

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**GUAM FOOTBALL ASSOCIATION
(A Nonprofit Organization)**

Years ended December 31, 2020 and 2019

**Burger Comer Magliari
333 S. Marine Corps Drive
Tamuning, Guam 96913**

GUAM FOOTBALL ASSOCIATION
(A Nonprofit Organization)

Financial Statements

Years ended December 31, 2020 and 2019

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BURGER & COMER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Guam Football Association

Opinion

We have audited the accompanying financial statements of Guam Football Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guam Football Association as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Guam Football Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 11, which discloses the economic uncertainties that have arisen as a result of the declared outbreak of a coronavirus (COVID-19) pandemic by the World Health Organization. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Guam Football Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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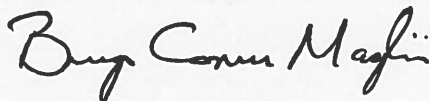
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Guam Football Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Guam Football Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Tamuning, Guam

June 21, 2021

GUAM FOOTBALL ASSOCIATION

(A Nonprofit Organization)

Statements of Financial Position

December 31, 2020 and 2019

	<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and cash equivalents	\$	146,127	79,070
Restricted cash		1,729,958	114,597
Receivables, less allowance for losses, \$150,000 (2019: \$ -0-)		156,503	191,793
Other assets		<u>26,353</u>	<u>36,328</u>
Total current assets		2,058,941	421,788
Property and equipment, net		<u>3,509,534</u>	<u>3,879,685</u>
Total Assets	\$	<u><u>5,568,475</u></u>	<u><u>4,301,473</u></u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable		187,066	124,492
Accrued expenses		<u>62,089</u>	<u>55,991</u>
Total current and total liabilities		249,155	180,483
Net assets:			
Without donor restriction		3,579,362	3,919,727
With donor restriction		<u>1,739,958</u>	<u>201,263</u>
Total net assets		<u>5,319,320</u>	<u>4,120,990</u>
Total Liabilities and Net Assets	\$	<u><u>5,568,475</u></u>	<u><u>4,301,473</u></u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION

(A Nonprofit Organization)

Statements of Activities

Years ended December 31, 2020 and 2019

	2020			2019		
	Without donor Restriction	With donor Restriction	Total	Without donor Restriction	With donor Restriction	Total
Revenues and support:						
Grants and donations	\$ -	3,342,751	3,342,751	-	2,315,358	2,315,358
In-kind contributions	-	10,000	10,000	-	86,667	86,667
Leagues	117,540	-	117,540	432,234	-	432,234
Dues	1,300	-	1,300	1,300	-	1,300
Other income	121,541	-	121,541	72,798	-	72,798
Net assets released from restrictions	<u>1,814,056</u>	<u>(1,814,056)</u>	<u>-</u>	<u>2,293,787</u>	<u>(2,293,787)</u>	<u>-</u>
Total revenues and support	<u>2,054,437</u>	<u>1,538,695</u>	<u>3,593,132</u>	<u>2,800,119</u>	<u>108,238</u>	<u>2,908,357</u>
Expenses:						
Program and league	1,850,713	-	1,850,713	2,786,735	-	2,786,735
General and administrative	<u>544,089</u>	<u>-</u>	<u>544,089</u>	<u>587,439</u>	<u>-</u>	<u>587,439</u>
Total expenses	<u>2,394,802</u>	<u>-</u>	<u>2,394,802</u>	<u>3,374,174</u>	<u>-</u>	<u>3,374,174</u>
Change in net assets	(340,365)	1,538,695	1,198,330	(574,055)	108,238	(465,817)
Net assets at beginning of year	<u>3,919,727</u>	<u>201,263</u>	<u>4,120,990</u>	<u>4,493,782</u>	<u>93,025</u>	<u>4,586,807</u>
Net assets at end of year	\$ <u>3,579,362</u>	<u>1,739,958</u>	<u>5,319,320</u>	<u>3,919,727</u>	<u>201,263</u>	<u>4,120,990</u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION
(A Nonprofit Organization)

Statements of Functional Expenses
For the Years ended December 31, 2020 and 2019

	2020			2019		
	Program and League	Management and General	Total	Program and League	Management and General	Total
Depreciation	\$ 486,832	50,285	537,117	495,002	49,461	544,463
Salaries and benefits	26,445	146,396	172,841	113,119	104,003	217,122
Bad debt expense	150,000	-	150,000	-	-	-
Other	32,433	32,077	64,510	82,026	112,032	194,058
Referee and match commissioner expenses	58,449	-	58,449	165,656	-	165,656
Insurance	14,448	12,796	27,244	11,070	12,889	23,959
Social responsibility	19,860	-	19,860	8,098	-	8,098
Supplies and office expense	9,484	5,783	15,267	89,952	8,458	98,410
Marketing and communication	13,753	-	13,753	88,410	-	88,410
Infrastructure and maintenance	7,053	-	7,053	36,299	-	36,299
Courses and clinics	5,292	149	5,441	22,151	3,320	25,471
Professional and outside services	1,810	770	2,580	40,050	3,986	44,036
Coaches and players remuneration	-	-	-	112,527	-	112,527
Travel and accommodations	-	-	-	97,733	-	97,733
AFC expenses:						
Salaries and wages	467,552	19,308	486,860	303,813	62,207	366,020
Marketing and communication	48,772	-	48,772	5,000	-	5,000
Coaches remuneration	38,200	-	38,200	117,336	-	117,336
Courses and clinics	18,437	-	18,437	13,738	-	13,738
Infrastructure and maintenance	17,137	-	17,137	-	-	-
Equipment and supplies	3,296	777	4,073	-	-	-
Other	-	419	419	539	372	911
Travel and accommodations	-	-	-	130,317	-	130,317
FIFA expenses:						
Salaries and wages	71,954	237,248	309,202	52,889	219,018	271,907
Infrastructure and maintenance	152,578	-	152,578	236,722	-	236,722
Equipment and supplies	97,525	4,383	101,908	103,869	-	103,869
Other	55,334	12,098	67,432	29,171	693	29,864
Marketing and communication	34,457	15,600	50,057	37,838	-	37,838
Coaches remuneration	11,900	-	11,900	3,570	-	3,570
Courses and clinics	6,745	-	6,745	-	-	-
Professional fees	-	6,000	6,000	-	11,000	11,000
Referee expense	967	-	967	1,647	-	1,647
Travel and accommodations	-	-	-	388,193	-	388,193
	<u>\$ 1,850,713</u>	<u>544,089</u>	<u>2,394,802</u>	<u>2,786,735</u>	<u>587,439</u>	<u>3,374,174</u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION

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Statements of Cash Flows

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,198,330	(465,817)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	537,117	544,463
Decrease (increase) in assets:		
Accounts receivable	35,290	23,186
Other assets	9,975	(12,408)
(Decrease) increase in liabilities:		
Accounts payable	62,574	40,145
Accrued expense	<u>6,098</u>	<u>(119,567)</u>
Net cash provided by operating activities	<u>1,849,384</u>	<u>10,002</u>
Cash flows from investing activities:		
Acquisition of property and equipment	<u>(166,966)</u>	<u>(217,097)</u>
Net cash used in investing activities	<u>(166,966)</u>	<u>(217,097)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	1,682,418	(207,095)
Cash and cash equivalents at beginning of year:		
Cash and cash equivalents	79,070	363,680
Restricted cash	<u>114,597</u>	<u>37,082</u>
	<u>193,667</u>	<u>400,762</u>
Cash and cash equivalents at end of year:		
Cash and cash equivalents	146,127	79,070
Restricted cash	<u>1,729,958</u>	<u>114,597</u>
	<u>\$ 1,876,085</u>	<u>193,667</u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements

December 31, 2020 and 2019

(1) Organization and Purpose

Guam Football Association (“the Association”) was incorporated in the Territory of Guam in May 1975 as a nonprofit organization. The Association was formed by a group of men who were looking to establish recreational football in Guam. The Association’s primary purpose is to develop and promote the sport of football on Guam, as well as to represent Guam both regionally and internationally in competition.

The Association became an associate member of the Asian Football Confederation (AFC) in 1991. Since its induction as an associate member in the AFC, the Association has participated in various football festivals and tournaments, as well as qualifying events and championships.

In 1996, the Association obtained full membership with the Federation Internationale de Football Association (FIFA), which is the world-governing body of soccer and comprises the various national soccer associations. FIFA is responsible for promoting and organizing the game of soccer throughout the world.

(2) Summary of Significant Accounting Policies

The summary of significant accounting policies of the Association is presented to assist in understanding the Association’s financial statements. The financial statements and notes are representations of the Association’s management, who are responsible for the integrity and objectivity of the financial statements.

Basis of Presentation

Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, establishes broad standards for reporting information in financial statements issued by nonprofit organizations and requires these financial statements to focus on the entity as a whole. Amounts related to an organization’s financial position and activities are to be reported in two classes of net assets: Net Assets with Donor Restrictions, and Net Assets without Donor Restrictions.

These financial statements must classify an organization’s assets, liabilities, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements, continued

December 31, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Basis of Presentation, continued

The two classes of net assets are now classified as one of the following types:

- Without Donor Restrictions- Net assets that are not subject to donor-imposed stipulations or whose restrictions are met in the year received.
- With Donor Restrictions- Net assets subject to donor- imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. The Association reports grants or gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Notes to Financial Statements, continued

December 31, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to replace a wide range of industry-specific rules with a broad, principles-based framework for recognizing and measuring revenue from contracts with customers.

The guidance is codified at FASB ASC 606. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive.

The Organization's revenues include FIFA grant, AFC grant, sponsorship income, league income, commercial and media rights income and other contributions.

Advertising Costs

Advertising costs are expensed as incurred. The Association did not incur advertising costs for the years ended December 31, 2020 and 2019.

Cash and Cash Equivalents

For purposes of the statements of financial position and the statements of cash flows, the Association considers cash and cash equivalents to include cash on hand, deposits in bank and highly liquid investments with original or remaining maturity dates of less than three months. The Association maintains cash balances at Bank of Guam. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Association has not experienced any loss in such accounts. As of December 31, 2020 and 2019, uninsured balances are approximately \$1,623,864 and \$-0-, respectively.

Accounts Receivable

Accounts receivable are recorded at the amount the Association expects to collect on balances outstanding at year-end. The Association reviews their accounts receivable periodically and establish an allowance for accounts deemed doubtful of collection.

Accounts are considered past due or delinquent when they are not paid by the due date specified on the invoices. Accounts are written off when management determines that the amount is uncollectible.

The Association does not charge interest on overdue receivables, which are those that remain unpaid more than thirty days after the invoice date. If the customers were not able to meet their obligations, the impact on the Association would be equal to the net accounts receivable reflected on the accompanying balance sheet.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements, continued

December 31, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Property and equipment

Land, building, equipment, furniture, computers, company vehicles, and leasehold improvements are recorded at cost. It is the Association's policy to capitalize property and equipment with a cost of more than \$1,000, and lesser amounts are expensed. Depreciation of building, equipment, furniture, computers and company vehicles is computed using the straight-line method over the estimated useful lives of the assets (ranging from 5 to 30 years).

The carrying value of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in the statement of activities. Expenditures for maintenance and repairs are charged to expense as incurred while major renewals and betterments are capitalized.

Long-lived Assets

Long-lived assets to be held and used or disposed of by the Association are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment losses are recognized if expected future cash flows from the assets are less than their carrying values. During the years ended December 31, 2020 and 2019 the Association determined that no events or changes in circumstances indicating impairment of its long-lived assets have occurred.

Contributions

All contributions are considered to be available without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements, continued

December 31, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

The Association uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

In-kind Contributions

During the years ended December 31, 2020 and 2019, the Association recognized \$10,000 and \$86,667, respectively, as in-kind contributions for the value of property, travel, communication, supplies, advertising, marketing and/or professional fees that were provided to the Association without requiring payment to the providers of the services. Program expense was recognized as incurred.

Fundraising

In 2020 and 2019, the Association did not engage in any fundraising activities.

Income and Gross Receipts Taxes

The Association is exempt from the Guam Territorial income tax under Internal Revenue Code Section 501(c)(3) and from Guam gross receipts tax. Therefore, no provision has been made for gross receipts taxes and income taxes in the accompanying financial statements.

The Association is required pay to the government of Guam an admissions assessment of two dollars (\$2.00) per paid admission or ten percent (10%) of the admission charged, whichever is less, for any event held at its National Training Center stadium in Harmon, in accordance with Guam Public Law 27-85 §77303. The Association's event admissions assessment costs were \$-0- and \$3,577 for the years ended December 31, 2020 and 2019, respectively. The Association adopted FASB ASC Topic 740, *Income taxes* and analyzed whether any particular item of income would meet the definition of an uncertain tax position. For Guam income tax purposes, a tax year generally remains open to assessment and collection for three years after the later of the due date for filing a tax return or the date on which the taxpayer files its return. If the Association were assessed any penalty related to its tax filings, the expense would be stated separately from any tax payment.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and league and general and administrative services. Expenses related to more than one function are allocated to program and supporting services based on the benefit received.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements, continued

December 31, 2020 and 2019

(3) Property and Equipment

A summary of property and equipment as of December 31, 2020 and 2019 is as follows:

	Estimated Useful Lives	2020	2019
Harmon field	15 years	\$ 2,090,362	2,090,362
Building and improvements	30 years	2,100,793	2,081,241
Solar system	30 years	760,361	760,361
Office equipment	5 years	305,965	297,180
Field equipment	5-7 years	25,952	16,367
Vehicle	5 years	194,623	254,125
Futsal court	8 years	310,417	310,417
Goal projects	10 years	<u>1,120,830</u>	<u>1,120,830</u>
		6,909,303	6,930,883
Less accumulated depreciation and amortization		<u>(4,374,222)</u>	<u>(3,896,607)</u>
Subtotal		2,535,081	3,034,276
Land		700,000	700,000
Construction in progress		<u>274,452</u>	<u>145,409</u>
Property and equipment, net		\$ <u>3,509,533</u>	<u>3,879,685</u>

The construction in progress ("CIP") for the Harmon Property is for the National Academy Center 3rd floor, which is anticipated to be placed into service in 2021. The CIP for Agat, Chalan Pago and Talofofo properties are infrastructure projects of football pitches.

(4) Fair Value of Financial Instruments

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value and expands financial statement disclosure about fair value measurements. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy, which prioritizes the inputs to valuation technique used to measure fair value into three broad levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs for the asset or liability.

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Notes to Financial Statements, continued

December 31, 2020 and 2019

(4) Fair Value of Financial Instruments, continued

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

Fair Value Option for Financial Assets and Financial Liabilities

ASC 825 permits all entities to choose, at specified election dates, to measure eligible items, as defined under the standard, at fair value (the fair value option). A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings (or another performance indicator if the business entity does not report earnings) at each subsequent reporting date. Upfront costs and fees related to items for which the fair value option is elected shall be recognized in earnings as incurred and not deferred.

Fair Value of Financial Instruments

The carrying amounts reflected in the statement of financial position for cash and accounts receivable, accounts payable, accrued expenses and other current liabilities approximate their respective fair values due to short maturities of those instruments.

(5) Liquidity and Availability of Assets

Accounting Standards Update ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)* was implemented during the year ended December 31, 2019 and was applied to the 2019 financial statements in accordance with the transition guidance prescribed in the ASU, with enhanced disclosures about:

- The amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions as of the end of the period.
- The composition of net assets with donor restrictions at the end of the period and how the restrictions affect the use of resources.
- The qualitative information that communicates how the Association manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position date.
- The quantitative information, either on the face of the statement of financial position or in the notes, and additional qualitative information in the notes as necessary, that communicates the availability of the Association's financial assets at the statement of

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Notes to Financial Statements, continued

December 31, 2020 and 2019

(5) Liquidity and Availability of Assets, continued

financial position date to meet cash needs for general expenditures within one year of the statement of financial position date. Availability of a financial asset may be affected by (1) its nature, (2) external limits imposed by donors, grantors, laws, and contracts with others, and (3) internal limits imposed by governing board decisions.

- The amounts of expenses by both their natural classification and their functional classification. The analysis of expenses is provided in one location as a separate statement.
- The method(s) used to allocate costs among program and support functions.

The Association has \$302,630 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$146,127 and accounts receivable of \$156,503. None of those financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year. A corporate credit card is used to control the timing of cash flow, with all credit card balances paid in full by the due date to avoid any interest/financing charges. Through financial planning, budgeting and monitoring, the Association ensures that assets are available to pay liabilities as they come due.

(6) Supplemental Cash Flow Information

The Association has adopted FASB ASU 2016-18, Restricted Cash, which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and restricted cash or restricted cash equivalents. The changes are reflected on the accompanying statements of cash flows.

(7) Compensated Absences

Employees of the Association are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. The accrued vacation liability was \$23,250 and \$21,118 as of December 31, 2020 and 2019, respectively.

(8) Concentrations of Credit Risk

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, other receivables and amounts due from related parties.

The Association maintains cash and cash equivalents in bank accounts which at times may exceed federal depository insurance limits. The Association has not experienced any losses in such accounts. If all debtors were unable to meet their obligations, the Association would incur an expense equal to accounts receivable reflected in the accompanying financial statements.

GUAM FOOTBALL ASSOCIATION
(a Nonprofit Organization)

Notes to Financial Statements, continued

December 31, 2020 and 2019

(9) Economic Dependency

The Association receives a substantial amount of its support from FIFA and AFC. For the years ended December 31, 2020 and 2019, the Association derived 82% and 62%, respectively, of its revenue from FIFA and AFC. The Association will face financial hardship should the level of support decrease.

(10) Net Assets with Donor Restrictions

The net assets with donor restriction of the Association consist of funds received from FIFA and AFC for program expenses. The net assets with donor restriction at December 31, 2020 and 2019 are \$1,739,958 and \$201,263, respectively.

(11) Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) was reported and has since spread to other countries, including the U.S and throughout Micronesia. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency.

It is anticipated that these impacts will continue for some time. As a result of the spread of the coronavirus pandemic, economic uncertainties have arisen which are likely to impact the day to day administration and operations of the Association. The future effects of these issues are unknown at this time.

(12) Subsequent Events

In preparing the accompanying financial statements and these footnotes, management has evaluated subsequent events through June 21, 2021, which is the date the financial statements were available to be issued.