

**GUAM ISLAND FAIR/LIBERATION DAY  
COMMITTEE FUND**

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

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**FOR THE YEAR ENDED DECEMBER 31, 2011 AND  
THE PERIOD FROM MARCH 17, 2010 TO  
DECEMBER 31, 2010**

## **INDEPENDENT AUDITORS' REPORT**

The Executive Committee  
Guam Island Fair/Liberation Day Committee

We have audited the accompanying statements of deposits and disbursements and changes in cash of the Guam Island Fair/Liberation Day Committee Fund for the year ended December 31, 2011 and for the period from March 17, 2010 to December 31, 2010. These financial statements are the responsibility of the Mayors' Council of Guam's management. Our responsibility is to express an opinion on these financial statements based on our audits.

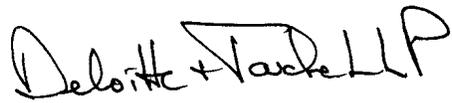
Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Guam Island Fair/Liberation Day Committee 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 audits provide 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 statements, the financial statements referred to above were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In addition, the financial statements referred to above present only the cash receipts and disbursements of the Guam Island Fair/Liberation Day Committee Fund and are not intended to present fairly the financial position and results of operations of the Mayors' Council of Guam 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 March 17, 2010 to December 31, 2010, such financial statements present fairly, in all material respects, the cash deposits and disbursements of the Guam Island Fair/Liberation Day Committee Fund for the year ended December 31, 2011 and 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 May 2, 2013, on our consideration of the Guam Island Fair/Liberation Day Committee Fund'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.

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

May 2, 2013

**GUAM ISLAND FAIR/LIBERATION DAY  
COMMITTEE FUND**

Statements of Deposits and Disbursements and Changes in Cash  
For the Year Ended December 31, 2011 and for the Period  
from March 17, 2010 to December 31, 2010

	<u>2011</u>	<u>2010</u>
Deposits:		
Concessions	\$ 431,924	\$ 240,775
Ticket sales	51,600	88,885
Sponsorships	49,500	-
Parade fees	4,900	2,575
Unclassified	5,240	48,874
Total deposits	<u>543,164</u>	<u>381,109</u>
Disbursements:		
Entertainment	43,088	15,375
Materials, supplies and equipment	36,673	10,121
Prizes	36,051	18,800
Travel and accommodation	35,299	16,887
Carnival and parade sound system	33,350	21,000
Security services	32,144	21,399
Power and installation	30,000	40,786
Fireworks and light show	25,800	32,701
Queen's float materials and designer fees	24,504	2,711
Carnival stage and lighting	20,500	10,000
Lavatory services	20,226	10,770
Carnival clean up	15,900	7,600
Equipment rental	14,450	7,144
Commissions	13,851	80,790
Permits and licenses	10,475	4,170
Other services	10,200	11,000
Food	9,273	6,358
Events sponsorships	9,150	-
Queen's coronation designer fees	9,050	-
Advertising and promotions	5,000	-
Printing	4,010	-
Concession refunds	-	10,205
Miscellaneous	6,418	10,766
Unclassified	9,429	32,683
Total disbursements	<u>454,841</u>	<u>371,266</u>
Excess of deposits over disbursements	88,323	9,843
Cash at beginning of period	<u>17,727</u>	<u>7,884</u>
Cash at end of period	<u>\$ 106,050</u>	<u>\$ 17,727</u>

See accompanying notes to financial statements.

**GUAM ISLAND FAIR/LIBERATION DAY  
COMMITTEE FUND**

Notes to Financial Statements

For the Year Ended December 31, 2011 and 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.

The Mayors' Council of Guam (MCOG) was appointed to spearhead and take overall responsibility for the planning, coordinating and executing the 2011 and 2010 Guam Island Fair/Liberation Day Festivities pursuant to Executive Orders No. 2011-4 issued on February 2, 2011 and No. 2010-10 issued on March 17, 2010, respectively.

The accompanying financial statements relate solely to the activities of the Guam Island Fair/Liberation Day Committee Fund (the Fund) established under the MCOG and does not incorporate any other activities of the MCOG that may be accounted for by the MCOG.

Accounting Policies

The accompanying statements of deposits and disbursements have been prepared on a cash basis of accounting. Deposits are recognized when cash is received and disbursements are recorded when cash is disbursed.

Commissions

Commissions of \$13,851 and \$80,790 were paid during the year ended December 31, 2011 and the period March 17, 2010 to December 31, 2010, respectively. Of this amount, \$0 and \$50,000 were paid during 2011 and 2010, respectively, 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, \$13,851 and \$30,790 were paid to Liberation Day Queen candidates and sponsors during 2011 and 2010, respectively, 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. As of December 31, 2011 and 2010, a cash balance was maintained with a financial institution subject to depository insurance with the Federal Deposit Insurance Corporation.

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Notes to Financial Statements

For the Year Ended December 31, 2011 and for the Period from March 17, 2010 to December 31, 2010

(1) Organization and Summary of Significant Accounting Policies, Continued

Reclassifications

Certain 2010 balances have been reclassified to conform to the 2011 financial statement presentation.

Subsequent Events

The Fund has identified May 2, 2013 as the date the financial statements are 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 statements as of December 31, 2011.