

**2010 GUAM ISLAND FAIR/66th LIBERATION DAY
COMMITTEE FUND**

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

**FOR THE PERIOD MARCH 17, 2010
TO DECEMBER 31, 2010**

INDEPENDENT AUDITORS' REPORT

The Executive Committee
2010 Guam Island Fair/66th Liberation Day Committee

We have audited the accompanying statement of deposits and disbursements and changes in cash of the 2010 Guam Island Fair/66th Liberation Day Committee Fund (the Fund) for the period from March 17, 2010 to December 31, 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.

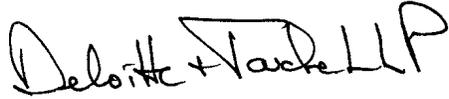
Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material 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 statement, 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 \$48,874 of deposits and \$32,683 of disbursements for the period from March 17, 2010 to December 31, 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 period from March 17, 2010 to December 31, 2010, such financial statement presents fairly, in all material respects, the cash deposits and disbursements of the 2010 Guam Island Fair/66th Liberation Day Committee Funds for the period from March 17, 2010 to December 31, 2010, on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2012, on our consideration of the 2010 Guam Island Fair/66th Liberation Day Committee 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 + Touche LLP". The signature is written in a cursive, stylized font.

April 19, 2012

2010 GUAM ISLAND FAIR/66TH LIBERATION DAY COMMITTEE FUND

Statement of Deposits and Disbursements and Changes in Cash For the period from March 17, 2010 to December 31, 2010

Deposits:	
Concessions	\$ 240,775
Ticket sales	88,885
Parade fees	2,575
Unclassified	48,874
Total deposits	<u>381,109</u>
Disbursements:	
Commission	80,790
Power and installation	40,786
Fireworks	32,701
Security services	21,399
Carnival and parade sound system	21,000
Prizes	18,800
Travel and accommodation	16,887
Entertainment	15,375
Carnival setup services	11,000
Lavatory services	10,770
Concession refunds	10,205
Materials and supplies	10,121
Carnival stage and lighting	10,000
Carnival clean up	7,600
Equipment rental	7,144
Food	6,358
Permits and licenses	4,170
Maintenance and waste disposal	3,141
Queen's float	2,711
Miscellaneous	7,625
Unclassified	32,683
Total disbursements	<u>371,266</u>
Excess of deposits over disbursements	9,843
Cash at beginning of period	<u>7,884</u>
Cash at end of period	<u><u>\$ 17,727</u></u>

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

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Notes to Statement of Deposits and Disbursements and Changes in Cash
For the Period from March 17, 2010 to December 31, 2010

(1) Organization and Summary of Significant Accounting Policies

Organization

Liberation Day, July 21, is the official Government of Guam holiday marking the anniversary of Guam's deliverance from Japanese occupation in 1944 and the inauguration of civil government in 1950. Title 1, Section 1012 of the Guam Code Annotated (G.C.A.) combines the observance of Independence Day, July 4, and Liberation Day into a month-long celebration with memorials, tributes, a parade and carnival, and the crowning of a Liberation Day Queen. These activities are sponsored, planned, and arranged by the Liberation Day Committee. The Governor can either appoint a committee or designate a civic organization to administer these tasks.

On March 17, 2010, pursuant to Executive Order No. 2010-10, the Mayors' Council of Guam (MCOG) was appointed to spearhead and take overall responsibility for the planning, coordinating, and executing of the 2010 Guam Island Fair/66th Liberation Day Festivities.

The accompanying financial statement relates solely to the activities of the 2010 Guam Island Fair/66th Liberation Day Committee Fund (the Fund) established under the MCOG and does not incorporate any other activities of the MCOG.

Accounting Policies

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

Commission

Commissions of \$80,790 were paid for the period March 17, 2010 through December 31, 2010. Of this amount, \$50,000 was paid to MCOG pursuant to G.C.A. Title 1, Section 1013.1(c), which entitles the sponsoring organization to 50% of the net proceeds from Liberation Day Festivities and \$30,790 was paid to liberation day queen candidates and sponsors based on a percentage of ticket sales as follows:

<u>Ticket Sales in Excess of \$1,000</u>	<u>Candidate's Share</u>	<u>Sponsor's Share</u>
\$1,001 to \$4,999	15%	15%
\$5,000 to \$9,999	20%	20%
\$10,000 and above	25%	25%

Cash

The Fund considers cash to represent cash in bank account. During the year ended December 31, 2010, a cash balance was maintained with a financial institution subject to depository insurance with the Federal Deposit Insurance Corporation.

Subsequent Events

The Fund has identified April 19, 2012 as the date the financial statement is available to be issued and the date through which subsequent events have been evaluated. The Fund has not identified any subsequent events that required adjustment to or disclosure in the financial statement as of December 31, 2010.