

**MAYORS' COUNCIL OF GUAM  
NON-APPROPRIATED FUNDS**

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**STATEMENT OF CASH DEPOSITS AND  
DISBURSEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

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**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

## Independent Auditors' Report

The Executive Officers  
Mayors' Council of Guam

We have audited the accompanying statement of cash deposits and disbursements and changes in cash of the Mayors' Council of Guam Non-appropriated Funds (the Fund) for the year ended September 30, 2010. This financial statement is the responsibility of the Fund's management. Our responsibility is to express an opinion on this financial statement 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

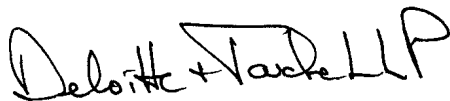
We were unable to verify the classification of \$204,952 of deposits and \$86,048 of disbursements for the year ended September 30, 2010.

As discussed in Note 1 to the financial statement, the financial statement referred to above were prepared on the basis of cash deposits and disbursements of the Fund, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and is not intended to present fairly the financial position and results of operations of the Fund in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to determine the classification of certain deposits and disbursements for the year ended September 30, 2010, such financial statement presents fairly, in all material respects, the cash deposits and disbursements of the Mayors' Council of Guam Non-appropriated Funds for the year ended September 30, 2010, on the basis of accounting described in note 1.

Our audit was conducted for the purpose of forming an opinion on the statement of cash deposits and disbursements of the Fund taken as a whole. The accompanying schedule on pages 3 through 5 is presented for purposes of additional analysis and is not a required part of the financial statement of the Fund. This schedule is the responsibility of the Fund's management. Such information has been subjected to the auditing procedures applied in our audit of the financial statement and, in our opinion except for the effects of such adjustments, if any, that might have been found to be necessary had we been able to determine the classification of certain deposits and disbursements, is fairly stated in all material respects when considered in relation to the financial statement taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2012, on our consideration of the Mayors' Council of Guam Non-appropriated Funds' 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Deloitte + Tatchell LLP". The signature is written in a cursive, stylized font.

March 24, 2012

## MAYORS' COUNCIL OF GUAM NON-APPROPRIATED FUNDS

### Statement of Cash Deposits and Disbursements and Changes in Cash Year Ended September 30, 2010

#### Deposits:

##### Grants:

GVB branding initiatives	\$ 275,000
Other grants	59,509
Flea and night markets	108,595
Liberation day proceeds	92,900
Program registrations	54,418
Ticket sales	46,751
Others	99,322
Unclassified	204,952

Total deposits 941,447

#### Disbursements:

Community programs and projects	137,865
Fiesta expenses	129,917
Equipment, supplies and materials	56,835
Sponsorships	38,253
Grants	38,000
Humanitarian assistance	37,035
Contractual services	30,077
Food	27,906
Community and office events	27,332
Repairs and maintenance	25,062
Others	122,885
Unclassified	86,048

Total disbursements 757,215

Excess of deposits over disbursements 184,232

Cash at beginning of year 170,146

Cash at end of year \$ 354,378

See accompanying notes to statement of cash deposits and disbursements and changes in cash.

## MAYORS' COUNCIL OF GUAM NON-APPROPRIATED FUNDS

Notes to Statement of Cash Deposits and Disbursements and Changes in Cash  
Year Ended September 30, 2010

### (1) Summary of Significant Accounting Policies

#### Organization

The Mayors' Council of Guam (the Council) was established through the enactment of Public Law 14-27, signed into law on May 26, 1977. The Council is comprised of the nineteen (19) Mayors and the five (5) Vice Mayors of the following municipalities: Agat, Asan–Maina, Barrigada, Chalan Pago-Ordot, Dededo, Hagatna, Inarajan, Mangilao, Merizo, Mongmong-Toto-Maite, Piti, Santa Rita, Sinajana, Talofofo, Tamuning-Tumon-Harmon, Umatac, Yigo and Yona.

Public Law 30-68 granted individual Mayors the authority to sponsor and approve concessions, festivals, fiestas, or other village events associated with the promotion of the Chamorro culture, tradition, heritage and tourism. The Mayor and the Municipal Planning Council (MPC) of each village are authorized to raise funds through advertising by commercial enterprises on the walls of their sports facilities, raising funds through fund-raising efforts, to include approving concessionaire activities within each Municipality as approved by its MPC, soliciting corporate sponsorships and to accept contributions that are solely beneficial to the sports facilities or village. Funds generated will be deposited in the MPC Funds of each village and will be used for the operation and maintenance of village facilities and to fund special projects identified by the MPCs. Authority to establish the non-appropriated funds is granted through the 5 GCA § 40135.

The accompanying financial statement relates solely to the activities of the Mayors' Council of Guam and the nineteen (19) municipalities' non-appropriated funds (the Fund) and do not incorporate any other activities of the Council and the nineteen municipalities.

#### Accounting Policies

The accompanying statement of cash deposits and disbursements is prepared on a cash basis of accounting. Revenues are recognized when cash is received and expenses are recorded when cash is disbursed.

#### Cash

The Fund considers cash to represent cash in banks. At September 30, 2010, the carrying amount of the Fund's cash was \$354,378 and the corresponding bank balance was \$359,526. The Fund's cash balance in bank of \$359,526 is maintained in a financial institution subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2010, bank deposits in the amount of \$359,526 were FDIC insured.

#### Guam Visitors Bureau (GVB) Grant

Pursuant to Public Law 30-22, the Council received \$275,000 from GVB in November 2009 to support village mayors in the various community brand-building initiatives, and in appreciation for their important role in facilitating these initiatives. As of September 30, 2010, the remaining balance from the grant is \$31,000.

#### Subsequent Events

The Fund has considered subsequent events through March 24, 2012, the date upon which the financial statements are available to be issued. The Fund has not identified any subsequent events that required adjustment to or disclosure in the financial statement as of September 30, 2010.

**MAYORS' COUNCIL OF GUAM NON-APPROPRIATED FUNDS**

Statement of Cash Deposits and Disbursements and Changes in Cash  
Year Ended September 30, 2010

	MCOG Revolving Fund	Agana Heights	Agat	Asan- Maina	Barrigada	Chalan Pago- Ordot	Dededo
<b>Deposits:</b>							
Commission	\$ -	\$ -	\$ 4,416	\$ -	\$ -	\$ -	\$ 659
Donations	-	-	-	-	-	1,170	-
Dues	9,945	-	-	-	-	-	-
Facility use	-	-	-	-	-	1,164	15,000
Fiesta concessions	-	-	-	-	17,500	-	-
Flea and night markets	-	-	-	-	-	-	108,595
Fundraisings	-	-	-	-	-	1,220	-
<b>Grants:</b>							
GVB branding initiatives	275,000	-	14,000	14,000	14,000	-	14,000
Others	-	-	2,000	-	-	500	53,259
Liberation day proceeds	92,900	-	-	-	-	-	-
Maintenance services	-	-	-	-	-	-	-
Others	-	-	-	500	640	60	159
Program registrations	-	-	-	-	-	5,990	5,905
Ticket sales	-	-	-	-	-	-	-
Unclassified	12,414	-	84,646	-	2,080	-	-
<b>Total deposits</b>	<b>390,259</b>	<b>-</b>	<b>105,062</b>	<b>14,500</b>	<b>34,220</b>	<b>10,104</b>	<b>197,577</b>
<b>Disbursements:</b>							
Bank charges	-	-	405	27	-	-	36
Communication	-	-	-	-	-	-	-
Community events	-	-	-	-	-	740	7,291
Community programs	-	-	22,143	-	-	5,166	27,019
Community projects	-	-	10,487	5,823	147	-	19,189
Contractual services	-	-	1,475	-	-	-	17,069
Donations	3,800	-	135	-	-	-	-
Equipment	-	-	155	-	747	-	18,093
Flea market expenses	-	-	-	-	-	-	18,286
Fiesta expenses	-	-	46,243	-	4,217	-	-
Food	8,856	-	224	-	2,142	384	220
<b>Grants:</b>							
Municipalities	206,000	-	-	-	-	-	-
Others	38,000	-	-	-	-	-	-
Humanitarian assistance	6,500	-	3,155	-	-	-	24,470
Liberation day proceeds expenses	11,120	-	-	-	-	-	-
Liberation day expenses	-	-	6,408	-	-	-	3,866
Office events	15,410	-	-	-	-	-	-
Others	2,928	-	3,572	300	42	114	10,878
Prizes	2,458	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	560	-
Rental	-	-	-	-	-	-	705
Repairs and maintenance	-	-	614	-	8,902	-	3,682
Sponsorships	6,000	-	1,850	5,396	7,255	100	4,886
Sports activities	-	-	-	-	-	-	10,532
Supplies and materials	2,174	-	3,732	1,025	3,212	-	4,131
Ticket sales remittance	-	-	-	-	-	-	-
Travel	-	-	-	-	2,609	-	-
Unclassified	10,850	-	2,209	-	-	-	4,475
Utilities	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>314,096</b>	<b>-</b>	<b>102,807</b>	<b>12,571</b>	<b>29,273</b>	<b>7,064</b>	<b>174,828</b>
Excess (deficiency) of deposits over (under) disbursements	76,163	-	2,255	1,929	4,947	3,040	22,749
Cash at beginning of year	2,233	-	3,246	-	615	-	119,393
Cash at end of year	\$ 78,396	\$ -	\$ 5,501	\$ 1,929	\$ 5,562	\$ 3,040	\$ 142,142

See accompanying independent auditors' report.

**MAYORS' COUNCIL OF GUAM NON-APPROPRIATED FUNDS**

Statement of Cash Deposits and Disbursements and Changes in Cash, Continued  
Year Ended September 30, 2010

	Hagatna	Inarajan	Mangilao	Merizo	MongMong. Toto-Maite	Piti	Santa Rita
<b>Deposits:</b>							
Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	-	4,650
Dues	-	-	-	-	-	-	-
Facility use	-	-	-	-	-	-	100
Fiesta concessions	-	-	-	11,098	-	-	-
Flea and night markets	-	-	-	-	-	-	-
Fundraisings	-	-	2,115	1,375	-	-	-
<b>Grants:</b>							
GVB branding initiatives	14,000	14,000	14,000	14,000	-	14,000	14,000
Others	-	-	3,750	-	-	-	-
Liberation day proceeds	-	-	-	-	-	-	-
Maintenance services	-	-	-	3,850	-	-	-
Others	-	-	-	-	450	-	-
Program registrations	-	-	-	-	-	-	-
Ticket sales	-	-	-	23,071	-	11,250	-
Unclassified	3,600	8,549	8,498	28,480	-	758	10,218
<b>Total deposits</b>	<b>17,600</b>	<b>22,549</b>	<b>28,363</b>	<b>81,874</b>	<b>450</b>	<b>26,008</b>	<b>28,968</b>
<b>Disbursements:</b>							
Bank charges	36	36	-	266	-	-	-
Communication	-	-	-	-	-	-	395
Community events	-	1,526	2,365	-	-	-	-
Community programs	-	2,044	-	-	-	1,828	1,880
Community projects	4,100	-	3,010	-	-	-	4,751
Contractual services	-	-	-	-	-	-	-
Donations	5,088	1,200	-	698	450	-	1,395
Equipment	-	3,597	2,591	-	-	-	198
Flea market expenses	-	-	-	-	-	-	-
Fiesta expenses	-	6,150	3,350	44,091	-	-	290
Food	-	-	-	4,625	-	218	1,654
<b>Grants:</b>							
Municipalities	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Humanitarian assistance	-	190	-	750	-	-	300
Liberation day proceeds expenses	-	-	-	-	-	-	-
Liberation day expenses	-	-	-	-	-	674	-
Office events	-	-	-	-	-	-	-
Others	-	-	598	1,391	-	2,713	2,095
Prizes	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	3,471
Rental	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	1,425	-	500	8,044
Sponsorships	-	650	-	600	-	-	1,442
Sports activities	-	-	-	-	-	-	-
Supplies and materials	-	1,273	375	609	-	528	2,415
Ticket sales remittance	-	-	-	-	-	11,600	-
Travel	-	-	-	-	-	-	-
Unclassified	-	5,764	2,230	11,491	-	8,527	731
Utilities	-	-	-	1,167	-	-	-
<b>Total disbursements</b>	<b>9,224</b>	<b>22,430</b>	<b>14,519</b>	<b>67,113</b>	<b>450</b>	<b>26,588</b>	<b>29,061</b>
Excess (deficiency) of deposits over (under) disbursements	8,376	119	13,844	14,761	-	(580)	(93)
Cash at beginning of year	11,473	5,178	6,240	9,379	-	1,588	4,081
Cash at end of year	\$ 19,849	\$ 5,297	\$ 20,084	\$ 24,140	\$ -	\$ 1,008	\$ 3,988

See accompanying independent auditors' report.

**MAYORS' COUNCIL OF GUAM NON-APPROPRIATED FUNDS**

Statement of Cash Deposits and Disbursements and Changes in Cash, Continued  
Year Ended September 30, 2010

	Sinajana	Talafofo	Tamuning- Tumon- Harmon	Umatac	Yigo	Yona	Eliminations	Total
<b>Deposits:</b>								
Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,075
Donations	18	10	450	-	15,985	100	-	22,383
Dues	-	-	-	-	-	-	-	9,945
Facility use	-	-	4,500	-	1,273	-	-	22,037
Fiesta concessions	-	700	-	-	-	-	-	29,298
Flea and night markets	-	-	-	-	-	-	-	108,595
Fundraisings	-	-	-	-	100	-	-	4,810
<b>Grants:</b>								
GVB branding initiatives	-	14,000	10,000	14,000	14,000	14,000	(206,000)	275,000
Others	-	-	-	-	-	-	-	59,509
Liberation day proceeds	-	-	-	-	-	-	-	92,900
Maintenance services	-	-	-	-	-	-	-	3,850
Others	-	-	115	-	-	-	-	1,924
Program registrations	20,930	-	-	-	21,593	-	-	54,418
Ticket sales	-	12,430	-	-	-	-	-	46,751
Unclassified	-	9,680	25,000	10,979	50	-	-	204,952
<b>Total deposits</b>	<b>20,948</b>	<b>36,820</b>	<b>40,065</b>	<b>24,979</b>	<b>53,001</b>	<b>14,100</b>	<b>(206,000)</b>	<b>941,447</b>
<b>Disbursements:</b>								
Bank charges	-	36	-	-	-	-	-	842
Communication	-	-	-	-	-	-	-	395
Community events	-	-	-	-	-	-	-	11,922
Community programs	6,105	-	-	-	2,095	-	-	68,280
Community projects	-	321	15,450	-	1,807	4,500	-	69,585
Contractual services	7,710	324	3,499	-	-	-	-	30,077
Donations	-	1,474	-	-	585	5,000	-	19,825
Equipment	-	-	590	-	500	-	-	26,471
Flea market expenses	-	-	-	-	-	-	-	18,286
Fiesta expenses	-	25,326	-	-	250	-	-	129,917
Food	6,983	239	415	-	1,946	-	-	27,906
<b>Grants:</b>								
Municipalities	-	-	-	-	-	-	(206,000)	-
Others	-	-	-	-	-	-	-	38,000
Humanitarian assistance	150	1,300	-	-	220	-	-	37,035
Liberation day proceeds expenses	-	-	-	-	-	-	-	11,120
Liberation day expenses	-	-	-	-	-	-	-	10,948
Office events	-	-	-	-	-	-	-	15,410
Others	-	1,244	1,253	-	817	222	-	28,167
Prizes	-	-	-	-	-	-	-	2,458
Reimbursements	-	-	-	-	-	-	-	4,031
Rental	-	-	-	-	-	-	-	705
Repairs and maintenance	-	-	-	-	1,895	-	-	25,062
Sponsorships	-	1,854	375	-	7,845	-	-	38,253
Sports activities	-	-	-	-	-	-	-	10,532
Supplies and materials	-	-	571	-	9,991	328	-	30,364
Ticket sales remittance	-	-	-	-	-	-	-	11,600
Travel	-	-	200	-	-	-	-	2,809
Unclassified	-	600	12,750	25,221	1,000	200	-	86,048
Utilities	-	-	-	-	-	-	-	1,167
<b>Total disbursements</b>	<b>20,948</b>	<b>32,718</b>	<b>35,103</b>	<b>25,221</b>	<b>28,951</b>	<b>10,250</b>	<b>(206,000)</b>	<b>757,215</b>
Excess (deficiency) of deposits over (under) disbursements	-	4,102	4,962	(242)	24,050	3,850	-	184,232
Cash at beginning of year	-	707	1,309	957	1,383	2,364	-	170,146
Cash at end of year	\$ -	\$ 4,809	\$ 6,271	\$ 715	\$ 25,433	\$ 6,214	\$ -	\$ 354,378

See accompanying independent auditors' report.