

**GUAM PRESERVATION TRUST**

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**FINANCIAL STATEMENTS AND INDEPENDENT  
ACCOUNTANTS' COMPILATION REPORT**

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**THREE MONTHS ENDED DECEMBER 31, 2007**

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Guam Preservation Trust:

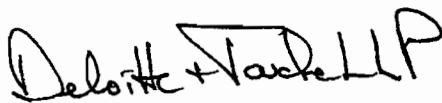
We have compiled the accompanying statement of net assets of Guam Preservation Trust (Trust), a component unit of the Government of Guam, as of December 31, 2007, and the related statements of operations for the three months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has informed us that they are unable to assess the adequacy of the allowance for doubtful accounts in the accompanying financial statements. Trust management is in discussions with the Government of Guam to resolve the collectibility of its recorded receivables, and is currently unable to predict the ultimate outcome of this matter.

As of September 30, 2006, the Trust wrote off its leasehold interest because of its intent to terminate the lease agreement. As a settlement has not been reached, the outcome of this matter is currently undeterminable. Accordingly, the impact of this matter is not predictable.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Trust's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

  
January 29, 2008

GUAM PRESERVATION TRUST

Balance Sheet

December 31, 2007

(See Accompanying Independent Accountants' Compilation Report)

ASSETS

Cash in bank - checking	\$ 30,768
Cash - trust account	254,857
Investments	1,898,551
Receivables:	
General fund	6,076,828
Allowance for doubtful accounts	(5,345,996)
Property and equipment, net of accumulated depreciation	<u>5,725</u>
Total assets	<u>\$ 2,920,733</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued expenses	\$ 97,495
Payroll liabilities	<u>13,709</u>
Total liabilities	<u>111,204</u>
Net assets:	
Unrestricted:	
Net assets	2,823,544
Current period reduction of unrestricted net assets	<u>(14,015)</u>
Total unrestricted net assets	<u>2,809,529</u>
	<u>\$ 2,920,733</u>

GUAM PRESERVATION TRUST

Statement of Operations  
 Three Months Ended December 31, 2007  
 (See Accompanying Independent Accountants' Compilation Report)

Revenue:	
Building permit fees	\$ 233,803
Interest income	40,620
	274,423
Expenses:	
Projects - grants	233,837
Salaries	58,818
Travel and conference fees	13,647
Audit services	5,422
Insurance	4,704
FICA	4,133
Accounting services	4,063
Rent	2,550
Retirement plan contribution	2,100
Bank charges	1,058
Supplies	951
Depreciation	884
Communications	845
Legal services	600
Stipend	400
Advertising	169
Repair and maintenance	135
Postage	56
Miscellaneous	1,464
	335,836
Total expenses	335,836
Loss from operations	(61,413)
Other expenses:	
Unrealized loss on investments	(21,211)
Other income:	
Realized gain on investments	68,609
	68,609
Net loss and decrease in net assets	\$ (14,015)