GUAM PRESERVATION TRUST

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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 5,725

Total assets $ 2,920,733

LIABILITIES AND NET ASSETS

Liabilities:
  Accrued expenses $ 97,495
  Payroll liabilities 13,709

Total liabilities 111,204

Net assets:
  Unrestricted:
    Net assets 2,823,544
    Current period reduction of unrestricted net assets (14,015)

Total unrestricted net assets 2,809,529

$ 2,920,733
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

  Total revenue 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

  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

  Net loss and decrease in net assets $ (14,015)