963	-	-	-
Land held for sale	7,389	-	-	-	-	3,361,341	7,389	-	-
Total current assets	12,755,306	1,666	4,835	830,208	43,727	4,476,753	6,173,077	432,680	16,212
<b>Noncurrent assets:</b>									
Capital assets	150,457	-	-	-	-	1,385	147,298	-	-
Accumulated depreciation	(93,690)	-	-	-	-	-	(93,674)	-	-
Capital assets, net	56,767	-	-	-	-	1,385	53,624	-	-
Prorated notes, noncurrent	934,334	-	-	-	-	-	-	781,900	152,434
Other assets	991,101	-	-	-	-	1,385	53,624	781,900	152,434
Total non-current assets	1,972,192	-	-	-	-	2,770	107,628	783,800	304,868
Total assets	\$ 13,746,407	\$ 1,666	\$ 4,835	\$ 830,208	\$ 43,727	\$ 4,478,138	\$ 6,226,701	\$ 1,214,580	\$ 168,646
<b>LIABILITIES AND NET ASSETS</b>									
<b>Liabilities:</b>									
Accounts payable:	\$ 12,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,673	\$ -	\$ -
Vendors	6,429,474	-	-	830,203	-	79,657	5,451,985	(131,804)	(67,227)
Due to other funds	10,734	-	-	-	-	25,597	10,734	-	-
Compensated absences - current portion	143,796	-	-	-	-	-	118,199	-	-
Accrued liabilities	1,706,651	-	-	-	-	-	56,975	1,442,595	207,081
Deferred revenues	8,303,333	-	-	830,208	-	105,254	5,650,566	1,310,791	139,854
Total current liabilities	16,595,736	-	-	830,208	-	105,254	6,226,701	1,310,791	139,854
<b>Noncurrent liabilities:</b>									
Accrued compensated absences	94,953	-	-	-	-	-	94,953	-	-
Accrued sick leave	61,735	-	-	-	-	-	61,735	-	-
Total noncurrent liabilities	156,688	-	-	-	-	-	156,688	-	-
Total liabilities	8,460,021	-	-	830,208	-	105,254	5,807,254	1,310,791	139,854
<b>Net assets:</b>									
Invested capital assets, net of related debt	3,418,108	-	-	-	-	3,362,726	53,624	-	-
Restricted	1,160,060	-	-	-	43,727	1,010,158	1,160,060	-	-
Unrestricted	708,218	1,666	4,835	-	-	-	(794,237)	(96,211)	28,792
Total net assets	5,286,386	1,666	4,835	-	43,727	4,372,884	419,447	(96,211)	28,792
Total liabilities and net assets	\$ 13,746,407	\$ 1,666	\$ 4,835	\$ 830,208	\$ 43,727	\$ 4,478,138	\$ 6,226,701	\$ 1,214,580	\$ 168,646



LOCAL FUNDS  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

Other Enterprise Funds

LOCAL FUNDS  
Combining Statement of Cash Flows  
Year Ended September 30, 2010

	TOTAL	Sanjama Non-Tile 1	Gro Guam Astumbo	Nauru Project	Section 1602 Low-Income Housing Credits	Gro Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Cash flows from operating activities:										
Operating grants received	\$ 5,189,294	\$ -	\$ -	\$ -	\$ 5,189,294	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers	2,038,369	-	-	-	-	-	27,173	1,985,695	-	25,501
Payments to suppliers	(5,868,519)	-	(2,889)	-	(5,189,289)	-	-	(492,998)	(155,216)	(28,127)
Payments to employees	(985,022)	-	-	-	-	-	(9,431)	(975,591)	-	-
Other cash receipts (payments)	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	374,122	-	(2,889)	-	5	-	17,742	517,106	(155,216)	(2,626)
Cash flows from capital and related financing activities:										
Acquisition of capital assets	-	-	-	-	-	-	-	-	-	-
Net cash used in capital and related financing activities	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:										
Interest and other income received	9,334	-	2,889	-	-	-	4,090	2,355	-	-
Deposits in restricted accounts	(3,089)	-	-	-	-	-	(3,089)	-	-	-
Net cash used in investing activities	6,245	-	2,889	-	-	-	1,001	2,355	-	-
Net increase (decrease) in cash and cash equivalents	380,367	-	-	-	5	-	18,743	519,461	(155,216)	(2,626)
Cash and cash equivalents at beginning of year	2,707,132	-	-	-	-	-	445,381	2,088,325	168,281	5,145
Cash and cash equivalents at end of year	\$ 3,087,499	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 464,124	\$ 2,607,786	\$ 13,065	\$ 2,519
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ (274,861)	\$ -	\$ (145,006)	\$ -	\$ -	\$ -	\$ (234,395)	\$ 88,934	\$ (9,895)	\$ 25,501
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:										
Depreciation	15,747	-	-	-	-	-	-	15,747	-	-
Bad debts	9,895	-	-	-	-	-	-	-	9,895	-
(Increase) decrease in assets:										
Accounts receivable:										
Promissory notes	3,025	-	-	-	-	-	-	-	49,873	(46,848)
Other Governments	(830,203)	-	-	-	(830,203)	-	-	-	-	-
Due from other funds	(1,250,123)	-	-	-	-	-	2	(1,250,323)	200	-
Other	64,917	-	-	-	-	-	242,571	2,689	64,915	-
Prepaid and other assets	2,689	-	-	-	-	-	-	-	-	-
Land held for sale	242,571	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:										
Accounts payable	1,976	-	-	-	5	-	-	1,971	-	-
Compensated absences	26,529	-	-	-	-	-	-	26,529	-	-
Due to other funds	2,568,839	-	142,117	-	830,203	-	9,570	1,635,241	(7,570)	(40,722)
Other current liabilities	(11,085)	-	-	-	-	-	134	(11,219)	-	-
Accrued liabilities	6,961	-	-	-	-	-	(140)	7,101	-	-
Deferred revenue	(202,755)	-	-	-	-	-	-	436	(262,634)	59,443
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by operating activities	\$ 374,122	\$ -	\$ (2,889)	\$ -	\$ 5	\$ -	\$ 17,742	\$ 517,106	\$ (155,216)	\$ (2,626)

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprise Funds

**REVOLVING FUNDS**  
Combining Statement of Net Assets  
September 30, 2010

ASSETS	Total	Local Revolving Fund	Revolving Fund
Current Assets:			
Cash:			
Unrestricted	\$ 713,788	\$ 49,953	\$ 663,835
Restricted	100,371	-	100,371
Total cash	<u>814,159</u>	<u>49,953</u>	<u>764,206</u>
Accounts Receivable:			
Due from other funds	3,017,570	(91)	3,017,661
Other	34,117	-	34,117
Travel advances	-	-	-
Allowance for doubtful accounts - other	(6,600)	-	(6,600)
Total accounts receivable	<u>3,045,087</u>	<u>(91)</u>	<u>3,045,178</u>
Investments	-	-	-
Prepaid and other assets	<u>68,633</u>	<u>-</u>	<u>68,633</u>
Total current assets	<u>3,927,879</u>	<u>49,862</u>	<u>3,878,017</u>
Noncurrent Assets:			
Capital Assets:			
Land	41,598	41,598	-
Furniture and equipment	37,434	37,434	-
Accumulated depreciation	(37,434)	(37,434)	-
	<u>41,598</u>	<u>41,598</u>	<u>-</u>
Total non-current assets	<u>41,598</u>	<u>41,598</u>	<u>-</u>
Total assets	<u>\$ 3,969,477</u>	<u>\$ 91,460</u>	<u>\$ 3,878,017</u>
 <b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 1,454,659	\$ 270,919	\$ 1,183,740
Vendors	7,355	-	7,355
Other	2,134,013	-	2,134,013
Other accrued liabilities	138,206	-	138,206
Deferred revenues	30,540	-	30,540
Total liabilities	<u>3,764,773</u>	<u>270,919</u>	<u>3,493,854</u>
Net assets:			
Invested in capital assets, net of related debt	41,598	41,598	-
Restricted	100,371	-	100,371
Unrestricted	62,735	(221,057)	283,792
Total net assets (deficit)	<u>204,704</u>	<u>(179,459)</u>	<u>384,163</u>
Total liabilities and net assets	<u>\$ 3,969,477</u>	<u>\$ 91,460</u>	<u>\$ 3,878,017</u>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

**Other Enterprise Funds**

**REVOLVING FUNDS**

**Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Year Ended September 30, 2010**

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Operating revenues:			
Other Government Grants	\$ 3,878,823	\$ -	\$ 3,878,823
Other	<u>544</u>	<u>-</u>	<u>544</u>
Total operating revenues	<u>3,879,367</u>	<u>-</u>	<u>3,879,367</u>
Operating Expenses:			
Administrative salaries	973	-	973
Employee benefits	312	-	312
Advertising and marketing	264	264	-
Depreciation	-	-	-
Travel	-	-	-
Bad debts	2,925	-	2,925
Repairs and maintenance	3,878,823	-	3,878,823
Other	<u>21,052</u>	<u>21,052</u>	<u>-</u>
Total operating expenses	<u>3,904,349</u>	<u>21,316</u>	<u>3,883,033</u>
Operating income (loss)	<u>(24,982)</u>	<u>(21,316)</u>	<u>(3,666)</u>
Non-operating revenues:			
Investment income	129	129	-
Other income	<u>290,423</u>	<u>-</u>	<u>290,423</u>
Total non-operating revenues	<u>290,552</u>	<u>129</u>	<u>290,423</u>
Change in net assets	265,570	(21,187)	286,757
Total net assets (deficit) at beginning of year	<u>(60,866)</u>	<u>(158,272)</u>	<u>97,406</u>
Total net assets (deficit) at end of year	<u>\$ 204,704</u>	<u>\$ (179,459)</u>	<u>\$ 384,163</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

Other Enterprise Funds

**REVOLVING FUNDS**

Combining Statement of Cash Flows

Year Ended September 30, 2010

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Cash flows from operating activities:			
Operating grants received	\$ 3,879,367	\$ -	\$ 3,879,367
Payments to suppliers	(3,966,499)	(4,488)	(3,962,011)
Payments to employees	(1,285)	-	(1,285)
Other cash receipts (payments)	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(88,417)</u>	<u>(4,488)</u>	<u>(83,929)</u>
Cash flows from investing activities:			
Investment income received	<u>290,830</u>	<u>129</u>	<u>290,701</u>
Net cash provided by (used in) investing activities	<u>290,830</u>	<u>129</u>	<u>290,701</u>
Net increase (decrease) in cash and cash equivalents	202,413	(4,359)	206,772
Cash and cash equivalents at beginning of year	<u>611,746</u>	<u>54,312</u>	<u>557,434</u>
Cash and cash equivalents at end of year	<u>\$ 814,159</u>	<u>\$ 49,953</u>	<u>\$ 764,206</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (24,982)	\$ (21,316)	\$ (3,666)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Bad debts	2,925	-	2,925
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	(280,002)	619	(280,621)
Travel advances	-	-	-
Other	252,906	-	252,906
Prepaid expenses and other assets	34,423	-	34,423
Increase (decrease) in liabilities:			
Accounts payable:			
Vouchers	4,792	-	4,792
Due to other funds	129,805	16,209	113,596
Other	(168,655)	-	(168,655)
Other accrued liabilities	(40,629)	-	(40,629)
Deferred revenues	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net cash provided by (used in) operating activities	<u>\$ (88,417)</u>	<u>\$ (4,488)</u>	<u>\$ (83,929)</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprise Funds

**TRUST FUNDS**  
Combining Statement of Net Assets  
September 30, 2010

Assets	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Accounts receivable:				
Due from other funds	\$ 7,062	\$ 900	\$ 3,197	\$ 2,965
Interest	20	-	20	-
Investments	<u>71,306</u>	<u>-</u>	<u>71,306</u>	<u>-</u>
 Total assets	 <u>\$ 78,388</u>	 <u>\$ 900</u>	 <u>\$ 74,523</u>	 <u>\$ 2,965</u>
 <b>Liabilities and Net Assets</b>				
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Net assets:				
Invested capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	<u>78,388</u>	<u>900</u>	<u>74,523</u>	<u>2,965</u>
 Total net assets	 <u>78,388</u>	 <u>900</u>	 <u>74,523</u>	 <u>2,965</u>
 Total liabilities and net assets	 <u>\$ 78,388</u>	 <u>\$ 900</u>	 <u>\$ 74,523</u>	 <u>\$ 2,965</u>

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



GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
Other Enterprise Funds

TRUST FUNDS  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures	-	-	-	-
Total expenditures	-	-	-	-
Operating income	-	-	-	-
Investment income	324	-	324	-
Change in net assets	324	-	324	-
Net assets at beginning of year	78,064	900	74,199	2,965
Net assets at end of year	<u>\$ 78,388</u>	<u>\$ 900</u>	<u>\$ 74,523</u>	<u>\$ 2,965</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprise Funds

**TRUST FUNDS**  
Combining Statement of Cash Flows  
Year Ended September 30, 2010

	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Cash flows from operating activities:				
Receipts from customers	\$ 15	\$ -	\$ 15	\$ -
Net cash provided by operating activities	<u>15</u>	<u>-</u>	<u>15</u>	<u>-</u>
Cash flows from investing activities:				
Interest income received	324	-	324	-
Deposits in restricted accounts	<u>(339)</u>	<u>-</u>	<u>(339)</u>	<u>-</u>
Net cash used in investing activities	<u>(15)</u>	<u>-</u>	<u>(15)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of 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>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ -	\$ -	\$ -	\$ -
Increase (decrease) in liabilities:				
Other current liabilities	<u>15</u>	<u>-</u>	<u>15</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprise Funds

OTHER FUNDS  
Combining Statement of Net Assets  
September 30, 2010

	ASSETS					GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal						
Current assets:									
Accounts receivable:									
Due from other funds	\$ 546,808	\$ -	\$ 2,161	\$ -	\$ 439,280			\$ 105,367	\$ -
Interest	182	182	-	-	-			-	-
Other	3,440	-	-	-	-	3,440		-	-
	<u>550,430</u>	<u>182</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>3,440</u>		<u>105,367</u>	<u>-</u>
Investments	634,728	634,728	-	-	-	-		-	-
Total current assets	<u>1,185,158</u>	<u>634,910</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>3,440</u>		<u>105,367</u>	<u>-</u>
Noncurrent assets:									
Capital assets, net	254,101	-	38,815	-	115,404	-		99,882	-
Total non-current assets	<u>254,101</u>	<u>-</u>	<u>38,815</u>	<u>-</u>	<u>115,404</u>	<u>-</u>		<u>99,882</u>	<u>-</u>
Total assets	<u>\$ 1,439,259</u>	<u>\$ 634,910</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 554,684</u>	<u>\$ 3,440</u>		<u>\$ 205,249</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS									
Liabilities:									
Accounts payable:									
Due to other funds	\$ 1,458,863	\$ 60,142	\$ 12,488	\$ 95	\$ 1,176,423	\$ 95		\$ 81,468	\$ 128,247
Accrued liabilities	-	-	-	-	-	-		-	-
Total liabilities	<u>1,458,863</u>	<u>60,142</u>	<u>12,488</u>	<u>95</u>	<u>1,176,423</u>	<u>95</u>		<u>81,468</u>	<u>128,247</u>
Net assets:									
Invested capital assets, net of related debt	254,101	-	38,815	-	115,404	-		99,882	-
Unrestricted	<u>(273,705)</u>	<u>574,768</u>	<u>(10,327)</u>	<u>3,345</u>	<u>(737,143)</u>	<u>3,345</u>		<u>23,899</u>	<u>(128,247)</u>
Total net assets	<u>(19,604)</u>	<u>574,768</u>	<u>28,488</u>	<u>3,345</u>	<u>(621,739)</u>	<u>3,345</u>		<u>123,781</u>	<u>(128,247)</u>
Total liabilities and net assets	<u>\$ 1,439,259</u>	<u>\$ 634,910</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 554,684</u>	<u>\$ 3,440</u>		<u>\$ 205,249</u>	<u>\$ -</u>

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



**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprise Funds

**OTHER FUNDS**

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Operating revenues:							
Property Sales	\$ 11,699	\$ -	\$ -	\$ -	\$ -	\$ 11,699	\$ -
Other	-	-	-	-	-	-	-
Total operating revenues	11,699	-	-	-	-	11,699	-
Operating expenses:							
Administrative salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Depreciation	47,987	-	-	-	47,987	-	-
Legal and professional fees	350	350	-	-	-	-	-
Advertising and marketing	967	967	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total operating expenses	49,304	1,317	-	-	47,987	-	-
Operating income (loss)	(37,605)	(1,317)	-	-	(47,987)	11,699	-
Non-operating revenues:							
Investment income	2,882	2,882	-	-	-	-	-
Total non-operating revenues (expenses)	2,882	2,882	-	-	-	-	-
Change in net assets	(34,723)	1,565	-	-	(47,987)	11,699	-
Total net assets at beginning of year	15,119	573,203	28,488	3,345	(573,752)	112,082	(128,247)
Total net assets at end of year	\$ (19,604)	\$ 574,768	\$ 28,488	\$ 3,345	\$ (621,739)	\$ 123,781	\$ (128,247)

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

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
Other Enterprise Funds

**OTHER FUNDS**  
Combining Statement of Cash Flows  
Year Ended September 30, 2010

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asian	Program Income Account Sinajana
Cash flows from operating activities:							
Receipts from customers	\$ 11,699	\$ 129	\$ -	\$ -	\$ -	\$ 11,570	\$ -
Payments to suppliers	(351)	-	-	-	-	(351)	-
Payments to employees	-	-	-	-	-	-	-
Other cash receipts (payments)	-	-	-	-	-	-	-
Net cash provided by operating activities	11,348	129	-	-	-	11,219	-
Cash flows from capital and related financing activities:							
Acquisition of fixed assets	(11,219)	-	-	-	-	(11,219)	-
Net cash flows (used for) provided by capital and related financing activities	(11,219)	-	-	-	-	(11,219)	-
Cash flows from investing activities:							
Interest and other income earned	2,882	2,882	-	-	-	-	-
Increase in investments	(3,011)	(3,011)	-	-	-	-	-
Net cash used in investing activities	(129)	(129)	-	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (37,605)	\$ (1,317)	\$ -	\$ -	\$ (47,987)	\$ 11,699	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:							
Depreciation	47,987	-	-	-	47,987	-	-
Bad debts	-	-	-	-	-	-	-
(Increase) decrease in assets:							
Due from other funds	-	-	-	-	-	-	-
Interest	129	129	-	-	-	-	-
Others	-	-	-	-	-	-	-
Increase (decrease) in liabilities:							
Accounts payable:							
Due to other funds	(10,382)	1,317	-	-	-	(11,699)	-
Other current liabilities	11,219	-	-	-	-	11,219	-
Others	-	-	-	-	-	-	-
Net cash provided by operating activities	\$ 11,348	\$ 129	\$ -	\$ -	\$ -	\$ 11,219	\$ -

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