



GUAM HOUSING CORPORATION

Kotporasion Ginima' Guahan

P.O. Box 3457 Hagatna, Guam 96932

2009 AUG 10 PM 3:39

August 10, 2009

Honorable Judith T. Won Pat
Speaker
253 West O'Brien Drive
Hagatna, Guam 96910

Ms. Doris Flores Brooks, Public Auditor
Office of the Public Auditor
Suite 401, Pacific News Bldg.
238 Archbishop Flores Street
Hagatna, Guam 96910

30-69-0990
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 8/10/09
Time 1:50 PM
Received by [Signature]

RE: PL: 29-113 Reporting Requirements

Dear Speaker Won Pat and Ms. Brooks:

Attached is a copy of Guam Housing Corporation's July 2009 Financial Statements as required by PL 29-113 Chapter VII Section 2 & Chapter VII Section 25.

If you have any questions or concerns regarding the above, please do not hesitate to call me at 647-4143 ext. 134.

Sincerely,

Jeremy J. Rojas
President

1000

Guam Housing Corporation

Statement of Net Assets

As of 7/31/2009

| | Current Year | Prior Year |
|--|----------------|----------------|
| Assets | | |
| Cash and Cash equivalents | | |
| Unrestricted | 12,082,863.92 | 12,697,882.52 |
| Restricted | 2,308,141.83 | 2,329,748.35 |
| Self-insurance fund | 1,287,469.93 | 1,167,314.68 |
| Total Cash and Cash equivalents | 15,678,475.68 | 16,194,945.55 |
| Investments | | |
| Restricted Foreclosure Fund | 375,921.16 | 375,921.16 |
| Investments and cash with trustees | 5,285,883.83 | 5,295,180.88 |
| Total Investments | 5,661,804.99 | 5,671,102.04 |
| Receivables | | |
| Loans Receivables - GHC Porfolio | 22,858,333.51 | 23,248,654.65 |
| Loans Receivables (Cahat, Sagan, DPCCA & HM) | 1,776,949.49 | 1,755,388.40 |
| Accrued Interest | 134,838.41 | 194,163.89 |
| Accounts Receivables | 65,730.03 | 11,159.54 |
| Net deferred Origination exp. & rev. | (219,107.85) | (215,975.16) |
| Less allowance for loan losses | (3,478,903.70) | (3,422,082.23) |
| Total Receivables | 21,137,839.89 | 21,571,309.09 |
| Prepaid expenses and other | 42,687.76 | 41,306.58 |
| Land held for development | 16,114,337.70 | 16,114,337.70 |
| Foreclosed assets held for resale | 779,934.61 | 292,378.86 |
| Capital assets, net | 5,858,845.78 | 5,708,444.78 |
| Total Assets | 65,273,926.41 | 65,593,824.60 |
| Liabilities & Net Assets | | |
| Liabilities | | |
| Accounts payable & accrued expenses | 11,051,247.15 | 11,058,412.99 |
| Deposits by borrowers - Ins. premiums & R.E. Taxes | 485,549.44 | 482,905.61 |
| Rebate Liability | 115,881.63 | 72,224.37 |
| Bonds payable | 5,160,000.00 | 5,270,000.00 |
| Notes Payable | 5,448,543.90 | 6,325,039.82 |
| Accrued pension cost | 92,723.69 | 50,854.55 |
| Loans Held in Trus (DPCCA, HM & SL) | 635,004.06 | 683,812.03 |
| Total Liabilities | 22,988,949.87 | 23,943,249.37 |
| Net Assets | | |
| Investment in capital assets, net of related debt | 3,219,858.33 | 3,315,454.17 |
| Restricted | 24,255,580.17 | 24,182,524.53 |
| Unrestricted | 14,809,538.04 | 14,152,596.53 |
| Total Net Assets | 42,284,976.54 | 41,650,575.23 |
| Total Liabilities & Net Assets | 65,273,926.41 | 65,593,824.60 |

Guam Housing Corporation
Statement of Revenues and Expenditures
From 7/1/2009 Through 7/31/2009

| | Current Period Actual | Prior Year Current Period Actual |
|---|-----------------------------|-------------------------------------|
| Operating Revenues: | | |
| Interest on loans receivable | 145,308.92 | 140,142.01 |
| Rental Income | 61,975.00 | 62,075.00 |
| Interest on investments held by bond trustees | 23,772.98 | 4,565.40 |
| Loan origination fees | 10,593.12 | 3,392.47 |
| Late fees, service fees & return check fees | 2,795.39 | 3,870.03 |
| Total Operating Revenues: | <u>244,445.41</u> | <u>214,044.91</u> |
| Operating Expenses: | | |
| Interest expense MRB | 23,530.21 | 23,974.79 |
| Interest expense notes payable | 30,046.05 | 34,781.22 |
| Salaries | 65,059.35 | 69,385.14 |
| Bad debts and provision for loan losses | 0.00 | 0.00 |
| Retirement contributions | 18,971.51 | 17,594.24 |
| Retiree supplemental, cola & health benefits | 0.00 | 0.00 |
| Depreciation | 11,972.54 | 11,421.59 |
| Contractual services | 4,775.49 | 7,960.97 |
| Professional services | 6,537.20 | 3,955.70 |
| Rent | 6,208.98 | 6,016.48 |
| Other | 8,904.90 | 2,766.07 |
| Loan origination costs | 4,600.48 | 2,309.15 |
| Travel | 0.00 | 0.00 |
| Employee benefits, other than retirement | 2,592.41 | 3,480.14 |
| Maintenance | 2,297.42 | 1,587.72 |
| Bond trustee fees | 1,083.50 | 1,083.50 |
| Directors' fees | 0.00 | 0.00 |
| Loss on disposal of assets | 0.00 | 0.00 |
| Total Operating Expenses: | <u>186,580.04</u> | <u>186,316.71</u> |
| Non-operating Revenue (Expenses) | | |
| Interest income on bank deposits | 13,084.81 | 38,670.97 |
| Other income | 3,771.03 | 2,015.00 |
| Total Non-operating Revenue (Expenses) | <u>16,855.84</u> | <u>40,685.97</u> |
| Increase in net assets | 74,721.21 | 68,414.17 |
| Total net assets at beginning of month | 42,210,255.33 | 41,582,161.06 |
| Net Asset at Year End | <u><u>42,284,976.54</u></u> | <u><u>41,650,575.23</u></u> |

Guam Housing Corporation
Statement of Revenues, Expenditures and Changes in Net Assets
From 10/1/2008 Through 7/31/2009

| | Current Year Actual | Prior Year Actual |
|---|---------------------|-------------------|
| Operating Revenues: | | |
| Interest on loans receivable | 1,387,867.76 | 1,419,338.09 |
| Rental Income | 604,195.09 | 611,573.61 |
| Interest on investments held by bond trustees | 308,075.68 | 281,611.29 |
| Loan origination fees | 67,627.70 | 47,599.51 |
| Late fees, service fees & return check fees | 34,629.67 | 38,708.62 |
| Total Operating Revenues: | 2,402,395.90 | 2,398,831.12 |
| Operating Expenses: | | |
| Interest expense MRB | 236,425.00 | 240,747.92 |
| Interest expense notes payable | 312,476.78 | 359,504.81 |
| Salaries | 719,141.45 | 769,963.31 |
| Bad debts and provision for loan losses | 0.00 | 415.80 |
| Retirement contributions | 201,027.92 | 181,932.85 |
| Retiree supplemental, cola & health benefits | 163,022.44 | 181,838.16 |
| Depreciation | 122,212.38 | 116,236.86 |
| Contractual services | 56,754.67 | 74,754.33 |
| Professional services | 68,161.65 | 55,282.83 |
| Rent | 60,549.80 | 60,164.80 |
| Other | 50,818.66 | 32,317.13 |
| Loan origination costs | 37,325.92 | 26,573.27 |
| Travel | 0.00 | 10,493.72 |
| Employee benefits, other than retirement | 27,349.39 | 33,710.29 |
| Maintenance | 44,688.66 | 45,139.61 |
| Bond trustee fees | 12,435.00 | 12,778.33 |
| Directors' fees | 750.00 | 0.00 |
| Total Operating Expenses: | 2,113,139.72 | 2,201,854.02 |
| Non-operating Revenue (Expenses) | | |
| Interest income on bank deposits | 253,257.86 | 485,751.38 |
| Other income | 21,054.37 | 30,679.80 |
| Loss on disposal of assets | (503.25) | 0.00 |
| Total Non-operating Revenue (Expenses) | 273,808.98 | 516,431.18 |
| Increase in net assets | 563,065.16 | 713,408.28 |
| Total net assets at beginning of year | 41,721,911.38 | 40,937,166.95 |
| Total net assets at end of year | 42,284,976.54 | 41,650,575.23 |

Guam Housing Corporation
Statement of Revenues and Expenditures
From 10/1/2008 Through 7/31/2009

| | Total Budget \$ - Original | YTD Budget \$ - Original | Current Year Actual | Over (Under) Budget | Variance | Remaining Balance |
|---|-------------------------------|-----------------------------|------------------------|------------------------|-------------------|----------------------|
| Operating Revenues: | | | | | | |
| Interest on loans receivable | 1,529,964.60 | 1,274,970.50 | 1,387,867.76 | 112,897.26 | 8.8500% | 142,096.84 |
| Rental Income | 724,298.15 | 603,581.80 | 604,195.09 | 613.29 | 0.1000% | 120,103.06 |
| Interest on investments held by bond trustees | 263,509.00 | 219,590.80 | 308,075.68 | 88,484.88 | 40.2900% | (44,566.68) |
| Loan origination fees | 26,799.84 | 22,333.20 | 67,627.70 | 45,294.50 | 202.8100% | (40,827.86) |
| Late fees, service fees & return check fees | 26,020.00 | 21,683.40 | 34,629.67 | 12,946.27 | 59.7000% | (8,609.67) |
| Total Operating Revenues: | 2,570,591.59 | 2,142,159.70 | 2,402,395.90 | 260,236.20 | 12.1483% | 168,195.69 |
| Operating Expenses: | | | | | | |
| Interest expense MRB | 283,710.00 | 236,425.00 | 236,425.00 | 0.00 | 0.0000% | 47,285.00 |
| Interest expense notes payable | 370,475.23 | 308,729.40 | 312,476.78 | (3,747.38) | 1.2100% | 57,998.45 |
| Salaries | 990,611.32 | 825,509.60 | 719,141.45 | 106,368.15 | (12.8800%) | 271,469.87 |
| Bad debts and provision for loan losses | 55,000.00 | 45,833.30 | 0.00 | 45,833.30 | (100.0000%) | 55,000.00 |
| Retirement contributions | 241,551.58 | 201,293.00 | 201,027.92 | 265.08 | (0.1300%) | 40,523.66 |
| Retiree supplemental, cola & health benefits | 188,558.72 | 157,132.30 | 163,022.44 | (5,890.14) | 3.7400% | 25,536.28 |
| Depreciation | 162,575.49 | 135,479.60 | 122,212.38 | 13,267.22 | (9.7900%) | 40,363.11 |
| Contractual services | 139,452.00 | 116,209.90 | 56,754.67 | 59,455.23 | (51.1600%) | 82,697.33 |
| Professional services | 91,000.00 | 75,833.30 | 68,161.65 | 7,671.65 | (10.1100%) | 22,838.35 |
| Rent | 73,352.76 | 61,127.30 | 60,549.80 | 577.50 | (0.9400%) | 12,802.96 |
| Other | 95,533.37 | 79,611.20 | 50,818.66 | 28,792.54 | (36.1600%) | 44,714.71 |
| Loan origination costs | 35,000.00 | 29,166.70 | 37,325.92 | (8,159.22) | 27.9700% | (2,325.92) |
| Travel | 0.00 | 0.00 | 0.00 | 0.00 | 0.0000% | 0.00 |
| Employee benefits, other than retirement | 86,900.00 | 72,416.80 | 27,349.39 | 45,067.41 | (62.2300%) | 59,550.61 |
| Maintenance | 85,480.00 | 71,233.20 | 44,688.66 | 26,544.54 | (37.2600%) | 40,791.34 |
| Bond trustee fees | 16,100.00 | 13,416.70 | 12,435.00 | 981.70 | (7.3100%) | 3,665.00 |
| Directors' fees | 4,200.00 | 3,500.00 | 750.00 | 2,750.00 | (78.5700%) | 3,450.00 |
| Loss on disposal of assets | 0.00 | 0.00 | 503.25 | (503.25) | 0.0000% | (503.25) |
| Total Operating Expenses: | 2,919,500.47 | 2,432,917.30 | 2,113,642.97 | 319,274.33 | (13.1231%) | 805,857.50 |
| Non-operating Revenue (Expenses) | | | | | | |
| Interest income on bank deposits | 362,880.00 | 302,400.10 | 253,257.86 | (49,142.24) | (16.2500%) | 109,622.14 |
| Other income | 11,500.00 | 9,583.40 | 21,054.37 | 11,470.97 | 119.6900% | (9,554.37) |
| Total Non-operating Revenue (Expenses) | 374,380.00 | 311,983.50 | 274,312.23 | (37,671.27) | (12.0748%) | 100,067.77 |
| Increase (Decrease) in net assets | 25,471.12 | 21,225.90 | 563,065.16 | 541,839.26 | 2552.7201% | (537,594.04) |

Guam Housing Corporation
Statement of Cash Flows
As of 7/31/2009

| | Housing Division | Rental Division | Total |
|--|----------------------|---------------------|----------------------|
| Cash Flows from Operating Activities | | | |
| Net Gain (Loss) | 415,128.58 | 147,936.58 | 563,065.16 |
| Depreciation less disposal of assets | 19,548.31 | 47,603.27 | 67,151.58 |
| (Increase) decrease in accrued interest and others | 36,764.86 | 11,642.05 | 48,406.91 |
| (Increase) decrease in prepaid expenses and others | 1,838.78 | 3,643.49 | 5,482.27 |
| Increase (decrease) in accrued pension costs | 0.00 | (298.09) | (298.09) |
| Increase (decrease) in other liabilities | (45,131.30) | 126,640.43 | 81,509.13 |
| Increase (decrease) in deposits by borrowers | (18,144.20) | 332.46 | (17,811.74) |
| Increase (decrease) in loans held in trust | (43,582.27) | 0.00 | (43,582.27) |
| Total Cash Flows from Operating Activities | <u>366,422.76</u> | <u>337,500.19</u> | <u>703,922.95</u> |
| Cash Flows from Investing Activities | | | |
| Net (increase) decrease in loans receivables | 431,184.09 | 0.00 | 431,184.09 |
| Net (increase) decrease in other receivables | 53,697.90 | (218,041.00) | (164,343.10) |
| (Cost) sale of foreclosed houses | (487,555.75) | 0.00 | (487,555.75) |
| (Purchase) disposal of property and equipment | 0.00 | (196,911.56) | (196,911.56) |
| (Purchase) sale of investment securities | (105,235.53) | 0.00 | (105,235.53) |
| Total Cash Flows from Investing Activities | <u>(107,909.29)</u> | <u>(414,952.56)</u> | <u>(522,861.85)</u> |
| Cash Flows from Financing Activities | | | |
| Repayment of notes payable | (734,324.42) | 0.00 | (734,324.42) |
| Repayment of bonds payable | (55,000.00) | 0.00 | (55,000.00) |
| Accrued interest on bonds payable | 93,896.25 | 0.00 | 93,896.25 |
| Accrued rebate liability | 5,771.69 | 0.00 | 5,771.69 |
| Premium on bonds payable | 0.00 | 0.00 | 0.00 |
| Total Cash Flows from Financing Activities | <u>(689,656.48)</u> | <u>0.00</u> | <u>(689,656.48)</u> |
| Net increase (decrease) in cash | (431,143.01) | (77,452.37) | (508,595.38) |
| Cash at beginning of year | 13,601,958.33 | 2,961,033.89 | 16,562,992.22 |
| Cash at end of year | <u>13,170,815.32</u> | <u>2,883,581.52</u> | <u>16,054,396.84</u> |