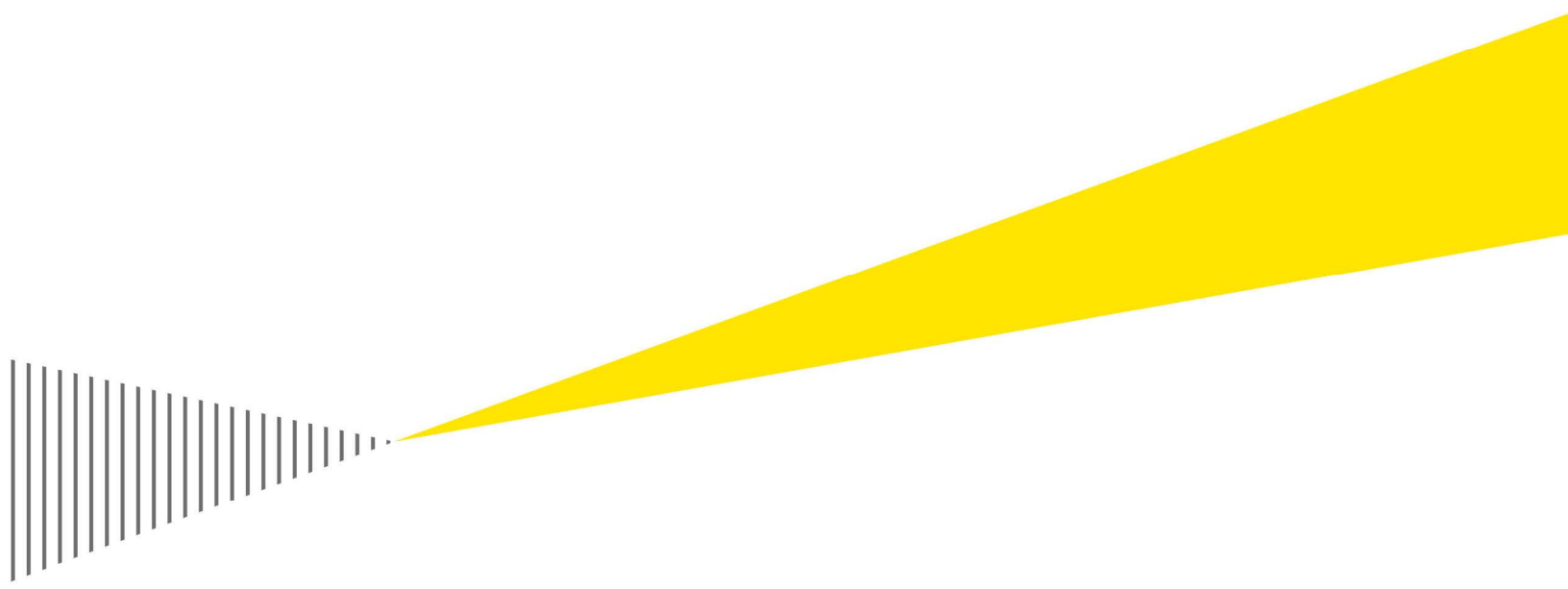


*Financial Statements and
Supplementary Information*

**Department of Chamorro Affairs –
Non-Appropriated Funds**

*Years ended September 30, 2013 and 2012
with Report of Independent Auditors*



**Building a better
working world**

Department of Chamorro Affairs – Non-Appropriated Funds

Financial Statements and
Supplementary Information

Years ended September 30, 2013 and 2012

Contents

Report of Independent Auditors	1
Management’s Discussion and Analysis	4
Audited Basic Financial Statements	
Statements of Net Position	14
Guam Museum Foundation, Inc. – Statements of Financial Position.....	15
Statements of Revenues, Expenses and Changes in Net Position	16
Guam Museum Foundation, Inc. – Statements of Activities.....	17
Statements of Cash Flows	18
Guam Museum Foundation, Inc. – Statements of Cash Flows	19
Notes to Financial Statements	20
Supplementary Information	
Combining Statement of Net Position.....	27-28
Combining Statement of Revenues, Expenses and Changes in Net Position.....	29-30



Ernst & Young LLP
231 Ypao Road
Suite 201 Ernst & Young Building
Tamuning, Guam 96913

Tel: +1 671 649 3700
Fax: +1 671 649 3920
ey.com

Report of Independent Auditors

The Board of Trustees
Department of Chamorro Affairs

Report on the Financial Statements

We have audited the accompanying financial statements of the Department of Chamorro Affairs – Non-Appropriated Funds (DCANAF), and its discretely presented component unit, collectively a component unit of the Government of Guam, as of and for the years ended September 30, 2013 and 2012, which collectively comprise the DCANAF’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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Guam Museum Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. 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 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 DCANAF’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 DCANAF’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.

Auditor's Responsibility, continued

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

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 position, the related statements of revenues, expenses and changes in net position, and cash flows of only that portion of the Government of Guam that is attributable to the transactions of the DCANAF.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the DCANAF and the discretely presented component unit Guam Museum Foundation, Inc. as of September 30, 2013 and 2012, and the respective changes in financial position and cash flows, where applicable, for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis on pages 4 through 13 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 which 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, 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise DCANAF's financial statements. The combining statement of net position and combining statement of revenues, expenses and changes in net position included in pages 27 through 30 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supplementary Information, continued

The combining statement of net position and combining statement of revenues, expenses and changes in net position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated May 19, 2014 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 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* in considering DCANAF's internal control over financial reporting and compliance.

Ernst + Young LLP

May 19, 2014

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis

Year ended September 30, 2013

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, 2013. Please use this information in conjunction with the information furnished in DCANAF’s financial statements. This will provide 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).

Our Mission

To create, develop, implement and maintain an integrated program for the preservation, promotion, and advancement of the native Chamorro and other Asian/Pacific Islander residents of Guam. It is intended that the public corporation be the guiding force in all aspects of Chamorro Culture, language, preservation, education, arts, humanities, and history, through public policy, advocacy, research, publication, authentication, restoration, presentation, and production, and by providing and overseeing a repository for historical documents, cultural artifacts and documentary and narrative film and video.

Introduction

Department of Chamorro Affairs (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 DCA 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. DCA 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.

The purpose of 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.

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis, continued

Introduction, continued

DCA has the following specific purposes and is authorized to:

- Formulate and develop standards and procedural requirements with regard to the development, promotion, and preservation of the Chamorro language and culture with all relevant restitutions and programs. **5 GCA. Ch. 87, Section 87104(w) Historic Language Preservation**
- Establish a joint appointment program with Guam colleges and universities in the teaching of the Chamorro language, culture and history; and further to establish reciprocal relationships with other institutions. **5 GCA. Ch. 87, Section 87104(x) Elementary/Intermediate Education**
- Promote increased understanding of Guam’s geology, biota, prehistory, history and contemporary culture. Serves as the official repository and custodian of historical artifacts of Guam and to acquire, preserve, and make available for public viewing, artifacts and archival materials relating to the cultural, historical and natural heritage of Guam. **5 GCA. Ch. 87, Section 87136(a) Geographical and Archaeological Validation**
- To provide for the preservation of all Government publications including any printed or processed paper, books, periodicals, pamphlets or maps, originating in or printed with the imprint of, or at the expense and by the authority of the Government of Guam; including public records and other papers not in current use of the Executive, Judicial and Legislative Branches of the government of Guam and have been determined to have sufficient legal, historical or other value to warrant their continued preservation by the government of Guam; and also be the custodian of non-governmental historical records that contain significant information about the past or present, and are therefore worthy of long-term preservation and systematic management for historical or other research purposes. **5 GCA. Ch. 87, Section 87130(a) Heritage Archival Collection**
- Ensure the retention and preservation of our documentary heritage as the official repository and custodian of historical government and non-government records of Guam. Acquire, preserve and make available for public use, records relating to the cultural and documentary heritage of Guam; and foster research on the records in its inventory and shall disseminate the results of this and other research to the public through the media as public exhibitions, demonstrations, lectures, scholarly activities, television programs, publications and other public programs contributing to and encouraging enlightenment. **5 GCA. Ch. 87, Section 87130(c) Collective Historic Preservation & Cultural Authentication**

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis, continued

Introduction, continued

- Operate under its control a public market, or markets, for Guam products at such places or places deemed proper. Any such market shall be maintained and operated at all times in a sanitary and orderly manner, beneficial to both producers and patrons alike. Producers and sellers desiring to use space within such market to display or sell their produce shall be levied a uniform fee based upon the amount of space used and period of such use. **Public Law 28-68, 5 GCA, Ch. 87, Section 87103(a)(viii) Chamorro Village, “I Sengsong Chamorro”**
- The Public Market Revolving Fund was created to deposit all funds collected from fees levied pursuant to Ch. 87 of 5 GCA, and to be used exclusively for the administration, operation and maintenance of the I Sengsong Chamorro”, the Chamorro Village. **5 GCA, Ch. 87, Section 87152 Public Market Revolving Fund**
- Serve as a depository for certain specimens and objects of natural history and of botanical, ethnological, or archaeological value or interest, and any book, treatise, or pamphlet relating to natural history, botany, ethnology, or archaeology now in possession of the University of Guam, or any territorial department, bureau, or boards. **5 GCA, Ch. 87; 21 GCA, Ch. 76, Section 76114 Guam Museum**

DCA reorganized all cultural and learning resources by merging 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. The reorganization centralized the culturally relevant programs and services, to include preservation and the perpetuation of education of all citizens of Guam. This is a step in the right direction and right-sized management and planning within the Government of Guam, essential in the enhancement of procedural and administrative efficiencies, thus reducing personnel and capital costs. This move streamlined the Administrative Support Unit: Administrative Support, Budget and Finance, Maintenance, Human Resources (Personnel), Grants Management and Fixed Assets, Policy Reviews and Procedures, Procurement, Special Projects, Research, Planning and Development.

DCA is now comprised of:

- **The President’s Office** - 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** - conducts, researches, publishes and produces multi-media and print materials relating to the Guam Heritage.

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis, continued

Introduction, continued

- **The Chamorro Language and Culture** - develops, promotes and preserves the Chamorro language and culture through various initiatives and activities. The Chamorro Language and Culture also studies and updates the orthographic rules of the Chamorro Language and updates 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** - provides museum services, preservation of all government of Guam publications, fostering research on the records and its inventory, providing public exhibits, demonstrations, lectures, scholarly activities, television programs, publications, and other public programs contributing to and encouraging an understanding of the Chamorro culture, its language and rich history and promotes Guam’s geology, biota, prehistory, history, and contemporary culture. The Guam Museum is also the official repository and custodian of historical artifacts of Guam and the Chamorro people and provides venues for the appreciation of Guam’s unique relationship with its sister islands in Micronesia and Asia through the understanding of shared regional cultures, traditions, practices and lore museums.
- **The Guam Archives** - serves as the official repository 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, this program promotes an increased understanding of Guam’s geology, biota, prehistory, history and contemporary culture.
- **The Chamorro Village** - provides a venue for local art and local retailers who sell Chamorro food, local Chamorro handmade arts and crafts, and perform cultural dance and music. DCA 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 promotes 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.
- **Guam Public Library System** - protects intellectual freedom, promote literacy, encourage lifelong learning, and maintain cultural materials. This Division’s goal must extend library resources into the community in collaboration with the University of Guam’s John F. Kennedy Library and the Micronesia Area Research Center [MARC]. Work closely with the Archives Section of the Division of Guam Museum to enhance Guam cultural and historical data (General Reference, Federal Documents, Serials, and Guam Documents). This Division shall provide programs that will assist in literacy programs for both children and adults.

Management’s Discussion and Analysis, continued

Introduction, continued

- **Hagåtña Restoration and Redevelopment Authority** - provides restoration and redevelopment to the historic city of Hagåtña by means of planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all Hagåtña, and the provisions of such residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them. This Division shall develop a Plan that includes: planning, preparation, development, construction, acquisition, lease, disposition, reconstruction, improvement, alteration, extension, repair, maintenance and operation of the Hagåtña Restoration and Redevelopment Project. The Project includes the “reuse of properties; standardizes eligibility for ownership or occupancy of housing, dwellings and facilities; to include installation, construction or reconstruction of streets, utilities, parks, playgrounds and other public improvements”. The Division is authorized to conduct surveys, appraisals, test borings or any other technical investigations.
- **Guam Council on the Arts and Humanities Agency (CAHA)** - encourages and fosters the opportunity for participation in the arts and humanities with programs designed to benefit citizens of all ages and from every sector of the community. It is also the responsibility of CAHA to ensure that the role of the arts in the life of the community will grow and play a more significant part in the welfare and educational experience of our island residents. CAHA assists in the Festival of Pacific Arts (FEST PAC), a traveling festival hosted every four years by a different county in Oceania (Micronesia, Melanesia and Polynesia). Established in 1972 by the Secretariat of the Pacific Community formerly known as the South Pacific Commission, FEST PAC serves as a means to stem erosion of traditional cultural practices by exchanging and sharing cultures at each festival. The festival is recognized as a major international cultural event and is the largest gathering in which Pacific peoples from twenty-seven island nations unite to gain respect and appreciation of one another within the context of the changing Pacific. Beginning in 1976, Guam has had representation at Fest Pac for the last nine festivals. For a majority of the festivals, CAHA has been appointed by the Governor to serve as the lead Government of Guam agency to spearhead Guam’s participation at the quadrennial event. Guam will host the 12th Festival of Pacific Arts in 2016.

The Division’s governing board consists of eleven (11) members, from male and female residents of Guam, appointed by the Governor of Guam with the advice of the Legislature.

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis, continued

Introduction, continued

- **Public Broadcasting System (PBS KGTF)** - continues the tradition of providing Guam with outstanding television, educational outreach services and events. The Division is committed to serving the public interest by providing the people of Guam with quality educational and cultural programming which not only entertains, but offer important information about the world around us. The Division’s mission and goal is one of providing alternatives to current commercial television, providing educational assistance to our classrooms, and serving the interest not only for the majority, but the minority as well. The Division seeks the means to inform the public of the importance of public broadcasting, and to secure the support, both financial and moral from the public it serves. Nationally, PBS reaches more than 120 million people through television and nearly 21 million people online, inviting them to experience the worlds of science, history, nature and public affairs; to hear diverse viewpoints; and to take front row seats to world-class drama and performances. PBS’ broad array of programs has been consistently honored by the industry’s coveted award competitions. Teachers of children from pre-K through 12th grade turn to PBS for digital content and services that help bring classroom lessons to life.
- **Guam Museum Foundation, Inc. (the Foundation)** - is a 501 (c) (3) non-profit corporation recognized locally by Department of Revenue and Taxation and the U.S. Internal Revenue Service as a tax exempt charitable organization.

The specific and primary purpose of the Foundation is to foster, advance, and support activities of the Guam Museum, a division of DCA through fundraising and grant writing efforts. The Foundation, in the coming year, will assist DCA’s Division of Guam Museum in developing a framework and discussion points for future Guam Museum by-product opportunities. It will work closely with board members, subcommittee members in identifying and organizing a team of professionals that will draft working documents that avail opportunities in retail and communications including but not limited to merchandise development, membership programs, branding, marketing, website and social media outlets, E-commerce development.

Department of Chamorro Affairs – Non-Appropriated Funds

Management's Discussion and Analysis, continued

Financial Highlights

- The total assets of DCANAF exceeded its liabilities at September 30, 2013 by \$165,184. Of the total net position, \$75,647 is unrestricted and available to meet DCANAF's on-going obligations. The remaining \$89,537 is restricted for Guam's participation at the FEST PAC. This is an increase of \$4,131 from the net position of \$161,053 at September 30, 2012.
- Total operating revenue decreased in the current year by approximately \$400,000 or 43% primarily due to the appropriation of \$340,000 received in previous year from Tourist Attraction Fund passed through Guam Visitors Bureau (GVB) for Guam's participation at the FEST PAC.
- Total operating expenses decreased by approximately \$298,000 or 37% due to the expenses relating to the FEST PAC in previous year.

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 Position, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows, and the Notes to Financial Statements.

The Statements of Net Position are presented in a format that displays net position (assets less liabilities equal net position). The Statement of Net Position details the assets and liabilities of DCANAF based on their liquidity. The resulting net position in this statement is displayed as either unrestricted or restricted. Under GASB 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 Revenues, Expenses and Changes in Net Position present the increase (decrease) in net position, which consists of operating revenues less operating expenses. The resulting amount (revenues less expenses) is the change in net position for fiscal year (FY) 2013, which amount is then added to the ending balance of net position from FY 2012 to arrive at net position for FY 2013.

The Statements of Cash Flows report the net increase (decrease) in cash for the fiscal year. This statement includes cash flows from operating activities. The resulting net increase (or decrease) in cash is then added to the balance of cash at the beginning of the year to determine the FY 2013 ending cash balance.

DCANAF also reports the financial statements of our component unit, the Guam Museum Foundation, Inc. (the Foundation). The Foundation is a legally separate tax exempt organization whose reporting year ends December 31st. While DCANAF does not control the Foundation, the resources and fundraising activities of the Foundation are almost entirely for the direct benefit of DCANAF's Guam Museum division.

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis, continued

Department-Wide Financial Analysis

Net Position

The following information is condensed from the Statements of Net Position:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013 % increase from 2012</u>
Total assets	\$223,919	\$219,360	\$149,038	2.08%
Total liabilities	\$ 58,735	\$ 58,307	\$ 94,885	0.73%
Net position	\$165,184	\$161,053	\$ 54,153	2.56%

The following information is condensed from the Statements of Revenues, Expenses and Changes in Net Position:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013 % increase (decrease) from 2012</u>
Total revenues	\$522,274	\$923,102	\$ 585,059	(43.42)%
Total expenses	\$518,143	\$816,202	\$ 622,883	(36.50)%
Increase (decrease) in net position	\$ 4,131	\$106,900	\$(37,824)	(96.14)%

Department of Chamorro Affairs – Non-Appropriated Funds

Management's Discussion and Analysis, continued

Economic Outlook

In FY 2013, budget law continued to project General Fund revenues to increase substantially, particularly as construction associated with the military buildup and ARRA projects continued through 2013. Allotment controls may be administered, as government expenditures are outpacing cash collections and large obligations are unbudgeted or under budgeted.

In FY 2013, the DCA continued to promote and preserve Chamorro cultural awareness through programs, support services, activities, publications and education by ensuring validation of historic information and archive historical documents; utilizing research information and publish materials on Guam history and its people; formulating standards for the Chamorro Language Institute; recording, preserving and display acquisitions, i.e., documents, artifacts, and photos that enlighten our historic recognition and honor; showcasing the collection of artifacts and documents of the Chamorro history; pursuing opportunities through new technologies to deliver information to the public through the library system; increasing, seeking and producing local programs that feature Guam and Micronesia's lifestyles, traditions, cultures and diversity that will be featured on Guam's public television; developing public interest, participation and support of the arts and to continue efforts toward presenting the highest quality of arts available for the benefit of all citizens of the territory; pulling together learning resources and partner with the Department of Education, Guam Community College and the University of Guam that help promote and preserve Chamorro culture and language; and increasing the use of multimedia technology in the government and the community that features Guam's language, culture and traditions.

Construction is ongoing for \$27 million state-of-the-art Guam Museum known as the Guam Museum Chamorro Educational Facility (GCEF), a division of DCA. The DCA's Division of Guam Museum is being realized as an exciting and dynamic place to showcase heritage values of the indigenous Chamorro and all peoples of Guam. A permanent home to collect, conserve, study and exhibit, stimulate, advance, and perpetuate the knowledge, cultural traditions and materials, and artistic diversity of the Chamorro people and other people of Guam. In September 2013, DCA, in collaboration with the Guam Economic Development Authority and GVB, updated and completed the Market and Economic Analysis of the Guåhan Museum that brought together a coalition of leaders from cultural, environmental and education institutions on Guam to provide a focal point and gateway for residents and tourist to appreciate and experience Guam's history, culture and environment. Estimated annual spending on admissions, museum shop retail, and special exhibitions are just under \$3.2 million. After deducting costs of goods sold in the retail shop and fees for putting on or renting special exhibitions, the estimated net revenue from museum visitor spending is \$2.8 million. Approximately \$2 million will be raised over two years in the form of individual contributions, corporate grants and sponsorship offsets.

Department of Chamorro Affairs – Non-Appropriated Funds

Management’s Discussion and Analysis, continued

Economic Outlook, continued

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 were approved to be spent on the project in 2013. DCA is better equipped to provide, to the public translation from Chamorro to English, and vice versa.
- Project current economic and sustainability for the GCEF viability and drive major income resources for the GCEF’s economic sustainability in the maintenance of the continued maintenance of the facility.
- 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.
- Continue retrofitting Chamorro Village’s lighting, water and power infrastructure to be more energy efficient; which is expected to save DCA on utility expenditures. ARRA funds of \$250,000 have been expended for this.

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: Terlaje Professional Building 1st Floor 194 Herman Cortez Avenue, Hagåtña, Guam 96910. Phone: 671-475-4278/9.

Department of Chamorro Affairs – Non-Appropriated Funds

Statements of Net Position

	September 30,	
	<u>2013</u>	<u>2012</u>
Assets		
Cash:		
Unrestricted	\$ 30,377	\$ 40,212
Restricted	89,537	87,247
Accounts receivable, net of allowance for doubtful accounts of \$8,275 in 2013 (\$4,373 in 2012)	11,102	7,225
Inventory	91,236	83,009
Other assets	<u>1,667</u>	<u>1,667</u>
Total assets	<u>223,919</u>	<u>219,360</u>
Liabilities		
Accounts payable	39,434	40,817
Security deposits	<u>19,301</u>	<u>17,490</u>
Total liabilities	<u>58,735</u>	<u>58,307</u>
Net Position		
Unrestricted	75,647	73,806
Restricted - expendable	<u>89,537</u>	<u>87,247</u>
Total net position	<u>\$165,184</u>	<u>\$161,053</u>

See accompanying notes.

Guam Museum Foundation, Inc.

Statements of Financial Position

	December 31,	
	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 5,342	\$11,281
Accounts receivable	<u>26,454</u>	<u>6,633</u>
Total assets	<u>\$31,796</u>	<u>\$17,914</u>
Liabilities and Net Position		
Accounts payable	\$23,198	\$ 7,985
Accrued expenses	<u>9,873</u>	<u>---</u>
Total liabilities	33,071	7,985
Net position - unrestricted	(<u>1,275</u>)	<u>9,929</u>
Total liabilities and net position	<u>\$31,796</u>	<u>\$17,914</u>

See accompanying notes.

Department of Chamorro Affairs – Non-Appropriated Funds

Statements of Revenues, Expenses and Changes in Net Position

	Year ended September 30,	
	<u>2013</u>	<u>2012</u>
Revenues:		
Lease revenue (<i>Note 3</i>)	\$489,951	\$488,914
Donations	16,398	12,163
Other income	11,885	67,314
Book sales	4,040	14,711
Appropriations (<i>Note 4</i>)	<u>---</u>	<u>340,000</u>
Total revenues	<u>522,274</u>	<u>923,102</u>
Expenses:		
Utilities	212,456	203,124
Contractual	173,092	181,187
Meals and entertainment	66,244	83,350
Miscellaneous	20,063	19,019
Communication	10,392	8,498
Supplies	10,022	21,271
Office expense	7,232	8,724
Cost of fundraising activities	6,340	---
Cost of goods sold	6,242	10,217
Advertising	2,854	9,882
Rent	2,673	2,666
Bank charges	533	504
Travel	---	154,214
Marketing and promotions	---	65,248
Performing arts costs	---	28,348
Inventory obsolescence	---	11,707
Literary arts costs	<u>---</u>	<u>8,243</u>
Total expenses	<u>518,143</u>	<u>816,202</u>
Change in net position	4,131	106,900
Net position at beginning of year	<u>161,053</u>	<u>54,153</u>
Net position at end of year	<u>\$165,184</u>	<u>\$161,053</u>

See accompanying notes.

Guam Museum Foundation, Inc.

Statements of Activities

	Year ended December 31,	
	<u>2013</u>	<u>2012</u>
Revenue and support:		
Admissions	\$ 155,415	\$158,914
Grants <i>(Note 2)</i>	20,000	10,000
Rental - Hall of Governors	6,680	4,450
Fundraising activities	5,540	9,000
Corporate contributions	5,401	28,424
Other	2,085	1,833
Souvenir sales	2,028	4,018
Donations	<u>1,235</u>	<u>2,143</u>
Total revenue and support	<u>198,384</u>	<u>218,782</u>
Expenses:		
Program services:		
Grant projects	23,992	---
Printing and reproduction	1,854	4,041
Education/outreach projects	---	14,933
Fundraising costs	<u>---</u>	<u>9,028</u>
Total program services	<u>25,846</u>	<u>28,002</u>
Support services:		
Payroll and employee benefits	88,563	103,852
Commissions	56,170	40,637
Contractual services	10,663	13,760
Professional fees	7,853	4,955
Special program	6,048	---
Miscellaneous	6,085	2,813
Supplies	4,307	5,276
Repairs and maintenance	3,464	6,181
Communication	<u>589</u>	<u>2,373</u>
Total support services	<u>183,742</u>	<u>179,847</u>
Total expenses	<u>209,588</u>	<u>207,849</u>
Change in unrestricted net position	(11,204)	10,933
Unrestricted net position at beginning of year	<u>9,929</u>	(<u>1,004</u>)
Unrestricted net position at end of year	\$(<u>1,275</u>)	\$(<u>9,929</u>)

See accompanying notes.

Department of Chamorro Affairs – Non-Appropriated Funds

Statements of Cash Flows

	Year ended September 30,	
	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Receipts from lease revenue	\$ 486,074	\$494,848
Receipts from other income	11,885	67,314
Receipts from book sales	4,040	14,711
Receipts from grant and donation revenue	16,398	12,163
Receipts from appropriations	---	340,000
Payments to vendors	<u>(525,942)</u>	<u>(834,101)</u>
Net cash (used in) provided by operating activities	(7,545)	94,935
Cash at beginning of year	<u>127,459</u>	<u>32,524</u>
Cash at end of year	\$ <u>119,914</u>	\$ <u>127,459</u>
Consisting of:		
Unrestricted	\$ 30,377	\$ 40,212
Restricted	<u>89,537</u>	<u>87,247</u>
	\$ <u>119,914</u>	\$ <u>127,459</u>
Reconciliation of operating revenues net of operating expenses to net cash (used in) provided by operating activities:		
Change in net position	\$ 4,131	\$106,900
Changes in assets and liabilities:		
Accounts receivable	(3,877)	5,934
Inventory	(8,227)	18,574
Other assets	---	105
Accounts payable	(1,383)	(7,191)
Security deposits	<u>1,811</u>	<u>(29,387)</u>
Net cash (used in) provided by operating activities	\$ <u>(7,545)</u>	\$ <u>94,935</u>

See accompanying notes.

Guam Museum Foundation, Inc.

Statements of Cash Flows

	Year ended December 31,	
	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Receipts from admissions	\$ 137,622	\$157,299
Receipts from grants and donations	26,636	40,567
Receipts from fundraising activities	5,540	9,000
Receipts from lease and other income	8,765	6,283
Cash paid to employees	(88,563)	(103,852)
Cash paid to vendors	(<u>95,939</u>)	(<u>107,107</u>)
 Net cash (used in) provided by operating activities	 (5,939)	 2,190
 Cash at beginning of year	 <u>11,281</u>	 <u>9,091</u>
Cash at end of year	\$ <u><u>5,342</u></u>	\$ <u><u>11,281</u></u>
 Reconciliation of operating revenues net of operating expenses to net cash (used in) provided by operating activities:		
Change in unrestricted net position	\$(11,204)	\$ 10,933
Changes in assets and liabilities:		
Accounts receivable	(19,821)	(5,633)
Accounts payable	15,213	(3,110)
Accrued expenses	<u>9,873</u>	<u>---</u>
 Net cash (used in) provided by operating activities	 \$(<u><u>5,939</u></u>)	 \$ <u><u>2,190</u></u>

See accompanying notes.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements

Years ended September 30, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies

Organization

The Department of Chamorro Affairs (DCA) was created by Public Law 25-69 which became effective on July 6, 1999. DCA is 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. DCA is under the control and operation of a ten-member Board of Trustees appointed by the Governor of Guam with the advice and consent of the Guam Legislature. DCA is a line agency within the executive branch of the Government of Guam and receives appropriated funds from the Government of Guam.

In October 2011, as a result of Reorganization Advisory No. 6, the Hagatna Restoration and Redevelopment Authority, the Guam Council on the Arts and Humanities Agency, the Guam Public Library System and the Guam Education Telecommunications Corporation dba PBS Guam were merged into DCA. Although the intent of Reorganization Advisory No. 6 was to integrate PBS Guam into the oversight of DCA, the financial statements of PBS Guam, which is audited separately by other auditors, are not included with the financial statements of DCA.

Only the non-appropriated funds are within the scope of this report.

The 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 DCA.
- Research, Publication and Training – This program provides training, certifications, conferences and seminars thus promoting increased understanding of the Chamorro heritage. Included in Research, Publication and Training division is the Chamorro Language and culture division. The 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 for 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.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

This division is mandated to be the official depository for all government publications including 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 division maintains day-to-day operations of the Chamorro Village to provide a market and foster an environment that promotes local products, native cultures, and tradition of Guam. The main source of revenues for DCANAF is from the Chamorro Village through its leasing activities.
- Guam Council on the Arts and Humanities – This division, which is the sole arts entity for Guam, is charged with developing programs in music, visual arts, cultural heritage, literature, and arts education.
- Hagatna Restoration and Redevelopment Authority – This division provides restoration and redevelopment of Hagatna. There were no financial activities involving non - appropriated funds in 2013 and 2012.
- Guam Public Library System – This division is in charge of the administration of library resources. There were no financial activities involving non - appropriated funds in 2013 and 2012.

Basis of Accounting

The DCANAF is considered a special-purpose government component unit 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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. DCANAF reports as a business-type activity, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments*. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, requires that proprietary activities apply all applicable GASB pronouncements as well as Statements and Interpretations issued by the Financial Accounting Standards Board (FASB), Accounting Principle Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement. DCANAF has implemented GASB Statement No. 20 and elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Reporting Entity

The Guam Museum Foundation Inc. (the Foundation) is a legally separate, tax exempt organization which, beginning in 2012, meets the criteria of GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The Foundation's fundraising activities are almost entirely for the direct benefit of DCANAF's Museum division. Furthermore, the Foundation's charter indicates that its primary and specific purpose is to serve as the fund-raising arm of DCA for the proposed museum facility, and shall oversee the continued development, design, construction and operation of the Guam Museum and the resources of the Foundation are significant to DCANAF. Accordingly, the Foundation is considered a component unit of DCANAF and its statement of financial position and statement of activities are separately presented in the financial statements of DCANAF.

All functions and powers of the Foundation are vested in and exercised by and under the direction of the Board of Directors (Board). The Board is composed of seven members selected in accordance with the Foundation's Articles of Incorporation. Five directors are elected from the membership of the Foundation, while the other two are selected and appointed by the Governor of Guam. Employees of the Foundation are private, non-governmental employees.

The Foundation is a non-government private entity with a December 31 reporting year-end. Its financial statements are prepared in accordance with FASB standards, including FASB Accounting Standards Codification No. 958, *Not-for-Profit Entities*.

Recently Adopted Accounting Pronouncements

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflow of resources. Deferred outflows is defined as the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows is defined as the acquisition of net assets by the government that is applicable to a future reporting period. GASB Statement No. 63 also amends the net asset reporting requirement by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement are effective for financial statements for the periods beginning after December 15, 2011. DCANAF's adoption of GASB No. 63 in 2013 resulted in a change in the presentation of the balance sheets to what is now referred to as the statements of net position and the term "net assets" was changed to "net position" throughout the financial statements.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for periods beginning after December 15, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

In March 2012, GASB issued Statement No. 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straightline basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged.

DCA is currently evaluating the effects the above pronouncements may have on its financial statements.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Estimates

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

Cash

For the purpose of the statements of cash flows, cash is defined as cash on hand and in banks.

Accounts Receivable

Accounts receivable are non-interest bearing and are primarily due from tenants of the Chamorro Village.

The DCANAF performs periodic credit evaluations of its customers, and generally does not require collateral. Receivables are considered past due when payment is not received within 90 days from the date of billing. The DCANAF does not accrue finance charges on past due receivables. Receivables are stated net of estimated allowances for doubtful accounts.

The allowance for doubtful accounts is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience. The allowance is established through a provision for bad debts charged to expense.

Inventory

Inventory as of September 30, 2013 and 2012 consists of book inventory which is recorded at the lower of cost (using first-in, first-out method) or market value.

Capital Assets and Depreciation

Capital assets, whether purchased or constructed, are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Purchases and gifts valued at more than \$50,000 and having a useful life exceeding one year are capitalized. Depreciation is computed under the straight-line method using an estimated useful life of seven years for equipment.

The costs of normal maintenance and repairs that do not add to the value of the asset or do not materially extend the lives of the assets are not capitalized.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Use of Restricted/Unrestricted Net position

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

Net Position

Net position represents the residual of all other elements presented in the statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is presented in three components: net investment in capital assets, net of related debt, restricted and unrestricted.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

2. Subsequent Events

The DCANAF has evaluated subsequent events through May 19, 2014 which is also the date that the financial statements were available to be issued.

3. Lease Revenue

The Chamorro Village leases retail outlets to various tenants under operating leases with terms ranging from one year to twenty years. The lease agreements call for various minimum monthly payments based on leased area. In addition to the minimum monthly rent, some leases also provide for percentage rent based on the tenant's revenue. Lease revenues earned under the aforementioned agreements for the years ended September 30, 2013 and 2012, totaled \$489,951 and \$488,914, respectively, which is reported as lease revenues in the accompanying statements of revenues, expenses, and changes in net position.

Department of Chamorro Affairs – Non-Appropriated Funds

Notes to Financial Statements, continued

4. Appropriations from the Government of Guam

Public Law 31-77 authorizes the general appropriation from the Tourist Attraction Fund to various autonomous agencies of the Government of Guam. Specifically, Public Law 31-77 authorizes appropriation amounting to \$400,000 to GVB for the Guam Council on the Arts and Humanities Agency (CAHA) for Guam's participation at the 11th Festival of the Pacific Arts. This appropriation shall continue to be available until expended and is not subject to transfer or use for any other purpose.

During the year ended September 30, 2012, pass through appropriations received by CAHA amounted to \$340,000.

Supplementary Information

Department of Chamorro Affairs – Non-Appropriated Funds

Combining Statement of Net Position

September 30, 2013

	<u>President's Office</u>	<u>Chamorro Village</u>	<u>Research Publication and Training</u>	<u>Guam Museum</u>	<u>Guam Council on the Arts and Humanities</u>	<u>Combined Balance</u>
Assets						
Cash:						
Unrestricted	\$ 1,213	\$ 3,688	\$ 12,394	\$ -	\$ 13,082	\$ 30,377
Restricted	-	-	-	-	89,537	89,537
Accounts receivable	-	9,924	778	-	400	11,102
Inventory	-	-	91,236	-	-	91,236
Other assets	-	1,667	-	-	-	1,667
Total assets	<u>1,213</u>	<u>15,279</u>	<u>104,408</u>	<u>-</u>	<u>103,019</u>	<u>223,919</u>
Liabilities and Net Position						
Liabilities:						
Accounts payable	-	30,516	-	-	8,918	39,434
Security deposits	-	19,301	-	-	-	19,301
Total liabilities	<u>-</u>	<u>49,817</u>	<u>-</u>	<u>-</u>	<u>8,918</u>	<u>58,735</u>
Net position:						
Unrestricted	1,213	(34,538)	104,408	-	4,564	75,647
Restricted - expendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,537</u>	<u>89,537</u>
Total net position	<u>\$ 1,213</u>	<u>\$(34,538)</u>	<u>\$ 104,408</u>	<u>\$ -</u>	<u>\$ 94,101</u>	<u>\$ 165,184</u>

Department of Chamorro Affairs – Non-Appropriated Funds

Combining Statement of Net Position

September 30, 2012

	<u>President's Office</u>	<u>Chamorro Village</u>	<u>Research Publication and Training</u>	<u>Guam Museum</u>	<u>Guam Council on the Arts and Humanities</u>	<u>Combined Balance</u>
Assets						
Cash:						
Unrestricted	\$ 703	\$ 9,954	\$ 15,930	\$ 38	\$ 13,587	\$ 40,212
Restricted	-	-	-	-	87,247	87,247
Accounts receivable	-	5,822	-	-	1,403	7,225
Inventory	-	-	83,009	-	-	83,009
Other assets	-	1,667	-	-	-	1,667
	<u>703</u>	<u>17,443</u>	<u>98,939</u>	<u>38</u>	<u>102,237</u>	<u>219,360</u>
Total assets	<u>703</u>	<u>17,443</u>	<u>98,939</u>	<u>38</u>	<u>102,237</u>	<u>219,360</u>
Liabilities and Net Position						
Liabilities:						
Accounts payable	-	40,817	-	-	-	40,817
Security deposits	-	17,490	-	-	-	17,490
	<u>-</u>	<u>58,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,307</u>
Total liabilities	<u>-</u>	<u>58,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,307</u>
Net position:						
Unrestricted	703	(40,864)	98,939	38	14,990	73,806
Restricted - expendable	-	-	-	-	87,247	87,247
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,247</u>	<u>87,247</u>
Total net position	<u>\$ 703</u>	<u>\$(40,864)</u>	<u>\$ 98,939</u>	<u>\$ 38</u>	<u>\$ 102,237</u>	<u>\$ 161,053</u>

Department of Chamorro Affairs – Non-Appropriated Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2013

	President's Office	Chamorro Village	Research Publication and Training	Guam Museum	Guam Council on the Arts and Humanities	Combined Balance
Revenues:						
Lease revenue	\$ -	\$ 489,951	\$ -	\$ -	\$ -	\$ 489,951
Donations	1,280	-	15,002	24	92	16,398
Other income	-	4,371	23	-	7,491	11,885
Book sales	-	-	4,040	-	-	4,040
Total revenues	1,280	494,322	19,065	24	7,583	522,274
Expenses:						
Utilities	-	212,456	-	-	-	212,456
Contractual	-	166,677	6,400	-	15	173,092
Meals and entertainment	-	66,244	-	-	-	66,244
Miscellaneous expense	250	10,595	300	-	8,918	20,063
Communication	-	10,392	-	-	-	10,392
Supplies	-	9,869	-	-	153	10,022
Office expense	-	6,938	294	-	-	7,232
Cost of fundraising activities	-	-	-	-	6,340	6,340
Cost of goods sold	-	-	6,242	-	-	6,242
Advertising	398	1,803	360	-	293	2,854
Rent	-	2,673	-	-	-	2,673
Bank charges	122	349	-	62	-	533
Total expenses	770	487,996	13,596	62	15,719	518,143
Change in net position	510	6,326	5,469	(38)	(8,136)	4,131
Net position at beginning of year	703	(40,864)	98,939	38	102,237	161,053
Net position at end of year	\$ 1,213	\$ (34,538)	\$ 104,408	\$ -	\$ 94,101	\$ 165,184

Department of Chamorro Affairs – Non-Appropriated Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2012

	President's Office	Chamorro Village	Research Publication and Training	Guam Museum	Guam Council on the Arts and Humanities	Combined Balance
Revenues:						
Lease revenue	\$ -	\$ 488,914	\$ -	\$ -	\$ -	\$ 488,914
Donations	3,851	-	102	90	8,120	12,163
Other income	13	37,116	27	-	30,158	67,314
Book sales	365	-	14,346	-	-	14,711
Appropriations	-	-	-	-	340,000	340,000
Total revenues	4,229	526,030	14,475	90	378,278	923,102
Expenses:						
Utilities	-	203,124	-	-	-	203,124
Contractual	3,275	168,020	-	-	9,892	181,187
Meals and entertainment	-	83,350	-	-	-	83,350
Miscellaneous	637	4,014	5,179	-	9,189	19,019
Communication	-	8,498	-	-	-	8,498
Supplies	150	20,214	-	-	907	21,271
Office expense	102	8,270	352	-	-	8,724
Cost of goods sold	-	-	10,217	-	-	10,217
Advertising	-	9,882	-	-	-	9,882
Rent	-	2,666	-	-	-	2,666
Bank charges	81	303	-	120	-	504
Travel	-	-	-	-	154,214	154,214
Marketing and promotions	-	-	-	-	65,248	65,248
Performing arts costs	-	-	-	-	28,348	28,348
Inventory obsolscence	-	-	11,707	-	-	11,707
Literary arts costs	-	-	-	-	8,243	8,243
Total expenses	4,245	508,341	27,455	120	276,041	816,202
Change in net position	(16)	17,689	(12,980)	(30)	102,237	106,900
Net position at beginning of year	719	(58,553)	111,919	68	-	54,153
Net position at end of year	<u>\$ 703</u>	<u>\$ (40,864)</u>	<u>\$ 98,939</u>	<u>\$ 38</u>	<u>\$ 102,237</u>	<u>\$ 161,053</u>