

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

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

Years ended December 31, 2023 and 2022

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

GUAM FOOTBALL ASSOCIATION
(A Nonprofit Organization)

Financial Statements

Years ended December 31, 2023 and 2022

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BURGER · COMER & ASSOCIATES
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 statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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.

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 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.

Burger Comer & Associates

Tamuning, Guam

July 19, 2024

GUAM FOOTBALL ASSOCIATION

(A Nonprofit Organization)

Statements of Financial Position

December 31, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 235,173	230,133
Restricted cash	440,234	398,861
Inventory	6,749	-
Receivables	241,494	66,756
Other assets	<u>27,822</u>	<u>80,381</u>
Total current assets	951,472	776,131
Property and equipment, net	<u>3,160,137</u>	<u>3,590,789</u>
Total Assets	\$ <u>4,111,609</u>	<u>4,366,920</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current liabilities:		
Accounts payable	245,711	200,079
Accrued expenses	53,751	118,431
Other liabilities	<u>86,988</u>	<u>257,452</u>
Total current and total liabilities	386,450	575,962
Net assets:		
Without donor restriction	3,043,519	3,324,904
With donor restriction	<u>681,640</u>	<u>466,054</u>
Total net assets	<u>3,725,159</u>	<u>3,790,958</u>
Total Liabilities and Net Assets	\$ <u>4,111,609</u>	<u>4,366,920</u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION

(A Nonprofit Organization)

Statements of Activities

Years ended December 31, 2023 and 2022

	2023			2022		
	Without donor Restriction	With donor Restriction	Total	Without donor Restriction	With donor Restriction	Total
Operating revenues and support:						
Grants and donations	\$ -	2,874,566	2,874,566	-	1,843,410	1,843,410
In-kind contributions	-	174,213	174,213	-	40,948	40,948
Leagues	400,341	-	400,341	281,744	-	281,744
Dues	1,300	-	1,300	1,300	-	1,300
Other income	470,219	-	470,219	224,946	-	224,946
Net assets released from restrictions	<u>2,833,193</u>	<u>(2,833,193)</u>	<u>-</u>	<u>2,843,654</u>	<u>(2,843,654)</u>	<u>-</u>
Total operating revenues and support	<u>3,705,053</u>	<u>215,586</u>	<u>3,920,639</u>	<u>3,351,644</u>	<u>(959,296)</u>	<u>2,392,348</u>
Operating expenses:						
Program and league	2,905,907	-	2,905,907	2,666,042	-	2,666,042
General and administrative	<u>553,227</u>	<u>-</u>	<u>553,227</u>	<u>475,530</u>	<u>-</u>	<u>475,530</u>
Total operating expenses	<u>3,459,134</u>	<u>-</u>	<u>3,459,134</u>	<u>3,141,572</u>	<u>-</u>	<u>3,141,572</u>
Change in net assets from operations	245,919	215,586	461,505	210,072	(959,296)	(749,224)
Nonoperating loss from typhoon damage	<u>(527,304)</u>	<u>-</u>	<u>(527,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(281,385)	215,586	(65,799)	210,072	(959,296)	(749,224)
Net assets at beginning of year	<u>3,324,904</u>	<u>466,054</u>	<u>3,790,958</u>	<u>3,114,832</u>	<u>1,425,350</u>	<u>4,540,182</u>
Net assets at end of year	<u>\$ 3,043,519</u>	<u>681,640</u>	<u>3,725,159</u>	<u>3,324,904</u>	<u>466,054</u>	<u>3,790,958</u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION
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Statements of Functional Expenses
For the Years ended December 31, 2023 and 2022

	2023			2022		
	<u>Program and League</u>	<u>Management and General</u>	<u>Total</u>	<u>Program and League</u>	<u>Management and General</u>	<u>Total</u>
Depreciation	\$ 278,837	58,521	337,358	353,442	60,581	414,023
Travel and accommodations	321,345	13,636	334,981	94,881	19,085	113,966
Other	199,387	36,220	235,607	69,738	20,273	90,011
Salaries and benefits	106,404	18,608	125,012	-	67,653	67,653
Referee and match commissioner expenses	117,182	-	117,182	98,501	-	98,501
Marketing and communication	111,638	1,006	112,644	49,251	531	49,782
Professional fees and outside services	45,302	44,194	89,496	6,598	8,852	15,450
Infrastructure and maintenance	64,545	-	64,545	29,810	-	29,810
Equipment and supplies	45,930	8,991	54,921	32,377	4,577	36,954
Social responsibility	48,341	-	48,341	5,913	-	5,913
Insurance	-	26,079	26,079	-	23,520	23,520
Courses and clinics	23,788	-	23,788	10,817	-	10,817
Coaches and players remuneration	20,307	-	20,307	17,380	-	17,380
Tickets	5,723	-	5,723	111,236	-	111,236
Cost of goods sold	5,613	-	5,613	-	-	-
Bad debt expense	-	-	-	-	58,101	58,101
AFC expenses:						
Travel and accommodations	200,000	-	200,000	150,788	-	150,788
Salaries and benefits	173,630	-	173,630	68,415	-	68,415
Professional fees and outside services	-	10,875	10,875	-	75,000	75,000
Equipment and supplies	5,895	-	5,895	2,625	-	2,625
Other	-	692	692	788	226	1,014
Marketing and communication	-	-	-	23,543	-	23,543
FIFA expenses:						
Salaries and benefits	311,622	275,277	586,899	752,847	136,284	889,131
Travel and accommodations	310,232	-	310,232	280,789	-	280,789
Infrastructure and maintenance	185,294	-	185,294	137,767	-	137,767
Coaches remuneration	148,799	-	148,799	142,960	-	142,960
Equipment and supplies	119,895	-	119,895	123,822	-	123,822
Professional fees and outside services	14,424	52,838	67,262	11,099	-	11,099
Courses and clinics	24,632	-	24,632	5,612	-	5,612
Marketing and communication	12,972	-	12,972	14,264	246	14,510
Other	743	6,290	7,033	59,150	601	59,751
Referee expense	3,427	-	3,427	11,629	-	11,629
	<u>\$ 2,905,907</u>	<u>553,227</u>	<u>3,459,134</u>	<u>2,666,042</u>	<u>475,530</u>	<u>3,141,572</u>

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION

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Statements of Cash Flows

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 461,505	(749,224)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	337,358	414,023
Decrease (increase) in assets:		
Accounts receivable	(174,738)	8,509
Inventory	(6,749)	-
Other assets	52,559	(59,085)
(Decrease) increase in liabilities:		
Accounts payable	45,632	158,172
Other liabilities	(170,464)	(166,773)
Accrued expense	<u>(64,680)</u>	<u>(153,033)</u>
Net cash provided by (used in) operating activities	<u>480,423</u>	<u>(547,411)</u>
Cash flows from investing activities:		
Acquisition of property and equipment	<u>(435,754)</u>	<u>(646,897)</u>
Net cash used in investing activities	<u>(435,754)</u>	<u>(646,897)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	44,669	(1,194,308)
Cash and cash equivalents at beginning of year:		
Cash and cash equivalents	230,133	424,197
Restricted cash	<u>398,861</u>	<u>1,399,105</u>
	<u>628,994</u>	<u>1,823,302</u>
Cash and cash equivalents at end of year:		
Cash and cash equivalents	235,173	230,133
Restricted cash	<u>440,234</u>	<u>398,861</u>
	\$ <u>675,407</u>	<u>628,994</u>

Supplemental disclosure of noncash investing and financing activities:

The nonoperating loss from typhoon damage of \$527,304 reflected on the statement of activities for the year ended December 31, 2023 was a noncash loss of property and equipment.

See accompanying notes to financial statements.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements

December 31, 2023 and 2022

(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, 2023 and 2022

(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, 2023 and 2022

(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 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, and other contributions.

Advertising Costs

Advertising costs are expensed as incurred. The Association incurred advertising costs of \$18,000 and \$5,879, respectively, for the years ended December 31, 2023 and 2022. These costs are part of the marketing and communication costs in the financial statements.

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 and First Hawaiian Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Association has not experienced any loss in such accounts. As of December 31, 2023 and 2022, uninsured balances are approximately \$277,279 and \$387,229, 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 establishes 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 statements of financial position.

GUAM FOOTBALL ASSOCIATION
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Notes to Financial Statements, continued

December 31, 2023 and 2022

(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, 2023 and 2022 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, 2023 and 2022

(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, 2023 and 2022, the Association recognized \$174,213 and \$40,948, respectively, as in-kind contributions for the value of accommodations, facility usage, web management services, a vehicle, and supplies that were provided to the Association without requiring payment from the Association to the providers of the services. Program expense was recognized as incurred.

Fundraising

In 2023 and 2022, 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 \$3,163 and \$ -0- for the years ended December 31, 2023 and 2022, respectively. The Association follows 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, 2023 and 2022

(3) Property and Equipment

A summary of property and equipment as of December 31, 2023 and 2022 is as follows:

	<u>Estimated Useful Lives</u>	<u>2023</u>	<u>2022</u>
Harmon field	15 years	\$ 1,331,240	2,373,270
Building and improvements	30 years	2,323,503	2,215,734
Solar system	30 years	-	760,361
Office equipment	5 years	361,053	351,859
Field equipment	5-7 years	37,279	25,952
Vehicle	5 years	287,513	224,623
Futsal court	8 years	310,417	310,417
Goal projects	10 years	<u>1,120,830</u>	<u>1,120,830</u>
		5,771,835	7,383,046
Less accumulated depreciation and amortization		<u>(3,645,746)</u>	<u>(5,063,862)</u>
Subtotal		2,126,089	2,319,184
Land		700,000	700,000
Construction in progress		<u>334,048</u>	<u>571,605</u>
Property and equipment, net		<u>\$ 3,160,137</u>	<u>3,590,789</u>

The construction in progress (“CIP”) for the Harmon Property is for the replacement of the artificial turf on the lower pitch, and the National Academy Center 3rd floor, which were completed and placed into service in 2023. The CIP for Agat, Chalan Pago and Talofoto properties are infrastructure projects of football pitches.

In May 2023, Typhoon Mawar directly hit Guam, causing significant damage to GFA’s headquarters and training center in Dededo. Damaged assets included, but were not limited to, the new floodlights, floodlight poles, solar panels, fences, building structures, and artificial turf. GFA had to dispose of assets that were beyond repair and has since replaced or begun replacing the damaged assets.

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Notes to Financial Statements, continued

December 31, 2023 and 2022

(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.

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.

GUAM FOOTBALL ASSOCIATION
(a Nonprofit Organization)

Notes to Financial Statements, continued

December 31, 2023 and 2022

(5) Liquidity and Availability of Assets

The Association has \$476,667 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 \$235,173 and accounts receivable of \$241,494. 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 time off, depending on job classification, length of service, and other factors. The accrued paid time off liability was \$19,264 and \$26,445 as of December 31, 2023 and 2022, respectively and is included in accrued expenses in the accompanying financial statements.

(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, 2023 and 2022

(9) Contingencies

GFA received partial payments in 2019 and 2020 pursuant to a contract, and recognized the payment as revenue. Due to the COVID pandemic affecting performance of the contract, GFA agreed to return partial payment of a total sum of \$200,000 through three (3) installment payments beginning in April 2022. This liability is included in the accrued liabilities in the accompanying financial statements, and the balance as of December 31, 2022 was paid in March 2023. The accrued liability as of December 31, 2023 was \$ - 0 -.

(10) Economic Dependency

The Association receives a substantial amount of its support from FIFA and AFC. For the years ended December 31, 2023 and 2022, the Association derived 68% and 68%, respectively, of its revenue from FIFA and AFC. The Association will face financial hardship should the level of support decrease.

(11) Net Assets with Donor Restrictions

The net assets with donor restriction of the Association consist of funds received (or receivable) from FIFA and AFC for program expenses. The net assets with donor restriction at December 31, 2023 and 2022 are \$681,640 and \$466,054, respectively.

(12) Date of Management's Review

In preparing the accompanying financial statements and these footnotes, management has evaluated subsequent events through July 19, 2024, which is the date the financial statements were available to be issued.