



Financial Statements  
September 30, 2011 and 2010

# Department of Chamorro Affairs - Non-Appropriated Funds

# Department of Chamorro Affairs - Non-Appropriated Funds

Table of Contents

September 30, 2011 and 2010

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Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3
Statements of Net Assets .....	9
Statements of Changes in Net Assets.....	10
Statements of Cash Flows.....	11
Notes to Financial Statements.....	12
Supplementary Information	
Combining Schedules of Net Assets.....	15
Combining Schedules of Revenues, Expenses and Changes in Net Assets.....	16



## Independent Auditor's Report

The Board of Trustees  
Department of Chamorro Affairs  
Hagatna, Guam

We have audited the accompanying statements of net assets of the Department of Chamorro Affairs - Non-Appropriated Funds (DCANAF), as of September 30, 2011 and 2010, the related statements of changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the DCANAF's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Department of Chamorro Affairs - Non-Appropriated Funds, Government of Guam, are intended to present the statements of net assets, the related statements of changes in net assets, and cash flows of only that portion of the Government of Guam that is attributable to the transactions of DCANAF. They do not purport to, and do not, present fairly the financial position of the Government of Guam as of September 30, 2011 and 2010, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Because adequate documentation was not able to be located for the book inventory balance on hand as of September 30, 2009, we were not able to satisfy ourselves by means of other audit procedures concerning book sales/cost of sales during the year ended September 30, 2010.

Because of the matter discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the book sales/cost of sales for the year ended September 30, 2010.

In our opinion, except for the book sales/cost of sales discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of DCANAF, as of September 30, 2011 and 2010, and the statements of changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 02, 2012, on our consideration of the DCANAF'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the DCANAF's financial statements as a whole. Supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Boise, Idaho  
March 02, 2012

This section of the Department of Chamorro Affairs - Non-Appropriated Funds (DCANAF) annual financial statement report presents management's discussion and analysis of DCANAF's financial performance during the year ended September 30, 2011 and 2010. Please use this information in conjunction with the information furnished in DCANAF's financial statements. This will provide a better understanding of DCANAF's financial status in accordance with U. S. generally accepted accounting principles promulgated by the Standards of the Government Accounting Standards Board (GASB).

## **Introduction**

The purpose of the Department of Chamorro Affairs (DCA) (non-appropriated funds and appropriated funds) is to assist in the implementation of an integrated program for the preservation, development, and promotion of the Chamorro heritage of Guam for the public benefit and to provide specific services to the Chamorro people. It is a catalyst for the preservation, development, and promotion of the language, arts, humanities, historic and cultural preservation, research, restoration, presentation, museum activities, and support programs significant in Guam's history and culture, and to enhance the future of the Chamorro people of Guam.

DCA was created in 1999 through Guam Public Law 25-69 as a non-stock, non-profit public corporation to implement an integrated program for the preservation, development and promotion of the Chamorro Heritage of Guam, for the public benefit and to provide specific services to the Chamorro people of Guam. The enabling statute further stated that the DCANAF be the catalyst in the preservation, development and promotion of language, arts, historic and cultural preservation, research, restoration, presentation, museum activities and support programs significant to Guam's history and culture, and to enhance the future of the Chamorro people of Guam. DCA has been an integral component in the promotion of the Chamorro culture and represents a unique effort in government to bring together cultural programs, agencies and divisions within government which have a shared vision. The department has produced a series of books called "HALE'TA" (Our "Roots" Foundation) which chronicles the history of the Chamorro people through 4,000 years of existence on the island of Guam. DCA has also produced other literature that promote the culture such as the official Chamorro-English Dictionary, which is a vital resource to the island's educational institutions, scholars, historians, and people wanting to learn more about the language, the "I Hinanao`ta: A Pictorial Journey Through Time" and other works that record the rich history of the Chamorro people.

DCA has the following specific purposes and is authorized to:

- Conduct, research and investigate into natural, cultural, medicinal and historic resources and to publicize the results of these activities as deemed necessary.
- Make loans to any person, firm, partnership or corporation licensed to do business on Guam.
- Enter into contracts to provide grants or loans to individuals, organizations or institutions whether public or private, who are engaged in projects or programs related to language, culture, history, arts and humanities.
- Receive and administer grants in furtherance of the preservation, promotion and development of Chamorro heritage and culture.
- Obtain land belonging to the Government of Guam as required to carry out its purposes and objectives, under the terms and tenure that the Governor of Guam, by appropriate legislation, prescribes.
- Make direct loans to any person, firm, corporation or governmental entity on residential real property for purposes of restoration and historical site development.
- Accept loans of cultural or intellectual properties on a custodial basis from individual families, terms and conditions to be agreed upon by all parties concerned.

### **Financial Highlights**

- The total assets of DCANAF exceeded its liabilities at September 30, 2011 by \$54,153. The net assets of \$54,153 are unrestricted and are available to meet DCANAF's on-going obligations. This is a decrease of \$37,824 over net assets of \$91,977 at September 30, 2010.
- Total operating revenue decreased in the current year by \$128,719 or 18%, while total operating expenses decreased by \$130,287 or 17%.

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

The Financial Statements consist of management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Statements of Net Assets, the Statements of Changes in Net Assets, the Statements of Cash Flows, and the Notes to Financial Statements section.

The Statements of Net Assets is presented in a format that displays net assets (assets less liabilities equal net assets). The Statement of Net Assets details the assets and liabilities of DCANAF based on their liquidity. The resulting net assets in this statement are displayed as either invested in capital assets or unrestricted. Under Governmental Accounting Standards Board Statement Nos. 34, 37 and 38, assets are restricted when their use is subject to external restrictions (such as bond resolutions, legal agreements, statutes, etc.), with assets not falling under this category being characterized as unrestricted.

The Statements of Changes in Net Assets presents the operating income (loss), which consists of operating revenues less operating expenses. The resulting amount (revenues less expenses) is the change in net assets for fiscal year 2011, which amount is then added to the ending balance of net assets from fiscal year 2010 to arrive at net assets for fiscal year 2011.

The Statements of Cash Flows reports the net increase (decrease) in cash and cash for the fiscal year. This statement includes cash flows from operating activities. The resulting net increase (or decrease) in cash and cash equivalents is then added to the balance of cash and cash equivalents at the beginning of the year to determine the fiscal year 2011 ending cash and cash equivalent balance.

DCA is comprised of six (6) divisions: President's Office, Research, Publications and Training, Chamorro Language and Culture, Guam Archives, Guam Museum and Chamorro Village.

- The President's Office is responsible for the day-to-day operations, and administers its programs and policies. The President's Office is also mandated to submit to the Governor and the Guam Legislature a detailed annual report of activities and an audited, annual financial report.
- The Research, Publications and Training is mandated to conduct, research, publish and produce multi-media and print materials relating to the Guam Heritage.

- The Chamorro Language and Culture is mandated to develop, promote and preserve the Chamorro language and culture through various initiatives and activities. The Chamorro Language and Culture is also mandated to study and update the orthographic rules of the Chamorro Language and to update the Chamorro-English and English-Chamorro Dictionary. The Chamorro Language and Culture division is included in the Research, Publication, and Training division on the supplemental schedules.
- The Guam Museum is also mandated to acquire, preserve and make available for public viewing artifacts and archival materials relating to the cultural, historical and natural heritage of Guam. The Guam Museum is a repository for thousands of artifacts.
- The Guam Archives is mandated to be the official depository for all government publications including any printed or processed paper, book, periodical, pamphlet or map, originating in or printed with the imprint of, or at the expense and by the authority of the government of Guam. The Guam Archives is included in the Guam Museum division on the supplemental schedules. Under the Guam Museum, the department is mandated to promote increased understanding of Guam's geology, biota, prehistory, history and contemporary culture.
- The Chamorro Village is tasked to provide a venue for local art and local retailers who sell Chamorro food, local Chamorro handmade arts and crafts, and perform cultural dance and music. The Department of Chamorro Affairs is authorized to promulgate rules and regulations to encourage the expansion and development of markets on Guam and to encourage and develop new businesses with emphasis on culture and tourism. The Chamorro Village was established to create and promote an incubator environment for entrepreneurial businesses to grow and eventually expand in the open market. The Chamorro Village also provides support for seminars, workshops, fairs and special activities for the local community; a popular attraction is the Wednesday Night Market, which offers entertainment and a variety of food, aquaculture and produce/nursery for sale by local vendors.

Department of Chamorro Affairs - Non-Appropriated Funds  
 Management's Discussion and Analysis  
 September 30, 2011 and 2010

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**Department-Wide Financial Analysis**

*Net Assets*

Net assets decreased by \$37,824, or 41% below last year as a result of current operations.

The following statement is condensed from the Statements of Net Assets:

	2011	2010
Current and other assets	\$ 149,038	\$ 186,234
Total assets	149,038	186,234
Current liabilities	94,885	94,257
Total liabilities	94,885	94,257
Net Assets		
Unrestricted	54,153	91,977
Total net assets	\$ 54,153	\$ 91,977

*Changes in Net Assets*

Total expenses exceeded revenue by \$37,824 in the current year. Operating revenue in the current year decreased by \$128,719 or 18% from the prior year. This is mainly attributable to a decrease in donations and book sales revenue in the current year related to Research, Publications and Training. Grant and donation revenue in the current year decreased by \$52,989 or 77% from the prior year. There was also a decrease in books sales in the current year of \$44,930 or 70% from the prior year. During 2010, DCANAF celebrated *Mes Chamorro*, which helped bring in more donations and sales. Such an event did not occur during 2011.

During 2011, administrative expenses decreased by \$130,287 or 17% from the prior year. The main decrease in administrative expenses in 2011 was in 2010, DCA began Friday Ocean Night Market in addition to Wednesday Night Market. As a result of the additional night, there was an increase in costs under the contractual expenses. Such costs included additional security, maintenance, and janitorial. The Friday Ocean Market was closed on March 15, 2011, decreasing these expenses in 2011. As a result of this closure there was a decrease in contractual expenses of \$62,691 or 23% from the prior year. During 2010, the 15<sup>th</sup> Anniversary of the *Mes Chamorro* was celebrated. As a result of this anniversary, there were additional costs incurred by DCANAF for printing and publication of Inspiration of Guam books of \$31,668 that were not incurred in the current year. There was also an emphasis in the current year to reduce overall expenses, which contributed to the overall decline in the administrative expenses of DCANAF. The decreases were offset by an increase in the entertainment costs related to Chamorro Village. In the current year, the entertainment costs doubled from the prior year, which resulted in an increase of about \$50,000 from the prior year.

Department of Chamorro Affairs - Non-Appropriated Funds  
Management's Discussion and Analysis  
September 30, 2011 and 2010

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The following condensed financial information was derived from the Statements of Changes in Net Assets and shows how DCANAF's net assets changed during the year.

	2011	2010
Revenue		
Operating revenue	\$ 514,651	\$ 584,208
Grants and donations	15,935	68,924
Other revenue	54,473	60,646
Total revenue	585,059	713,778
Expenses		
Administrative	622,883	753,170
Total expenses	622,883	753,170
Changes in net assets	(37,824)	(39,392)
Net assets, beginning of year	91,977	131,369
Net assets, end of year	\$ 54,153	\$ 91,977

### **Economic Outlook**

In 2011, the Department of Chamorro Affairs (non-appropriated funds and appropriated funds) operated under another year of stagnant growth. The expected economic growth associated with integrated programs for preservation and promotion of the Chamorro Culture and the social culture communications associated with the military buildup did not materialize during the year due to various delays. Several areas that were positive for the department during the year include: The Research, Publication and Training and Chamorro Language and Culture divisions published an Official Chamorro – English Dictionary for the community and the schools on Guam and outside of Guam. The books are now being used in the schools and sold to the community, tourist and visitors. Tourist and visitor arrivals increased at the Chamorro Village and the Latte of Freedom. Business activity at the Chamorro Village increased daily and on Wednesday Night Market. However, economic growth fell short of what was anticipated. Non-appropriated revenues were below projections.

The Department of Chamorro Affairs is currently undergoing reorganization of all cultural and learning resources. The Hagåtña Restoration and Redevelopment Authority, Guam Council on the Arts and Humanities Agency, Guam Public Library System and Guam Education Telecommunications Corporation dba PBS Guam/KGTF merged in the Department of Chamorro Affairs on October 6, 2011.

2011 has ushered in financial belt tightening. Governor Edward J.B. Calvo assumed office in January. He has inherited a stagnant economy, delays in the military buildup and a barren cash drawer. The FY2011 budget law projected General Fund revenues to increase substantially, particularly as construction associated with the military buildup and ARRA projects increase over the latter half of the year. Allotment controls may be administered, as government expenditures are outpacing cash collections and large obligations are unbudgeted or under budgeted. The Governor has publicly called for cost austerity and has rescinded recent government staff salary adjustments to preserve cash.

For DCA (non-appropriated funds and appropriated funds) specifically, the following projects are underway:

- Promoting the Chamorro Language and Culture by offering translation services to the public. General funds of \$25,000 have been approved to be spent on the project in 2011. DCA is better equipped to provide to the public translation from Chamorro to English and vice versa.
- Construction of a new state of the art Guam Museum, which will house 4,000 years of Guam history and is funded through bond proceeds of \$27 million.
- Construction of a repository to store hundreds of thousands of cultural and historical materials for Guam Museum, which is funded through the grant from the Department of Housing and Urban Development for \$12.5 million.
- Retrofitting Chamorro Village's lighting infrastructure to be more energy efficient; which is expected to save Department of Chamorro Affairs on utility expenditures. ARRA funds in excess of \$500,000 have been approved for this expenditure.

### **Contacting DCA's Financial Management**

This financial report is intended to provide its readers with a general overview of DCANAF's finances and to show DCANAF's accountability for the money it receives. If you have any questions about this report or wish to request additional information, contact the Administrative Office: 238 Archbishop Felixberto C. Flores Street, DNA Building, 4<sup>th</sup> Floor Suite 408, Hagatna, Guam 96910. Phone 671-475-4278/9.

Department of Chamorro Affairs - Non-Appropriated Funds

Statements of Net Assets  
September 30, 2011 and 2010

	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ 32,524	\$ 54,985
Accounts receivable	13,159	21,860
Inventory	101,583	109,389
Other assets	1,772	-
Total assets	\$ 149,038	\$ 186,234
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 48,008	\$ 49,443
Security deposit payable	46,877	44,814
Total liabilities	94,885	94,257
<b>Net Assets</b>		
Unrestricted	54,153	91,977
Total net assets	54,153	91,977
Total liabilities and net assets	\$ 149,038	\$ 186,234

Department of Chamorro Affairs - Non-Appropriated Funds  
 Statements of Changes in Net Assets  
 Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue		
Lease revenue, net of discounts	\$ 495,522	\$ 520,149
Book sales	19,129	64,059
Grants	-	9,627
Donations	15,935	59,297
Other income	54,447	60,564
Interest income	26	82
Total revenue	<u>585,059</u>	<u>713,778</u>
Expenses		
Contractual	207,270	269,961
Travel	9,089	29,954
Utilities	201,762	196,038
Rent	1,403	311
Supplies and equipment	33,252	42,077
Advertising	19,821	41,857
Communication	2,558	1,162
Meals and entertainment	104,334	61,563
Bank charges	1,360	397
Office expense	12,345	50,941
Cost of goods sold	6,514	820
Miscellaneous	23,175	58,089
Total expenses	<u>622,883</u>	<u>753,170</u>
Change in Net Assets	(37,824)	(39,392)
Net Assets, Beginning of Year	<u>91,977</u>	<u>131,369</u>
Net Assets, End of Year	<u>\$ 54,153</u>	<u>\$ 91,977</u>

## Department of Chamorro Affairs - Non-Appropriated Funds

### Statements of Cash Flows

Years Ended September 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Receipts from lease revenue	\$ 506,286	\$ 518,675
Receipts from grant and donation revenue	15,935	68,924
Receipts from book sales	26,935	58,046
Receipts from other income	54,473	60,646
Payments to vendors	(626,090)	(767,177)
Net Cash used for Operating Activities	(22,461)	(60,886)
Net Change in Cash and Cash Equivalents	(22,461)	(60,886)
Cash and Cash Equivalents, Beginning of Year	54,985	115,871
Cash and Cash Equivalents, End of Year	\$ 32,524	\$ 54,985
Reconciliation of Operating Revenues Net of Operating Activities to Net Cash used for Operating Activities		
Change in net assets	\$ (37,824)	\$ (39,392)
Changes in assets and liabilities		
Accounts receivable	8,701	(3,643)
Inventory	7,806	(6,013)
Other assets	(1,772)	360
Accounts payable and accrued liabilities	(1,435)	(14,367)
Security deposit payable	2,063	2,169
Net Cash used for Operating Activities	\$ (22,461)	\$ (60,886)

## **Note 1 - Principal Business Activity and Significant Accounting Policies**

### **Organization**

The Department of Chamorro Affairs (DCA) was established by Public law 25-69 “An Act to Create the Department of Chamorro Affairs”, which became effective on July 6, 1999. The Act, with subsequent amendments, established the DCA as a non-stock, non-profit public corporation. DCA operates out of the government of Guam and has non-appropriated funds within each division of the department, under the control and operation of a ten-member Board of Trustees appointed by the Governor with the advice and consent of the Legislature. DCA is a line agency within the executive branch of the Government of Guam. The DCA receives appropriated funds from the Government of Guam. Only the non-appropriated funds are within the scope of this report.

Department of Chamorro Affairs - Non-Appropriated Funds (DCANAF) is a culmination of the following divisions:

- **President’s Office** – This department promotes the Chamorro culture within Guam and outside of Guam and provides oversight for the other departments within the DCA.
- **Research, Publication and Training** – This program provides training, certifications, conferences and seminars thus promoting increased understanding of the Chamorro heritage. Included in the Research, Publication and Training division is the Chamorro Language and culture division. This division is mandated to develop, promote and preserve the Chamorro language and culture through various initiatives and activities.
- **Guam Museum** – This division fosters an appreciation for Guam’s culture and natural heritage by promoting increased understanding of the island’s geology, biota, prehistory, and contemporary culture. The museum serves as the official repository and custodian of historical artifacts and also acquires preserves and makes available for public viewing, artifacts relating to the island’s heritage. The museum’s other responsibilities include research on inventory and the dissemination of its results to the public through exhibitions, publications, and demonstrations. Included in the Guam Museum division is the Guam Archives division. This division is mandated to be the official depository for all government publications including any printed or processed paper, book, periodical pamphlet or map, originating in or printed with imprint of, or at the expense and by the authority of the government of Guam.
- **The Chamorro Village** – This program maintains day-to-day operations of the Chamorro Village to provide a market and foster an environment that promotes local products, native cultures, and traditions of Guam. The main source of revenue for DCANAF is under the Chamorro Village through its leasing activity at the Chamorro Village.

### **Basis of Presentation**

For financial statement purposes, DCANAF is considered a special-purpose government engaged only in business-type activities. Accordingly, DCANAF’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant internal activity between the departments has been eliminated. DCANAF reports as a business-type activity, as defined by GASB Statement No. 34. Business-type activities are those that are financed in whole or in part by fees

charged to external parties for goods or services. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance subject to this same limitation. DCANAF has elected not to follow subsequent private-sector guidance.

### **Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash in banks, money market accounts and time certificates of deposit with original maturities of three months or less.

At September, 30, 2011 and 2010, DCANAF had cash balances of \$32,524 and \$54,985, respectively, with corresponding bank balances of \$36,422 and \$68,574, respectively, of which all was insured by the Federal Depository Insurance Corporation.

### **Use of Restricted/Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, DCANAF's policy is to apply restricted net assets first.

### **Accounts Receivable**

Accounts receivable primarily consist of lease income from tenants. The accounts receivable are non-interest bearing. The outstanding accounts receivable are considered to be fully collectible and accordingly no allowance for doubtful accounts has been provided.

### **Inventory**

The inventory balance on hand as of September 30, 2011 and 2010 is made up of book inventory and is recorded at the lower of cost (first-in, first-out method) or market.

### **Capital Assets**

Capital assets are stated at cost, or if acquired by a gift, at the estimated fair market value at the date of the gift. Purchases and gifts valued at more than \$50,000 and having a useful life of greater than one year are capitalized. Depreciation is recorded based upon the seven year life for the equipment.

### **Net Assets**

DCANAF's net assets are classified as follows:

- Unrestricted Net Assets – Unrestricted net assets represent all other non reserved net assets.

**Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation.

**Note 2 - Related Party Transactions**

DCANAF commissioned the book *Inspiration of Guam*, in fiscal year 2010 and *Legacy*, in fiscal year 2011, which was co-authored by the president of DCA at the time the book was commissioned. The costs paid for the books during the years ended September 30, 2011 and 2010 were \$9,333 and \$1,500, respectively.

**Note 3 - Subsequent Event**

The Department of Chamorro Affairs is currently undergoing reorganization of all cultural and learning resources. The Hagåtña Restoration and Redevelopment Authority, Guam Council on the Arts and Humanities Agency, Guam Public Library System and Guam Education Telecommunications Corporation dba PBS Guam/KGTF merged in the Department of Chamorro Affairs on October 6, 2011.



Supplementary Information  
September 30, 2011 and 2010

## Department of Chamorro Affairs - Non-Appropriated Funds

Department of Chamorro Affairs - Non-Appropriated Funds  
Combining Schedules of Net Assets  
September 30, 2011 and 2010

	President's Office		Chamorro Village		Research, Publication & Training		Guam Museum		Combined Balance	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Assets</b>										
Cash and cash equivalents	\$ 719	\$ 532	\$ 24,935	\$ 39,930	\$ 6,802	\$ 12,559	\$ 68	\$ 1,964	\$ 32,524	\$ 54,985
Accounts receivable	-	-	9,625	14,946	3,534	6,914	-	-	13,159	21,860
Inventory	-	-	-	-	101,583	109,389	-	-	101,583	109,389
Other assets	-	-	1,772	-	-	-	-	-	1,772	-
<b>Total assets</b>	<b>\$ 719</b>	<b>\$ 532</b>	<b>\$ 36,332</b>	<b>\$ 54,876</b>	<b>\$ 111,919</b>	<b>\$ 128,862</b>	<b>\$ 68</b>	<b>\$ 1,964</b>	<b>\$ 149,038</b>	<b>\$ 186,234</b>
<b>Liabilities</b>										
Accounts payable and accrued expenses	\$ -	\$ -	\$ 48,008	\$ 49,443	\$ -	\$ -	\$ -	\$ -	\$ 48,008	\$ 49,443
Security deposits payable	-	-	46,877	44,814	-	-	-	-	46,877	44,814
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>94,885</b>	<b>94,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,885</b>	<b>94,257</b>
<b>Net Assets</b>										
Unrestricted	719	532	(58,553)	(39,381)	111,919	128,862	68	1,964	54,153	91,977
<b>Total net assets</b>	<b>719</b>	<b>532</b>	<b>(58,553)</b>	<b>(39,381)</b>	<b>111,919</b>	<b>128,862</b>	<b>68</b>	<b>1,964</b>	<b>54,153</b>	<b>91,977</b>
<b>Total liabilities and net assets</b>	<b>\$ 719</b>	<b>\$ 532</b>	<b>\$ 36,332</b>	<b>\$ 54,876</b>	<b>\$ 111,919</b>	<b>\$ 128,862</b>	<b>\$ 68</b>	<b>\$ 1,964</b>	<b>\$ 149,038</b>	<b>\$ 186,234</b>

Department of Chamorro Affairs - Non-Appropriated Funds  
Combining Schedules of Revenues, Expenses and Changes in Net Assets  
Years Ended September 30, 2011 and 2010

	President's Office		Chamorro Village		Research, Publication & Training		Guam Museum		Combined Balance	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Revenue</b>										
Lease revenue	\$ -	\$ -	\$ 495,522	\$ 520,149	\$ -	\$ -	\$ -	\$ -	\$ 495,522	\$ 520,149
Book sales	9,319	33,023	-	-	9,810	31,036	-	-	19,129	64,059
Grants	-	-	-	9,627	-	-	-	-	-	9,627
Donations	15,935	59,297	-	-	-	-	-	-	15,935	59,297
Other income	643	-	52,805	60,097	999	-	-	467	54,447	60,564
Interest income	26	77	-	-	-	-	-	5	26	82
<b>Total revenue</b>	<b>25,923</b>	<b>92,397</b>	<b>548,327</b>	<b>589,873</b>	<b>10,809</b>	<b>31,036</b>	<b>-</b>	<b>472</b>	<b>585,059</b>	<b>713,778</b>
<b>Expenses</b>										
Contractual	10,246	(437)	197,024	270,398	-	-	-	-	207,270	269,961
Travel	9,089	27,796	-	2,158	-	-	-	-	9,089	29,954
Utilities	-	-	201,762	196,038	-	-	-	-	201,762	196,038
Rent	-	-	1,403	311	-	-	-	-	1,403	311
Supplies and equipment	560	240	32,577	34,862	115	6,975	-	-	33,252	42,077
Advertising	3,281	-	16,540	34,744	-	7,113	-	-	19,821	41,857
Communication	390	126	2,168	1,036	-	-	-	-	2,558	1,162
Meals and entertainment	484	5,163	103,850	56,400	-	-	-	-	104,334	61,563
Bank Charges	232	254	1,128	143	-	-	-	-	1,360	397
Office expense	1,298	8,331	11,047	7,232	-	35,378	-	-	12,345	50,941
Cost of goods sold	-	-	-	-	6,514	820	-	-	6,514	820
Miscellaneous	156	51,145	-	-	21,123	6,944	1,896	-	23,175	58,089
<b>Total expenses</b>	<b>25,736</b>	<b>92,618</b>	<b>567,499</b>	<b>603,322</b>	<b>27,752</b>	<b>57,230</b>	<b>1,896</b>	<b>-</b>	<b>622,883</b>	<b>753,170</b>
<b>Change in Net Assets</b>	<b>187</b>	<b>(221)</b>	<b>(19,172)</b>	<b>(13,449)</b>	<b>(16,943)</b>	<b>(26,194)</b>	<b>(1,896)</b>	<b>472</b>	<b>(37,824)</b>	<b>(39,392)</b>
<b>Net Assets, Beginning of Year</b>	<b>532</b>	<b>753</b>	<b>(39,381)</b>	<b>(25,932)</b>	<b>128,862</b>	<b>155,056</b>	<b>1,964</b>	<b>1,492</b>	<b>91,977</b>	<b>131,369</b>
<b>Net Assets, End of Year</b>	<b>\$ 719</b>	<b>\$ 532</b>	<b>\$ (58,553)</b>	<b>\$ (39,381)</b>	<b>\$ 111,919</b>	<b>\$ 128,862</b>	<b>\$ 68</b>	<b>\$ 1,964</b>	<b>\$ 54,153</b>	<b>\$ 91,977</b>