

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

Financial Statements and Independent Auditor's Report
and Additional Information

For the Year Ended September 30, 2018

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

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Guam Housing and Urban Renewal Authority:

Report on the Financial Statements

We have audited the accompanying financial statement of net position of the Guam Housing and Urban Renewal Authority, (the Authority), a component unit of the Government of Guam, as of September 30, 2018, and related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Standards

As discussed in Note 1 to the financial statements, for the year ended September 30, 2018, the Authority adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting this standard, the Authority has elected to restate its 2017 financial statements to reflect the adoption of this standard. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 33, the Schedule of the Authority's Proportionate Share of the Net Pension Liability on pages 87 through 89, and the Schedule of Pension Contributions on page 90, the Schedule of Changes in Proportionate Share of the Total OPEB Liability and Related Ratios on page 91, the Schedule of Proportionate Share of the Total OPEB Liability on page 92, and the Schedule of OPEB Contributions on page 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Financial Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The Schedule of Salaries, Wages and Benefits on page 94 and the Combining financial statements on pages 95 through 145 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Benigno C. Magaña". The signature is written in a cursive style with a large initial 'B'.

Tamuning, Guam
May 9, 2019

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2018

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, 2018. We encourage you to consider the information presented here in conjunction with GHURA's combined financial statements included in the report on pages 32 through 36.

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

PROFILE OF THE AUTHORITY

Our Mission

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

General Information

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

GHURA's staff (of approximately 98 Full Time Equivalents) is committed to excellence in the foundation for facilitating our clients' goals. We aggressively pursue partnerships with public and/or private entities to allow for the implementation of programs beneficial to our clients.

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2018

Financial Highlights

The Authority had total operating and non-operating revenues of \$43,390,566 and expenses of \$45,034,114 for the year ended September 30, 2018 (\$43,533,403 and \$43,698,653 for the year ended September 30, 2017), representing revenue and expense decreases of \$142,837 and increase of \$1,335,461 (approximately 0.3% decrease and 3.2% increase, respectively) over September 30, 2017 figures.

Total assets and deferred outflows of resources of the Authority of \$47,045,168 decreased \$1,168,958 or approximately 2.5% as compared to \$45,876,210 in the prior year.

The Authority's cash and cash equivalents at September 30, 2018 totaled \$13,762,091, an increase of \$852,991 or approximately 7% as compared to \$12,909,100 as of September 30, 2017.

The Authority's working capital increased by \$627,155 or approximately 4.2% as of September 30, 2018.

Overview of the Financial Statements

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

Authority-Wide Financial Statements

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2018

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

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

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

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

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the authority-wide financial statements. The notes to the financial statements can be found on pages 37 through 81 of this report.

Supplementary Information

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The Schedule of Expenditures of Federal Awards can be found on pages 149 and 150 of this report.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2018

Fund Financial Statements

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

The Authority's Funds

Business Type Funds

Public Housing - Asset Management Properties

Public Housing was established to provide decent, safe, and sanitary rental housing for eligible families, the elderly, and persons with disabilities. Public Housing comes in all sizes and types – from scattered single-family houses to clustered units for elderly families or persons with disabilities. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Housing and Urban Development (HUD). The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) GHURA's flat rent amount.

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2018

Each AMP has a Property Site Manager directly responsible for their respective property management activities. Collectively, each individual AMP's property management activities include budgeting, oversight and monitoring of daily operations, overall maintenance of rental units, and the upkeep of common areas within their respective developments. In addition, each AMP also has asset management responsibilities which include short- and long-term capital improvement planning, review of finances, monitoring fixed assets and consumable stock, regulatory compliance, and planning for the long-term sustainability of the program. Property Site Managers oversee resident services, work orders, income reexaminations, evictions, and other matters.

The intention of working under an AMP system is to improve the short- and long-term management of public housing through more accurate information and better decision-making, thus, expanding the viability of the public housing program over a long-term period. 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.

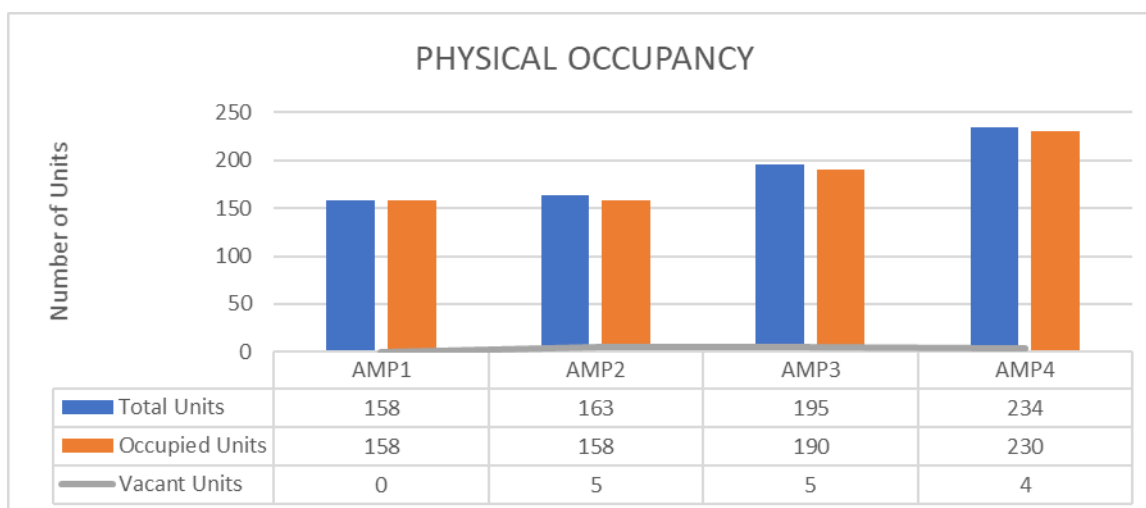
The Authority is a "High Performer" under HUD's Interim Public Assessment System (PHAS).

PHAS INDICATOR	ORIGINAL SCORE	MAXIMUM SCORE
Physical	34	40
Financial	25	25
Management	24	25
Capital Fund	10	10
PHAS TOTAL SCORE	93	100

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2018

At the end of FY 2018, the Authority had 736 units occupied with 98.1% occupancy rate and an adjusted rate of 99.1% with 7 units under modernization. For the fiscal year ended September 30, 2018, the Authority received \$4,313,052 million in Operating Subsidy funds.



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 \$1.39 million (based on the most recent grant) to implement such plan.

HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority. The funds are used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's dwelling units to keep them clean, safe, and in good condition. A portion of the funds may also be used to support operations and to make improvements in the management and operation of the Authority.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV)

The Section 8 Housing Choice Voucher Program provides housing assistance to very low-income families. The objective of the program is to help eligible families afford a decent, safe and sanitary home in the private rental market. While under the program, Section 8 participants are responsible for finding a suitable unit anywhere they choose to live as long as the unit meets the Housing Quality Standards. Once a unit is selected and passes inspection, GHURA and the property owner executes a Housing Assistance Payment (HAP) Contract. Thereafter, rental assistance payments are made to the landlord on behalf of the Section 8 participant every month and will continue for as long as the family and the unit continue to qualify for the assistance. The level of assistance depends on the family's annual income. However, in most cases GHURA subsidizes 70 percent of the rent and the family pays the remaining 30 percent.

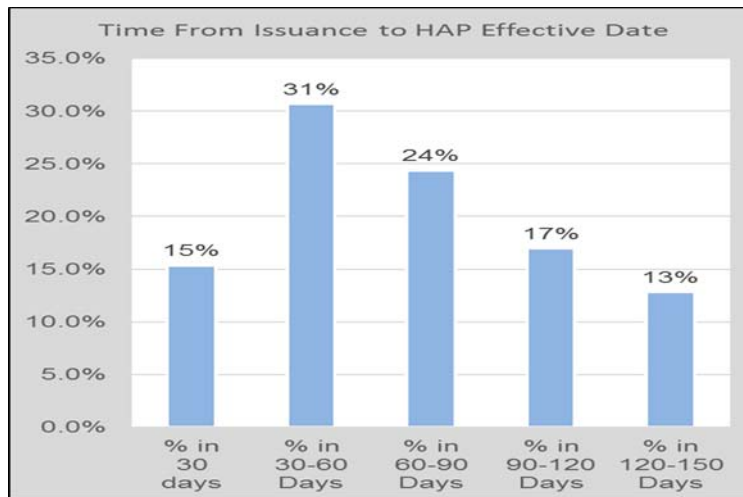
In 2018, characteristics of participant families under the Section 8 HCV Program was made up of:

- families having an average household annual income of \$21,818; with income sources varying from wages, non-wages, general assistance such as Supplemental Nutrition Assistance Program (SNAP; commonly known as food stamps) and Temporary Assistance for Needy Families (TANF);
- The most required unit sizes were three (40%), two (24%) and four-bedrooms (12.6%), respectively.
- The average housing assistance payment paid out was \$855 per unit and the average tenant rent share was \$154.
- The ethnicity breakdown of households consists of 99.5 percent non-Hispanic and less than one percent Hispanic household; 1,995 with households were headed by female head of household and 479 male head of households.
- 13 percent were persons with a disability and 7 percent were elderly over the age of 62 or older.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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In 2018, finding and leasing a unit proved to be quite a challenge for many Section 8 HCV voucher recipients. Only 15 percent of applicants were able to find and lease a unit within 30 days; while 13 percent took more than 120 days to find suitable housing. The annual turnover rate was 12 percent.



The reasons for the difficulty in finding and leasing a rental unit varied, but the most predominant reasons were:

1. No rental home of the size needed was available in the area desired;
2. The family did not have money for security deposit;
3. The family did not have the money to hook up utilities; and
4. Some property owners refused to rent to Section 8 participants

Project-based Assistance Program:

GHURA's offers Project-based Program assistance with units at the Summer Town Estates in Dededo. A total of 112 units are available for elderly families, age 62 and older. One and two-bedroom units are available to assist elderly households with or without dependents. The assistance is tied to the unit and the family will continue as long as the family qualifies and remain in the unit. The assistance will cease when the family moves out of the unit.

In 2018, more than half of the two-bedroom units stayed vacant for approximately 200 days or more due to the lack of applicants requesting for a two-bedroom unit. Upon moving out, former occupants of the two-bedroom units gave reasons for the move-out included needing to move in with other family members; they needed a one-bedroom unit due to other members of their household moving out; or they were unable to afford their rent share.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Portability:

A participant family under the Section 8 HCV Program that has been issued a housing choice voucher may use that voucher to lease a unit anywhere in the United States, as long as there is a housing agency operating an HCV program in the area. This wonderful option is referred to as “portability”. When a family wishes to relocate to the U.S. mainland, or other jurisdiction, GHURA issues the family a voucher so they can move with continued assistance under the Section 8 program. At the end of FY2018, twenty-six participants ported out to the various PHA jurisdiction in the U.S mainland, while GHURA received two families who ported into Guam.

Family Self-sufficiency (FSS) Program:

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

There are three key features to the FSS program: A financial incentive in the form of an escrow account, coaching and case management, and stable housing through rental subsidies. The escrow account is an interest-bearing account established by GHURA for each participating family and provides a unique opportunity for participants to build substantial savings. As the family’s rent share increases as a result of an increase in earned income, the increases are credited to the family’s Escrow account. Under certain circumstances the PHA may allow for interim disbursements during the family’s participation for purposes consistent with their Contract of Participation (CoP). Examples include disbursements for completion of higher education, job training, start-up expenses for a small business, vehicle repair to ensure that they may continue to get to work, and disbursements for college tuition to ensure that they graduate. Once a family successfully graduates from the program, they may access their escrow funds which may then be used toward additional self-sufficiency goals, such as putting a down payment toward the purchase of a new home. Escrow monies dispersed to successful families are not subject to federal taxation.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2018

At the end of 2018, the FSS Program serviced 151 participating families. Of these, 120 were Section-8 HCV participants, and 31 were Public Housing participants. The FSS Program successfully graduated 2 Section-8 families from the program for successfully completing their respective Individual Training & Services Plan (ITSP) and paid out approximately \$14,833.00 in escrow earnings. One of the graduating families had chosen “Home-Ownership” for their final goal, and the other chose “Employment in Administrative Field”.

FSS Coordinators continue to offer the Renters-101 workshop, servicing 66 families in 2018. The workshop, implemented in June 2016, seeks to empower both Section-8 and Public Housing program participants by teaching the essential aspects of renting. By understanding their rights, and obligations, and through access to Do-it-Yourself (DIY) resources they are more apt to develop and run safe homes. Tenants are taught the importance of understanding their lease agreements, how to create and administer safe and healthy homes, how to create realistic and attainable household budgets, how to effectively communicate with neighbors and landlords to ensure peaceful enjoyment of their premises, and other life skills for housing success. The workshop imparts life-long values which may correlate to other life areas as pathways to self-sufficiency. Participants receive a Certificate of Completion which echoes their commitment to being responsible and knowledgeable tenants. The workshop has proven effective in imparting responsible home strategies and providing opportunities to acquire basic housekeeping skills, as well as suggestions on how to prepare homemade cleaning supplies using everyday items found in the family’s pantry.

Coordinators also continue to provide essential budgeting courses which are intended to empower families to make good financial decisions by imparting important building blocks of financial capability. These include financial literacy, skills and behaviors meant to encourage savings, and providing access to financial opportunities and resources necessary to meet their goals. FSS families are coached on the importance of how to make and stick with a budget, and how to avoid or reduce debt. Coordinators work closely with Program Coordinating Committee partners to ensure that more comprehensive financial capability training and resources are made available to participants, such as Pathways to Homeownership workshops, and other tools to empower financial health.

Throughout calendar year 2018, FSS coordinators participated in 7 Job Fairs, 4 Health Fairs, provided 135 PCC referrals, and provided FSS outreach to 289 tenants newly enrolled in the HCV, NED, VASH, and/or FUP program(s). Coordinators also provided numerous job announcements to participating families to encourage employment and escrow earnings. Based on these efforts, 28 Heads of Household, previously unemployed, have attained gainful employment. Implemented in mid-2018, and in conjunction with the University of Guam Community Nutrition Education Program (CNEP), FSS families participate in workshops where they learn how to prepare healthier meal options for their families, how to purchase healthier foods on a budget, and encourage each other to live healthier lifestyles through diet and exercise.

Guam Housing and Urban Renewal Authority

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SUPPORTIVE HOUSING FOR THE ELDERLY (Guma Trankilidat Project)

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

In compliance with Federal Regulation, a Capital Needs Assessment (CNA) and Section 504 Transition Plan was conducted on October 2013. An estimate of \$2.6 Million was identified to address improvements in order to operate over the next 20 years. GHURA has identified funding in Project Reserves to address this requirement.

COMMUNITY PLANNING AND DEVELOPMENT FUNDS

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

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

During FY2018, GHURA administered \$5.3 million in eligible CPD-funded activities. In fiscal year 2018 alone, a total of \$4,177,084 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$1,121,767 were approved for activities in fiscal year 2018. Project selection was based on the review of applications submitted by community groups for activities which would satisfy the needs and goals outlined in the report "*Guam Consolidated Plan (2015-2019)*".

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2018

Community Development Block Grants

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

Public Service –

- (1) To support the operations of a shelter for special needs individuals, homeless men and men of low/moderate income in recovery from substance abuse.
- (2) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received match funding to support the operation of the Homeless Management Information System (HMIS). HMIS is the repository for data which tracks the assistance provided to the island's homeless through the various government and non-profit service providers.
- (3) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received funds for operations to administer homeless prevention and rapid re-housing services under the Emergency Solutions Grant.
- (4) The Opportunity Initiative is a program administered by the Big Brothers Big Sisters of Guam to provide on-site enrichment activities and curriculum-based programs to enhance work readiness and literacy skills for youth and adults.
- (5) Kurason Ysengsong – Funds were used to rehabilitate six staff housing units in the northern village of Dededo. The units will be managed by a local nonprofit organization to provide community services geared towards strengthening families.

Public Facilities and Improvements –

- (1) Acquisition/Construction of the Central Police Precinct Command-Funds were used to acquire land for the construction of a new Central Police Precinct Command facility for the Guam Police Department.
- (2) Sinajana Community Recreation Facility-Funds were used to rehabilitate the Sinajana baseball field, basketball court, and the park across the GHURA main facility to provide the community in Sinajana with a decent and safe recreational facility.
- (3) Astumbo Gym-Funds were used to rehabilitate the existing gym to include ADA accessibility and wind load requirements of up to 175mph. The gym will also serve as a shelter to who are displaced from disasters.

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- (4) Rehabilitation of Umatac Baseball Field-Funds were used to rehabilitate the Umatac baseball field to installation of lighting, fences, dugouts, ADA-compliant restrooms, sidewalks, and utility and sewer connections.
- (5) Baseball Park Enhancement-Dededo Sports Complex-Funds were used to improve the Department of Parks and Recreation's Guam Sports Complex by adding restroom facilities, a community kiosk area and observation deck.

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) Acquisition and Rehabilitation of Single Family Homes. Funds were used to acquire and rehabilitate single family units and make them available for sale to low and moderate income qualified and eligible homebuyers.
- (2) Renewal Homes. Funds were used to construct 5 units of affordable housing located in Astumbo and the units were sold to eligible homebuyers.

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

Emergency Solutions Grant (ESG)

In FY2018, ESG funded activities serving homeless populations. ESG funds were used in providing homeless prevention and rapid re-housing services to individuals and families who are homeless or at risk of becoming homeless.

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

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Continuum of Care Grant Funds

Housing 1st Rental Assistance Program-provides rental voucher assistance to homeless individuals. To qualify for assistance, participants must be homeless and disabled by chronic alcohol or drug problems, serious mental illness, or other disabilities. In addition to receiving a rental subsidy, participants receive support services through a network of local service agencies.

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

Homeless Management Information System (HMIS). HMIS is the data repository to record the provision of services and track participants receiving assistance for homelessness. The service is intended as a tool to improve the provision of services by the numerous service providers.

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

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

Forrester's Refuge. Sanctuary Incorporated provides permanent housing and supportive services to homeless/chronic homeless individuals with disabilities.

Continuum of Care Planning Costs. GHURA is designated to administer HUD funds on behalf of the Government of Guam. As the designated Collaborative Applicant, GHURA coordinates CoC activities, conducts monitoring of CoC for program performance and compliance, and provides guidance and assistance to address homelessness.

Low-Income Housing Tax Credit Program (LIHTC)

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

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

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credits are allocated to eligible jurisdictions by the Internal Revenue Service on an annual basis.

Since 2005, the LIHTC Program has been a primary tool in support of affordable rental housing development in Guam. The LIHTC Program has contributed to the construction of over 900 units of affordable housing in northern and central Guam. The FY2016 Application Cycle yielded two projects for award. The two projects will result in the development of 116 units of new affordable rental housing. One project for 66 units is the final phase of a 399-unit development along Lada Avenue in Dededo. The other is a first opportunity for the development of 50 units in the centrally located village of Toto. Both projects continue the current GHURA Qualified Allocation Plan focus to develop opportunities for larger families with a greater number of 3 -to 4-bedroom units.

Low Income Housing Tax Credit Program - Guam				
Project Name	Developer	Units	Location	Status
Ironwood Estates	Ironwood Estates, LLC	108	Machanao, Dededo	In Service*
Ironwood Manor	Ironwood Manor, LLC	100	Machanao, Dededo	In Service*
Ironwood Glen	Ironwood Glen, LLC	93	Machanao, Dededo	In Service*
Ironwood Heights I	Ironwood Heights, LLC	72	Highway 14B, Tamuning	In Service*
Ironwood Heights II	Ironwood Heights, LLC	60	Highway 14B, Tamuning	In Service*
Summer Green Residences	Summer Green DE, LLC	72	So. Marine Corps Drive, Tamuning	In Service*
Summer Homes	Summer Homes DE, LLC	81	Route 9, Dededo	In Service*
Summer Town Elderly Housing	Summer Town Estates, DE LLC	-	Lada Avenue, Dededo	-
Phase I	-	128		In Service**
Phase II (Section 8 Project-Base)	-	112		In Service**
Summer Town Estates Phase II	Summer Town Estates II, DE LLC	93	Lada Avenue, Dededo	In Service*
Summer Town Estates Phase III	Summer Town Estates III, DE LLC	66	Lada Avenue, Dededo	Under Construction
Villa Del Mar	Villa Del Mar, LLC	50	Canada-Toto Road, just off of Route 8	Under Construction

* Individuals and Families

** Elderly Housing. Serving persons 55 years of age and older (128 units) and 62 years of age and older (112 units).

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State and Local Funds

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

Authority-Wide Financial Statements

Statement of Net Assets

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

TABLE 1
STATEMENTS OF NET POSITION
(IN MILLIONS)

	2018	2017	#	2016
Current assets	\$ 19.4	\$ 18.5		\$ 17.4
Capital assets and other, net	20.4	22.3		23.1
Other noncurrent assets	7.2	5.1		2.3
Total assets	<u>\$ 47.0</u>	<u>\$ 45.9</u>		<u>\$ 42.8</u>
Current liabilities	\$ 3.8	\$ 3.5		\$ 3.4
Long term debt, net	0.9	1.0		1.0
Other noncurrent liabilities	33.5	17.2		12.0
Total liabilities	<u>38.2</u>	<u>21.7</u>		<u>16.4</u>
Net position:				
Investment in capital assets, net	22.1	24.0		25.0
Restricted	1.5	1.4		1.2
Unrestricted	(14.8)	(1.2)		0.2
Total net position	<u>8.8</u>	<u>24.2</u>		<u>26.4</u>
Total liabilities and net position	<u>\$ 47.0</u>	<u>\$ 45.9</u>		<u>\$ 42.8</u>

During FY2018, there was a \$1.1 million increase in assets (\$3.1 million increase in 2017).

For more detailed information see pages 32 and 33 for the Statement of Net Position.

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Major Factors Affecting the Statement of Net Position

Table 2 presents details on the change in Unrestricted Net Position for the fiscal year ended September 30, 2018.

TABLE 2
CHANGE IN UNRESTRICTED NET POSITION
(IN MILLIONS)

	2018	2017	2016
Unrestricted net position, beginning of year	\$ (1.2)	\$ 0.2	\$ (1.3)
Results of operations	(1.7)	(0.2)	0.2
Adjustments:			
Depreciation (1)	2.5	2.4	3.3
Adjusted results from operations	<u>0.8</u>	<u>2.2</u>	<u>3.5</u>
Reclassification to restricted assets	(0.1)	(0.2)	(0.7)
Capital activity, net	(0.7)	(1.4)	(1.3)
Prior period adjustment	<u>(13.6)</u>	<u>(2.0)</u>	<u>-</u>
Unrestricted net position, end of year	<u>\$ (14.8)</u>	<u>\$ (1.2)</u>	<u>\$ 0.2</u>

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

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

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

TABLE 3
STATEMENTS OF REVENUES AND EXPENSES
(IN MILLIONS)

	2018	2017	2016
Revenues:			
Operating subsidies and grants	\$ 40.6	\$ 40.7	\$ 43.5
Capital grants	0.7	1.5	1.4
Other income	1.3	0.8	1.0
Tenant revenue	0.7	0.6	0.5
Total revenues	<u>43.3</u>	<u>43.6</u>	<u>46.4</u>
Expenses:			
Housing assistance payments	27.8	28.7	30.3
Administrative	8.6	7.8	7.4
Maintenance	5.3	3.5	3.9
Depreciation	2.5	2.4	3.3
Tenant services	0.3	0.5	0.6
General and other	-	0.4	0.3
Utilities	0.5	0.4	0.4
Total expenses	<u>45.0</u>	<u>43.7</u>	<u>46.2</u>
Change in net position	<u>\$ (1.7)</u>	<u>\$ (0.1)</u>	<u>\$ 0.2</u>

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

Revenues

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

Tenant Revenue

Tenant revenue, which accounted for 1.7% of total current year revenues, increased by \$156,679, or approximately 27.3% (\$432 increase, or approximately .1%, in 2017). The increase in the current year revenues is attributed to increase in tenant income and charges for the period.

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Operating Subsidies and Grants

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

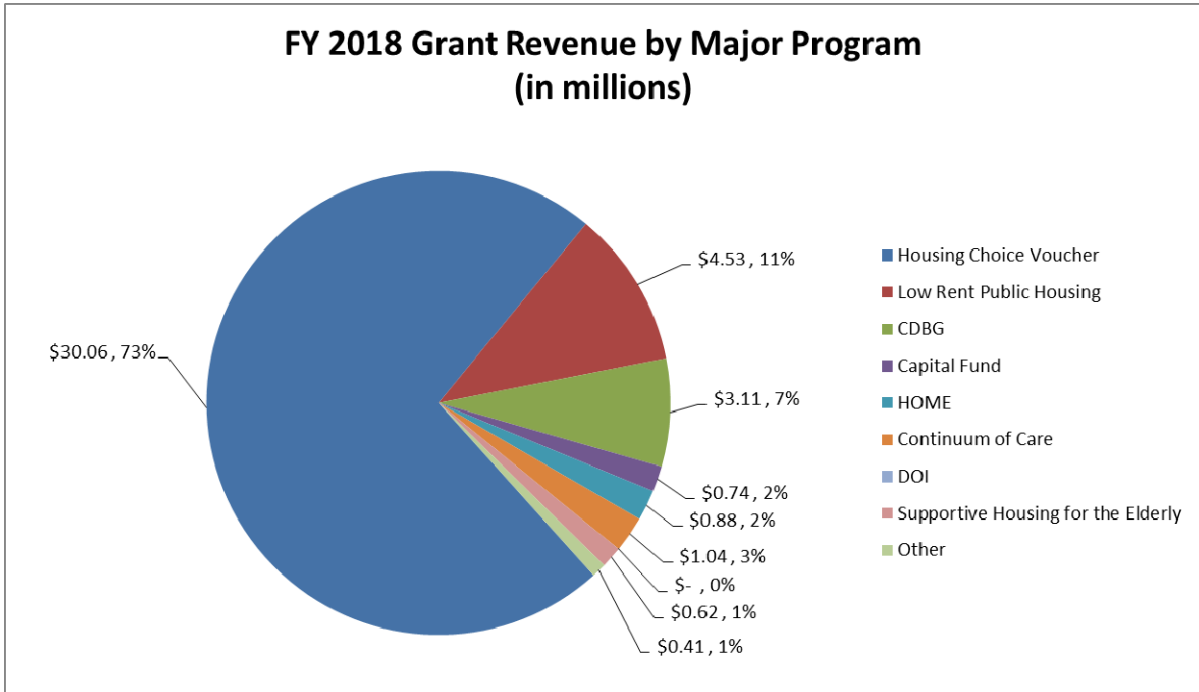
Operating and Capital Grant Revenue by Major Program Sources

TABLE 4
OPERATING SUBSIDIES AND GRANTS
(IN MILLIONS)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Housing Choice Voucher	\$ 30.1	\$ 31.1	\$ 33.3
Low Rent Public Housing	4.5	4.3	4.1
CDBG	3.1	1.6	2.9
HOME	0.9	1.2	0.6
Capital Fund	0.7	1.5	1.4
Continuum of Care	1.1	1.1	1.2
DOI	-	0.3	0.3
Supportive Housing for the Elderly	0.6	0.6	0.6
Other	0.4	0.4	0.5
	<u>\$ 41.4</u>	<u>\$ 42.1</u>	<u>\$ 44.9</u>

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Other Revenue

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

Expenses

Operating Expenses

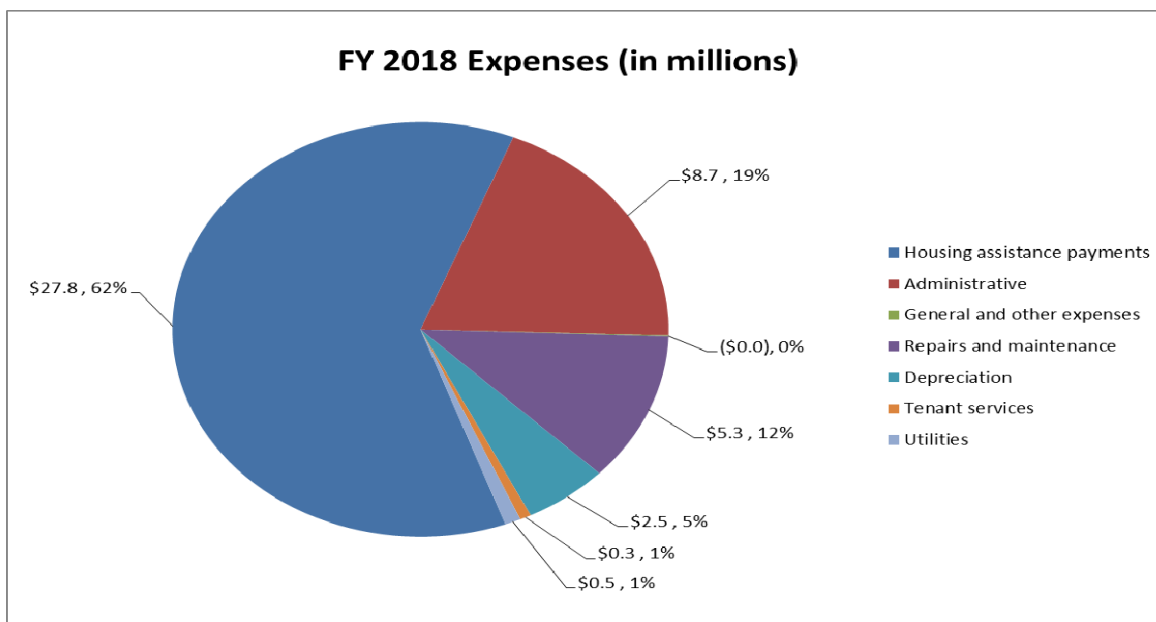
Operating expenses totaled \$14.7 million in 2018 (\$12.5 million in 2017), which represents a 17% increase from prior year. Administrative expense was approximately 20% of total revenues in 2018 (18% of revenues in 2017).

Other Expenses

During 2018, there was a 1.7% decrease in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to lower unit month leasing costs (5.4% decrease in 2017). Housing assistance payment expenses decreased by approximately \$0.8 million in 2018 (decrease of \$1.6 million in 2017).

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the Authority had approximately \$20.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (net of additions and depreciation) of \$1,919,542, or approximately 8.6% from the end of last year (\$845,935 decrease in 2017 or approximately 3.7%).

**TABLE 5
CAPITAL ASSETS AT YEAR END
(NET OF ACCUMULATED DEPRECIATION, IN MILLIONS)**

	2018	2017	2016
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	93.0	92.5	91.0
Equipment - dwelling	2.1	2.1	2.0
Equipment - administrative	2.0	2.0	2.0
Leasehold improvements	0.3	0.3	0.3
	<u>101.1</u>	<u>100.6</u>	<u>99.0</u>
Accumulated depreciation	<u>(80.8)</u>	<u>(78.3)</u>	<u>(75.9)</u>
Capital assets, net	<u>\$ 20.3</u>	<u>\$ 22.3</u>	<u>\$ 23.1</u>

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The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 60 of the Notes to the accompanying financial statements.

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

	2018	2017	2016
Balance at beginning of year	\$ 22.3	\$ 23.1	\$ 25.1
Additions	0.5	1.5	1.3
Disposition/transfers	-	-	-
Depreciation	(2.5)	(2.3)	(3.3)
Balance at end of year	\$ 20.3	\$ 22.3	\$ 23.1

Major additions are summarized as follows:

	2018	2017	2016
Capital improvements programs (modernization completed on variety of Authority's Low Rent Housing buildings)	\$ 0.5	\$ 1.4	\$ 1.3
Equipment purchases	-	0.1	-
Total additions	\$ 0.5	\$ 1.5	\$ 1.3

Debt Outstanding

As of year-end, the Authority had \$966,317 in debt (mortgage loan) outstanding compared to \$1,033,128 last year, for a \$66,811 decrease (debt retirement):

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

	2018	2017	2016
RD - Guma Trankilidat	\$ 0.97	\$ 1.03	\$ 1.10

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

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

	2018	2017	2016
Cash flows provided by (used in) operations	\$ 0.8	\$ 1.1	\$ 2.6
Cash flows provided by (used in) financing activities	(0.1)	(0.4)	(0.3)
Cash flows provided by investing activities	0.3	0.4	0.3
	1.0	1.1	2.6
Net increase (decrease) in cash and cash equivalents	1.0	1.1	2.6
Cash and cash equivalents at beginning of year	12.9	11.8	9.2
	\$ 13.9	\$ 12.9	\$ 11.8
 Reconciliation of operating loss to net cash (used for) provided by operating activities			
Operating loss	\$ (2.4)	\$ (1.7)	\$ (0.9)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:			
Depreciation	2.5	2.4	3.3
Bad debts	-	-	-
Non-cash pension costs	0.6	0.1	(0.1)
(Increase) decrease in assets	(1.0)	(2.7)	1.0
Increase (decrease) in liabilities	1.1	3.0	(0.7)
	\$ 0.8	\$ 1.1	\$ 2.6

Economic factors

Significant economic factors that affect the Authority are as follows:

Federal funding of HUD. As the Authority receives the majority of its operating revenue from financial assistance from HUD, the Authority and its financial operations are significantly affected by the federal government's annual appropriation to HUD. The effect of the federal budget not being approved has left a great deal of ambiguity in developing the Authority's budget and planning for the fiscal year 2016 and beyond. The Authority's budget for fiscal year 2016 was developed with the most conservative estimates of revenue, assuming federal uncertainty in appropriations and potential cuts to programs affecting the Authority.

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

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

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

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

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

In order to comply with statutory Flat Rent changes contained within the FY2015 Appropriations Act and Notice PIH 2015-13 that replaces Notice PIH 2014-12, GHURA has updated its Public Housing Agency (PHA) Plan for Fiscal Year 2015 and is in the process of revising applicable portions of its Admissions and Continued Occupancy Policy (ACOP).

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

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

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

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

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

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

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

Rental Assistance Demonstration

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

Audit and Compliance

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

Systems, Controls, and Legal Compliance

Systems

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

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The software exchanges data with HUD's web-based reporting requirements, transmits and receives electronic banking payment (receivables) on a daily basis, as well as other various Government of Guam agencies. All modules are accessible simultaneously by the approximate 90 staff via remote sites, designed to improve our customer service and support. These remote locations in Agat, Yona, Toto, Tumon, and Agana all access the main host server located in Sinajana via a common telecommunications media. Additionally, a second software is utilized to effectively track and forecast grant expenditures managed by CPD. These grants include CDBG, Home, ESG, and Continuum of Care programs. Data from both systems are exchanged and utilized in the reconciliation process, payment, and reporting requirements. Numerous controls, interface programs, and preventive measures have been developed, tested and implemented to ensure the integrity and accuracy of the data, to include quality control and discrepancy reports.

Controls

Management controls are the organization, policies, and procedures used to reasonably ensure that (1) programs achieve their intended results; (2) resources are used consistent with agency's mission; (3) programs and resources are protected from waste, fraud, and mismanagement; (4) 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."

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Fraud, Waste, and Abuse

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

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

GHURA must ensure that the Authority operates legally and with integrity. The central principle underlying the public ethics codes is the Conflict of Interest, more specifically, the conflict between a public official's individual self-interest and the public interest. We, as public officials, are held to a higher standard than individuals in the private sector. Public officials are repositories of the public trust and as such have a duty to faithfully and honestly represent the interests of the public.

Financial Contact

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

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

Combined Statements of Net Position
September 30, 2018

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Current assets:					
Cash: (Notes 1, 2 and 3)					
Unrestricted	\$ 10,284,041	\$ 208,084	\$ 527,376	\$ -	\$ 11,019,501
Restricted - other	2,449,818	-	106,488	-	2,556,306
Restricted - FSS	164,532	-	4,329	-	168,861
Restricted - security deposits	17,423	-	-	-	17,423
Total cash	<u>12,915,814</u>	<u>208,084</u>	<u>638,193</u>	<u>-</u>	<u>13,762,091</u>
Accounts receivable:					
Notes receivable - current portion (Note 4)	-	91,448	76,679	-	168,127
Tenants (Note 1)	139,171	1,451	-	-	140,622
HUD	251,623	561,336	-	-	812,959
Other Government Agencies	-	-	9,774	-	9,774
Due from other funds (Notes 1 and 5)	960,307	226,627	5,309,998	(6,496,932)	-
Interest	210	4,575	13	-	4,798
Other	341,860	-	115,088	-	456,948
	<u>1,693,171</u>	<u>885,437</u>	<u>5,511,552</u>	<u>(6,496,932)</u>	<u>1,593,228</u>
Allowance for doubtful accounts	(33,297)	(2,098)	(184,340)	-	(219,735)
Total accounts receivable, net	<u>1,659,874</u>	<u>883,339</u>	<u>5,327,212</u>	<u>(6,496,932)</u>	<u>1,373,493</u>
Investments: (Notes 1, 2, and 3)					
Unrestricted	1,024,938	-	75,259	-	1,100,197
Restricted/reserved by fiscal agent	185,076	-	-	-	185,076
Total investments	<u>1,210,014</u>	<u>-</u>	<u>75,259</u>	<u>-</u>	<u>1,285,273</u>
Prepayments and other current assets					
Prepayments and other current assets	9,871	-	74,908	-	84,779
Inventories (Note 1)	260,370	-	-	-	260,370
Other real estate (Notes 1 and 6)	-	-	2,636,152	-	2,636,152
Total current assets	<u>16,055,943</u>	<u>1,091,423</u>	<u>8,751,724</u>	<u>(6,496,932)</u>	<u>19,402,158</u>
Noncurrent assets:					
Capital assets, net (Notes 1 and 7)	11,180,171	8,319,367	873,283	-	20,372,821
Notes receivable - noncurrent (Note 4)	-	3,770,311	478,467	-	4,248,778
Total noncurrent assets	<u>11,180,171</u>	<u>12,089,678</u>	<u>1,351,750</u>	<u>-</u>	<u>24,621,599</u>
Total assets	<u>27,236,114</u>	<u>13,181,101</u>	<u>10,103,474</u>	<u>(6,496,932)</u>	<u>44,023,757</u>
Deferred outflows of resources (Note 13):					
Pension	1,124,696	122,075	400,221	-	1,646,992
Other post-employment benefits	923,493	97,563	353,363	-	1,374,419
Total deferred outflows of resources	<u>2,048,189</u>	<u>219,638</u>	<u>753,584</u>	<u>-</u>	<u>3,021,411</u>
Total assets and deferred outflows of resources	<u>\$ 29,284,303</u>	<u>\$ 13,400,739</u>	<u>\$ 10,857,058</u>	<u>\$ (6,496,932)</u>	<u>\$ 47,045,168</u>

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

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

Combined Statements of Net Position, Continued
September 30, 2018

Liabilities and Net Position	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Current liabilities:					
Bank overdraft	\$ -	\$ -	\$ 119,549	\$ -	\$ 119,549
Accounts payable	(10,123)	19	214,907	-	204,803
Current portion of note payable (Notes 8 and 9)	70,000	-	-	-	70,000
Current portion of compensated absences (Notes 1 and 9)	39,220	4,554	26,272	-	70,046
Due to HUD	12,100	-	-	-	12,100
Due to other funds (Notes 1 and 5)	2,827,387	295,352	3,374,193	(6,496,932)	-
Security deposits	135,325	6,000	3,173	-	144,498
FSS - tenant escrow	150,398	-	-	-	150,398
Accrued salaries and wages	147,135	19,245	65,396	-	231,776
Accrued liabilities - PILOT	122,189	-	-	-	122,189
Accrued liabilities	-	-	167,206	-	167,206
Deferred revenues (Note 1)	107,763	324,402	1,149,591	-	1,581,756
Other current liabilities	915	-	936,969	-	937,884
Total current liabilities	3,602,309	649,572	6,057,256	(6,496,932)	3,812,205
Non-current liabilities:					
Net pension liability (Notes 9 and 13)	7,952,925	778,467	3,581,472	-	12,312,864
Other post-employment benefits	10,028,016	1,059,419	3,837,097	-	14,924,532
Long-term portion of note payable (Notes 8 and 9)	896,317	-	-	-	896,317
Accrued compensated absences (Notes 1 and 9)	231,847	20,213	112,182	-	364,242
Other liabilities	116,208	3,894,811	73,123	-	4,084,142
Total non-current liabilities	19,225,313	5,752,910	7,603,874	-	32,582,097
Total liabilities	22,827,622	6,402,482	13,661,130	(6,496,932)	36,394,302
Deferred inflows of resources:					
Pension (Note 13)	341,270	33,838	149,837	-	524,945
Other post-employment benefits	859,323	90,783	328,809	-	1,278,915
Total deferred inflows of resources	1,200,593	124,621	478,646	-	1,803,860
Commitments and contingencies (Notes 8, 12, 15, 16 and 18)					
Net position: (Notes 1 and 11)					
Investment in capital assets, net of related debt	10,213,854	8,416,850	3,509,435	-	22,140,139
Restricted	1,504,345	-	-	-	1,504,345
Unrestricted	(6,462,111)	(1,543,214)	(6,792,153)	-	(14,797,478)
Total net position	5,256,088	6,873,636	(3,282,718)	-	8,847,006
Total liabilities, deferred inflows of resources and net position	\$ 29,284,303	\$ 13,400,739	\$ 10,857,058	\$ (6,496,932)	\$ 47,045,168

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

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

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2018

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Operating revenues:					
HUD PHA Operating Grants	\$ 38,317,293	\$ 2,532,330	\$ -	\$ -	\$ 40,849,623
Other Government Grants (Note 1)	-	-	-	-	-
Management fees (Note 1)	-	-	1,029,991	(1,029,991)	-
Other income	120,754	183,775	727,395	-	1,031,924
Tenant rental income	690,247	39,537	-	-	729,784
Bookkeeping fees (Note 1)	-	-	277,402	(277,402)	-
Asset management fees (Note 1)	-	-	90,000	(90,000)	-
Property sales	-	-	12,500	-	12,500
Total operating revenues	<u>39,128,294</u>	<u>2,755,642</u>	<u>2,137,288</u>	<u>(1,397,393)</u>	<u>42,623,831</u>
Operating expenses:					
Housing assistance payments	27,846,756	-	-	-	27,846,756
Repairs and maintenance	4,179,126	901,868	196,072	-	5,277,066
Other administrative expenses	860,613	1,144,150	166,811	-	2,171,574
Salaries and wages	2,346,233	357,871	1,312,858	-	4,016,962
Depreciation	1,684,371	793,037	-	-	2,477,408
Management fees (Note 1)	990,283	39,708	-	(1,029,991)	-
Employee benefits	893,342	172,449	1,181,606	-	2,247,397
Office expense	323,064	8,133	109,102	-	440,299
Utilities	394,635	107	72,212	-	466,954
Bookkeeping fees (Note 1)	277,402	-	-	(277,402)	-
Insurance	120,642	973	15,370	-	136,985
Compensated absences	(248,704)	9,832	(16,369)	-	(255,241)
Professional fees	59,620	4,818	51,310	-	115,748
Asset management fees (Note 1)	90,000	-	-	(90,000)	-
Payments in lieu of taxes	50,525	-	-	-	50,525
Travel	-	-	13,021	-	13,021
Tenant services	-	-	-	-	-
Protective services	2,251	-	95	-	2,346
Bad debts	(32,100)	2,098	1,284	-	(28,718)
Advertising and marketing	34,653	10,345	10,034	-	55,032
Total operating expenses	<u>39,872,712</u>	<u>3,445,389</u>	<u>3,113,406</u>	<u>(1,397,393)</u>	<u>45,034,114</u>
Operating loss	<u>(744,418)</u>	<u>(689,747)</u>	<u>(976,118)</u>	<u>-</u>	<u>(2,410,283)</u>
Non-operating revenues (expenses):					
Capital Grants	-	536,500	-	-	536,500
Interest income on unrestricted investments	13,437	-	416	-	13,853
Fraud recovery	19,826	-	-	-	19,826
Other income	196,556	-	-	-	196,556
Other expense	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-
Interest expense	(59,668)	-	-	-	(59,668)
Total non-operating revenues (expenses), net	<u>170,151</u>	<u>536,500</u>	<u>416</u>	<u>-</u>	<u>707,067</u>
Change in net position	<u>(574,267)</u>	<u>(153,247)</u>	<u>(975,702)</u>	<u>-</u>	<u>(1,703,216)</u>
Net position - beginning of year	14,962,720	7,991,678	1,187,371	-	24,141,769
Prior period adjustment (Note 1)	(9,132,365)	(964,795)	(3,494,387)	-	(13,591,547)
Total net position - beginning of year, as restated (Note 1)	<u>5,830,355</u>	<u>7,026,883</u>	<u>(2,307,016)</u>	<u>-</u>	<u>10,550,222</u>
Total net position - end of year	<u>\$ 5,256,088</u>	<u>\$ 6,873,636</u>	<u>\$ (3,282,718)</u>	<u>\$ -</u>	<u>\$ 8,847,006</u>

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

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

Combined Statements of Cash Flows
For the Year Ended September 30, 2018

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Cash flows from operating activities:					
Operating grants received	\$ 38,188,688	\$ 2,591,896	\$ 50,525	\$ -	\$ 40,831,109
Receipts from tenants and customers	718,224	187,759	1,741,800	-	2,647,783
Assistance paid	(27,877,342)	-	-	-	(27,877,342)
Cash payments to suppliers for goods and services	(7,685,110)	(2,437,591)	(879,918)	-	(11,002,619)
Cash payments to employees for services	(2,344,728)	(358,143)	(1,303,384)	-	(4,006,255)
Other cash receipts (payments)	11,774	-	166,239	-	178,013
	<u>1,011,506</u>	<u>(16,079)</u>	<u>(224,738)</u>	<u>-</u>	<u>770,689</u>
Net cash provided by (used for) operating activities					
Cash flows from noncapital financing activities:					
Acquisition of capital assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for noncapital financing activities					
Cash flows from capital and related financing activities:					
Interest paid	(59,668)	-	-	-	(59,668)
Repayment of note payable	(66,809)	-	-	-	(66,809)
Capital grants received	-	536,500	-	-	536,500
Other income received	-	-	-	-	-
Acquisition of capital assets	(84,280)	(473,586)	-	-	(557,866)
Gain on sale of capital assets	-	-	-	-	-
	<u>(210,757)</u>	<u>62,914</u>	<u>-</u>	<u>-</u>	<u>(147,843)</u>
Net cash used for capital and related financing activities					
Cash flows from investing activities:					
Deposits to restricted accounts	-	-	(90)	-	(90)
Interest and other income received	229,819	-	416	-	230,235
	<u>229,819</u>	<u>-</u>	<u>326</u>	<u>-</u>	<u>230,145</u>
Net cash provided by investing activities					
Net change in cash	1,030,568	46,835	(224,412)	-	852,991
Cash at beginning year	11,885,246	161,249	862,605	-	12,909,100
	<u>11,885,246</u>	<u>161,249</u>	<u>862,605</u>	<u>-</u>	<u>12,909,100</u>
Cash at end of year	<u>\$ 12,915,814</u>	<u>\$ 208,084</u>	<u>\$ 638,193</u>	<u>\$ -</u>	<u>\$ 13,762,091</u>

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

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

Combined Statements of Cash Flows, Continued
For the Year Ended September 30, 2018

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ (744,418)	\$ (689,747)	\$ (976,118)	\$ -	\$ (2,410,283)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:					
Depreciation	1,684,371	793,037	-	-	2,477,408
Bad debts	(32,100)	2,098	1,284	-	(28,718)
Non-cash pension costs	(979,735)	(40,709)	432,597	-	(587,847)
Other post-employment benefit costs	831,481	87,844	318,156	-	1,237,481
(Increase) decrease in assets:					
Accounts receivable:					
Notes receivable	-	(879,986)	130,477	-	(749,509)
Tenant	12,537	(1,451)	-	-	11,086
HUD	(131,846)	43,507	-	-	(88,339)
Other Government Agencies	-	-	-	-	-
Due from other funds	338,271	(11,114)	(583,108)	-	(255,951)
Travel advances	-	-	-	-	-
Interest	(21)	(4,575)	-	-	(4,596)
Other	(27,327)	-	1,882	-	(25,445)
Prepayments and other assets	(10)	-	(73)	-	(83)
Inventories	7,725	-	-	-	7,725
Other real estate	-	-	69,306	-	69,306
Increase (decrease) in liabilities:					
Bank overdraft	-	-	50,636	-	50,636
Accounts payable	(59,958)	-	106,177	-	46,219
Compensated absences	(215,000)	14,620	(16,369)	-	(216,749)
Payable to HUD	2,950	-	-	-	2,950
Due to other funds	453,273	(191,061)	(71,276)	-	190,936
Security deposits	(2,611)	1,500	-	-	(1,111)
Accrued salaries and wages	(32,199)	(273)	6,421	-	(26,051)
Accrued FSS escrow liability	(94,168)	-	(14)	-	(94,182)
Other current liabilities	(1)	875,199	375,045	-	1,250,243
Accrued liabilities	-	-	(411)	-	(411)
Deferred revenues	292	(14,968)	(69,350)	-	(84,026)
Net cash provided by (used for) operating activities	<u>\$ 1,011,506</u>	<u>\$ (16,079)</u>	<u>\$ (224,738)</u>	<u>\$ -</u>	<u>\$ 770,689</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)

Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies

a) Organization and Program Descriptions

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

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

Major Enterprise Funds

Community Development Block Grants (CDBG)

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

Low Income Housing Program

Under this program, the Authority rents its own units to low-income households. The Low Income Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidies to enable the Authority to provide the housing at a rent that is based on 30 percent of household income. GHURA entered into an ACC which allowed the Authority to develop and operate a Low-Income Housing Program. Since that time, nine projects were developed: Guam 1-1 through 1-9. These completed projects provided a total of 750 units. For the year ended September 30, 2018, 736 units (out of 743 available units, of which 7 units are under modernization) or 99.06% were occupied. For year ended September 30, 2017, 712 units (out of 743 available units, of which 7 units are under modernization) or 95.83% were occupied. These properties are modernized under HUD's Capital Funds Program.

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

Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies, continued

Major Enterprise Funds, continued

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

Housing Assistance Payments Program

The Housing Choice Voucher Program is funded by HUD. The principal purpose of the program is to enable lower income families to reside in existing privately owned housing. Assistance is calculated according to family needs and paid directly to the dwelling owner. On September 30, 2018 and 2017, GHURA was authorized by HUD to approve housing assistance payment contracts for up to 2,565 families, dependent upon budget authority and available resources. Total contracted units under lease totaled 2,324 or 92% and 2,377 or 93%, as of September 30, 2018 and 2017, respectively. The project-based voucher program located at the Summer Town Estates in Lada, Dededo, consists of 112 units which began in November 2015. 108 units were occupied by Elderly Families as of September 30, 2018.

Supportive Housing for the Elderly

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

Non-Major Enterprise Funds

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.

Supportive Housing Program

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

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

Notes to Combined Financial Statements
September 30, 2018

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

Non-Major Enterprise Funds, continued

Shelter Plus Care

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

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 Solutions Grant Program

This program provides grants to assist homeless and near-homeless individuals by providing rapid re-housing and homeless prevention services. The grants cover rental and utility assistance for persons and individuals who are homeless or on the verge of becoming homeless. Eligible households also can receive housing relocation and stabilization services such as counseling, case management and money management classes.

Resident Opportunity and Supportive Services

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

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

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

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

Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies, continued

Non-Major Enterprise Funds, continued

Multifamily Housing Service Coordinator

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

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

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

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

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

Family Self-Sufficiency Program

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

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

Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies, continued

Non-Major Enterprise Funds, continued

Neighborhood Stabilization Program – Recovery Act Fund

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

Low-Income Housing Tax Credits Program

This Program was created by the Tax Reform Act of 1986 and is intended to encourage the construction or rehabilitation of low-income rental units. The regulations governing this program are contained in Section 42 of the Internal Revenue Code (the “Code” or IRC). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project’s units for low-income individuals or families.

Other Enterprise Funds

The following funds were determined to be non-major enterprise funds for the year ended September 30, 2018:

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
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies, continued

b) Reporting Entity

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

c) New Accounting Standards

During the year ended September 30, 2018, the Authority implemented the following GASB Statements:

GASB issued statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This Statement replaces the requirement of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that OPEB to their employees and for governments that finance OPEB for employees of other governments. The implementation of this Statement had a material effect on the accompanying financial statements resulting in a restatement of the Authority's 2017 financial statements to reflect the reporting of an OPEB liability, deferred inflows of resources and deferred outflows of resources for its OPEB program and the recognition of OPEB expense in accordance with the implementation of GASB 75 as follows:

	As Previously Reported	Adjustment	As Restated
As of October 1, 2016:			
Net position	<u>\$ 24,307,019</u>	<u>\$ (13,591,547)</u>	<u>\$ 10,715,472</u>
For the year ended September 30, 2017:			
Change in net position	<u>\$ (165,250)</u>	<u>\$ -</u>	<u>\$ (165,250)</u>
For the year ended September 30, 2017:			
Deferred outflows of resources from OPEB	<u>\$ -</u>	<u>\$ 1,332,985</u>	<u>\$ 1,332,985</u>
OPEB liability	<u>\$ -</u>	<u>\$ 14,924,532</u>	<u>\$ 14,924,532</u>
Net position	<u>\$ 24,141,769</u>	<u>\$ (13,591,547)</u>	<u>\$ 10,550,222</u>

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(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. This Statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The provisions of this Statement are effective for fiscal years beginning after December 15, 2015. The implementation of this statement did not have a material impact on the Authority's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement addresses an issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. GASB Statement No. 78 was effective for fiscal year ending September 30, 2017. The implementation of this statement did not have a material impact on the Authority's financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. GASB Statement No. 79 was effective for fiscal year ending September 30, 2017. The implementation of this statement did not have a material impact on the Authority's financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The Statement is intended to provide clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. GASB Statement No. 80 was effective for fiscal year ending September 30, 2017. The implementation of this statement did not have a material impact on the Authority's financial statements.

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(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 81 was effective for the fiscal year ending September 30, 2018. The implementation of this Statement did not have a material impact on the Authority's financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues*. This Statement addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB Statement No. 82 was effective for the fiscal year ending September 30, 2018. The implementation of this Statement did not have a material impact on the Authority's financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB Statement No. 85 was effective for the fiscal year ending September 30, 2018. The implementation of this Statement did not have a material impact on the Authority's financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. GASB Statement No. 86 was effective for the fiscal year ending September 30, 2018. The implementation of this Statement did not have a material impact on the Authority's financial statements.

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(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

Upcoming Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. GASB Statement No. 83 will be effective for the fiscal year ending September 30, 2019. Management has not evaluated the impact that the implementation of this Statement will have on the Authority's financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for reporting periods after December 15, 2018. Management has not evaluated the impact that the implementation of this Statement will have on the Authority's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 will be effective for the fiscal year ending September 30, 2021.

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The Statement's objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

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(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interest*. The primary objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

The Authority is currently evaluating whether or not the new GASB pronouncements listed above will have a significant impact on the Authority's financial statements.

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(1) Summary of Significant Accounting Policies, continued

d) Fund Financial Statements

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

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

The financial statements include certain prior-year summarized comparative information in total but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the GHURA's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

e) Measurement Focus and Basis of Accounting

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

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September 30, 2018

(1) Summary of Significant Accounting Policies, continued

e) Measurement Focus and Basis of Accounting, continued

Grants and similar items are recognized as revenue as soon as all eligible requirements have been met. Gains from sale of capital assets are included in non-operating revenues. Operating expenses of the Authority include the cost of operating housing units, cost of tenant services, protective services, general, administrative, maintenance, depreciation, and housing assistance payments.

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

f) Budgets

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

The Authority's governing body, the Board of Commissioners, adopts budgets on a program or fund level basis. These budgets are submitted by the Authority's Executive Director and approved by resolutions of the Board of Commissioners. The Authority is segmented into divisions and/or cost centers. These organizational units, individually and collectively, are expressed financially by program or fund source and budgets are developed annually for 12 months term, which begin October 1st and ends September 30th of fiscal each year. Annual budgets are adopted for all enterprise funds. Throughout the fiscal year, the Authority monitors and evaluates expenditure rates and patterns. The Authority's Board of Commissioners may authorize amendments to the budget based on the availability of financial resources. Formal budget revisions are authorized in the same manner as original budget submissions. When necessary, all HUD grant program revisions are submitted to HUD for required approval.

g) Cash and Investments

For purposes of the statement of cash flows, the Authority considers cash to be cash on hand, cash in checking and savings account and time certificates of deposit with original maturities of less than three months. GHURA's investments consist solely of restricted and unrestricted bank certificates of deposit with original maturities of more than three months. Time certificates of deposit with initial maturities of less than three months are included in cash and cash equivalents. Investments are stated at amortized costs including accrued interest.

All of GHURA's certificates of deposit and bank accounts are held with FDIC insured banks. GHURA maintains collateralization on all bank accounts and certificates of deposit. Of GHURA's cash and investment accounts, approximately \$15,047,362 and \$14,192,853 as of September 30, 2018 and 2017, respectively, and are deposited in financial institutions subject to coverage by the Federal Deposit Insurance Corporation (FDIC).

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(1) Summary of Significant Accounting Policies, continued

h) Accounts Receivables – Tenants

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

i) Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds and programs for goods and services rendered. The balances of these receivables/payables at September 30, 2018 are classified as due from other funds or due to other funds and are eliminated on the statement of net position for financial statement presentation.

j) Inventories

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

k) Prepayments

Payments made to vendors for services that will benefit future periods beyond September 30, 2018 are recorded as prepaid items.

l) Restricted Assets

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

m) Capital Assets and Depreciation

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

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

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(1) Summary of Significant Accounting Policies, continued

m) Capital Assets and Depreciation

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
Building Improvements	15
Equipment	5
Furniture and fixtures	7
Vehicles	5

Upon retirement or other disposition of capital assets recorded, the cost and related accumulated depreciation are removed from the respective program's or fund's accounts and any gain or loss is included in the respective program's or fund's current operations. The Authority also has other assets, which consist primarily of property inventory under the Local Funds programs.

Additionally, other assets include deferred charges, developmental costs, management improvements, and dwelling and non-dwelling costs from other various projects.

The Authority evaluates events or changes in circumstances affecting long-lived assets, including intangible and capital assets, to determine whether an impairment of its assets has occurred. If the Authority determines that a long-lived asset is impaired, and that the impairment is significant

and other-than temporary, then an impairment loss will be recorded in the Authority's financial statements. In the current year, the Authority did not recognize any loss on impairment related to its long-lived assets.

n) Other Real Estate

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

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Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies, continued

o) Deferred Outflows of Resources

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

p) Deferred Inflows of Resources

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

q) Pensions

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

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Notes to Combined Financial Statements
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(1) Summary of Significant Accounting Policies, continued

r) Other Postemployment Benefits (OPEB)

OPEB is required to be recognized and disclosed using the accrual basis of accounting. The Authority recognized an OPEB liability for the defined benefit OPEB plan in which it participates, which represents the Authority's proportionate share of the total OPEB liability – actuarially calculated – of an agent multiple employer defined benefit plan, measured one year prior to fiscal-year and rolled forward. An OPEB trust has not been established, thus the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed principally on a “pay-as-you-go” basis.

Changes in the total OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in total OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

s) Compensated Absences

Compensated absences are accrued and reported as a liability in the period earned. Annual leave, expected to be paid out within the next fiscal year, is accrued and is included in current liabilities. The maximum accumulation of annual leave convertible to pay upon termination of employment is limited to 320 hours. Pursuant to Public Law 27-106, employees who have accumulated annual leave in excess of 320 hours as February 28, 2003, may carry over their excess leave and shall use the excess amount prior to retirement or termination of service. Any unused leave over 320 hours shall be lost upon retirement. At September 30, 2018 and 2017, accrued earned compensated absences totaled \$623,931 and \$911,909, respectively.

Pursuant to Public Law 26-86, employees under the Defined Contribution Retirement System (DCRS) plan, upon their retirement, will be paid by its employer a lump sum payment of their unused sick leave up to fifty percent (50%). At September 30, 2018, the total amount of unused sick leave for members under the DCRS plan was \$320,032 of which 50%, or \$167,016 was accrued in the accompanying financial statements while \$831,258 of which 50%, or \$415,629 was accrued as of September 30, 2017.

t) Unearned Revenues

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

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Notes to Combined Financial Statements
September 30, 2018

(1) Summary of Significant Accounting Policies, continued

u) Noncurrent Liabilities

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

u) Management fees

In lieu of cost allocation plan, HUD now requires Housing Authorities to charge each AMP property management and bookkeeping fees (\$7.50 per eligible unit) and an asset management fee (\$10.00 per AMP unit). Such fees are accounted for in the Authority's Central Office Cost Center (COCC) which is reported in the Other Enterprise Funds. HUD regulates the amount of management fees that can be paid from its programs. Additionally, the COCC earns fees from local programs it administers. The Authority paid management fees to COCC of \$1,397,393 for the year ended September 30, 2018.

v) 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.

w) Net Position

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

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

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

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

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Notes to Combined Financial Statements
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(1) Summary of Significant Accounting Policies, continued

x) HUD Subsidies and Contributions

Subsidies and contributions from HUD are received periodically and represent the most significant source of revenues and contributed capital to the Authority. The terms of these subsidies are defined in various Consolidated Annual Contributions Contracts.

HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are recorded as operating grant revenues in the accompanying Statement of Revenues, Expenses and Changes in Net position. HUD contributions for project acquisition and development or modernization are recorded under non-operating revenues as capital grants in the accompanying Statement of Revenues, Expenses and Changes in Net position.

y) 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.

z) 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.

aa) Advertising and Marketing Expenses

The Authority incurred advertising and marketing costs totaling \$55,035 for the fiscal year ended September 30, 2018. These costs primarily relate to construction bids and related procurement solicitation costs.

bb) 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.

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September 30, 2018

(2) ***Cash and Investments***

Cash and investments at September 30, 2018 consist of the following:

Cash on hand and due from banks	\$ 13,762,091
Investments	<u>1,285,273</u>
	<u>\$ 15,047,364</u>

Of the above cash and investments, \$2,742,590 was restricted at September 30, 2018. Refer to Note 3 for further discussion on restricted cash, cash equivalents and investments.

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

a) *Deposits*

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

- Category 1 Deposits that are federally insured or collateralized with securities held by the Authority or its agent in the Authority's name;
- Category 2 Deposits that are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name; or
- Category 3 Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent but not in Authority's name and non-collateralized deposits.

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

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(2) *Cash and Investments, continued*

For credit risk in the case of deposits, there is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2018 and 2017, the carrying amount of the Authority's total cash and cash equivalents was \$15,047,362 and \$14,192,853, respectively, with a corresponding bank balance of \$15,045,362 and \$14,190,853, 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, 2018 and 2017, bank deposits in the amount of \$15,045,362 and \$14,190,853 were in excess of FDIC insured limits of \$250,000 per depositor; are fully collateralized by U.S. securities. Accordingly, these deposits are exposed to custodial credit risk.

b) Investments:

GASB Statement No. 3 previously required government entities to present deposit risks in terms of whether the deposits fell into the following categories:

Category 1: Investments that are insured or registered, or securities held by the Authority or its agent in the Authority's name;

Category 2: Investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the Authority's name; or

Category 3: Investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent but not in Authority's name.

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 and provided for disclosure requirements addressing other common risks of investments such as credit risk, interest rate risk, concentration of credit risk, and foreign currency risk. GASB Statement No. 40 did retain and expand the element of custodial risk in GASB Statement No. 3. As of September 30, 2018, the Authority did not have any investments subject to GASB Statement No. 40. The Authority's investments are in certificates of deposits placed with FDIC insured financial institutions and are all collateralized by U.S. securities.

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

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(3) *Restricted Cash and Investments*

The restriction of the Authority's restricted cash and investments as of September 30, 2018 are summarized as follows:

Restricted cash:	
Public Housing	\$ 1,148,051
Section 8 HCV	979,140
Supportive Housing for the Elderly	504,582
Revolving Fund	106,488
Local Funds	<u>4,329</u>
Total restricted cash	<u>2,742,590</u>
Restricted investments:	
Supportive Housing for the Elderly	\$ -
Public Housing	<u>185,076</u>
Total restricted investments	<u>185,076</u>
Total restricted cash and investments	<u><u>\$ 2,927,666</u></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, 2018, GHURA had \$487,159 and \$0 in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$17,423 in a restricted cash account tenant security deposits. Interest income earned is reinvested when related time certificates of deposit mature.

Section 8 HCV and Low Rent Housing

Escrow accounts have been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency program (FSS). A portion of rent paid by residents participating in this program is held from them until the participating family meets individually established self-sufficiency goals. The escrow amount is remitted to the head of household upon completion of their specific work plan or thirty percent (30%) of the family's monthly adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. FSS escrow amounts are held by the Authority for participants in the program. The Section 8 and Low Rent Public Housing totaled \$131,513 and \$18,885, and \$137,920 and \$1,934, for the year ended, September 30, 2018 and 2017, respectively.

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(3) Restricted Cash and Investments, continued

The Section 8 HCV program also has restricted cash of \$979,140 which represents the remaining housing assistance payment (HAP) revenue that has accumulated since January 1, 2005. HUDPIH Notice 2006-03 required that excess (unused) HAP funding received in excess of related HAP expenses, from the above date be recognized as revenue, and that the accumulated revenue (HAP equity) be segregated as part of undesignated fund balance. Upon further clarification by HUD in PIH Notice 2008-09, which was issued on January 30, 2008, concerning the implementation of the aforementioned notice, the associated cash related to the aforementioned HAP equity under proprietary fund reporting should be reported as restricted. These funds are available only for certain eligible HAP expenses and not for program administrative purposes.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,148,051, which consists primarily of a separate, HUD approved typhoon coverage self-insurance fund. Based on the terms of the self-insurance agreement with HUD, the Authority would need HUD's approval for any withdrawal and expenditure of these funds.

(4) Notes Receivable

Loans receivable consist primarily for first time homebuyers under the Authority's Down Payment and Closing Cost Assistance Program to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. The loans are interest free loan and with a maximum loan amount of the lesser of \$18,000 or 18% of the purchase price and are collateralized by second mortgages on real estate. Under the Renewal Homes Program, loans carry a 3% interest rate with a 30-year term. Loans receivable consists of the following as of September 30, 2018:

	Down Payment and Closing Cost Assistance Program	HOME Rehabilitation Program	Renewal Homes Program	Total
	<u>Program</u>	<u>Program</u>	<u>Program</u>	<u>Total</u>
Due in varying monthly installments, interest free, with maturities to 2026 including loans	\$ 503,956	\$ 51,190	\$ -	\$ 555,146
Due in varying monthly installments, 3% interest, with maturities to 2047 including loans	<u>-</u>	<u>-</u>	<u>3,861,759</u>	<u>3,861,759</u>
	503,956	51,190	3,861,759	4,416,905
Current Portion	<u>(67,341)</u>	<u>(9,338)</u>	<u>(91,448)</u>	<u>(168,127)</u>
	<u>\$ 436,615</u>	<u>\$ 41,852</u>	<u>\$ 3,770,311</u>	<u>\$ 4,248,778</u>

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(5) Inter-fund Receivable/Payable Accounts

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

The composition of the inter-fund receivable and payable balances as of September 30, 2018 is as follows:

	Due from Other Funds	Due to Other Funds	Net Receivable (Payable)
CDBG	\$ 100	\$ (251,309)	\$ (251,209)
Low Income Housing	960,483	(1,588,209)	(627,726)
Section 8 Housing Choice Voucher	-	(813,934)	(813,934)
Supportive Housing for the Elderly	(276)	(173,935)	(174,211)
Non-major Enterprise Funds	226,627	(295,352)	(68,725)
Other Enterprise funds	5,309,998	(3,374,193)	1,935,805
Net Inter-Fund Balances	<u>\$ 6,496,932</u>	<u>\$ (6,496,932)</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, 2018, the Authority had seventy-four (74) lots in its inventory with an estimated value of \$2,636,152. In addition, the Authority has five (5) lots in the Government of Guam Astumbo Housing Project with estimated per lot value of \$14,366 for a total estimated value of \$71,830 as of September 30, 2018.

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(7) Capital Assets

A summary of changes in capital assets for the years ended September 30, 2018 and 2017 are as follows:

September 2018	Balance <u>9/30/2017</u>	Additions	Transfers/ Disposals	Balance <u>9/30/2018</u>
Structures	\$ 92,454,350	\$ 552,665	\$ -	\$ 93,007,015
Furniture, fixtures and equipment	4,154,454	5,201	-	4,159,655
Leasehold Improvements	<u>295,588</u>	<u>-</u>	<u>-</u>	<u>295,588</u>
	96,904,392	557,866	-	97,462,258
Accumulated Depreciation	<u>(78,287,911)</u>	<u>(2,477,407)</u>	<u>-</u>	<u>(80,765,318)</u>
Net depreciable assets	18,616,481	(1,919,541)	-	16,696,940
Land	<u>3,675,882</u>	<u>-</u>	<u>-</u>	<u>3,675,882</u>
Net capital assets	<u>\$ 22,292,363</u>	<u>\$(1,919,541)</u>	<u>\$ -</u>	<u>\$ 20,372,822</u>
September 2017	Balance <u>9/30/2016</u>	Additions	Transfers/ Disposals	Balance <u>9/30/2017</u>
Structures	\$ 91,012,175	\$ 1,442,175	\$ -	\$ 92,454,350
Furniture, fixtures and equipment	4,065,990	88,464	-	4,154,454
Leasehold Improvements	<u>295,588</u>	<u>-</u>	<u>-</u>	<u>295,588</u>
	95,373,753	1,530,639	-	96,904,392
Accumulated Depreciation	<u>(75,911,337)</u>	<u>(2,376,574)</u>	<u>-</u>	<u>(78,287,911)</u>
Net depreciable assets	19,462,416	(845,935)	-	18,616,481
Land	<u>3,675,882</u>	<u>-</u>	<u>-</u>	<u>3,675,882</u>
Net capital assets	<u>\$ 23,138,298</u>	<u>\$(845,935)</u>	<u>\$ -</u>	<u>\$ 22,292,363</u>

(8) Notes Payable – Non-HUD

GHURA borrowed funds from an entity other than HUD to finance the construction of the elderly housing project, as follows as of September 30, 2018:

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)	\$ 966,317
Current portion	<u>(70,000)</u>
	<u>\$ 896,317</u>

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(8) Notes Payable – Non-HUD, continued

Maturities of long-term are as follows:

Year Ending September 30,	Principal	Interest	Total Debt Service
2019	\$ 70,000	\$ 56,480	\$ 126,480
2020	75,000	51,480	126,480
2021	79,000	47,480	126,480
2022	84,000	42,480	126,480
2023	89,000	37,480	126,480
2024 through 2028	537,000	95,400	632,400
2029 through 2030	31,000	1,200	32,200
	<u>\$ 965,000</u>	<u>\$ 332,000</u>	<u>\$ 1,297,000</u>

(9) Noncurrent Liabilities

A summary of changes in noncurrent liabilities during fiscal year ended September 30, 2018 is as follows:

	Balance at October 1, 2017	Increases	Decreases	Balance at September 30, 2018	Current	Noncurrent
Note Payable	\$ 1,033,128	\$ -	\$ (66,811)	\$ 966,317	\$ 70,000	\$ 896,317
Compensated Absences	911,909	-	(477,621)	434,288	70,046	364,242
Other Liabilities	2,981,773	1,102,369	-	4,084,142	-	4,084,142
Net Pension Liability	13,336,362	-	(1,023,498)	12,312,864	-	12,312,864
OPEB Liability	-	14,924,532	-	14,924,532	-	14,924,532
	<u>\$ 18,263,172</u>	<u>\$ 16,026,901</u>	<u>\$(1,567,930)</u>	<u>\$ 32,722,143</u>	<u>\$ 140,046</u>	<u>\$ 32,582,097</u>

(10) HUD Contributions Earned - HAP

HUD contributions earned by GHURA consist of housing assistance payments and an administrative fee. The administrative fee is based on the number of units occupied. The Authority earned an administrative fee totaling \$2,346,607 for the fiscal year ended September 30, 2018, and is reported as a component of HUD PHA operating grants on the Statement of Revenues, Expenses and Changes in Net Position.

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

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

The net position of the Authority's Section 8 HCV program as of September 30, 2018 is comprised of the following:

	Balance at October 1, 2017	Net Change	Balance at September 30, 2018
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 217,898	\$ (25,929)	\$ 191,969
Unrestricted net position	<u>(1,817,273)</u>	<u>(3,140,981)</u>	<u>(4,958,254)</u>
Total Administrative Fee Equity	(1,599,375)	(3,166,910)	(4,766,285)
HAP Equity:			
Restricted net position	<u>795,608</u>	<u>19,079</u>	<u>814,687</u>
Total Housing Choice Voucher Equity	<u>\$ (803,767)</u>	<u>\$ (3,147,831)</u>	<u>\$ (3,951,598)</u>

(12) Commitments

Housing Assistance Payments

At September 30, 2018 and 2017, GHURA had 2,565 and 2,560 voucher contracts, respectively, with dwelling owners, all of which are funded for a period of twelve months. Of the 2,377 vouchers leased-up, 108 were project-based vouchers located at the Summer Town Estate in Lada, Dededo. These units were 96.4% occupied with elderly families as of September 30, 2018. The entire amount of assistance payments committed under these contracts will be funded by HUD.

Local Funds

Proceeds from the sale of property in the amount of \$460,000 have been committed for use in a construction project jointly agreed to by GHURA and the Government of Guam. A total of \$459,403 had been expended for the construction project prior to the fiscal year ended September 30, 2016. On October 13, 2014, Bill number 327-32 (COR) was signed into law (Public Law 32-194) that placed the custodianship, discretion, and purview of the GHURA 500 lot land sales under GHURA.

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(12) Commitments, continued

Construction Work-in-Progress

GHURA has entered into development stage contracts for certain programs. Unliquidated contracts as of September 30, 2018 are as follows:

	Contract Amount	Liquidations	Unliquidated Contract
Low Income Housing	\$ 286,814	\$ (102,738)	\$ 184,076
Supportive Housing for the Elderly	94,000	-	94,000
CDBG Grants	4,908,680	(2,308,945)	2,599,735
Other Projects	1,970,650	(383,713)	1,586,937
Total	\$ 7,260,144	\$ (2,795,396)	\$ 4,464,748

(13) Employees Retirement Plan

Defined Benefit Plan

Plan Description:

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

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

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(13) *Employees Retirement Plan, continued*

Defined Benefit Plan, continued

Plan Membership: As of September 30, 2017, the most recent measurement date, plan membership consisted of the following:

DB members:

Inactive employees or beneficiaries currently receiving benefits	7,279
Inactive employees entitled to benefits but not yet receive them	4,289
Current employees	<u>2,058</u>
	13,626

DCRS member:

Active employees	<u>9,027</u>
	<u>22,653</u>

Benefits Provided: The DB Plan provides benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or \$6,000, whichever is greater. Members who joined the DB Plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age. Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984 and prior to October 1, 1995 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age. Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon the attainment of the age of 60 years. In the event of disability during employment, members under the age of 65 with six or more years of credited service, who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Supplemental annuity benefit payments are provided to DB retiree members in the amount of \$4,238 per year, but not to exceed \$40,000 per year when combined with their regular annual retirement annuity. Annual COLA payments are provided to DB retiree and DCRS members in a lump sum amount of \$2,000. Both supplemental annuity benefit payments and COLA payments are made at the discretion of the Guam Legislature, but are funded on a pay-as-you-go basis so there is no plan trust. It is anticipated that ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

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(13) Employees Retirement Plan, continued

On September 20, 2016, the Guam Legislature enacted Public Law 33-286, which created two new government retirement plans; the DB 1.75 Plan and the Guam Retirement Savings Plan (GRSP). Commencing April 1, 2017 through September 30, 2018, eligible employees may elect during the “election window”, to participate in the DB 1.75 Plan or the GRSP with an effective date of January 1, 2018. Beginning January 1, 2018, all new employees shall be automatically enrolled in the GRSP. New employees have sixty (60) days from the date of hire to elect to participate in the DCRS.

The DB 1.75 Plan is open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DC Plan or the new GRSP and who make election on a voluntary basis to participate in the DB 1.075 Plan by December 31, 2017. Employee contributions are made by mandatory pre-tax payroll deduction at the rate of 9.5% of the employee’s base salary while employer contributions are actuarially determined. Members of the DB 1.75 Plan automatically participate in the GovGuam deferred compensation plan, pursuant to which employees are required to contribute 1% of base salary as a pre-tax mandatory contribution.

Contributions and Funding Policy: Contribution requirements of participating employers and active members are determined in accordance with Guam law. Employer contributions are actuarially determined under the One-Year Lag methodology. Under this methodology, the actuarial valuation date is used for calculating the employer contributions for the second following fiscal year. For example, the September 30, 2016 actuarial valuation was used for determining the year ended September 30, 2018 statutory contributions. Member contributions are required at 9.55% of base pay.

As a result of actuarial valuations performed as of September 30, 2016, 2015, and 2014, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2018, 2017 and 2016, respectively, have been determined as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Normal costs (% of DB Plan payroll)	15.97%	16.27%	15.86%
Employee contributions (DB Plan employers)	<u>9.55%</u>	<u>9.55%</u>	<u>9.54%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>6.42%</u>	<u>6.72%</u>	<u>6.32%</u>
Employer portion of normal costs (% of total payroll)	1.60%	1.87%	1.94%
Unfunded liability cost (% of total payroll)	<u>22.12%</u>	<u>21.6%</u>	<u>22.42%</u>
Government contribution as a % of total payroll	<u>1.60%</u>	<u>1.87%</u>	<u>1.94%</u>
Statutory contribution rates as a % of DB Plan payroll:			
Employer	<u>27.83%</u>	<u>27.41%</u>	<u>28.16%</u>
Employee	<u>9.55%</u>	<u>9.55%</u>	<u>9.54%</u>

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(13) Employees Retirement Plan, continued

For the year ended September 30, 2018, the Authority's retirement contribution was \$385,501 and \$856,594 for the DB and DCRS Plans, respectively, for the year ending September 30, 2018.

The Authority's contributions for the supplemental annuity benefit and COLA payments for the years ended September 30, 2018 was \$92,000, which was equal to the statutorily required contributions for the respective years then ended.

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.

Contributions into the DCRS plan by members are made based on an automatic deduction of 5% of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS. Employees are afforded the opportunity to select from difference annuity accounts available under the DCRS.

Statutory employer contributions into the DCRS plan for the years ended September 30, 2018 and 2017 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Pension Liability: At September 30, 2018 and 2017, the Authority reported a net pension liability for its proportionate share of the Government of Guam's net pension liability which is comprised of the following:

	2018	2017
Defined Benefit Plan	\$ 9,526,027	\$ 11,293,296
Ad Hoc COLA/Supplemental Annuity for DB Retirees	1,952,209	1,522,308
Ad Hoc COLA/Supplemental Annuity for DB	834,630	520,758
Total Net Pension Liability	\$ 12,312,866	\$ 13,336,361

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(13) Employees Retirement Plan, continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

The Authority's proportion of the Government of Guam net pension liabilities are based on projection of the Authority's long-term contributions to the pension plans relative to the projected contributions of the Government of Guam and its component units, actuarily determined. At September 30, 2018 and 2017, the Authority's proportionate shares of the Government of Guam net pension liabilities were as follows:

	2018	2016
Defined Benefit Plan	0.83%	0.83%
Ad Hoc COLA/Supplemental Annuity for DB Retirees	0.68%	0.66%
Ad Hoc COLA/Supplemental Annuity for DB	1.34%	0.84%

Pension Expense (Benefit): For the years ended September 30, 2018 and 2017, the Authority recognized pension expense from the above plans as follows:

	2018	2017
Defined Benefit Plan	\$ (329,244)	\$ 1,157,328
Ad Hoc COLA/Supplemental Annuity for DB Retirees	631,398	187,827
Ad Hoc COLA/Supplemental Annuity for DB	96,907	48,100
Total Net Pension Expense	\$ 399,061	\$ 1,451,828

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(13) Employees Retirement Plan, continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

Deferred Outflows and Inflows of Resources: At September 30, 2018 and 2017, the Authority reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018					
	Defined Benefit Plan		Ad Hoc COLA/SA Plan for DB Retirees		Ad Hoc COLA Plan Plan for DCRS Retirees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ 37,922	\$ 6,483
Net difference between projected and actual earnings on pension plan investments	-	462,953	-	-	-	-
Change in assumptions	-	-	-	-	84,295	-
Authority contributions subsequent to the measurement date	940,234	-	-	-	22,000	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>28,035</u>	<u>-</u>	<u>16,046</u>	<u>-</u>	<u>245,887</u>	<u>-</u>
Total	<u>\$ 968,269</u>	<u>\$ 462,953</u>	<u>\$ 16,046</u>	<u>\$ -</u>	<u>\$ 390,104</u>	<u>\$ 6,483</u>

	2017					
	Defined Benefit Plan		Ad Hoc COLA/SA Plan for DB Retirees		Ad Hoc COLA Plan Plan for DCRS Retirees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 37,204	\$ 119	\$ -	\$ 10,052	\$ 4,383
Net difference between projected and actual earnings on pension plan investments	-	59,069	-	-	-	-
Change in assumptions	32,155	-	1,570	-	56,872	-
Authority contributions subsequent to the measurement date	1,295,618	-	172,529	-	10,000	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>22,477</u>	<u>-</u>	<u>18,148</u>	<u>-</u>	<u>38,813</u>	<u>-</u>
Total	<u>\$ 1,350,250</u>	<u>\$ 96,273</u>	<u>\$ 192,366</u>	<u>\$ -</u>	<u>\$ 115,737</u>	<u>\$ 4,383</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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(13) Employees Retirement Plan, continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

Deferred outflows of resulting from contributions subsequent to measurement date will be recognized as a reduction in net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense at September 30, 2018 as follows:

Year Ending September 30	Defined Benefit Plan	Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees	Ad Hoc COLA Plan for DCRS Retirees
2019	\$ (97,257)	\$ 44,081	\$ 20,252
2020	(25,894)	-	20,252
2021	(186,033)	-	20,252
2022	(125,734)	-	20,252
2023	-	-	20,252
Thereafter	-	-	328,836
	<u>\$ (434,918)</u>	<u>\$ 44,081</u>	<u>\$ 430,096</u>

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(13) *Employees Retirement Plan, continued*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

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

Valuation date:	September 30, 2016
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	May 1, 2013 ¹ (14.58 years remaining as of September 30, 2016)
Asset Valuation Method:	3-year smoothed market value (effective September 30, 2009)
Inflation:	2.75% per year
Total payroll growth:	2.75% per year
Salary increases:	4.0% to 7.50%
Retirement age:	50% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 20% until age 75, and 100% at age 75.
Mortality:	RP-2000 healthy mortality table set forward by 3 years for males and 2 year for females. Mortality for disabled lives is the RP-2000 disability mortality table set forward by 6 years for males and 4 years for females.

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Notes to Combined Financial Statements
September 30, 2018

(13) Employees Retirement Plan, continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

The actuarial assumptions used in the September 30, 2016 was 7%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target and best estimates of the expected nominal return for each major asset class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Nominal Return</u>
U.S. Equities (large cap)	29%	8.78%
U.S. Equities (small cap)	7%	9.45%
Non-U.S. Equities	13%	9.15%
Non-U.S. Equities (small cap)	4%	9.15%
Non-U.S. Equities (emerging markets)	1%	10.75%
U.S. Fixed Income (aggregate)	25%	4.85%
Risky parity	8%	8.36%
High yieldl bonds	8%	7.35%
Global Real Estate (REITs)	5%	8.71%

Changes in Actuarial Assumptions: The following changes in actuarial assumptions occurred from September 30, 2015 valuation to the September 30, 2016 valuation:

Mortality: The mortality table used as of September 30, 2016, is the RP-2000 combined mortality table, set forward by 3 years for males and 2 years for females. The mortality table used for disabled lives is the RP-2000 disability mortality table, set forward by 6 years for males and 4 years for females. Mortality improvement is assumed to be 30% of Scale BS, projected generationally from 2016. For the prior valuation, the mortality table used was the RP-2000 combined mortality table, set forward by 4 years for males and 1 year for females. The mortality table used for disable lives was the RP-2000 disability mortality table for males and females. No provision was made for future mortality improvement in the prior valuation.

Salary Increases: Salaries are assumed to increase 7.5% per year for employees in their first 5 years of service, 6% for service between 11 and 15 years, and 4% for service after 15 years. For the prior valuation, salaries were assumed to increase 7.5% per year for employees in their first 5 year of service, 6% for service between 6 and 10 years, 5% for service between 11 and 15 years, and 4.5% for service after15 years.

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Notes to Combined Financial Statements
September 30, 2018

(13) *Employees Retirement Plan, continued*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

Total Payroll Growth: Total payroll for DB and DC members is assumed to increase 2.75% per year. For the prior valuation, total payroll for DB and DC contribution members was assumed to increase 3% per year.

Retirement Age: 50% of employees are assumed to retire when first eligible for unreduced retirement. Thereafter, 20% of employees will retire at each year until age 75, at which time remaining employees are assumed to retire. For the prior valuation, 40% of employees are assumed to retire when first eligible for unreduced retirement. Thereafter, 15% of employees would retire at each year until age 65, and 20% of employees would retire from age 65 until age 70, at which time all remaining employees were assumed to retire.

Rates of Disability: The assumed rates of disability are based on the 1974-78 Society of Actuaries Long Term Disability Non-Jumbo table, with rates reduced by 50% for males and 75% for females. For the prior valuation, these rates were based on the 1974-78 Society of Actuaries Long Term Disability Non-Jumbo, with rates reduced by 50% for males and females.

Leave Adjustments: Unused leave is assumed to increase a member's service by 1.5 years and increases average earnings by 5% at retirement. For the prior valuation, unused leave is assumed to increase service by 1.5 years and increase average earnings by 10% at retirement.

Survivor Benefit - Minor Children: An average of 0.2 eligible child survivors is assumed at the time of a retiree's death, with payments to the child survivor continuing 6 years. For the prior valuation, this survivor benefit was assumed to increase the value of retirement benefit by 0.67% and survivor benefits by 20% for active members.

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2017 was 7% (6.7% as of September 30, 2016), which is equal to the expected investment rate of return. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except supplemental annuity payments to DB retirees and ad hoc COLA to both DB and DCRS retirees. The discount rate used to measure the total pension liability for the supplemental annuity and ad hoc COLA payments as of September 30, 2017 was 3.64% (3.058% as of September 30, 2016), which is equal to the rate of return of a high-quality bond index.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2018

(13) Employees Retirement Plan, continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

Discount Rate Sensitivity Analysis: The following presents the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact of the Authority's proportionate share of the net pension liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Defined Benefit:

	1% Decrease in Discount Rate <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Decrease in Discount Rate <u>8.00%</u>
Net Pension Liability	\$ <u>11,822,910</u>	\$ <u>9,526,027</u>	\$ <u>7,547,746</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

	1% Decrease in Discount Rate <u>2.64%</u>	Current Discount Rate <u>3.64%</u>	1% Decrease in Discount Rate <u>4.64%</u>
Net Pension Liability	\$ <u>2,130,048</u>	\$ <u>1,952,209</u>	\$ <u>1,797,563</u>

Ad Hoc COLA Plan for DCRS Retirees:

	1% Decrease in Discount Rate <u>2.64%</u>	Current Discount Rate <u>3.64%</u>	1% Decrease in Discount Rate <u>4.64%</u>
Net Pension Liability	\$ <u>949,063</u>	\$ <u>834,630</u>	\$ <u>228,600</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2018

(13) *Employees Retirement Plan, continued*

Other Post-Employment Benefits (OPEB)

The Authority participates in the retiree health care benefits. The GovGuam’s Department of Administration is responsible for administering the GovGuam Group Health Insurance Program, which provides medical, dental, and life insurance benefits to retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The program covers retirees and is considered an other postemployment benefit plan.

Plan Description: The other post-employment benefits (OPEB), is an agent sharing multiple-employer defined benefit plan that provides healthcare benefits to eligible employees and retirees who are members of the GovGuam Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Governor’s recommended budget and the annual General Appropriations Act enacted by the Guam Legislature provide for a premium level necessary for funding the program each year on a “pay-as-you-go” basis. Because the OPEB 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.

Plan Membership: As of September 30, 2016, the date of the most recent valuation (the actuarial valuation date), plan membership consisted of the following:

Inactive employees entitled to benefits but not yet receive them	7,342
Current employees	<u>10,282</u>
	<u>17,624</u>

Benefits Provided: The OPEB provides postemployment medical, dental and life insurance benefits to the Authority retirees, spouses, children and survivors, which are the same benefits as provided to active employees. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The Authority contributes a portion of the medical and dental premiums to eligible retirees. Retirees are also required to pay a portion of the medical and dental insurance premiums. Three types of health plans are offered to eligible participants:

- Standard island wide Preferred Provider Organization (PPO) Plan
- High Deductible (Health Saving Account -HAS) PPO Plan
- Retiree Supplement Plan (RSP)

The PPO and HSA Plans apply to both active employees and retirees and work with set deductible amounts whereas the RSP Plan is an added option for retirees only.

Contributions: No employer contributions are assumed to be made since an OPEB trust has not been established. Instead, the OPEB is financed on a substantially “pay-as-you-go” basis whereby contributions to the Plan are generally made about the same time and in about the same amount as benefit payments and expenses become due.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2018

(13) *Employees Retirement Plan, continued*

Other Post-Employment Benefits (OPEB), continued

OPEB Liability: As of September 30, 2018 and 2017, the Authority reported a total OPEB liability of \$14,924,532 and \$15,314,916, respectively, for its proportionate share of the GovGuam total OPEB liability measured as of September 30, 2017 and 2016. The following presents the Authority's proportion change in proportion since the prior measurement date:

Proportion at prior measurement date, September 30, 2016	0.60%
Proportion at prior measurement date, September 30, 2017	0.61%
Increase in proportion	0.01%

The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2016 rolled forward to September 30, 2017 (the measurement date) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2%
Amortization Method:	Level dollar amount over 30 years on an open amortization period for pay-as-you-go funding.
Salary increases:	7.50% per year for the first 5 years of service, 6% for 5-10 years, 5% for 11-15 years and 4.5 for service over 15 years.
Healthcare cost trends:	8% for 2016, decreasing 0.25% per year to an ultimate rate of 4.5% for 2030 for 2030 and later years. Health care trend assumptions begin at current levels and grade down over a period of years to a lower level equal to same real rate plus inflation. The principal components of health trend are medical inflation, deductible erosion, cost shifting, utilization, technology and catastrophic claims. The overall effect of the components is expected to decline year by year.
Dental trend rates:	4% per year
Medicare enrollment:	15% of current and future retirees are assumed to enroll in Medicare and will enroll in a Retiree Supplemental Plan upon attainment of age 65. All employees retired prior to September 30, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan.

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(13) Employees Retirement Plan, continued

Other Post-Employment Benefits (OPEB), continued

Dependent Status:	Male spouses are assumed to be 3 years older and female spouses are assumed to be 3 years younger than the retired employee. 60% of employees are assumed to retire with a covered spouse. For current retired employees, the actual census information is used.
Actuarial Cost Method:	Entry age normal
Healthy Retiree mortality rates:	RP-2000 Continued Healthy Mortality Table, set forward 4 years and 1 year for males and females, respectively.
Disabled Retiree mortality rates:	RP-2000 Disability Mortality Table for males and females.
Withdrawal rates:	15% for less than 1 year of service, decreasing 1% for each additional year of service up to 10 years, further decreasing 0.5% for each additional year of service up to 15 years, and 2% for service over 15 years.
Disability rates:	0.05% for beneficiaries aged 20-39 years, 0.1% - 0.53% for beneficiaries aged 40-59 years, and 0.76% for beneficiaries aged 60-64 years.
Retirement age:	40% of employees are assumed to retire at the earliest eligibility for unreduced benefits under the Government of Guam Retirement Fund, 15% per year thereafter until age 65, 20% per year thereafter until age 70 and 100% at age 70. Previously, 50% of employees were assumed to retire at first eligibility for postemployment health benefits, 20% per year thereafter until age 70, and 100 at age 70.

OPEB plan fiduciary net position: As of September 30, 2018, 2017 and 2016, an OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.

Discount rate: The discount rate used to measure the total OPEB liability was 3.63% as of September 30, 2017 (3.058% as of September 30, 2016). The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 3.63% municipal bond rate as of September 30, 2017 (3.058% as of September 30, 2016) was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Notes to Combined Financial Statements
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(13) Employees Retirement Plan, continued

Other Post-Employment Benefits (OPEB), continued

Changes in the Total OPEB Liability: Changes in the Authority's proportionate share of the total OPEB liability for the years ended September 30, 2018 and 2017 are as follows:

	2018	2017
Balance at beginning of year:	\$ 15,314,916	\$ 12,767,478
Changes for the year:		
Service cost	900,887	662,856
Interest	492,052	493,699
Change in assumptions	(1,533,646)	1,636,806
Benefit payments	(249,677)	(245,923)
Net change	(390,384)	2,547,438
Balance at end of year:	\$ 14,924,532	\$ 15,314,916

Sensitivity of total OPEB liability to changes in the discount rate: The following presents the sensitivity of the total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to the Authority's proportionate share of the total OPEB liability if there were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease in Discount Rate <u>2.63%</u>	Current Discount Rate <u>3.63%</u>	1% Decrease in Discount Rate <u>4.63%</u>
Total OPEB Liability	\$ 17,741,327	\$ 14,924,532	\$ 12,665,209

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(13) Employees Retirement Plan, continued

Other Post-Employment Benefits (OPEB), continued

Sensitivity of total OPEB liability to changes in the healthcare cost trend rates: The following presents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The sensitivity analysis shows the impact to the Authority's proportionate share of the total OPEB liability if there were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the healthcare cost trend rate:

	1% Decrease 7% Year 1 Decreasing to <u>3.50%</u>	Healthcare Cost Trend Rates 8% Year 1 Decreasing to <u>4.50%</u>	1% Increase 9% Year 1 Decreasing to <u>5.50%</u>
Total OPEB Liability	<u>\$ 12,253,038</u>	<u>\$ 14,924,532</u>	<u>\$ 18,411,589</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the years ended September 30, 2018 and 2017, the Authority reported total OPEB expense of \$1,237,481 and \$_____, respectively, for its proportionate share of the GovGuam total OPEB expense measured for the years ended September 30, 2017 and 2016. At September 30, 2018 and 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 1,109,725	\$ 1,278,915	\$ 1,364,922	\$ -
Authority contributions subsequent to the measurement date	-	-	-	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>264,694</u>	<u>-</u>	<u>112,922</u>	<u>-</u>
	<u>\$ 1,374,419</u>	<u>\$ 1,278,915</u>	<u>\$ 1,477,844</u>	<u>\$ -</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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(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, 2018, the Authority had deposited \$1,030,289 into the typhoon coverage escrow account.

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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(15) Contingencies

Federal Award Programs

The Authority participates in a number of federal award programs for specific purposes that are subject to review and audit by grantor agencies, namely the U.S. Department of Housing and Urban Development. Cumulative questioned costs of \$97,751 exist from these audits as of September 30, 2018. The questioned costs will be resolved by the applicable grantor agency and due to the Authority's inability to predict the ultimate outcome of this matter, no provision for any liability, if any that may result from this matter has been made in the accompanying financial statements. Such questioned costs could lead to requests for reimbursements from the grantor agency for expenditures disallowed under the terms of the applicable grant.

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

Litigation

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

The Authority is involved in one adverse action appeal cases filed by employees for wrongful termination. The employee filed and prevailed on the appeal with the Guam Civil Service Commission seeking reinstatement, compensation for back wages from the date of termination dating back to July 6, 2011 to the date of reinstatement which was March 25, 2014. These claims are not covered by insurance held by the Authority. The case was settled during 2018.

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(15) Contingencies, continued

HUD

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

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

(16) Economic Dependency

HUD and other federal government agencies provided approximately \$41 million in 2018 to the Authority, which represents approximately 94.9% of the Authority's total revenues for the year ended September 30, 2018.

(17) Fair Value of Financial Instruments

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

(18) Subsequent Events

During February 2018, six former Board of Commissioners of the Authority were accused of conspiracy, official misconduct and violating the Government of Guam's Open Government Law. All of such charges are misdemeanors. The Executive Director pleaded guilty of the misdemeanor charge of violating the Open Government Law. The case against the six Board of Commissioners is on-going and at various stages.

The Authority was cited by the Environmental Protection Agency for illegal dumping at one its public housing sites. The Authority is undertaking remediation efforts to address the citation.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Fiscal Years*

Defined Benefit Plan

	2018	2017	2016	2015	2014
Total Government of Guam net pension liability	\$ 1,142,249,393	\$ 1,368,645,131	\$ 1,436,814,230	\$ 1,246,306,754	\$ 1,303,303,636
The Authority's proportionate share of the net pension liability	\$ 9,526,027	\$ 11,293,296	\$ 11,754,627	\$ 9,785,625	\$ 11,952,878
The Authority's proportionate share of the net pension liability	0.83%	0.83%	0.82%	0.79%	0.92%
The Authority's covered-employee payroll**	\$ 4,380,426	\$ 4,177,882	\$ 4,183,506	\$ 4,404,881	\$ 4,244,960
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	217.47%	270.31%	280.98%	222.15%	281.58%
Plan Fiduciary net position as a percentage of the total pension liability	45.98%	36.99%	35.59%	45.01%	35.51%

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

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

See accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Fiscal Years*

Ad Hoc COLA/Supplementary Annuity Plan for DB Retirees

	2018	2017	2016
Total Government of Guam net pension liability***	\$ 288,147,121	\$ 229,486,687	\$ 235,799,709
The Authority's proportionate share of the net pension liability	\$ 1,952,207	\$ 1,522,308	\$ 1,485,317
The Authority's proportionate share of the net pension liability	0.68%	0.66%	0.63%
The Authority's covered-employee payroll**	\$ 3,430,351	\$ 3,358,707	\$ 3,221,129
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	56.91%	45.32%	46.11%
Plan Fiduciary net position as a percentage of the total pension liability	175.72%	220.63%	216.86%

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

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

*** No assets accumulated in a trust to pay benefits.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Fiscal Years*

Ad Hoc COLA Plan for DCRS Retirees

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Government of Guam net pension liability***	\$ 62,445,490	\$ 61,688,067	\$ 52,115,736
The Authority's proportionate share of the net pension liability	\$ 834,630	\$ 520,758	\$ 434,878
The Authority's proportionate share of the net pension liability	1.34%	0.84%	0.83%
The Authority's covered-employee payroll**	\$ 4,879,424	\$ 3,081,842	\$ 2,969,758
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	17.11%	16.90%	14.64%

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

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

*** No assets accumulated in a trust to pay benefits.

See accompanying Independent Auditors' Report.

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,040,659	\$ 1,168,865	\$ 1,134,630	\$ 1,134,630	\$ 1,134,630
Contribution in relation to the actuarially determined contribution	<u>1,005,514</u>	<u>1,026,634</u>	<u>1,100,398</u>	<u>1,314,859</u>	<u>1,206,032</u>
Contribution (excess) deficiency	<u>\$ 35,145</u>	<u>\$ 142,231</u>	<u>\$ 34,232</u>	<u>\$ (180,229)</u>	<u>\$ (71,402)</u>
Center's covered-employee payroll	<u>\$ 4,222,580</u>	<u>\$ 4,177,882</u>	<u>\$ 4,183,506</u>	<u>\$ 4,404,881</u>	<u>\$ 4,244,960</u>
Contribution as a percentage of covered-employee payroll	23.81%	24.57%	26.30%	29.85%	28.41%

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

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

See accompanying Independent Auditors' Report.

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

Schedules of Requirement Supplemental Information
Schedules of Changes in Proportionate Share of the Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB liability:			
Service cost	\$ 900,887	\$ 662,856	
Interest	492,052	493,699	
Changes in benefit terms	-	-	
Differences between expected and actual experience	-	-	
Changes in assumptions	(1,533,646)	1,636,806	
Benefit payments	<u>(249,677)</u>	<u>(245,923)</u>	
Net change in total OPEB liability	(390,384)	2,547,438	
Total OPEB liability - beginning	<u>15,314,916</u>	<u>12,767,478</u>	
Total OPEB liability - ending **	<u>\$ 14,924,532</u>	<u>\$ 15,314,916</u>	<u>\$ 12,767,478</u>
Covered-employee payroll	\$ 4,380,426	\$ 4,177,882	
GHURA's total OPEB liability as a percentage of covered-employee payroll	340.71%	366.57%	

Notes to Schedule:

Discount rate:	3.63%	3.058%	3.71%
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Changes in benefit terms:
None.

Changes in assumptions:
Since the last measurement date, the discount rate changed from 3.058% to 3.63%.

* Information for 2009 - 2015 is was not available.

** No assets accumulated in a trust to pay the benefits.

See accompanying Independent Auditors' Report.

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

Schedules of Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Total OPEB Liability
Last 10 Fiscal Years*

	2018	2017
-		
Total OPEB liability **	\$ 2,431,048,672	\$ 2,532,753,040
The Authority's proportionate share of the total OPEB liability	\$ 14,924,532	\$ 15,314,916
The Authority's proportionate share of the total OPEB liability	0.61%	0.60%
The Authority's covered-employee payroll	\$ 4,380,426	\$ 4,177,882
The Authority's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	340.71%	366.57%

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

** No assets accumulated in a trust to pay the benefits.

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

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

	2018	2017
Actuarially determined contribution	\$ 1,692,252	\$ 1,464,157
Contribution in relation to the actuarially determined contribution	127,285	121,400
Contribution deficiency	\$ 1,564,967	\$ 1,342,757
Center's covered-employee payroll	\$ 4,380,426	\$ 4,177,882
Contribution as a percentage of covered-employee payroll	2.91%	2.91%

Notes to Schedule:

Valuation date: Actuarially determined contributions rates are calculated as of September 30, 2016.

Method and assumptions used to determine contributions rates are as follows:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar amount on an open amortization period for pay-as-you-go funding.
Amortization period:	30 years
Inflation:	3%
Healthcare cost trend rates:	8% initial, decreasing 0.25% per year to an ultimate rate of 4.5%
Salary increase:	4.5% to 7.5%
Mortality (Healthy Retiree):	RP-2000 Combined Healthy Mortality Table, set forward 4 years and 1 year for males and females, respectively.
Mortality (Disabled Retiree):	RP-2000 Disabled Mortality Table for males and females.

* Information for 2009 - 2016 was not available.

See accompanying Independent Auditors' Report.

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

Supplementary Information

Schedule of Salaries, Wages and Benefits
For the Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Salaries	\$ 4,526,193	\$ 4,380,426
Retirement benefits	1,243,367	1,184,801
Benefits other than retirement	354,305	386,656
Overtime pay	<u>114,146</u>	<u>125,887</u>
Total salaries, wages and benefits	<u>\$ 6,238,011</u>	<u>\$ 6,077,770</u>
Employees at end of year	<u>96</u>	<u>94</u>

Note 1: The salaries, wages and benefits noted above are reported in the accompanying financial statements on a functional basis by program for the years ended September 30, 2018 and 2017.

See accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position
September 30, 2018

Assets	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Supportive Housing for the Elderly
Current assets:					
Cash:					
Unrestricted	\$ 10,284,041	\$ 17,628	\$ 8,690,352	\$ 1,460,529	\$ 115,532
Restricted - security deposits	17,423	-	-	-	17,423
Restricted - FSS escrow account	164,532	-	79	164,453	-
Restricted - other	2,449,818	-	1,147,972	814,687	487,159
Total cash	<u>12,915,814</u>	<u>17,628</u>	<u>9,838,403</u>	<u>2,439,669</u>	<u>620,114</u>
Accounts receivable:					
Tenants	139,171	19,533	17,294	94,604	7,740
HUD	251,623	276,179	280	(24,836)	-
Federal government	-	-	-	-	-
Due from other funds	960,307	100	960,483	-	(276)
Interest	210	-	210	-	-
Other	341,860	-	-	333,661	8,199
	<u>1,693,171</u>	<u>295,812</u>	<u>978,267</u>	<u>403,429</u>	<u>15,663</u>
Allowance for doubtful accounts	<u>(33,297)</u>	<u>(14,407)</u>	<u>(5,553)</u>	<u>-</u>	<u>(13,337)</u>
Total accounts receivable, net	<u>1,659,874</u>	<u>281,405</u>	<u>972,714</u>	<u>403,429</u>	<u>2,326</u>
Investments:					
Unrestricted	1,024,938	-	1,024,938	-	-
Restricted/reserved by fiscal agent	185,076	-	185,076	-	-
Total investments	<u>1,210,014</u>	<u>-</u>	<u>1,210,014</u>	<u>-</u>	<u>-</u>
Prepayments and other current assets	<u>9,871</u>	<u>-</u>	<u>9,871</u>	<u>-</u>	<u>-</u>
Inventories	<u>260,370</u>	<u>-</u>	<u>253,083</u>	<u>-</u>	<u>7,287</u>
Total current assets	<u>16,055,943</u>	<u>299,033</u>	<u>12,284,085</u>	<u>2,843,098</u>	<u>629,727</u>
Noncurrent assets:					
Capital assets, net	11,180,171	122,917	8,881,222	191,969	1,984,063
Other assets	-	-	-	-	-
Total noncurrent assets	<u>11,180,171</u>	<u>122,917</u>	<u>8,881,222</u>	<u>191,969</u>	<u>1,984,063</u>
Total assets	<u>27,236,114</u>	<u>421,950</u>	<u>21,165,307</u>	<u>3,035,067</u>	<u>2,613,790</u>
Deferred outflows of resources:					
Pension	1,124,696	238,666	526,273	329,818	29,939
Other post-employment benefits	923,493	204,535	409,989	290,277	18,692
Total deferred outflows of resources	<u>2,048,189</u>	<u>443,201</u>	<u>936,262</u>	<u>620,095</u>	<u>48,631</u>
Total assets and deferred outflows of resource	<u>\$ 29,284,303</u>	<u>\$ 865,151</u>	<u>\$ 22,101,569</u>	<u>\$ 3,655,162</u>	<u>\$ 2,662,421</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position, Continued
September 30, 2018

Liabilities and Net Position	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Supportive Housing for the Elderly
Current liabilities:					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	(10,123)	1,978	5,952	(39,980)	21,927
Current portion of long-term debt	70,000	-	-	-	70,000
Current portion of compensated absences	39,220	6,375	18,642	13,438	765
Due to HUD	12,100	-	767	11,333	-
Due to other funds	2,827,387	251,309	1,588,209	813,934	173,935
Security deposits	135,325	4,188	115,942	-	15,195
FSS - tenant escrow	150,398	-	18,885	131,513	-
Accrued salaries and wages	147,135	19,074	71,504	53,150	3,407
Accrued liabilities - PILOT	122,189	-	122,189	-	-
Deferred revenues	107,763	83,902	(8,496)	32,357	-
Other current liabilities	915	-	915	-	-
Total current liabilities	3,602,309	366,826	1,934,509	1,015,745	285,229
Noncurrent liabilities:					
Net pension liability	7,952,925	1,954,406	3,043,445	2,925,361	29,713
Other post-employment benefits	10,028,016	2,220,993	4,451,988	3,152,061	202,974
Long-term debt, net of current portion	896,317	-	-	-	896,317
Accrued compensated absences	231,847	1,406	118,626	102,599	9,216
Other long-term liabilities	116,208	53,699	44,115	18,394	-
Total noncurrent liabilities	19,225,313	4,230,504	7,658,174	6,198,415	1,138,220
Total liabilities	22,827,622	4,597,330	9,592,683	7,214,160	1,423,449
Deferred inflows of resources:					
Pension	341,270	82,500	134,070	122,493	2,207
Other post-employment benefits	859,323	190,322	381,501	270,107	17,393
Total deferred inflows of resources	1,200,593	272,822	515,571	392,600	19,600
Net position:					
Investment in capital assets, net of related debt	10,213,854	122,917	8,881,222	191,969	1,017,746
Restricted	1,504,345	-	185,076	814,687	504,582
Unrestricted	(6,462,111)	(4,127,918)	2,927,017	(4,958,254)	(302,956)
Total net position	5,256,088	(4,005,001)	11,993,315	(3,951,598)	1,219,372
Total liabilities, deferred inflows of resources and net position	\$ 29,284,303	\$ 865,151	\$ 22,101,569	\$ 3,655,162	\$ 2,662,421

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Revenues, Expenses and Changes in Net Position

For the Year Ended September 30, 2018

	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Supportive Housing for the Elderly
Operating revenues:					
HUD PHA Operating Grants	\$ 38,317,293	\$ 3,105,920	\$ 4,530,104	\$ 30,063,004	\$ 618,265
Other Government Grants	-	-	-	-	-
Tenant rental income	690,247	57,162	530,598	-	102,487
Other income	120,754	11,773	108,981	-	-
Total operating revenues	<u>39,128,294</u>	<u>3,174,855</u>	<u>5,169,683</u>	<u>30,063,004</u>	<u>720,752</u>
Operating expenses:					
Housing assistance payments	27,846,756	-	-	27,846,756	-
Repairs and maintenance	4,179,126	2,220,369	1,923,889	-	34,868
Salaries and wages	2,346,233	375,659	909,236	984,684	76,654
Depreciation	1,684,371	-	1,557,278	25,930	101,163
Other administrative expenses	860,613	377,936	365,831	81,702	35,144
Management fees	990,283	-	614,416	337,020	38,847
Employee benefits	893,342	418,063	(141,249)	815,170	(198,642)
Office expense	323,064	32,607	119,205	165,127	6,125
Bookkeeping fees	277,402	-	66,765	210,637	-
Insurance	120,642	3,807	104,846	6,577	5,412
Utilities	394,635	3	202,231	-	192,401
Asset management fees	90,000	-	90,000	-	-
Payments in-lieu of taxes	50,525	-	50,525	-	-
Legal and professional fees	59,620	17,185	7,042	34,766	627
Travel	-	-	-	-	-
Protective services	2,251	-	2,061	-	190
Bad debts	(32,100)	14,407	(48,079)	-	1,572
Advertising and marketing	34,653	9,007	9,700	13,735	2,211
Compensated absences	(248,704)	(135,751)	(36,014)	(80,456)	3,517
Total operating expenses	<u>39,872,712</u>	<u>3,333,292</u>	<u>5,797,683</u>	<u>30,441,648</u>	<u>300,089</u>
Operating loss	<u>(744,418)</u>	<u>(158,437)</u>	<u>(628,000)</u>	<u>(378,644)</u>	<u>420,663</u>
Non-operating revenues (expenses):					
Interest income on restricted investments	-	-	-	-	-
Interest income on unrestricted investments	13,437	-	13,437	-	-
Interest expense	(59,668)	-	-	-	(59,668)
Capital grants	-	-	-	-	-
Fraud recovery	19,826	-	-	19,826	-
Casualty loss	-	-	-	-	-
Gain on sale of fixed assets	-	-	-	-	-
Other income	196,556	-	108,391	81,522	6,643
Total non-operating revenues (expenses), net	<u>170,151</u>	<u>-</u>	<u>121,828</u>	<u>101,348</u>	<u>(53,025)</u>
Change in net position	<u>(574,267)</u>	<u>(158,437)</u>	<u>(506,172)</u>	<u>(277,296)</u>	<u>367,638</u>
Net position at beginning of year	14,962,720	(1,823,938)	16,553,846	(803,767)	1,036,579
Prior period adjustment	(9,132,365)	(2,022,626)	(4,054,359)	(2,870,535)	(184,845)
Total net position at beginning of year, as restate	<u>5,830,355</u>	<u>(3,846,564)</u>	<u>12,499,487</u>	<u>(3,674,302)</u>	<u>851,734</u>
Total net position at end of year	<u>\$ 5,256,088</u>	<u>\$ (4,005,001)</u>	<u>\$ 11,993,315</u>	<u>\$ (3,951,598)</u>	<u>\$ 1,219,372</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Cash Flows
For the Year Ended September 30, 2018

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Section 8 Housing Choice Voucher</u>	<u>Supportive Housing for the Elderly</u>
Cash flows from operating activities:					
Operating grants received	\$ 38,188,688	\$ 3,002,643	\$ 4,529,902	\$ 30,037,878	\$ 618,265
Other federal grants received	-	-	-	-	-
Receipts from customers and tenants	718,224	37,629	579,837	-	100,758
Assistance paid	(27,877,342)	-	-	(27,877,342)	-
Payments to suppliers	(7,685,110)	(2,696,179)	(3,473,225)	(1,188,386)	(327,320)
Payments to employees	(2,344,728)	(373,299)	(908,722)	(983,075)	(79,632)
Other cash receipts (payments)	<u>11,774</u>	<u>11,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>1,011,506</u>	<u>(17,432)</u>	<u>727,792</u>	<u>(10,925)</u>	<u>312,071</u>
Cash flows from noncapital financing activities:					
Transfers (in) out from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Repayment of note payable	(66,811)	-	-	-	(66,811)
Interest paid	(59,668)	-	-	-	(59,668)
Capital grants received	-	-	-	-	-
Acquisition of capital assets	(84,278)	-	(19,749)	-	(64,529)
Gain on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(210,757)</u>	<u>-</u>	<u>(19,749)</u>	<u>-</u>	<u>(191,008)</u>
Cash flows from investing activities:					
Deposits to restricted accounts	-	-	-	-	-
Interest and other income received	<u>229,819</u>	<u>-</u>	<u>121,828</u>	<u>101,348</u>	<u>6,643</u>
Net cash provided by investing activities	<u>229,819</u>	<u>-</u>	<u>121,828</u>	<u>101,348</u>	<u>6,643</u>
Net increase (decrease) in cash	1,030,568	(17,432)	829,871	90,423	127,706
Cash at beginning year	<u>11,885,246</u>	<u>35,060</u>	<u>9,008,532</u>	<u>2,349,246</u>	<u>492,408</u>
Cash at end of year	<u>\$ 12,915,814</u>	<u>\$ 17,628</u>	<u>\$ 9,838,403</u>	<u>\$ 2,439,669</u>	<u>\$ 620,114</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Cash Flows, Continued
For the Year Ended September 30, 2018

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Section 8 Housing Choice Voucher</u>	<u>Supportive Housing for the Elderly</u>
Reconciliation in operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (744,418)	\$ (158,437)	\$ (628,000)	\$ (378,644)	\$ 420,663
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,684,371	-	1,557,278	25,930	101,163
Bad debts	(32,100)	14,407	(48,079)	-	1,572
Non-cash pension costs	(979,735)	97,515	(1,045,137)	208,978	(241,091)
Other post-employment benefit costs	831,481	184,154	369,141	261,356	16,830
(Increase) decrease in assets:					
Accounts receivable:					
Tenant receivables	12,537	(19,533)	31,595	2,558	(2,083)
HUD	(131,846)	(103,277)	-	(28,569)	-
Other federal government	-	-	-	-	-
Due from other funds	338,271	-	337,995	-	276
Interest	(21)	-	(21)	-	-
Other	(27,327)	-	-	(26,737)	(590)
Prepayments and other assets	(10)	-	(10)	-	-
Inventories	7,725	-	8,130	-	(405)
Increase (decrease) in liabilities:					
Bank overdraft	-	-	-	-	-
Account payable	(59,958)	-	(568)	(68,604)	9,214
HUD	2,950	-	-	2,950	-
Compensated absences and sick leave	(215,000)	(135,751)	(2,311)	(80,455)	3,517
Due to other funds	453,273	101,129	272,487	74,618	5,039
Security deposits	(2,611)	-	(3,555)	-	944
Accrued salaries and wages	(32,199)	2,360	(33,189)	1,608	(2,978)
FSS - tenant escrow	(94,168)	-	(87,761)	(6,407)	-
Other current liabilities	(1)	-	(1)	-	-
Accrued liabilities - PILOT	-	-	-	-	-
Deferred revenues	292	1	(202)	493	-
Net cash provided by (used for) operating activities	<u>\$ 1,011,506</u>	<u>\$ (17,432)</u>	<u>\$ 727,792</u>	<u>\$ (10,925)</u>	<u>\$ 312,071</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225

Combining Statements of Net Position
September 30, 2018

Assets	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	B-13-ST- Account	B-14-ST- Account	B-15-ST- Account	B-16-ST- Account	B-17-ST- Account	Program Inc. Account
Current assets:													
Cash - unrestricted	\$ 17,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,628
Accounts receivable - HUD	276,179	24,443	21,968	34,721	7,106	14,386	272	2,286	-	16,553	7,876	146,568	-
Accounts receivable - Tenants	19,533	-	-	-	-	-	-	-	-	-	-	-	19,533
Allowance for doubtful accounts	(14,407)	-	-	-	-	-	-	-	-	-	-	-	(14,407)
Due from other funds	100	-	-	-	-	-	-	-	-	-	-	-	100
Total current assets	299,033	24,443	21,968	34,721	7,106	14,386	272	2,286	-	16,553	7,876	146,568	22,854
Prepayments and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets	180,540	15,191	-	-	15,349	-	-	-	150,000	-	-	-	-
Accumulated depreciation	(57,623)	(15,191)	-	-	(15,349)	-	-	-	(27,083)	-	-	-	-
Capital assets, net	122,917	-	-	-	-	-	-	-	122,917	-	-	-	-
Total assets	421,950	24,443	21,968	34,721	7,106	14,386	272	2,286	122,917	16,553	7,876	146,568	22,854
Deferred outflows of resources:													
Pension	238,666	-	-	-	-	-	-	-	-	-	238,666	-	-
Other post-employment benefits	204,535	-	-	-	-	-	-	-	-	-	204,535	-	-
Total deferred outflows of resources	443,201	-	-	-	-	-	-	-	-	-	443,201	-	-
Total assets and deferred outflows	\$ 865,151	\$ 24,443	\$ 21,968	\$ 34,721	\$ 7,106	\$ 14,386	\$ 272	\$ 2,286	\$ 122,917	\$ 16,553	\$ 451,077	\$ 146,568	\$ 22,854
Liabilities and Net Position													
Current liabilities:													
Accounts payable	\$ 1,978	\$ -	\$ 35	\$ 1,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security deposits	4,188	-	-	-	-	-	-	-	-	-	-	-	4,188
Due to other funds	251,309	23,797	21,933	32,898	7,106	14,386	272	1,142	-	3,749	5,927	145,653	(5,554)
Accrued salaries and wages	19,074	-	-	-	-	-	-	1,142	-	12,804	1,950	915	2,263
Compensated absences - current	6,375	-	-	-	-	-	-	-	-	-	6,375	-	-
Deferred revenues	83,902	646	-	-	-	-	-	-	-	-	-	-	83,256
Total current liabilities	366,826	24,443	21,968	34,841	7,106	14,386	272	2,284	-	16,553	14,252	146,568	84,153
Noncurrent liabilities:													
Compensated absences - noncurrent	1,406	-	-	-	-	-	-	-	-	-	1,406	-	-
Accrued sick leave	53,699	-	-	-	-	-	-	-	-	-	53,699	-	-
Net pension liability	1,954,406	-	-	-	-	-	-	-	-	-	1,954,406	-	-
Other post-employment benefits	2,220,993	-	-	-	-	-	-	-	-	-	2,220,993	-	-
Total noncurrent liabilities	4,230,504	-	-	-	-	-	-	-	-	-	4,230,504	-	-
Total liabilities	4,597,330	24,443	21,968	34,841	7,106	14,386	272	2,284	-	16,553	4,244,756	146,568	84,153
Deferred inflows of resources:													
Pension	82,500	-	-	-	-	-	-	-	-	-	82,500	-	-
Other post-employment benefits	190,322	-	-	-	-	-	-	-	-	-	190,322	-	-
Total deferred inflows of resources	272,822	-	-	-	-	-	-	-	-	-	272,822	-	-
Net Position:													
Invested in capital assets, net of related debt	122,917	-	-	-	-	-	-	-	122,917	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	(4,127,918)	-	-	(120)	-	-	-	2	-	-	(4,066,501)	-	(61,299)
Total net position	(4,005,001)	-	-	(120)	-	-	-	2	122,917	-	(4,066,501)	-	(61,299)
Total liabilities, deferred inflows of resources and net asse	\$ 865,151	\$ 24,443	\$ 21,968	\$ 34,721	\$ 7,106	\$ 14,386	\$ 272	\$ 2,286	\$ 122,917	\$ 16,553	\$ 451,077	\$ 146,568	\$ 22,854

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2018

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	B-13-ST- 66-0001	B-14-ST- 66-0001	B-15-ST- 66-0001	B-16-ST- 66-0001	B-17-ST- 66-0001	Program Inc. Account
Revenues:													
Federal contributions	\$ 3,105,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,051	\$ 98,793	\$ 1,078,125	\$ 810,009	\$ 672,195	\$ 372,747	\$ -
Tenant rental	57,162	-	-	-	-	-	-	-	-	-	-	-	57,162
Other	11,773	-	-	-	-	-	-	-	-	-	-	-	11,773
Total Revenues	3,174,855	-	-	-	-	-	74,051	98,793	1,078,125	810,009	672,195	372,747	68,935
Operating expenses:													
Repairs and maintenance	2,220,369	-	-	-	-	-	-	97,082	919,316	543,211	395,041	252,792	12,927
Other	377,936	-	-	-	-	-	-	-	-	29,226	249,999	96,971	1,740
Administrative salaries	375,659	-	-	-	-	-	37,416	1,216	114,887	153,561	19,070	16,241	33,268
Employee benefits	418,063	-	-	-	-	-	12,835	(1,700,230)	42,669	57,835	1,988,675	5,605	10,674
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and professional fees	17,185	-	-	-	-	-	175	-	656	7,166	1,444	1,138	6,606
Advertising and marketing	9,007	-	-	-	-	-	-	-	360	8,287	360	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	32,607	-	-	-	-	-	23,625	-	237	8,676	-	-	69
Utilities	3	-	-	-	-	-	-	-	-	-	-	-	3
Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	(135,751)	-	-	-	-	-	-	-	-	(197,232)	61,481	-	-
Bad debts	14,407	-	-	-	-	-	-	-	-	-	-	-	14,407
Insurance	3,807	-	-	-	-	-	-	-	-	2,048	-	-	1,759
Total operating expenses	3,333,292	-	-	-	-	-	74,051	(1,601,932)	1,078,125	612,778	2,716,070	372,747	81,453
Operating income (loss)	(158,437)	-	-	-	-	-	-	1,700,725	-	197,231	(2,043,875)	-	(12,518)
Non-operating revenues and exxpenses:													
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues and (expense), 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	(158,437)	-	-	-	-	-	-	1,700,725	-	197,231	(2,043,875)	-	(12,518)
Net position - beginning of year	(1,823,938)	-	-	(120)	-	-	-	(1,700,723)	122,917	(197,231)	-	-	(48,781)
Prior period adjustment	(2,022,626)	-	-	-	-	-	-	-	-	-	(2,022,626)	-	-
Net position - beginning of year, as restated	(3,846,564)	-	-	(120)	-	-	-	(1,700,723)	122,917	(197,231)	(2,022,626)	-	(48,781)
Total net position - end of year	\$ (4,005,001)	\$ -	\$ -	\$ (120)	\$ -	\$ -	\$ -	\$ 2	\$ 122,917	\$ -	\$ (4,066,501)	\$ -	\$ (61,299)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225

Combining Statements of Cash Flows
For the Year Ended September 30, 2018

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	B-13-ST- 66-0001	B-14-ST- 66-0001	B-15-ST- 66-0001	B-16-ST- 66-0001	B-17-ST- 66-0001	Program Inc. Account
Cash flows from operating activities:													
Operating grants received	\$ 3,002,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,820	\$ 97,650	\$ 1,095,830	\$ 842,192	\$ 664,972	\$ 226,179	\$ -
Receipts from tenants	37,629	-	-	-	-	-	-	-	-	-	-	-	37,629
Payments to suppliers	(2,696,179)	-	-	-	-	-	(36,636)	(97,576)	(970,558)	(699,545)	(647,198)	(210,853)	(33,813)
Payments to employees	(373,299)	-	-	-	-	-	(39,184)	(74)	(125,272)	(142,647)	(17,774)	(15,326)	(33,022)
Other receipts	11,774	-	-	-	-	-	-	-	-	-	-	-	11,774
Net cash used for operating activities	(17,432)	-	-	-	-	-	-	-	-	-	-	-	(17,432)
Cash flows from capital and related financing activities:													
Capital grants received	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:													
Interest and other income received	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in cash	(17,432)	-	-	-	-	-	-	-	-	-	-	-	(17,432)
Cash and cash equivalents at beginning year	35,060	-	-	-	-	-	-	-	-	-	-	-	35,060
Cash and cash equivalents at end of year	\$ 17,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,628
Reconciliation of change in net assets to net cash provided by (used in) operating activities:													
Operating income (loss)	\$ (158,437)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,700,725	\$ -	\$ 197,231	\$ (2,043,875)	\$ -	\$ (12,518)
Adjustments to reconcile net loss to net cash provided by (used) operating activities:													
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	14,407	-	-	-	-	-	-	-	-	-	-	-	14,407
Non-cash pension cost	97,515	-	-	-	-	-	-	(1,700,725)	-	-	1,798,240	-	-
Other post-employment benefit costs	184,154	-	-	-	-	-	-	-	-	-	184,154	-	-
(Increase) decrease in assets:													
Accounts receivable - HUD	(103,277)	-	-	-	-	-	1,769	(1,143)	17,705	32,183	(7,223)	(146,568)	-
Accounts receivable - Tenants	(19,533)	-	-	-	-	-	-	-	-	-	-	-	(19,533)
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	(135,751)	-	-	-	-	-	-	-	-	(197,231)	61,480	-	-
Due to other funds	101,129	-	-	-	-	-	(1)	1	(7,320)	(43,096)	5,927	145,653	(35)
Accrued salaries and wages	2,360	-	-	-	-	-	(1,768)	1,142	(10,385)	10,913	1,297	915	246
Deferred revenues	1	-	-	-	-	-	-	-	-	-	-	-	1
Net cash used for operating activities	\$ (17,432)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,432)

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

Combining Statements of Net Position
September 30, 2018

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 8,690,352	\$ 1,868,143	\$ 2,493,902	\$ 2,256,171	\$ 2,072,136
Restricted Cash - FSS Escrow	79	(36)	14	-	101
Restricted Cash - other	1,147,972	248,370	258,230	303,227	338,145
Total cash	<u>9,838,403</u>	<u>2,116,477</u>	<u>2,752,146</u>	<u>2,559,398</u>	<u>2,410,382</u>
Accounts receivable:					
Tenants	17,294	-	4,359	11,809	1,126
HUD	280	-	812	(532)	-
Due from other programs	960,483	(18,081)	-	64,027	914,537
Interest	210	7	32	96	75
	978,267	(18,074)	5,203	75,400	915,738
Allowance for doubtful accounts	<u>(5,553)</u>	<u>(852)</u>	<u>(1,323)</u>	<u>(525)</u>	<u>(2,853)</u>
Total accounts receivable	<u>972,714</u>	<u>(18,926)</u>	<u>3,880</u>	<u>74,875</u>	<u>912,885</u>
Inventories	253,083	69,968	56,571	44,775	81,769
Investments:					
General fund	1,024,938	-	143,973	505,454	375,511
Restricted - security deposits	185,076	38,989	40,223	48,099	57,765
Total investments	<u>1,210,014</u>	<u>38,989</u>	<u>184,196</u>	<u>553,553</u>	<u>433,276</u>
Prepaid and other current assets	9,871	-	-	6,189	3,682
Total current assets	<u>12,284,085</u>	<u>2,206,508</u>	<u>2,996,793</u>	<u>3,238,790</u>	<u>3,841,994</u>
Noncurrent assets:					
Capital assets:					
Land	2,130,777	299,151	450,147	533,031	848,448
Infrastructure	688,676	85,239	107,587	289,788	206,062
Buildings and improvements, at cost	73,779,952	12,641,303	16,035,778	22,096,579	23,006,292
Furniture and equipment, at cost	2,523,915	811,946	687,683	436,174	588,112
Accumulated depreciation	<u>(70,242,098)</u>	<u>(11,993,628)</u>	<u>(15,308,231)</u>	<u>(21,258,678)</u>	<u>(21,681,561)</u>
Net capital assets	<u>8,881,222</u>	<u>1,844,011</u>	<u>1,972,964</u>	<u>2,096,894</u>	<u>2,967,353</u>
Total assets	21,165,307	4,050,519	4,969,757	5,335,684	6,809,347
Deferred outflows of resources:					
Pension	526,273	126,337	116,134	130,817	152,985
Other post-employment benefits	409,989	95,247	96,759	85,901	132,082
Total deferred outflows of resources	<u>936,262</u>	<u>221,584</u>	<u>212,893</u>	<u>216,718</u>	<u>285,067</u>
Total assets and deferred outflows of resources	<u>\$ 22,101,569</u>	<u>\$ 4,272,103</u>	<u>\$ 5,182,650</u>	<u>\$ 5,552,402</u>	<u>\$ 7,094,414</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

Combining Statements of Net Position, Continued
September 30, 2018

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Liabilities:					
Accounts payable:					
Vendors	\$ 5,952	\$ 210	\$ 110	\$ 1,600	\$ 4,032
HUD	767	-	767	-	-
FSS- tenant escrow	18,885	2,460	5,927	-	10,498
Tenant security deposits	115,942	25,100	23,772	29,695	37,375
Due to other funds	1,588,209	-	607,776	980,900	(467)
Accrued salaries and wages	71,504	17,865	17,818	13,372	22,449
Compensated absences, current portion	18,642	4,725	4,040	3,390	6,487
Other current liabilities	915	312	-	603	-
Accrued liabilities - PILOT	122,189	57,598	4,719	845	59,027
Total accounts payable	<u>1,943,005</u>	<u>108,270</u>	<u>664,929</u>	<u>1,030,405</u>	<u>139,401</u>
Deferred credits:					
Tenants prepaid rents	-	-	-	-	-
Other	(8,496)	(3,502)	(4,994)	-	-
Total deferred credits	<u>(8,496)</u>	<u>(3,502)</u>	<u>(4,994)</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>1,934,509</u>	<u>104,768</u>	<u>659,935</u>	<u>1,030,405</u>	<u>139,401</u>
Noncurrent liabilities:					
Net pension liability	3,043,445	632,602	861,671	270,781	1,278,391
Other post-employment benefits	4,451,988	1,034,270	1,050,687	932,783	1,434,248
Compensated absences, net of current portion	118,626	25,625	30,930	23,135	38,936
Other - sick leave, net of current portion	44,115	7,474	13,393	19,963	3,285
Total noncurrent liabilities	<u>7,658,174</u>	<u>1,699,971</u>	<u>1,956,681</u>	<u>1,246,662</u>	<u>2,754,860</u>
Total liabilities	<u>9,592,683</u>	<u>1,804,739</u>	<u>2,616,616</u>	<u>2,277,067</u>	<u>2,894,261</u>
Deferred inflows of resources:					
Pension	134,070	28,481	36,768	14,970	53,851
Other post-employment benefits	381,501	88,629	90,036	79,932	122,904
Total deferred inflows of resources	<u>515,571</u>	<u>117,110</u>	<u>126,804</u>	<u>94,902</u>	<u>176,755</u>
Net position:					
Invested in capital assets, net of related debt	8,881,222	1,844,011	1,972,964	2,096,894	2,967,353
Restricted	185,076	38,989	40,223	48,099	57,765
Unrestricted	2,927,017	467,254	426,043	1,035,440	998,280
Total net position	<u>11,993,315</u>	<u>2,350,254</u>	<u>2,439,230</u>	<u>3,180,433</u>	<u>4,023,398</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 22,101,569</u>	<u>\$ 4,272,103</u>	<u>\$ 5,182,650</u>	<u>\$ 5,552,402</u>	<u>\$ 7,094,414</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

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2018

	<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	\$ 4,530,104	\$ 919,848	\$ 1,013,306	\$ 1,187,073	\$ 1,409,877
Tenant rental income	530,598	104,438	64,941	65,214	296,005
Other income	<u>108,981</u>	<u>19,784</u>	<u>8,846</u>	<u>42,140</u>	<u>38,211</u>
Total operating revenues	<u>5,169,683</u>	<u>1,044,070</u>	<u>1,087,093</u>	<u>1,294,427</u>	<u>1,744,093</u>
Operating expenses:					
Depreciation	1,557,278	327,443	314,633	341,408	573,794
Ordinary repairs and maintenance	1,923,889	510,835	162,402	516,411	734,241
Administrative salaries	567,724	151,130	140,580	130,136	145,878
Management fees	614,416	130,793	133,071	158,815	191,737
Tenant services - salaries	341,512	85,296	89,357	61,389	105,470
Utilities	202,231	28,019	34,178	65,820	74,214
Other administrative expenses	365,831	77,037	84,420	77,062	127,312
Insurance	104,846	23,442	22,241	26,836	32,327
Offices supplies	119,205	27,303	24,635	38,337	28,930
Asset management fees	90,000	18,960	19,560	23,400	28,080
Employee benefits - tenant services	214,125	50,202	81,227	19,934	62,762
Bookkeeping fees	66,765	14,213	14,460	17,257	20,835
Bad debts	(48,079)	(8,903)	(16,249)	(15,862)	(7,065)
Employee benefits - administrative	(333,631)	(326,451)	97,681	(196,474)	91,613
Employee benefits - ordinary maintenance	(21,743)	46,678	50,638	(251,930)	132,871
Compensated absences	(36,014)	(23,075)	(13,309)	5,988	(5,618)
Legal and professional fees	7,042	1,309	1,896	2,194	1,643
Advertising and marketing	9,700	1,918	3,586	3,609	587
Payments in lieu of taxes	50,525	19,148	9,547	-	21,830
Protective services	<u>2,061</u>	<u>624</u>	<u>546</u>	<u>356</u>	<u>535</u>
Total operating expenses	<u>5,797,683</u>	<u>1,155,921</u>	<u>1,255,100</u>	<u>1,024,686</u>	<u>2,361,976</u>
Operating income (loss)	<u>(628,000)</u>	<u>(111,851)</u>	<u>(168,007)</u>	<u>269,741</u>	<u>(617,883)</u>
Non-operating revenues and (expenses):					
Interest on general fund investments	13,437	2,006	3,231	4,290	3,910
Gain on sale of capital assets	-	-	-	-	-
Other income	<u>108,391</u>	<u>43,002</u>	<u>32,006</u>	<u>14,832</u>	<u>18,551</u>
Total non-operating revenues, net	<u>121,828</u>	<u>45,008</u>	<u>35,237</u>	<u>19,122</u>	<u>22,461</u>
Changes in net assets	<u>(506,172)</u>	<u>(66,843)</u>	<u>(132,770)</u>	<u>288,863</u>	<u>(595,422)</u>
Net position, beginning of year	16,553,846	3,358,991	3,528,845	3,741,042	5,924,968
Prior period adjustment	<u>(4,054,359)</u>	<u>(941,894)</u>	<u>(956,845)</u>	<u>(849,472)</u>	<u>(1,306,148)</u>
Net position, beginning of year, as restated	<u>12,499,487</u>	<u>2,417,097</u>	<u>2,572,000</u>	<u>2,891,570</u>	<u>4,618,820</u>
Total net position, end of year	<u>\$ 11,993,315</u>	<u>\$ 2,350,254</u>	<u>\$ 2,439,230</u>	<u>\$ 3,180,433</u>	<u>\$ 4,023,398</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Combining Statements of Cash Flows
For the Year Ended September 30, 2018

	<u>Total</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 3</u>	<u>AMP 4</u>
Cash flows from operating activities:					
Operating grants received	\$ 4,529,902	\$ 919,911	\$ 1,013,041	\$ 1,187,073	\$ 1,409,877
Receipts from tenants	579,837	87,385	62,656	103,667	326,129
Payments to suppliers	(3,473,225)	(855,703)	(516,511)	(880,795)	(1,220,216)
Payments to employees	(908,722)	(235,410)	(229,423)	(193,240)	(250,649)
Other cash receipts (payments)	-	-	-	-	-
Net cash provided by operating activities	<u>727,792</u>	<u>(83,817)</u>	<u>329,763</u>	<u>216,705</u>	<u>265,141</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(19,749)	(5,200)	-	-	(14,549)
Gain on sale of capital assets	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(19,749)</u>	<u>(5,200)</u>	<u>-</u>	<u>-</u>	<u>(14,549)</u>
Cash flows from investing activities:					
Deposits to investments	-	-	-	-	-
Interest and other income received	121,828	45,008	35,237	19,122	22,461
Net cash provided by investing activities	<u>121,828</u>	<u>45,008</u>	<u>35,237</u>	<u>19,122</u>	<u>22,461</u>
Net change in cash	829,871	(44,009)	365,000	235,827	273,053
Cash and cash equivalents at beginning of year	9,008,532	2,160,486	2,387,146	2,323,571	2,137,329
Cash and cash equivalents at end of year	<u>\$ 9,838,403</u>	<u>\$ 2,116,477</u>	<u>\$ 2,752,146</u>	<u>\$ 2,559,398</u>	<u>\$ 2,410,382</u>
Reconciliation of operating loss to net cash provided by operating activities:					
Operating loss	\$ (628,000)	\$ (111,851)	\$ (168,007)	\$ 269,741	\$ (617,883)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	1,557,278	327,443	314,633	341,408	573,794
Bad debts	(48,079)	(8,903)	(16,249)	(15,862)	(7,065)
Non-cash pension costs	(1,045,137)	(444,043)	19,357	(618,247)	(2,204)
Other post-employment benefit costs	369,141	85,758	87,119	77,342	118,922
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	31,595	4,039	16,594	6,449	4,513
HUD	-	-	-	-	-
Due from other funds	337,995	129,482	-	150	208,363
Interest	(21)	-	(2)	(10)	(9)
Other	-	-	-	-	-
Prepaid and other assets	(10)	-	-	-	(10)
Inventories	8,130	(1,799)	(5,252)	11,105	4,076
Increase (decrease) in liabilities:					
Accounts payable - Vendors	(568)	(1,070)	-	150	352
Compensated absences	(2,311)	(1,617)	(5,105)	1,387	3,024
HUD	-	-	-	-	-
Due to other funds	272,487	-	122,353	150,332	(198)
Security deposits	(3,555)	(25)	(601)	(1,300)	(1,629)
Accrued salaries and wages	(33,189)	(20,442)	(7,690)	2,886	(7,943)
FSS - tenant escrow	(87,761)	(40,851)	(27,122)	(8,826)	(10,962)
Other current liabilities	(1)	(1)	-	-	-
Accrued liabilities - PILOT	-	-	-	-	-
Deferred credits	(202)	63	(265)	-	-
Net cash provided by operating activities	<u>\$ 727,792</u>	<u>\$ (83,817)</u>	<u>\$ 329,763</u>	<u>\$ 216,705</u>	<u>\$ 265,141</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Net Position

September 30, 2018

Assets	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 1,460,529	\$ -	\$ -	\$ -	\$ 1,460,529
Restricted - FSS escrow	164,453	-	-	-	164,453
Restricted - other	814,687	-	-	-	814,687
Total cash	<u>2,439,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,439,669</u>
Accounts receivable:					
Tenants	94,604	-	-	-	94,604
HUD	(24,836)	-	-	-	(24,836)
Other	333,661	-	-	-	333,661
Total accounts receivable	<u>403,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,429</u>
Total current assets	<u>2,843,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,843,098</u>
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	934,104	-	-	-	934,104
Accumulated depreciation	(742,135)	-	-	-	(742,135)
Total capital assets, net	<u>191,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,969</u>
Total assets	<u>3,035,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,035,067</u>
Deferred outflows of resources:					
Pension	329,818	-	-	-	329,818
Other post-employment benefits	290,277	-	-	-	290,277
Total deferred outflows of resources	<u>620,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,095</u>
Total assets and deferred outflows	<u>\$ 3,655,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,655,162</u>
Liabilities and Net Position					
Current Liabilities:					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	(39,980)	-	-	-	(39,980)
Accrued salaries and wages	53,150	-	-	-	53,150
Due to other funds	813,934	-	-	-	813,934
Compensated absences, current portion	13,438	-	-	-	13,438
Due to HUD	11,333	-	-	-	11,333
FSS escrow	131,513	-	-	-	131,513
Deferred revenues	32,357	-	-	-	32,357
Total current liabilities	<u>1,015,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,745</u>
Noncurrent Liabilities:					
Net pension liability	2,925,361	-	-	-	2,925,361
Other post-employment benefits	3,152,061	-	-	-	3,152,061
Compensated absences, net of current portion	102,599	-	-	-	102,599
Other liabilities - sick leave	18,394	-	-	-	18,394
Total noncurrent liabilities	<u>6,198,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,198,415</u>
Total liabilities	<u>7,214,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,214,160</u>
Deferred inflows of resources:					
Pension	122,493	-	-	-	122,493
Other post-employment benefits	270,107	-	-	-	270,107
Total deferred inflows of resources	<u>392,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,600</u>
Net Position:					
Invested in capital assets, net of related debt	191,969	-	-	-	191,969
Restricted	814,687	-	-	-	814,687
Unrestricted	(4,958,254)	-	-	-	(4,958,254)
Total net position	<u>(3,951,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,951,598)</u>
Total liabilities, deferred inflows, and net position	<u>\$ 3,655,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,655,162</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended September 30, 2018

	<u>Total</u>	<u>Certificate Program</u>	<u>Moderate Rehabilitation K-1</u>	<u>Moderate Rehabilitation K-2</u>	<u>Housing Choice Vouchers</u>
Operating revenues:					
Housing assistance payments	\$ 30,063,004	\$ -	\$ -	\$ -	\$ 30,063,004
Ongoing administrative fees earned	-	-	-	-	-
Other grants - FSS	-	-	-	-	-
Total operating revenues	<u>30,063,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,063,004</u>
Operating expenses:					
Housing assistance payments	27,846,756	-	-	-	27,846,756
Administrative salaries	984,684	-	-	-	984,684
Management fees	337,020	-	-	-	337,020
Bookkeeping fees	210,637	-	-	-	210,637
Office expense	165,127	-	-	-	165,127
Employee benefit contribution - administrative	815,170	-	-	-	815,170
Other administrative expenses	81,702	-	-	-	81,702
Legal and professional fees	34,766	-	-	-	34,766
Depreciation	25,930	-	-	-	25,930
Compensated absences	(80,456)	-	-	-	(80,456)
Insurance	6,577	-	-	-	6,577
Advertising and marketing	13,735	-	-	-	13,735
Total operating expenses	<u>30,441,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,441,648</u>
Operating income	<u>(378,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(378,644)</u>
Non-operating revenues and transfers:					
Fraud recovery	19,826	-	-	-	19,826
Other income	81,522	-	-	-	81,522
Total non-operating revenues	<u>101,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,348</u>
Change in net position	<u>(277,296)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(277,296)</u>
Net position, beginning of year	(803,767)	-	-	-	(803,767)
Prior period adjustment, pension	(2,870,535)	-	-	-	(2,870,535)
Total net position, beginning of year, as restated	<u>(3,674,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,674,302)</u>
Total net position, end of year	<u>\$ (3,951,598)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,951,598)</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, 2018

	<u>Total</u>	<u>Certificate Program</u>	<u>Moderate Rehabilitation K-1</u>	<u>Moderate Rehabilitation K-2</u>	<u>Housing Choice Vouchers</u>
Cash flows from operating activities:					
Operating grants received	\$ 30,037,878	\$ -	\$ -	\$ -	\$ 30,037,878
Assistance paid	(27,877,342)	-	-	-	(27,877,342)
Payments to suppliers	(1,188,386)	-	-	-	(1,188,386)
Payments to employees	(983,075)	-	-	-	(983,075)
Other receipts and (payments)	-	-	-	-	-
Net cash provided by operating activities	<u>(10,925)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,925)</u>
Cash flows from noncapital financing activities:					
Transfer from other funds	-	-	-	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	-	-	-
Net cash flows used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Other income received	101,348	-	-	-	101,348
Decrease in restricted investments	-	-	-	-	-
Net cash provided by investing activities	<u>101,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,348</u>
Net decrease in cash and cash equivalents	90,423	-	-	-	90,423
Cash and cash equivalents at beginning of year	<u>2,349,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,349,246</u>
Cash and cash equivalents at end of year	<u>\$ 2,439,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,439,669</u>
Unrestricted cash	\$ 1,460,529	-	-	-	1,460,529
Restricted - FSS escrow account	164,453	-	-	-	164,453
Restricted cash	<u>814,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>814,687</u>
Total cash and cash equivalents at end of year	<u>\$ 2,439,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,439,669</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

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

Combining Statements of Cash Flows, Continued
Year Ended September 30, 2018

	<u>Total</u>	<u>Certificate Program</u>	<u>Moderate Rehabilitation K-1</u>	<u>Moderate Rehabilitation K-2</u>	<u>Housing Choice Vouchers</u>
Reconciliation of operating income to net cash used for operating activities:					
Operating income	\$ (378,644)	\$ -	\$ -	\$ -	\$ (378,644)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	25,930	-	-	-	25,930
Non-cash pension costs	208,978	-	-	-	208,978
Other post-employment benefit costs	261,356	-	-	-	261,356
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	2,558	-	-	-	2,558
HUD	(28,569)	-	-	-	(28,569)
Due from other funds	-	-	-	-	-
Interest	-	-	-	-	-
Other	(26,737)	-	-	-	(26,737)
Increase (decrease) in liabilities:					
Bank overdraft	-	-	-	-	-
Accounts payable	(68,604)	-	-	-	(68,604)
Compensated absences and sick leave	(80,455)	-	-	-	(80,455)
Due to HUD	2,950	-	-	-	2,950
Due to other funds	74,618	-	-	-	74,618
Accrued salaries and wages	1,608	-	-	-	1,608
FSS Escrow	(6,407)	-	-	-	(6,407)
Deferred revenues	493	-	-	-	493
Net cash provided by operating activities	<u>\$ (10,925)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,925)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Net Position
September 30, 2018

Assets	
Current assets:	
Cash:	
Unrestricted	\$ 115,532
Restricted - security deposits	17,423
Restricted - other	487,159
Total cash	620,114
Accounts receivable:	
Tenants	7,740
Interest	-
Due from other funds	(276)
Other	8,199
	15,663
Allowance for doubtful accounts	(13,337)
Total accounts receivable, net	2,326
Investments:	
Unrestricted	-
Restricted/reserved by fiscal agent	-
Total investments	-
Prepayments and other current assets	-
Inventories	7,287
Total current assets	629,727
Noncurrent assets:	
Capital assets, net	1,984,063
Other assets	-
Total noncurrent assets	1,984,063
Total assets	2,613,790
Deferred outflows of resources:	
Pension	29,939
Other post-employment benefits	18,692
Total deferred outflows of resources	48,631
Total assets and deferred outflows of resources	\$ 2,662,421

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Net Position, Continued
September 30, 2018

Liabilities and Net Position	
Current liabilities:	
Current portion of long-term debt	\$ 70,000
Accounts payable	21,927
Current portion of compensated absences	765
Due to other funds	173,935
Security deposits	15,195
Accrued salaries and wages	<u>3,407</u>
Total current liabilities	<u>285,229</u>
Noncurrent liabilities:	
Net pension liability	29,713
Other post-employment benefits	202,974
Long-term debt, net of current portion	896,317
Accrued compensated absences	<u>9,216</u>
Total noncurrent liabilities	<u>1,138,220</u>
Total liabilities	<u>1,423,449</u>
Deferred inflows of resources:	
Pension	2,207
Other post-employment benefits	<u>17,393</u>
Total deferred inflows of resources	<u>19,600</u>
Net position:	
Investment in capital assets, net of related debt	1,017,746
Restricted	504,582
Unrestricted	<u>(302,956)</u>
Total net position	<u>1,219,372</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,662,421</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2018

Operating revenues:

HUD PHA Operating Grants	\$ 618,265
Tenant rental income	102,487
Total operating revenues	<u>720,752</u>

Operating expenses:

Utilities	192,401
Salaries and wages	76,654
Depreciation	101,163
Management fees	38,847
Employee benefits	(198,642)
Other administrative expenses	35,144
Repairs and maintenance	34,868
Office expense	6,125
Insurance	5,412
Advertising and marketing	2,211
Legal and professional fees	627
Protective services	190
Bad debts	1,572
Compensated absences	3,517
Total operating expenses	<u>300,089</u>

Operating income 420,663

Non-operating revenues (expenses):

Interest income on unrestricted investments	-
Interest expense	(59,668)
Other income	6,643

Total non-operating revenues (expenses), net (53,025)

Change in net position 367,638

Net position at beginning of year 1,036,579

Prior period adjustment (184,845)

Net position at beginning of year, as restated 851,734

Total net position at end of year \$ 1,219,372

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Cash Flows
For the Year Ended September 30, 2018

Cash flows from operating activities:	
Operating grants received	\$ 618,265
Receipts from customers and tenants	100,758
Payments to suppliers	(327,320)
Payments to employees	<u>(79,632)</u>
Net cash provided by (used for) operating activities	<u>312,071</u>
Cash flows from noncapital financing activities:	
Transfers (in) out from other funds	<u>-</u>
Net cash used for noncapital financing activities	<u>-</u>
Cash flows from capital and related financing activities:	
Repayment of note payable	\$ (66,811)
Interest paid	(59,668)
Acquisition of capital assets	<u>(64,529)</u>
Net cash used for capital and related financing activities	<u>(191,008)</u>
Cash flows from investing activities:	
Interest and other income received	6,643
Deposits to restricted accounts	<u>-</u>
Net cash provided by investing activities	<u>6,643</u>
Net increase (decrease) in cash	127,706
Cash at beginning year	<u>492,408</u>
Cash at end of year	<u><u>\$ 620,114</u></u>
Cash and cash equivalents consist of the following:	
Unrestricted	\$ 115,532
Restricted - security deposits	17,423
Restricted - other	<u>487,159</u>
Total cash and cash equivalents at end of year	<u><u>\$ 620,114</u></u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Cash Flows
For the Year Ended September 30, 2018

Reconciliation in operating income to net cash provided by (used for) operating activities:	
Operating income	\$ 420,663
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	101,163
Bad debts	1,572
Non-cash pension costs recovery	(241,091)
Other post-employment benefit costs	16,830
(Increase) decrease in assets:	
Accounts receivable:	
Tenant receivables	(2,083)
Interest	-
Due from other funds	276
Other	(590)
Prepayments and other assets	-
Inventories	(405)
Increase (decrease) in liabilities:	
Account payable	9,214
Compensated absences and sick leave	3,517
Due to other funds	5,039
Security deposits	944
Accrued salaries and wages	<u>(2,978)</u>
Net cash provided by operating activities	<u>\$ 312,071</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Net Position
September 30, 2018

ASSETS	Total	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Economic, Social, Political and Development of the Territories	Family Self-Sufficiency Program	Public Housing Capital Fund Program	ARRA - CFDA 14.256 Neighborhood Stabilization
Current assets:											
Cash:											
Unrestricted	\$ 208,084	\$ -	\$ 208,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted - security deposits	-	-	-	-	-	-	-	-	-	-	-
Total cash	<u>208,084</u>	<u>-</u>	<u>208,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounts receivable:											
Due from other funds	226,627	-	-	-	-	-	-	-	-	218,876	7,751
HUD	561,336	67,877	136,615	89,770	34,182	16,586	-	-	27,602	188,704	-
Promissory notes, current portion	91,448	-	91,448	-	-	-	-	-	-	-	-
Federal Government	-	-	-	-	-	-	-	-	-	-	-
Other Government	-	-	-	-	-	-	-	-	-	-	-
Interest	4,575	-	4,575	-	-	-	-	-	-	-	-
Other	1,451	-	1,451	-	-	-	-	-	-	-	-
	<u>885,437</u>	<u>67,877</u>	<u>234,089</u>	<u>89,770</u>	<u>34,182</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>407,580</u>	<u>7,751</u>
Allowance for doubtful accounts	(2,098)	-	(2,098)	-	-	-	-	-	-	-	-
Total accounts receivable	<u>883,339</u>	<u>67,877</u>	<u>231,991</u>	<u>89,770</u>	<u>34,182</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>407,580</u>	<u>7,751</u>
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Total current assets	<u>1,091,423</u>	<u>67,877</u>	<u>440,075</u>	<u>89,770</u>	<u>34,182</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>407,580</u>	<u>7,751</u>
Noncurrent assets:											
Promissory notes, noncurrent	3,770,311	-	3,770,311	-	-	-	-	-	-	-	-
Capital assets, net:											
Land and infrastructure	-	-	-	-	-	-	-	-	-	-	-
Depreciable buildings, property and equipment, net	8,319,367	-	-	-	-	-	-	-	-	8,319,367	-
Total non-current assets	<u>12,089,678</u>	<u>-</u>	<u>3,770,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,319,367</u>	<u>-</u>
Total assets	<u>13,181,101</u>	<u>67,877</u>	<u>4,210,386</u>	<u>89,770</u>	<u>34,182</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>8,726,947</u>	<u>7,751</u>
Deferred outflows of resources:											
Pension	122,075	-	63,443	-	14,802	10,512	-	-	33,318	-	-
Other post-employment benefits	97,563	-	54,406	-	9,209	6,597	-	-	27,351	-	-
Total deferred outflows of resources	<u>219,638</u>	<u>-</u>	<u>117,849</u>	<u>-</u>	<u>24,011</u>	<u>17,109</u>	<u>-</u>	<u>-</u>	<u>60,669</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 13,400,739</u>	<u>\$ 67,877</u>	<u>\$ 4,328,235</u>	<u>\$ 89,770</u>	<u>\$ 58,193</u>	<u>\$ 33,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,271</u>	<u>\$ 8,726,947</u>	<u>\$ 7,751</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Net Position
September 30, 2018

LIABILITIES AND NET POSITION	Total	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health	Economic, Social, Political and Development of the Territories	Family Self- Sufficiency Program	Public Housing Capital Fund Program	ARRA - CFDA
							Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program				14.256 Neighborhood Stablization
Liabilities:											
Accounts payable	\$ 19	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of compensated absences	4,554	-	2,553	-	1,084	-	-	-	917	-	-
Due to HUD	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	295,352	65,014	122,290	89,244	7,802	-	295	600	4,788	(1,830)	7,149
Deferred revenues	324,402	-	17,129	-	-	-	-	1,300	-	305,973	-
Accrued salaries and wages	19,245	2,863	2,435	526	1,173	1,515	-	-	4,779	5,954	-
Other current liabilities	6,000	-	6,000	-	-	-	-	-	-	-	-
Total current liabilities	649,572	67,877	150,426	89,770	10,059	1,515	295	1,900	10,484	310,097	7,149
Noncurrent liabilities:											
Net pension liability	778,467	-	519,526	-	14,689	10,433	-	-	233,819	-	-
Other post-employment benefits	1,059,419	-	590,788	-	99,995	71,638	-	-	296,998	-	-
Accrued compensated absences	20,213	-	596	-	16,851	-	-	-	2,766	-	-
Other liabilities	3,894,811	-	3,883,693	-	3,980	-	-	-	7,138	-	-
Total noncurrent liabilities	5,752,910	-	4,994,603	-	135,515	82,071	-	-	540,721	-	-
Total liabilities	6,402,482	67,877	5,145,029	89,770	145,574	83,586	295	1,900	551,205	310,097	7,149
Deferred inflows of resources:											
Pension	33,838	-	21,930	-	1,091	775	-	-	10,042	-	-
Other post-employment benefits	90,783	-	50,626	-	8,568	6,139	-	-	25,450	-	-
Total deferred inflows of resources	124,621	-	72,556	-	9,659	6,914	-	-	35,492	-	-
Net position:											
Investment in capital assets, net of related debt	8,416,850	-	-	-	-	-	-	-	-	8,416,850	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	(1,543,214)	-	(889,350)	-	(97,040)	(56,805)	(295)	(1,900)	(498,426)	-	602
Total net position	6,873,636	-	(889,350)	-	(97,040)	(56,805)	(295)	(1,900)	(498,426)	8,416,850	602
Total liabilities, deferred inflows of resources and net position	\$ 13,400,739	\$ 67,877	\$ 4,328,235	\$ 89,770	\$ 58,193	\$ 33,695	\$ -	\$ -	\$ 88,271	\$ 8,726,947	\$ 7,751

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2018

	Total	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Economic, Social, Political and Development of the Territories	Family Self- Sufficiency Program	Public Housing Capital Fund Program	ARRA - CFDA 14.256 Neighborhood Stablization
Operating revenues:											
HUD PHA Operating Grants	\$ 2,532,330	\$ 1,040,152	\$ 878,643	\$ 164,302	\$ 52,802	\$ 49,814	\$ -	\$ -	\$ 144,826	\$ 201,791	\$ -
Other Government Grants	-	-	-	-	-	-	-	-	-	-	-
Tenant rental income	39,537	-	39,537	-	-	-	-	-	-	-	-
Other income	183,775	-	163,183	-	-	-	16,059	-	-	1,530	3,003
Total operating revenues	2,755,642	1,040,152	1,081,363	164,302	52,802	49,814	16,059	-	144,826	203,321	3,003
Operating expenses:											
Repairs and maintenance	901,868	-	885,337	-	-	-	16,059	-	-	-	472
Administrative salaries	357,871	49,099	89,346	8,055	25,416	25,703	-	-	88,949	69,355	1,948
Management fees	39,708	-	-	-	-	-	-	-	-	39,708	-
Employee benefits	172,449	16,726	104,093	2,692	(59,568)	15,472	-	-	67,484	24,967	583
Depreciation	793,037	-	-	-	-	-	-	-	-	793,037	-
Utilities	107	-	107	-	-	-	-	-	-	-	-
Tenant salaries	-	-	-	-	-	-	-	-	-	-	-
Insurance	973	-	973	-	-	-	-	-	-	-	-
Tenant services	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-
Advertising and Marketing	10,345	-	6,729	160	-	-	-	-	-	3,456	-
Office expense	8,133	13	2,476	-	5,084	205	-	-	-	355	-
Professional fees	4,818	3,150	1,143	525	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	9,832	-	9,249	-	1,441	(4,085)	-	-	3,227	-	-
Bad debt	2,098	-	2,098	-	-	-	-	-	-	-	-
Other	1,144,150	971,164	1,936	152,870	971	-	-	1,900	-	15,309	-
Total operating expenses	3,445,389	1,040,152	1,103,487	164,302	(26,656)	37,295	16,059	1,900	159,660	946,187	3,003
Operating income (loss)	(689,747)	-	(22,124)	-	79,458	12,519	-	(1,900)	(14,834)	(742,866)	-
Non-operating revenues (expenses):											
Capital grants	536,500	-	-	-	-	-	-	-	-	536,500	-
Interest income on unrestricted investments	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses), net	536,500	-	-	-	-	-	-	-	-	536,500	-
Changes in net position	(153,247)	-	(22,124)	-	79,458	12,519	-	(1,900)	(14,834)	(206,366)	-
Net position - beginning of year	7,991,678	-	(329,205)	-	(85,435)	(4,085)	(295)	-	(213,120)	8,623,216	602
Prior period adjustment	(964,795)	-	(538,021)	-	(91,063)	(65,239)	-	-	(270,472)	-	-
Total net position - beginning of year, as restate	7,026,883	-	(867,226)	-	(176,498)	(69,324)	(295)	-	(483,592)	8,623,216	602
Total net position - end of year	\$ 6,873,636	\$ -	\$ (889,350)	\$ -	\$ (97,040)	\$ (56,805)	\$ (295)	\$ (1,900)	\$ (498,426)	\$ 8,416,850	\$ 602

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, 2018

	TOTAL	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Economic, Social, Political and Development of the Territories	Family Self- Sufficiency Program	Public Housing Capital Fund Program	ARRA - CFDA 14.256 Neighborhood Stablization
Cash flows from operating activities:											
Operating grants received	\$ 2,575,837	\$1,083,014	\$ 960,775	\$ 142,830	\$ 51,630	\$ 49,814	\$ -	\$ -	\$ 144,826	\$ 142,948	\$ -
Other government grants received	16,059	-	-	-	-	-	16,059	-	-	-	-
Receipts from customers	187,759	-	183,226	-	-	-	-	-	-	1,530	3,003
Assistance paid	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(2,437,591)	(1,034,872)	(1,002,640)	(135,301)	(25,874)	(25,626)	(16,059)	-	(56,145)	(139,417)	(1,657)
Payments to employees	(358,143)	(48,142)	(93,924)	(7,529)	(25,756)	(24,188)	-	-	(88,681)	(67,975)	(1,948)
Other cash receipts (payments)	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) operating activities	(16,079)	-	47,437	-	-	-	-	-	-	(62,914)	(602)
Cash flows from capital and related financing activities:											
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Repayment of note payable	-	-	-	-	-	-	-	-	-	-	-
Other income received	-	-	-	-	-	-	-	-	-	-	-
Capital grants received	536,500	-	-	-	-	-	-	-	-	536,500	-
Acquisition of fixed assets	(473,586)	-	-	-	-	-	-	-	-	(473,586)	-
Net cash flows used for capital and related financing activities	62,914	-	-	-	-	-	-	-	-	62,914	-
Cash flows from investing activities:											
Interest and other income received	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash	46,835	-	47,437	-	-	-	-	-	-	-	(602)
Cash at beginning of year	161,249	-	160,647	-	-	-	-	-	-	-	602
Cash at end of year	\$ 208,084	\$ -	\$ 208,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation to operating loss to net cash provided by (used for) operating activities:											
Operating income (loss)	\$ (689,747)	\$ -	\$ (22,124)	\$ -	\$ 79,458	\$ 12,519	\$ -	\$ (1,900)	\$ (14,834)	\$ (742,866)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:											
Depreciation	793,037	-	-	-	-	-	-	-	-	793,037	-
Bad debts	2,098	-	2,098	-	-	-	-	-	-	-	-
Non-cash pension costs	(40,709)	-	25,739	-	(77,638)	696	-	10,494	-	-	-
Other post-employment benefit costs	87,844	-	48,987	-	8,291	5,941	-	24,625	-	-	-
(Increase) decrease in assets:											
Accounts receivable:											
Tenants	(1,451)	-	(1,451)	-	-	-	-	-	-	-	-
HUD	43,507	42,862	82,132	(21,472)	(1,172)	-	-	-	-	(58,843)	-
Interest	(4,575)	-	(4,575)	-	-	-	-	-	-	-	-
Promissory notes	(879,986)	-	(879,986)	-	-	-	-	-	-	-	-
Due from other funds	(11,114)	-	-	-	-	-	-	-	-	(10,512)	(602)
Due from other government agencies	-	-	-	-	-	-	-	-	-	-	-
Prepayments and other assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	14,620	-	1,525	-	12,113	(1,926)	-	2,908	-	-	-
Due to HUD	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	(191,061)	(43,819)	(74,572)	20,946	(10,040)	(16,586)	-	1,900	(23,780)	(45,110)	-
Security deposits	1,500	-	1,500	-	-	-	-	-	-	-	-
Deferred revenues	(14,968)	-	(14,968)	-	-	-	-	-	-	-	-
Accrued salaries and wages	(273)	957	(4,578)	526	(341)	1,515	-	268	1,380	-	-
Other liabilities	875,199	-	887,710	-	(10,671)	(2,159)	-	319	-	-	-
Net cash provided by (used for) operating activities	\$ (16,079)	\$ -	\$ 47,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (62,914)	\$ (602)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

CONTINUUM OF CARE PROGRAM
CFDA NO. 14.267

Combining Statements of Net Position
September 30, 2018

ASSETS	Total	GU0011- L9C001506	GU0016- L9C001504	GU0015- L9C001504	GU0018- L9C001502	GU0020- L9C001500	GU0011- L9C001607	GU0016- L9C001605	GU003- L9C001609	GU0004- L9C001609	GU0015- L9C001605	GU0018- L9C001603	GU0022- L9C001600	GU0003- L9C001710	GU0004- L9C001710
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:															
HUD	67,877	-	-	-	-	-	675	18,512	-	-	-	13,798	1,656	33,155	81
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 67,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675	\$ 18,512	\$ -	\$ -	\$ -	\$ 13,798	\$ 1,656	\$ 33,155	\$ 81
LIABILITIES AND NET POSITION															
Accounts payable:															
Due to other funds	\$ 65,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,512	\$ -	\$ -	\$ -	\$ 13,798	-	\$ 32,704	\$ -
Accrued salaries and wages	2,863	-	-	-	-	-	675	-	-	-	-	-	1,656	451	81
HUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities:															
Compensated absences - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 67,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675	\$ 18,512	\$ -	\$ -	\$ -	\$ 13,798	\$ 1,656	\$ 33,155	\$ 81

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

CONTINUUM OF CARE PROGRAM
CFDA NO. 14.267

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2018

	Total	GU0011- L9C001506	GU0016- L9C001504	GU0015- L9C001504	GU0018- L9C001502	GU0020- L9C001500	GU0011- L9C001607	GU0016- L9C001605	GU0003- L9C001609	GU0004- L9C001609	GU0015- L9C001605	GU0018- L9C001603	GU0022- L9C001600	GU0003- L9C001710	GU0004- L9C001710
Revenues:															
Federal contributions	\$ 1,040,152	\$ 22,655	\$ 33,206	\$ 43,268	\$ 11,731	\$ 19,946	\$ 281,234	\$ 82,011	\$ 308,825	\$ 98,317	\$ 32,724	\$ 53,156	\$ 17,735	\$ 34,591	\$ 753
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>1,040,152</u>	<u>22,655</u>	<u>33,206</u>	<u>43,268</u>	<u>11,731</u>	<u>19,946</u>	<u>281,234</u>	<u>82,011</u>	<u>308,825</u>	<u>98,317</u>	<u>32,724</u>	<u>53,156</u>	<u>17,735</u>	<u>34,591</u>	<u>753</u>
Operating expenses:															
Administrative salaries	49,099	-	-	-	-	14,948	14,491	1,607	2,196	210	677	557	13,190	1,051	172
Employee benefits	16,726	-	-	-	-	4,998	5,106	529	666	68	241	207	4,545	310	56
Repair and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	13	-	-	-	-	-	-	-	13	-	-	-	-	-	-
Legal	3,150	-	-	-	-	-	-	525	-	525	525	525	-	525	525
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	971,164	22,655	33,206	43,268	11,731	-	261,637	79,350	305,950	97,514	31,281	51,867	-	32,705	-
Total operating expenses	<u>1,040,152</u>	<u>22,655</u>	<u>33,206</u>	<u>43,268</u>	<u>11,731</u>	<u>19,946</u>	<u>281,234</u>	<u>82,011</u>	<u>308,825</u>	<u>98,317</u>	<u>32,724</u>	<u>53,156</u>	<u>17,735</u>	<u>34,591</u>	<u>753</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenditures):															
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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

CONTINUUM OF CARE PROGRAM
CFDA NO. 14.267

Combining Statements of Cash Flows
Year Ended September 30, 2018

	Total	GU0011- L9C001506	GU0016- L9C001504	GU0015- L9C001504	GU0018- L9C001502	GU0020- L9C001500	GU0011- L9C001607	GU0016- L9C001605	GU003- L9C001609	GU0004- L9C001609	GU0015- L9C001605	GU0018- L9C001603	GU0022- L9C001600	GU0003- L9C001710	GU0004- L9C001710
Cash flows from operating activities:															
Operating grants received	\$ 1,083,014	\$ 23,444	\$ 54,608	\$ 55,764	\$ 21,643	\$ 18,290	\$ 281,153	\$ 82,011	\$ 308,825	\$ 98,317	\$ 32,724	\$ 53,156	\$ 17,735	\$ 34,591	\$ 753
Payments to suppliers	(1,034,872)	(22,664)	(54,608)	(55,764)	(21,643)	(4,998)	(266,743)	(80,404)	(306,629)	(98,107)	(32,047)	(52,599)	(4,545)	(33,540)	(581)
Payments to employees	(48,142)	(780)	-	-	-	(13,292)	(14,410)	(1,607)	(2,196)	(210)	(677)	(557)	(13,190)	(1,051)	(172)
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	42,862	789	21,402	12,496	9,912	(1,656)	(81)	-	-	-	-	-	-	-	-
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:															
Due to other funds	(43,819)	(9)	(21,402)	(12,496)	(9,912)	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	957	(780)	-	-	-	1,656	81	-	-	-	-	-	-	-	-
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

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Net Position
September 30, 2018

ASSETS	Total	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST 66-0202	M-14-ST 66-0202	M-15-ST 66-0202	M-16-ST 66-0202	M-17-ST 66-0202	Program Income
Cash	\$ 208,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,084
Accounts Receivable:													
HUD	136,615	108,601	(12,939)	28,208	(7,424)	1,052	84	-	-	-	15,834	3,199	-
Interest	4,575	-	-	-	-	-	-	-	-	-	-	-	4,575
Tenants	1,451	-	-	-	-	-	-	-	-	-	-	-	1,451
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowance for doubtful accounts	(2,098)	-	-	-	-	-	-	-	-	-	-	-	(2,098)
Promissory notes, current portion	91,448	-	-	-	-	-	-	-	-	-	-	-	91,448
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Promissory notes, noncurrent	3,770,311	-	-	-	-	-	-	-	-	-	-	-	3,770,311
Capital assets	8,265	-	-	-	-	8,265	-	-	-	-	-	-	-
Accumulated depreciation	(8,265)	-	-	-	-	(8,265)	-	-	-	-	-	-	-
Total assets	<u>4,210,386</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,208</u>	<u>(7,424)</u>	<u>1,052</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,834</u>	<u>3,199</u>	<u>4,073,771</u>
Deferred outflows of resources:													
Pension	63,443	-	-	-	-	-	-	-	-	-	-	63,443	-
Other post-employment benefits	54,406	-	-	-	-	-	-	-	-	-	-	54,406	-
Total deferred outflows of resources	<u>117,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,849</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 4,328,235</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,208</u>	<u>\$ (7,424)</u>	<u>\$ 1,052</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,834</u>	<u>\$ 121,048</u>	<u>\$ 4,073,771</u>
LIABILITIES AND NET POSITION													
Current liabilities:													
Vendors	\$ 19	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to HUD	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	122,290	108,601	(12,939)	28,274	(7,226)	1,052	84	-	-	-	-	764	3,680
Accrued salaries and wages	2,435	-	-	-	-	-	-	-	-	-	-	2,435	-
Security deposits	6,000	-	-	-	-	-	-	-	-	-	-	-	6,000
Compensated absences - current	2,553	-	-	-	-	-	-	-	-	-	-	2,553	-
Deferred revenues	17,129	-	-	-	-	-	-	-	-	-	-	-	17,129
Total current liabilities	<u>150,426</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>1,052</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,752</u>	<u>26,809</u>
Noncurrent liabilities:													
Net pension liability	519,526	-	-	-	-	-	-	-	-	-	-	519,526	-
Other post-employment benefits	590,788	-	-	-	-	-	-	-	-	-	-	590,788	-
Compensated absences-noncurrent	596	-	-	-	-	-	-	-	-	-	-	596	-
Other long-term liabilities	3,883,693	-	-	-	-	-	-	-	-	-	-	21,934	3,861,759
Total noncurrent liabilities	<u>4,994,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,132,844</u>	<u>3,861,759</u>
Total liabilities	<u>5,145,029</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>1,052</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,138,596</u>	<u>3,888,568</u>
Deferred inflows of resources:													
Pension	21,930	-	-	-	-	-	-	-	-	-	-	21,930	-
Other post-employment benefits	50,626	-	-	-	-	-	-	-	-	-	-	50,626	-
Total deferred inflows of resources	<u>72,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,556</u>	<u>-</u>
Net position:													
Invested in capital, net of related debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	(889,350)	-	-	(85)	(198)	-	-	-	-	-	15,834	(1,090,104)	185,203
Total net position	<u>(889,350)</u>	<u>-</u>	<u>-</u>	<u>(85)</u>	<u>(198)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,834</u>	<u>(1,090,104)</u>	<u>185,203</u>
Total liabilities, net position and inflows of resources	<u>\$ 4,328,235</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,208</u>	<u>\$ (7,424)</u>	<u>\$ 1,052</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,834</u>	<u>\$ 121,048</u>	<u>\$ 4,073,771</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2018

	Total	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	M-14-ST- 66-0202	M-15-ST- 66-0202	M-16-ST- 66-0202	M-17-ST- 66-0202	Program Income
Revenues:													
PHA Operating grants	\$ 878,643	\$ -	\$ -	\$ -	\$ -	\$ 19,052	\$ 6,252	\$ 151,126	\$ 153,647	\$ 202	\$ 492,693	\$ 55,671	\$ -
Tenant rental income	39,537	-	-	-	-	-	-	-	-	-	-	-	39,537
Other	163,183	-	-	-	-	-	-	-	-	-	-	-	163,183
Total Revenues	1,081,363	-	-	-	-	19,052	6,252	151,126	153,647	202	492,693	55,671	202,720
Operating expenses:													
Repairs and maintenance	885,337	-	-	-	-	19,052	-	113,899	140,915	-	476,000	-	135,471
Administrative salaries	89,346	-	-	-	-	-	4,596	27,776	9,472	152	12,727	34,623	-
Employee benefits	104,093	-	-	-	-	-	1,656	9,451	(449,014)	50	4,161	537,789	-
Compensated absences	9,249	-	-	-	-	-	-	-	-	-	(15,834)	25,083	-
Office expense	2,476	-	-	-	-	-	-	-	-	-	(934)	3,106	304
Professional fees	1,143	-	-	-	-	-	-	-	-	-	(40)	1,183	-
Advertising and marketing	6,729	-	-	-	-	-	-	-	-	-	1,944	3,669	1,116
Utilities	107	-	-	-	-	-	-	-	-	-	-	-	107
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	973	-	-	-	-	-	-	-	-	-	(731)	1,431	273
Protective services	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	2,098	-	-	-	-	-	-	-	-	-	-	-	2,098
Other	1,936	-	-	-	-	-	-	-	-	-	(434)	870	1,500
Total operating expenses	1,103,487	-	-	-	-	19,052	6,252	151,126	(298,627)	202	476,859	607,754	140,869
Operating income	(22,124)	-	-	-	-	-	-	-	452,274	-	15,834	(552,083)	61,851
Non-operating revenues:													
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	(22,124)	-	-	-	-	-	-	-	452,274	-	15,834	(552,083)	61,851
Net position - beginning of year	(329,205)	-	-	(85)	(198)	-	-	-	(452,274)	-	-	-	123,352
Prior period adjustment	(538,021)	-	-	-	-	-	-	-	-	-	-	(538,021)	-
Net position - beginning of year, as restated	(867,226)	-	-	(85)	(198)	-	-	-	(452,274)	-	-	(538,021)	123,352
Total net position - end of year	\$ (889,350)	\$ -	\$ -	\$ (85)	\$ (198)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,834	\$ (1,090,104)	\$ 185,203

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, 2018

	Total	M-07-ST- 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	M-14-ST- 66-0202	M-15-ST- 66-0202	M-16-ST- 66-0202	M-17-ST- 66-0202	Program Income
Cash flows from operating activities:													
Operating grants received	\$ 960,775	\$ -	\$ -	\$ -	\$ -	\$ 19,052	\$ 7,209	\$ 230,647	\$ 153,647	\$ 922	\$ 496,826	\$ 52,472	\$ -
Receipts from customers	183,226	-	-	-	-	-	-	-	-	-	-	-	183,226
Payments to suppliers	(1,002,640)	-	-	-	-	(19,052)	(1,656)	(198,368)	(144,175)	(770)	(482,546)	(20,284)	(135,789)
Payments to employees	(93,924)	-	-	-	-	-	(5,553)	(32,279)	(9,472)	(152)	(14,280)	(32,188)	-
Other cash receipts (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>47,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,437</u>
Cash flows from investing activities:													
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:													
Transfers from fund balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	47,437	-	-	-	-	-	-	-	-	-	-	-	47,437
Cash and cash equivalents at beginning year	<u>160,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,647</u>
Cash and cash equivalents at end of year	<u>\$ 208,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,084</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:													
Operating income (loss)	\$ (22,124)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,274	\$ -	\$ 15,834	\$ (552,083)	\$ 61,851
Adjustments to reconcile change in net assets to net provided by (used in) operating activities:													
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	2,098	-	-	-	-	-	-	-	-	-	-	-	2,098
Non-cash pension costs	25,739	-	-	-	-	-	-	-	(452,274)	-	-	478,013	-
Other post-employment benefit costs	48,987	-	-	-	-	-	-	-	-	-	-	48,987	-
(Increase) decrease in assets:													
Accounts receivable - HUD	82,132	-	-	-	-	-	957	79,521	-	720	4,133	(3,199)	-
Interest	(4,575)	-	-	-	-	-	-	-	-	-	-	-	(4,575)
Tenants	(1,451)	-	-	-	-	-	-	-	-	-	-	-	(1,451)
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Promissory notes	(879,986)	-	-	-	-	-	-	-	-	-	-	-	(879,986)
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	(4,578)	-	-	-	-	-	(957)	(4,503)	-	-	(1,553)	2,435	-
Compensated absences	1,525	-	-	-	-	-	-	-	-	-	(1,624)	3,149	-
Security deposits	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Due to other funds	(74,572)	-	-	-	-	-	-	(75,018)	-	(720)	(2,580)	764	2,982
Deferred revenues	(14,968)	-	-	-	-	-	-	-	-	-	-	-	(14,968)
Other liabilities	887,710	-	-	-	-	-	-	-	-	-	(14,210)	21,934	879,986
Net cash provided by (used in) operating activities	<u>\$ 47,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,437</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SOLUTIONS GRANTS
CFDA NO. 14.231

Combining Statements of Net Position
September 30, 2018

<u>ASSETS</u>	<u>Total</u>	<u>E-16-DC- 66-0001</u>	<u>E-17-DC- 66-0001</u>
Cash	\$ -	\$ -	\$ -
Accounts Receivable:			
HUD	89,770	-	89,770
Due from other funds	-	-	-
Prepaid and other assets	-	-	-
Capital assets, net	-	-	-
 TOTAL	 <u>\$ 89,770</u>	 <u>\$ -</u>	 <u>\$ 89,770</u>

LIABILITIES AND NET POSITION

Accounts payable:			
Due to other funds	\$ 89,244	\$ -	\$ 89,244
HUD	-	-	-
Accrued salaries and wages	526	-	526
Accrued liabilities:			
Compensated absences - current	-	-	-
Salaries and wages	-	-	-
Deferred revenue	-	-	-
Compensated absences - noncurrent	-	-	-
Net position	-	-	-
 TOTAL	 <u>\$ 89,770</u>	 <u>\$ -</u>	 <u>\$ 89,770</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SOLUTIONS GRANTS

CFDA NO. 14.231

Statements of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2018

	Total	E-16-DC- 66-0001	E-17-DC- 66-0001
Revenues:			
Federal contributions	\$ 164,302	\$ 73,459	\$ 90,843
Other	-	-	-
Total Revenues	164,302	73,459	90,843
Operating expenses:			
Administrative salaries	8,055	6,925	1,130
Employee benefits	2,692	2,327	365
Repair and maintenance	-	-	-
Office expenses	-	-	-
Depreciation	-	-	-
Advertising and marketing	160	56	104
Legal	525	525	-
Travel	-	-	-
Other	152,870	63,626	89,244
Total operating expenses	164,302	73,459	90,843
Operating income	-	-	-
Non-operating revenues (expenses):			
Interest income	-	-	-
Interest expense	-	-	-
Total non-operating revenues (expenses)	-	-	-
Change in net position	-	-	-
Total net position - beginning of year	-	-	-
Total net position - end of year	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SOLUTIONS GRANTS
CFDA NO. 14.231

Combining Statements of Cash Flows
Year Ended September 30, 2018

	<u>Total</u>	<u>E-16-DC- 66-0001</u>	<u>E-17-DC- 66-0001</u>
Cash flows from operating activities:			
Operating grants received	\$ 142,830	\$ 141,757	\$ 1,073
Payments to suppliers	(135,301)	(134,832)	(469)
Payments to employees	<u>(7,529)</u>	<u>(6,925)</u>	<u>(604)</u>
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Acquisition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Transfers from fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income assets to net cash provided (used) by operating activities:			
Operating income	\$ -	\$ -	\$ -
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
(Increase) decrease in assets:			
Accounts receivable - HUD	(21,472)	68,298	(89,770)
Prepaide and other assets	-	-	-
Increase (decrease) in liabilities:			
Accrued salaries and wages	526	-	526
Due to other funds	20,946	(68,298)	89,244
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Net Position
September 30, 2018

ASSETS	Total	GQ-501-04	GQ-501-05	GQ8D001501-03	GQ-501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12	GQ-501-13	GQ-501-14	GQ-501-15	GQ-501-16	GQ-501-17
Current assets:																
Cash:																
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable:																
HUD	188,704	-	-	-	-	-	-	10,888	-	-	46,393	19,344	30,817	17,845	3,229	60,188
Due from other programs	218,876	39,353	7,689	420	85,515	-	-	67,100	9,942	-	(610)	-	2,425	7,042	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	407,580	39,353	7,689	420	85,515	-	-	77,988	9,942	-	45,783	19,344	33,242	24,887	3,229	60,188
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments:																
General fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets																
Total current assets	407,580	39,353	7,689	420	85,515	-	-	77,988	9,942	-	45,783	19,344	33,242	24,887	3,229	60,188
Noncurrent assets:																
Capital Assets:																
Land, structures and equipment, at cost	15,381,924	1,121,733	1,652,282	535,370	1,832,828	769,191	1,171,850	1,281,844	1,344,600	949,494	761,689	826,758	1,019,799	975,799	893,655	245,032
Accumulated depreciation	(7,062,557)	(828,002)	(1,268,636)	(356,913)	(1,202,741)	(489,787)	(693,475)	(637,793)	(639,510)	(354,620)	(196,040)	(193,779)	(99,509)	(70,217)	(31,535)	-
Net capital assets	8,319,367	293,731	383,646	178,457	630,087	279,404	478,375	644,051	705,090	594,874	565,649	632,979	920,290	905,582	862,120	245,032
Other assets																
Total noncurrent assets	8,319,367	293,731	383,646	178,457	630,087	279,404	478,375	644,051	705,090	594,874	565,649	632,979	920,290	905,582	862,120	245,032
Total assets	\$ 8,726,947	\$ 333,084	\$ 391,335	\$ 178,877	\$ 715,602	\$ 279,404	\$ 478,375	\$ 722,039	\$ 715,032	\$ 594,874	\$ 611,432	\$ 652,323	\$ 953,532	\$ 930,469	\$ 865,349	\$ 305,220

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Net Position, Continued
September 30, 2018

LIABILITIES AND NET POSITION	Total	GQ-501-04	GQ-501-05	GQ8D001501-03	GQ-501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12	GQ-501-13	GQ-501-14	GQ-501-15	GQ-501-16	GQ-501-17
Liabilities:																
Accounts payable:																
Accrued salaries and wages	\$ 5,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,229	\$ 2,725
Due to other funds	(1,830)	-	(3,981)	-	(87)	-	(73,693)	10,888	(1,874)	-	45,723	2,336	(8,799)	(30,110)	1,184	56,583
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences, current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts payable	<u>4,124</u>	<u>-</u>	<u>(3,981)</u>	<u>-</u>	<u>(87)</u>	<u>-</u>	<u>(73,693)</u>	<u>10,888</u>	<u>(1,874)</u>	<u>-</u>	<u>45,723</u>	<u>2,336</u>	<u>(8,799)</u>	<u>(30,110)</u>	<u>4,413</u>	<u>59,308</u>
Deferred credits:																
Deferred revenue	<u>305,973</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,602</u>	<u>-</u>	<u>73,693</u>	<u>67,100</u>	<u>11,816</u>	<u>-</u>	<u>60</u>	<u>16,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred credits	<u>305,973</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,602</u>	<u>-</u>	<u>73,693</u>	<u>67,100</u>	<u>11,816</u>	<u>-</u>	<u>60</u>	<u>16,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>310,097</u>	<u>39,353</u>	<u>7,690</u>	<u>420</u>	<u>85,515</u>	<u>-</u>	<u>-</u>	<u>77,988</u>	<u>9,942</u>	<u>-</u>	<u>45,783</u>	<u>18,594</u>	<u>(8,799)</u>	<u>(30,110)</u>	<u>4,413</u>	<u>59,308</u>
Noncurrent liabilities:																
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>310,097</u>	<u>39,353</u>	<u>7,690</u>	<u>420</u>	<u>85,515</u>	<u>-</u>	<u>-</u>	<u>77,988</u>	<u>9,942</u>	<u>-</u>	<u>45,783</u>	<u>18,594</u>	<u>(8,799)</u>	<u>(30,110)</u>	<u>4,413</u>	<u>59,308</u>
Net Position:																
Invested in capital assets, net of related debt	8,416,850	293,731	383,645	178,457	630,087	279,404	478,375	644,051	705,090	594,874	565,649	633,729	962,331	960,579	860,936	245,912
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position	<u>8,416,850</u>	<u>293,731</u>	<u>383,645</u>	<u>178,457</u>	<u>630,087</u>	<u>279,404</u>	<u>478,375</u>	<u>644,051</u>	<u>705,090</u>	<u>594,874</u>	<u>565,649</u>	<u>633,729</u>	<u>962,331</u>	<u>960,579</u>	<u>860,936</u>	<u>245,912</u>
Total liabilities and net position	<u>\$ 8,726,947</u>	<u>\$ 333,084</u>	<u>\$ 391,335</u>	<u>\$ 178,877</u>	<u>\$ 715,602</u>	<u>\$ 279,404</u>	<u>\$ 478,375</u>	<u>\$ 722,039</u>	<u>\$ 715,032</u>	<u>\$ 594,874</u>	<u>\$ 611,432</u>	<u>\$ 652,323</u>	<u>\$ 953,532</u>	<u>\$ 930,469</u>	<u>\$ 865,349</u>	<u>\$ 305,220</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2018

	<u>Total</u>	<u>GQ-501-04</u>	<u>GQ-501-05</u>	<u>GQ8D001501-03</u>	<u>GQ-501-06</u>	<u>GQ-501-07</u>	<u>GQ-501-08</u>	<u>GQ-501-09</u>	<u>GQ-501-10</u>	<u>GQ-501-11</u>	<u>GQ-501-12</u>	<u>GQ-501-13</u>	<u>GQ-501-14</u>	<u>GQ-501-15</u>	<u>GQ-501-16</u>	<u>GQ-501-17</u>
Operating revenues:																
HUD PHA Grants	\$ 201,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 84,077	\$ 76,559	\$ 40,405
Program income	1,530	-	-	-	-	-	-	-	-	-	-	-	-	-	650	880
Total operating revenues	<u>203,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>	<u>84,077</u>	<u>77,209</u>	<u>41,285</u>
Operating expenses:																
Depreciation	793,037	73,504	105,465	35,691	118,374	47,533	68,178	85,457	89,640	63,300	50,778	55,117	-	-	-	-
Management fees	39,708	-	-	-	-	-	-	-	-	-	-	-	-	38,484	1,224	-
Other miscellaneous expenses	15,309	-	-	-	-	-	-	-	-	-	-	-	-	-	15,309	-
Salaries and wages	69,355	-	-	-	-	-	-	-	-	-	-	-	-	-	30,338	39,017
Employee benefits	24,967	-	-	-	-	-	-	-	-	-	-	-	-	-	11,115	13,852
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	355
Tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising and marketing	3,456	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,456
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>946,187</u>	<u>73,504</u>	<u>105,465</u>	<u>35,691</u>	<u>118,374</u>	<u>47,533</u>	<u>68,178</u>	<u>85,457</u>	<u>89,640</u>	<u>63,300</u>	<u>50,778</u>	<u>55,117</u>	<u>-</u>	<u>38,484</u>	<u>57,986</u>	<u>56,680</u>
Operating loss	<u>(742,866)</u>	<u>(73,504)</u>	<u>(105,465)</u>	<u>(35,691)</u>	<u>(118,374)</u>	<u>(47,533)</u>	<u>(68,178)</u>	<u>(85,457)</u>	<u>(89,640)</u>	<u>(63,300)</u>	<u>(50,778)</u>	<u>(55,117)</u>	<u>750</u>	<u>45,593</u>	<u>19,223</u>	<u>(15,395)</u>
Non-operating revenues:																
Capital grants	536,500	-	-	-	-	-	-	-	-	-	-	-	-	61,009	214,184	261,307
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues	<u>536,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,009</u>	<u>214,184</u>	<u>261,307</u>
Change in net position	(206,366)	(73,504)	(105,465)	(35,691)	(118,374)	(47,533)	(68,178)	(85,457)	(89,640)	(63,300)	(50,778)	(55,117)	750	106,602	233,407	245,912
Total net position - beginning of year	<u>8,623,216</u>	<u>367,235</u>	<u>489,110</u>	<u>214,148</u>	<u>748,461</u>	<u>326,937</u>	<u>546,553</u>	<u>729,508</u>	<u>794,730</u>	<u>658,174</u>	<u>616,427</u>	<u>688,846</u>	<u>961,581</u>	<u>853,977</u>	<u>627,529</u>	<u>-</u>
Total net position - end of year	<u>\$ 8,416,850</u>	<u>\$ 293,731</u>	<u>\$ 383,645</u>	<u>\$ 178,457</u>	<u>\$ 630,087</u>	<u>\$ 279,404</u>	<u>\$ 478,375</u>	<u>\$ 644,051</u>	<u>\$ 705,090</u>	<u>\$ 594,874</u>	<u>\$ 565,649</u>	<u>\$ 633,729</u>	<u>\$ 962,331</u>	<u>\$ 960,579</u>	<u>\$ 860,936</u>	<u>\$ 245,912</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
Year Ended September 30, 2018

	Total	GQ-501-04	GQ-501-05	GQ8D001501-03	GQ-501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12	GQ-501-13	GQ-501-14	GQ-501-15	GQ-501-16	GQ-501-17
Cash flows from operating activities:																
Operating grants received	\$ 142,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 84,077	\$ 77,904	\$ (19,783)
Receipts from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(139,417)	-	-	-	-	-	-	-	-	-	-	-	(750)	(84,077)	(93,510)	38,920
Payments to employees	(67,975)	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,683)	(36,292)
Other receipts	1,530	-	-	-	-	-	-	-	-	-	-	-	-	-	650	880
Net cash used in operating activities	(62,914)	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,639)	(16,275)
Cash flows from capital and related financing activities:																
Capital grants received	536,500	-	-	-	-	-	-	-	-	-	-	-	-	61,009	214,184	261,307
Acquisition of capital assets	(473,586)	-	-	-	-	-	-	-	-	-	-	-	-	(61,009)	(167,545)	(245,032)
Net cash provided by investing activities	62,914	-	-	-	-	-	-	-	-	-	-	-	-	-	46,639	16,275
Cash flows from investing activities:																
Other income received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in time certificate of deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash used in operating activities:																
Operating loss	\$ (742,866)	\$ (73,504)	\$ (105,465)	\$ (35,691)	\$ (118,374)	\$ (47,533)	\$ (68,178)	\$ (85,457)	\$ (89,640)	\$ (63,300)	\$ (50,778)	\$ (55,117)	\$ 750	\$ 45,593	\$ 19,223	\$ (15,395)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:																
Depreciation	793,037	73,504	105,465	35,691	118,374	47,533	68,178	85,457	89,640	63,300	50,778	55,117	-	-	-	-
(Increase) decrease in assets:																
Due from HUD	(58,843)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,345	(60,188)
Due from other funds	(10,512)	-	-	-	-	-	-	-	-	-	-	-	(187)	(10,325)	-	-
Increase (decrease) in liabilities:																
Accrued salaries and wages	1,380	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,345)	2,725
Due to other funds	(45,110)	-	-	-	-	-	-	-	-	-	-	-	(563)	(35,268)	(65,862)	56,583
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided used in operating activities	\$ (62,914)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (46,639)	\$ (16,275)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Net Position
September 30, 2018

ASSETS	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Current assets:					
Cash					
Unrestricted	\$ 527,376	\$ 261,425	\$ 197,714	\$ -	\$ 68,237
Restricted - FSS	4,329	4,329	-	-	-
Restricted - other	106,488	5,142	101,346	-	-
Total cash	<u>638,193</u>	<u>270,896</u>	<u>299,060</u>	<u>-</u>	<u>68,237</u>
Account receivable:					
Due from other funds	5,309,998	1,339,148	3,420,176	3,865	546,809
Other governments	9,774	-	9,774	-	-
Promissory notes, current portion	76,679	76,679	-	-	-
Travel advances	-	-	-	-	-
Accrued interest	13	-	-	13	-
Other	115,088	4,739	106,909	-	3,440
Total accounts receivable	5,511,552	1,420,566	3,536,859	3,878	550,249
Allowance for doubtful accounts	(184,340)	(181,790)	(2,550)	-	-
Total accounts receivable, net	<u>5,327,212</u>	<u>1,238,776</u>	<u>3,534,309</u>	<u>3,878</u>	<u>550,249</u>
Investments	75,259	-	-	75,259	-
Prepaid and other assets	74,908	30	74,878	-	-
Other real estate	2,636,152	2,636,152	-	-	-
Total current assets	<u>8,751,724</u>	<u>4,145,854</u>	<u>3,908,247</u>	<u>79,137</u>	<u>618,486</u>
Noncurrent assets:					
Capital assets, net	873,283	344,012	52,048	-	477,223
Promissory notes - noncurrent	478,467	478,467	-	-	-
Total non-current assets	<u>1,351,750</u>	<u>822,479</u>	<u>52,048</u>	<u>-</u>	<u>477,223</u>
Deferred outflows of resources:					
Pension	400,221	400,221	-	-	-
Other post-employment benefits	353,363	353,363	-	-	-
Total deferred outflows of resources	<u>753,584</u>	<u>753,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 10,857,058</u>	<u>\$ 5,721,917</u>	<u>\$ 3,960,295</u>	<u>\$ 79,137</u>	<u>\$ 1,095,709</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Accounts payable:					
Bank overdraft	\$ 119,549	\$ 119,549	\$ -	\$ -	\$ -
Due to other funds	3,374,193	(115,204)	2,076,981	-	1,412,416
Vendors and contractors	214,907	22,256	192,651	-	-
Compensated absences - current portion	26,272	26,272	-	-	-
Other	936,969	-	936,969	-	-
Accrued salaries and wages	65,396	65,396	-	-	-
Accrued liabilities	167,206	25,960	141,082	-	164
Accrued FSS Escrow liabilities	-	-	-	-	-
Security deposits	3,173	3,173	-	-	-
Deferred revenues	1,149,591	1,144,326	5,265	-	-
Total Current Liabilities	<u>6,057,256</u>	<u>1,291,728</u>	<u>3,352,948</u>	<u>-</u>	<u>1,412,580</u>
Noncurrent liabilities:					
Net pension liability	3,581,472	3,581,472	-	-	-
Other post-employment benefits	3,837,097	3,837,097	-	-	-
Accrued compensated absences	112,182	112,182	-	-	-
Accrued sick leave	73,123	73,123	-	-	-
Total noncurrent liabilities	<u>7,603,874</u>	<u>7,603,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>13,661,130</u>	<u>8,895,602</u>	<u>3,352,948</u>	<u>-</u>	<u>1,412,580</u>
Deferred inflows of resources:					
Pension	149,837	149,837	-	-	-
Other post-employment benefits	328,809	328,809	-	-	-
Total deferred inflows of resources	<u>478,646</u>	<u>478,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:					
Investment in capital assets, net of related debt	3,509,435	2,980,164	52,048	-	477,223
Restricted	-	-	-	-	-
Unrestricted	(6,792,153)	(6,632,495)	555,299	79,137	(794,094)
Total Net Position	<u>(3,282,718)</u>	<u>(3,652,331)</u>	<u>607,347</u>	<u>79,137</u>	<u>(316,871)</u>
Total Liabilities, deferred inflows of resources and net position	<u>\$ 10,857,058</u>	<u>\$ 5,721,917</u>	<u>\$ 3,960,295</u>	<u>\$ 79,137</u>	<u>\$ 1,095,709</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Revenues, Expenses and Changes in Net Position
September 30, 2018

	<u>TOTAL</u>	<u>Local Funds</u>	<u>Revolving Funds</u>	<u>Trust Funds</u>	<u>Other Funds</u>
Operating revenues:					
Property Sales	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -
Management fees	1,029,991	1,029,991	-	-	-
Asset management fees	90,000	90,000	-	-	-
Bookkeeping fees	277,402	277,402	-	-	-
Other Federal Grants	-	-	-	-	-
Other	727,395	270,794	456,601	-	-
Total operating revenues	<u>2,137,288</u>	<u>1,680,687</u>	<u>456,601</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Repairs and maintenance	196,072	196,072	-	-	-
Administrative salaries	1,312,858	1,239,764	70,041	-	3,053
Employee benefits	1,181,606	1,156,971	23,725	-	910
Depreciation	-	-	-	-	-
Office expense	109,102	44,115	64,987	-	-
Legal and professional fees	51,310	45,579	3,500	-	2,231
Utilities	72,212	72,212	-	-	-
Compensated absences	(16,369)	(16,369)	-	-	-
Travel	13,021	13,021	-	-	-
Insurance	15,370	15,370	-	-	-
Management fees	-	-	-	-	-
Bad debts	1,284	1,284	-	-	-
Advertising and marketing	10,034	8,306	1,728	-	-
Protective services	95	95	-	-	-
Other	166,811	165,297	1,514	-	-
Total operating expenses	<u>3,113,406</u>	<u>2,941,717</u>	<u>165,495</u>	<u>-</u>	<u>6,194</u>
Operating income (loss)	<u>(976,118)</u>	<u>(1,261,030)</u>	<u>291,106</u>	<u>-</u>	<u>(6,194)</u>
Non-operating revenues and (expense):					
Other income	-	-	-	-	-
Recovery of bad debts	-	-	-	-	-
Other expense	-	-	-	-	-
Investment income	416	204	37	90	85
Total non-operating revenues and (expenses), net	<u>416</u>	<u>204</u>	<u>37</u>	<u>90</u>	<u>85</u>
Change in net position	<u>(975,702)</u>	<u>(1,260,826)</u>	<u>291,143</u>	<u>90</u>	<u>(6,109)</u>
Net position - beginning of year	1,187,371	1,102,882	316,204	79,047	(310,762)
Prior period adjustment	<u>(3,494,387)</u>	<u>(3,494,387)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - beginning of year, as restated	<u>(2,307,016)</u>	<u>(2,391,505)</u>	<u>316,204</u>	<u>79,047</u>	<u>(310,762)</u>
Total net position - end of year	<u>\$ (3,282,718)</u>	<u>\$ (3,652,331)</u>	<u>\$ 607,347</u>	<u>\$ 79,137</u>	<u>\$ (316,871)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Cash Flows
September 30, 2018

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Cash flows from operating activities:					
Operating grants received	\$ 50,525	\$ -	\$ 50,525	\$ -	\$ -
Receipts from customers and tenants	1,741,800	1,741,800	-	-	-
Payments to suppliers	(879,918)	(784,391)	(95,527)	-	-
Payments to employees	(1,303,384)	(1,233,343)	(70,041)	-	-
Other cash receipts (payments)	166,239	69,306	96,933	-	-
Net cash used for operating activities	<u>(224,738)</u>	<u>(206,628)</u>	<u>(18,110)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	-	-	-
Net cash flows used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Interest and other income received	416	204	37	90	85
Deposits in restricted accounts	(90)	-	-	(90)	-
Net cash provided by investing activities	<u>326</u>	<u>204</u>	<u>37</u>	<u>-</u>	<u>85</u>
Net change in cash	(224,412)	(206,424)	(18,073)	-	85
Cash at beginning of year	862,605	477,320	317,133	-	68,152
Cash at end of year	<u>\$ 638,193</u>	<u>\$ 270,896</u>	<u>\$ 299,060</u>	<u>\$ -</u>	<u>\$ 68,237</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (976,118)	\$ (1,261,030)	\$ 291,106	\$ -	\$ (6,194)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	-
Bad debts	1,284	1,284	-	-	-
Non-cash pension costs	432,597	432,597	-	-	-
Other post-employment benefit costs	318,156	318,156	-	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Promissory notes	130,477	130,477	-	-	-
Due from other funds	(583,108)	132,054	(715,162)	-	-
Other governments	-	-	-	-	-
Travel advances	-	-	-	-	-
Accrued interest	-	-	-	-	-
Other	1,882	-	1,882	-	-
Prepaid expenses and other assets	(73)	-	(73)	-	-
Land held for sale	69,306	69,306	-	-	-
Increase (decrease) in liabilities:					
Bank overdraft	50,636	50,636	-	-	-
Accounts payable	106,177	3,234	102,943	-	-
Compensated absences	(16,369)	(16,369)	-	-	-
Due to other funds	(71,276)	(4,374)	(72,932)	-	6,030
Accrued salaries and wages	6,421	6,421	-	-	-
Accrued FSS Escrow liabilities	(14)	(14)	-	-	-
Other current liabilities	375,045	-	374,881	-	164
Accrued liabilities	(411)	344	(755)	-	-
Deferred revenues	(69,350)	(69,350)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (224,738)</u>	<u>\$ (206,628)</u>	<u>\$ (18,110)</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOCAL FUNDS

Combining Statements of Net Position
September 30, 2018

ASSETS	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Current assets:									
Cash - unrestricted	\$ 261,425	\$ -	\$ -	\$ -	\$ -	\$ 120,536		\$ 40,706	\$ 100,183
Cash - restricted for FSS	4,329	-	-	-	-	-	4,329	-	-
Cash - other restricted	5,142	-	-	-	-	-	5,142	-	-
Total cash	<u>270,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,536</u>	<u>9,471</u>	<u>40,706</u>	<u>100,183</u>
Accounts receivable:									
Due from other funds	1,339,148	1,666	771,149	4,835	43,727	-	519,380	186	(1,795)
Promissory notes, current portion	76,679	-	-	-	-	-	-	67,341	9,338
Allowance for doubtful accounts	(181,790)	-	-	-	-	-	-	(181,790)	-
Accrued interest	-	-	-	-	-	-	-	-	-
Other	4,739	-	4,600	-	-	139	-	-	-
Total accounts receivable	<u>1,238,776</u>	<u>1,666</u>	<u>775,749</u>	<u>4,835</u>	<u>43,727</u>	<u>139</u>	<u>519,380</u>	<u>(114,263)</u>	<u>7,543</u>
Investments	-	-	-	-	-	-	-	-	-
Prepaid and other assets	30	-	-	-	-	-	30	-	-
Land held for sale	2,636,152	-	71,830	-	-	2,564,322	-	-	-
Total current assets	<u>4,145,854</u>	<u>1,666</u>	<u>847,579</u>	<u>4,835</u>	<u>43,727</u>	<u>2,684,997</u>	<u>528,881</u>	<u>(73,557)</u>	<u>107,726</u>
Noncurrent assets:									
Capital assets	447,219	-	1,774	-	-	286,440	159,005	-	-
Accumulated depreciation	(103,207)	-	(1,774)	-	-	(12,387)	(89,046)	-	-
Capital assets, net	<u>344,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,053</u>	<u>69,959</u>	<u>-</u>	<u>-</u>
Promissory notes, noncurrent	478,467	-	-	-	-	-	-	436,615	41,852
Total non-current assets	<u>822,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,053</u>	<u>69,959</u>	<u>436,615</u>	<u>41,852</u>
Total assets	<u>4,968,333</u>	<u>1,666</u>	<u>847,579</u>	<u>4,835</u>	<u>43,727</u>	<u>2,959,050</u>	<u>598,840</u>	<u>363,058</u>	<u>149,578</u>
Deferred outflows of resources:									
Pension	400,221	-	-	-	-	-	400,221	-	-
Other post-employment benefits	353,363	-	-	-	-	-	353,363	-	-
Total deferred outflows of resources	<u>753,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>753,584</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 5,721,917</u>	<u>\$ 1,666</u>	<u>\$ 847,579</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 2,959,050</u>	<u>\$ 1,352,424</u>	<u>\$ 363,058</u>	<u>\$ 149,578</u>
LIABILITIES AND NET POSITION									
Liabilities:									
Accounts payable:									
Bank overdraft	\$ 119,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,549	\$ -	\$ -
Vendors	22,256	-	-	-	-	-	20,753	1,503	-
Security deposits	3,173	-	3,173	-	-	-	-	-	-
Due to other funds	(115,204)	-	317,388	-	-	(225,298)	-	(138,716)	(68,578)
Accrued salaries and wages	65,396	-	-	-	-	-	65,396	-	-
Compensated absences - current portion	26,272	-	-	-	-	-	26,272	-	-
Accrued FSS Escrow liabilities	-	-	-	-	-	-	-	-	-
Accrued liabilities	25,960	-	153	-	-	25,761	-	-	46
Deferred revenues	1,144,326	-	-	-	-	-	58,435	921,456	164,435
Total current liabilities	<u>1,291,728</u>	<u>-</u>	<u>320,714</u>	<u>-</u>	<u>-</u>	<u>(199,537)</u>	<u>290,405</u>	<u>784,243</u>	<u>95,903</u>
Noncurrent liabilities:									
Net pension liability	3,581,472	-	-	-	-	-	3,581,472	-	-
Other post-employment benefits	3,837,097	-	-	-	-	-	3,837,097	-	-
Accrued compensated absences	112,182	-	-	-	-	-	112,182	-	-
Accrued sick leave	73,123	-	-	-	-	-	73,123	-	-
Total noncurrent liabilities	<u>7,603,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,603,874</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,895,602</u>	<u>-</u>	<u>320,714</u>	<u>-</u>	<u>-</u>	<u>(199,537)</u>	<u>7,894,279</u>	<u>784,243</u>	<u>95,903</u>
Deferred inflows of resources:									
Pension	149,837	-	-	-	-	-	149,837	-	-
Other post-employment benefits	328,809	-	-	-	-	-	328,809	-	-
Total deferred inflows of resources	<u>478,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>478,646</u>	<u>-</u>	<u>-</u>
Net position:									
Investment in capital assets, net of related debt	2,980,164	-	71,830	-	-	2,838,375	69,959	-	-
Unrestricted	(6,632,495)	1,666	455,035	4,835	43,727	320,212	(7,090,460)	(421,185)	53,675
Total net position	<u>(3,652,331)</u>	<u>1,666</u>	<u>526,865</u>	<u>4,835</u>	<u>43,727</u>	<u>3,158,587</u>	<u>(7,020,501)</u>	<u>(421,185)</u>	<u>53,675</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,721,917</u>	<u>\$ 1,666</u>	<u>\$ 847,579</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 2,959,050</u>	<u>\$ 1,352,424</u>	<u>\$ 363,058</u>	<u>\$ 149,578</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

LOCAL FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2018

	<u>TOTAL</u>	<u>Sinajana Non-Title 1</u>	<u>Gov Guam Astumbo</u>	<u>Nauru Project</u>	<u>Gov Guam</u>	<u>Low Cost Housing</u>	<u>Central Office Cost Center</u>	<u>Down Payment Closing Cost</u>	<u>Home Rehabilitation</u>
Operating revenues:									
Property Sales	\$ 12,500	\$ -	\$ 7,500	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Management fees	1,029,991	-	-	-	-	-	1,029,991	-	-
Asset management fees	90,000	-	-	-	-	-	90,000	-	-
Bookkeeping fees	277,402	-	-	-	-	-	277,402	-	-
Other Federal Grants	-	-	-	-	-	-	-	-	-
Other	270,794	-	36,800	-	-	-	202,258	31,716	20
Total operating revenues	1,680,687	-	44,300	-	-	5,000	1,599,651	31,716	20
Operating expenses:									
Administrative salaries	1,239,764	-	5,586	-	-	2,367	1,221,177	9,770	864
Employee benefits	1,156,971	-	1,765	-	-	729	1,150,641	3,540	296
Professional fees	45,579	-	6,888	-	-	15,198	23,493	-	-
Management fees	-	-	-	-	-	-	-	-	-
Travel	13,021	-	-	-	-	13,021	-	-	-
Project costs	-	-	-	-	-	-	-	-	-
Insurance	15,370	-	-	-	-	-	15,370	-	-
Protective services	95	-	-	-	-	-	95	-	-
Repairs and maintenance	196,072	-	1,800	-	-	1,420	2,830	150,000	40,022
Office expense	44,115	-	-	-	-	-	43,381	639	95
Depreciation	-	-	-	-	-	-	-	-	-
Compensated absences	(16,369)	-	-	-	-	-	(16,369)	-	-
Advertising and marketing	8,306	-	-	-	-	4,696	3,610	-	-
Utilities	72,212	-	-	-	-	-	72,212	-	-
Bad debts	1,284	-	-	-	-	-	-	1,284	-
Other	165,297	-	24	-	-	152,477	11,903	893	-
Total operating expenses	2,941,717	-	16,063	-	-	189,908	2,528,343	166,126	41,277
Operating income (loss)	(1,261,030)	-	28,237	-	-	(184,908)	(928,692)	(134,410)	(41,257)
Non-operating revenues and expenses:									
Other income	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
Investment income	204	-	-	-	-	204	-	-	-
Total non-operating revenues and (expense), net	204	-	-	-	-	204	-	-	-
Change in net position	(1,260,826)	-	28,237	-	-	(184,704)	(928,692)	(134,410)	(41,257)
Total net position - beginning of year	1,102,882	1,666	498,628	4,835	43,727	3,343,291	(2,597,422)	(286,775)	94,932
Prior period adjustment	(3,494,387)	-	-	-	-	-	(3,494,387)	-	-
Total net position - beginning of year, as restated	(2,391,505)	1,666	498,628	4,835	43,727	3,343,291	(6,091,809)	(286,775)	94,932
Total net position - end of year	\$ (3,652,331)	\$ 1,666	\$ 526,865	\$ 4,835	\$ 43,727	\$ 3,158,587	\$ (7,020,501)	\$ (421,185)	\$ 53,675

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

LOCAL FUNDS

Combining Statements of Cash Flows
For the Year Ended September 30, 2018

	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Cash flows from operating activities:									
Operating grants received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers	1,741,800	-	44,300	-	-	5,000	1,599,637	82,943	9,920
Payments to suppliers	(784,391)	-	(38,714)	-	-	(163,699)	(388,280)	(153,329)	(40,369)
Payments to employees	(1,233,343)	-	(5,586)	-	-	(2,367)	(1,214,756)	(9,770)	(864)
Other cash receipts (payments)	69,306	-	-	-	-	69,306	-	-	-
Net cash provided by operating activities	(206,628)	-	-	-	-	(91,760)	(3,399)	(80,156)	(31,313)
Cash flows from capital and related financing activities:									
Acquisition of capital assets	-	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:									
Interest and other income received	204	-	-	-	-	204	-	-	-
Deposits in restricted accounts	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	204	-	-	-	-	204	-	-	-
Net change in cash	(206,424)	-	-	-	-	(91,556)	(3,399)	(80,156)	(31,313)
Cash at beginning of year	477,320	-	-	-	-	212,092	12,870	120,862	131,496
Cash at end of year	\$ 270,896	\$ -	\$ -	\$ -	\$ -	\$ 120,536	\$ 9,471	\$ 40,706	\$ 100,183
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:									
Operating income (loss)	\$ (1,261,030)	\$ -	\$ 28,237	\$ -	\$ -	\$ (184,908)	\$ (928,692)	\$ (134,410)	\$ (41,257)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:									
Depreciation	-	-	-	-	-	-	-	-	-
Bad debts	1,284	-	-	-	-	-	-	1,284	-
Non-cash pension cost	432,597	-	-	-	-	-	432,597	-	-
Other post-employment benefit costs	318,156	-	-	-	-	-	318,156	-	-
(Increase) decrease in assets:									
Accounts receivable:									
Promissory notes	130,477	-	-	-	-	-	-	78,972	51,505
Due from other funds	132,054	-	(1)	-	-	-	132,120	(65)	-
Accrued interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-
Land held for sale	69,306	-	-	-	-	69,306	-	-	-
Increase (decrease) in liabilities:									
Bank overdraft	50,636	-	-	-	-	-	50,636	-	-
Accounts Payable	3,234	-	-	-	-	-	1,746	1,488	-
Compensated absences	(16,369)	-	-	-	-	-	(16,369)	-	-
Due to other funds	(4,374)	-	(28,370)	-	-	23,678	-	320	(2)
Accrued salaries and wages	6,421	-	-	-	-	-	6,421	-	-
Accrued FSS Escrow liabilities	(14)	-	-	-	-	-	(14)	-	-
Accrued liabilities	344	-	134	-	-	164	-	-	46
Deferred revenue	(69,350)	-	-	-	-	-	-	(27,745)	(41,605)
Net cash provided by operating activities	\$ (206,628)	\$ -	\$ -	\$ -	\$ -	\$ (91,760)	\$ (3,399)	\$ (80,156)	\$ (31,313)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Net Position

September 30, 2018

<u>ASSETS</u>	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Current Assets:			
Cash:			
Unrestricted	\$ 197,714	\$ 53,691	\$ 144,023
Restricted - tenant security deposits	-	-	-
Restricted - other	101,346	-	101,346
Total cash	<u>299,060</u>	<u>53,691</u>	<u>245,369</u>
Accounts Receivable:			
Due from other funds	3,420,176	(59,343)	3,479,519
Other governments	9,774	-	9,774
Other	106,909	68,275	38,634
Travel advances	-	-	-
Allowance for doubtful accounts - other	(2,550)	-	(2,550)
Total accounts receivable	<u>3,534,309</u>	<u>8,932</u>	<u>3,525,377</u>
Investments	-	-	-
Prepaid and other assets	74,878	-	74,878
Total current assets	<u>3,908,247</u>	<u>62,623</u>	<u>3,845,624</u>
Noncurrent Assets:			
Capital Assets:			
Land	41,598	41,598	-
Furniture and equipment	47,884	37,434	10,450
Accumulated depreciation	(37,434)	(37,434)	-
Total non-current assets	<u>52,048</u>	<u>41,598</u>	<u>10,450</u>
Total assets	<u>\$ 3,960,295</u>	<u>\$ 104,221</u>	<u>\$ 3,856,074</u>
 <u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 2,076,981	\$ 142,775	\$ 1,934,206
Vendors	192,651	-	192,651
Other	936,969	-	936,969
Other accrued liabilities	141,082	-	141,082
Deferred revenues	5,265	-	5,265
Total liabilities	<u>3,352,948</u>	<u>142,775</u>	<u>3,210,173</u>
Net position:			
Investment in capital assets, net of related debt	52,048	41,598	10,450
Restricted	-	-	-
Unrestricted	555,299	(80,152)	635,451
Total net position	<u>607,347</u>	<u>(38,554)</u>	<u>645,901</u>
Total liabilities and net position	<u>\$ 3,960,295</u>	<u>\$ 104,221</u>	<u>\$ 3,856,074</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2018

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Operating revenues:			
Other Government Grants	\$ -	\$ -	\$ -
Other	<u>456,601</u>	<u>50,525</u>	<u>406,076</u>
Total operating revenues	<u>456,601</u>	<u>50,525</u>	<u>406,076</u>
Operating Expenses:			
Administrative salaries	70,041	-	70,041
Employee benefits	23,725	-	23,725
Management fees	-	-	-
Advertising and marketing	1,728	-	1,728
Office expense	64,987	-	64,987
Legal and professional fees	3,500	-	3,500
Depreciation	-	-	-
Travel	-	-	-
Bad debts	-	-	-
Repairs and maintenance	-	-	-
Other	<u>1,514</u>	<u>100</u>	<u>1,414</u>
Total operating expenses	<u>165,495</u>	<u>100</u>	<u>165,395</u>
Operating income (loss)	<u>291,106</u>	<u>50,425</u>	<u>240,681</u>
Non-operating revenues:			
Investment income	37	37	-
Recovery of bad debts	-	-	-
Other income	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues	<u>37</u>	<u>37</u>	<u>-</u>
Change in net position	291,143	50,462	240,681
Total net position - beginning of year	<u>316,204</u>	<u>(89,016)</u>	<u>405,220</u>
Total net position - end of year	<u>\$ 607,347</u>	<u>\$ (38,554)</u>	<u>\$ 645,901</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Cash Flows
For the Year Ended September 30, 2018

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Cash flows from operating activities:			
Operating grants received	\$ 50,525	\$ 50,525	\$ -
Payments to suppliers	(95,527)	(100)	(95,427)
Payments to employees	(70,041)	-	(70,041)
Other cash receipts (payments)	<u>96,933</u>	<u>(26,382)</u>	<u>123,315</u>
Net cash used for operating activities	<u>(18,110)</u>	<u>24,043</u>	<u>(42,153)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Investment and other income received	<u>37</u>	<u>37</u>	<u>-</u>
Net cash provided by investing activities	<u>37</u>	<u>37</u>	<u>-</u>
Net change in cash	(18,073)	24,080	(42,153)
Cash at beginning of year	<u>317,133</u>	<u>29,611</u>	<u>287,522</u>
Cash at end of year	<u>\$ 299,060</u>	<u>\$ 53,691</u>	<u>\$ 245,369</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 291,106	\$ 50,425	\$ 240,681
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Bad debts	-	-	-
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	(715,162)	(26,481)	(688,681)
Other governments	-	-	-
Travel advances	-	-	-
Other	1,882	-	1,882
Prepaid expenses and other assets	(73)	-	(73)
Increase (decrease) in liabilities:			
Accounts payable:			
Vendors	102,943	-	102,943
Due to other funds	(72,932)	99	(73,031)
Other	374,881	-	374,881
Other accrued liabilities	(755)	-	(755)
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for operating activities	<u>\$ (18,110)</u>	<u>\$ 24,043</u>	<u>\$ (42,153)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS

Combining Statements of Net Position
September 30, 2018

Assets	Total	Yona Rehabilitation Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Accounts receivable:				
Due from other funds	\$ 3,865	\$ 900	\$ -	\$ 2,965
Interest	13	-	13	-
Investments	75,259	-	75,259	-
Total assets	\$ 79,137	\$ 900	\$ 75,272	\$ 2,965
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>				
Liabilities and Net Position				
Liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Net position:				
Investment in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	79,137	900	75,272	2,965
Total net position	79,137	900	75,272	2,965
Total liabilities and net position	\$ 79,137	\$ 900	\$ 75,272	\$ 2,965

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

TRUST FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position

For the Year Ended September 30, 2018

	<u>Total</u>	<u>Yona Rehabilitation Loan Escrow</u>	<u>Sinajana Rehabilitation Escrow</u>	<u>War in the Pacific</u>
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Operating income	-	-	-	-
Investment income	90	-	90	-
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net position	90	-	90	-
Net position - beginning of year	79,047	900	75,182	2,965
	<hr/>	<hr/>	<hr/>	<hr/>
Net position - end of year	<u>\$ 79,137</u>	<u>\$ 900</u>	<u>\$ 75,272</u>	<u>\$ 2,965</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS

Combining Statements of Cash Flows
For the Year Ended September 30, 2018

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

OTHER FUNDS

Combining Statements of Net Position
September 30, 2018

ASSETS	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Current assets:							
Cash - unrestricted	\$ 68,237	\$ 68,237	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Due from other funds	546,809	-	2,161	-	439,281	105,367	-
Interest	-	-	-	-	-	-	-
Other	3,440	-	-	3,440	-	-	-
	<u>618,486</u>	<u>68,237</u>	<u>2,161</u>	<u>3,440</u>	<u>439,281</u>	<u>105,367</u>	<u>-</u>
Investments	-	-	-	-	-	-	-
Total current assets	<u>618,486</u>	<u>68,237</u>	<u>2,161</u>	<u>3,440</u>	<u>439,281</u>	<u>105,367</u>	<u>-</u>
Noncurrent assets:							
Capital assets, net	<u>477,223</u>	<u>272,668</u>	<u>38,815</u>	-	<u>65,858</u>	<u>99,882</u>	-
Total non-current assets	<u>477,223</u>	<u>272,668</u>	<u>38,815</u>	-	<u>65,858</u>	<u>99,882</u>	-
Total assets	<u>\$ 1,095,709</u>	<u>\$ 340,905</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 505,139</u>	<u>\$ 205,249</u>	<u>\$ -</u>
LIABILITIES AND NET POSITION							
Liabilities:							
Accounts payable:							
Due to other funds	\$ 1,412,416	\$ 13,578	\$ 11,848	\$ 95	\$ 1,176,424	\$ 82,224	\$ 128,247
Accrued liabilities	164	164	-	-	-	-	-
Total liabilities	<u>1,412,580</u>	<u>13,742</u>	<u>11,848</u>	<u>95</u>	<u>1,176,424</u>	<u>82,224</u>	<u>128,247</u>
Net position:							
Investment in capital assets, net of related debt	477,223	272,668	38,815	-	65,858	99,882	-
Unrestricted (deficit)	<u>(794,094)</u>	<u>54,495</u>	<u>(9,687)</u>	<u>3,345</u>	<u>(737,143)</u>	<u>23,143</u>	<u>(128,247)</u>
Total net position	<u>(316,871)</u>	<u>327,163</u>	<u>29,128</u>	<u>3,345</u>	<u>(671,285)</u>	<u>123,025</u>	<u>(128,247)</u>
Total liabilities and net position	<u>\$ 1,095,709</u>	<u>\$ 340,905</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 505,139</u>	<u>\$ 205,249</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

OTHER FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
September 30, 2018

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Operating revenues:							
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
Total operating revenues	-	-	-	-	-	-	-
Operating expenses:							
Administrative salaries	3,053	3,053	-	-	-	-	-
Employee benefits	910	910	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-
Legal and professional fees	2,231	2,231	-	-	-	-	-
Advertising and marketing	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Office expenses	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total operating expenses	6,194	6,194	-	-	-	-	-
Operating income loss	(6,194)	(6,194)	-	-	-	-	-
Non-operating revenues:							
Interest income	85	85	-	-	-	-	-
Total non-operating revenues (expenses)	85	85	-	-	-	-	-
Change in net position	(6,109)	(6,109)	-	-	-	-	-
Total net position - beginning of year	(310,762)	333,272	29,128	3,345	(671,285)	123,025	(128,247)
Total net position - end of year	\$ (316,871)	\$ 327,163	\$ 29,128	\$ 3,345	\$ (671,285)	\$ 123,025	\$ (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 Statements of Cash Flows
September 30, 2018

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Cash flows from operating activities:							
Receipts from customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to suppliers	-	-	-	-	-	-	-
Payments to employees	-	-	-	-	-	-	-
Other cash receipts (payments)	-	-	-	-	-	-	-
Net cash used for operating activities	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	-	-	-	-	-	-	-
Net cash flows (used for) provided by capital and related financing activities	-	-	-	-	-	-	-
Cash flows from investing activities:							
Interest and other income earned	85	85	-	-	-	-	-
Decrease in investments	-	-	-	-	-	-	-
Net cash provided by investing activities	85	85	-	-	-	-	-
Net increase in cash	85	85	-	-	-	-	-
Cash at beginning of year	68,152	68,152	-	-	-	-	-
Cash at end of year	\$ 68,237	\$ 68,237	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash used for operating activities:							
Operating loss	\$ (6,194)	\$ (6,194)	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:							
Depreciation	-	-	-	-	-	-	-
(Increase) decrease in assets:							
Due from other funds	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Increase (decrease) in liabilities:							
Accounts payable:							
Due to other funds	6,030	6,030	-	-	-	-	-
Other current liabilities	164	164	-	-	-	-	-
Net cash used for operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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