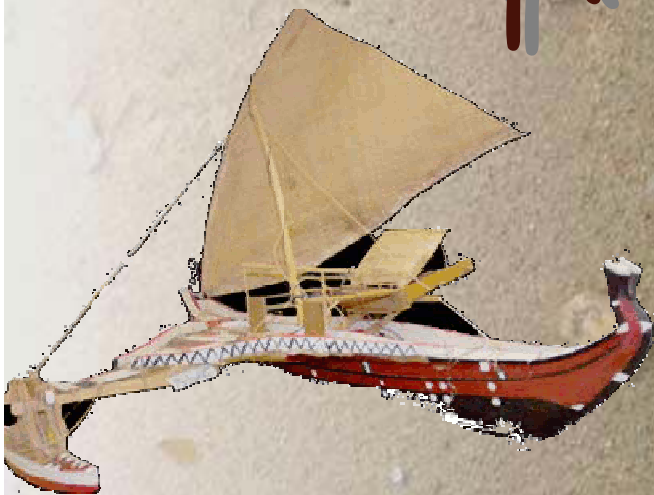


GUAM
INANGOKKON
PRESERVATION
INADAHI GUAHAN
TRUST

*2009
Annual Report*



About the Guam Preservation Trust

The Guam Preservation Trust (GPT) was created as a nonprofit public corporation in 1990 by Public Law 20-151, and is governed by a Board of Directors. It is dedicated to preserving Guam's historic sites and culture as well as educating the public about those issues. Although primarily tasked with restoring historic structures, which are listed in the Guam Register of Historic Places and/or the National Register of Historic Places, GPT also funds various types of cultural preservation projects.

Its mandated purposes are:

- To seek outside grants and donations;
- To acquire title to threatened Guam properties for the preservation of their historical value, whether in fee simple, by leasehold, or by easement, and whether through donation, transfer, dedication or purchase;
- To award grants for:

I. Historic Property Documentation and Register Nomination

This program assists in the documentation of the historic significance of places, objects, structures, buildings, and sites, and in the formal process for registration and nomination for listing on the Guam and/or National Register of Historic Places.

II. Public Interpretation and Presentation

This program provides assistance in the interpretation and presentation of one or more historic properties for public appreciation and enjoyment.

III. Architectural History

This program focuses on architectural research and documentation of historic structures.

IV. Repair, Restoration or Renovation of Historic Buildings and Structures

This program assists owners of historic properties or interested community organizations in the care and treatment of deteriorating historic structures and buildings.

V. Ethnography and Oral History

This program provides assistance for research on and documentation of historic places and the traditional cultural values, and practices that give these places, values, and practices significance. The research methods used in this program are those of ethnography and oral history.

VI. Archival Research

This program provides assistance in archival research that focuses on specific historic places or broad patterns of events significant in Guam's history.

VII. Archaeological Research

This program provides assistance in archaeological research, with the exception of archaeology that is required by law to complete compliance obligations imposed in development review and permitting processes.

VIII. Miscellaneous

The miscellaneous program provides for potential consideration of proposals that can be justified according to the purposes of GPT but which do not fall within the programs listed.



Management

The Guam Preservation Trust is comprised of ten board members representing five disciplines (Archaeology, Architecture, Chamorro Culture, Community Planning, and History). Each discipline is represented by a primary and an alternate Board member. Board Members appointed by the Governor and approved by the Legislature to the Historic Review Board of the Guam Department of Parks and Recreation, automatically sit on the Trust Board.

Board of Directors

Architecture

Primary: Michael Blas Makio, AIA

Alternate: Liza Provideo, AIA

Archaeology

Primary: Darlene Moore

Alternate: Rebecca Stephenson, Ph.D.

Chamorro Culture

Primary: Marilyn Salas, Ph.D.

Alternate: Rebecca Duenas

Community Planning

Primary: Antonio Palomo

Alternate: John Peterson, Ph.D.

History

Primary: Vacant

Alternate: Helen Bordallo

Guam Preservation Trust Staff

Joseph E. Quinata
Chief Program Officer

Rosanna Barcinas
Program Officer

Felix Benavente
Program Officer

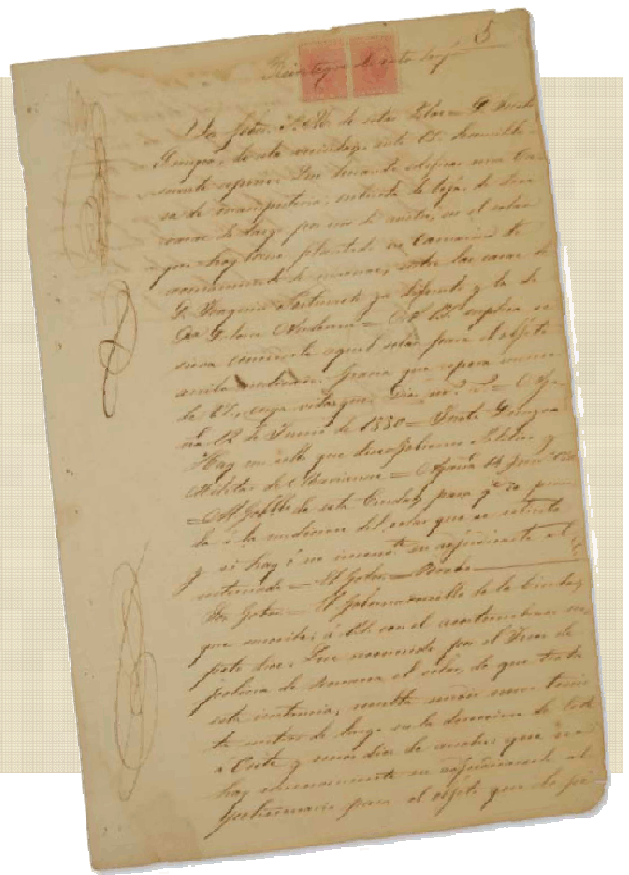
Ruby A. Santos
Administrative Services Coordinator

Visión

Historic Preservation on Guam is a public responsibility that is shared through education, cooperation, and advocacy all linking to Guam's cultural heritage.

Misión

The Guam Preservation Trust will preserve and protect Guam's historic sites, culture, and perspectives for the benefit of our people and our future



COMMUNITY PARTNERSHIPS

The Guam Preservation Trust has partnered with over 25 public, private, and individuals from the community to oversee more than 30 programs and projects to accomplish proposed outcomes for this year. All have been successful in their respective delivery to the community for their benefit and appreciation.

During Fiscal year 2009, the Guam Preservation Trust Board of Directors appropriated a total of over \$1.2 million to fund all programs and projects. Most importantly is the \$500,000 of in-kind and cash contributions from the community, partner organizations and individuals dedicated towards the proposed outcomes for the year.

REGIONAL AND NATIONAL SUPPORT

The Guam Preservation Trust has made strides in reaching out for professional and technical resources from the region and the national preservation arena. These resources are invaluable and contribute to the capacity of building our community in the area of preservation.

The result of our efforts have formalized partnerships with regional and national organizations: Spanish Programs for Cultural Cooperation (SPCC); University of San Carlos, Cebu, Philippines; Asian American & Pacific Islanders Caucus for Historic Preservation (AAPIC); National History Day, Inc. (NHD); and the National Trust for Historic Preservation (NTHP), Western Division.

Guam Preservation Trust

2009 Annual Report

Standards of Success

Historic Property Documentation and Register Nomination

The Guam Preservation Trust will provide opportunities for the documentation of the historic significance of places, objects, structures, buildings, and sites, and in the formal process for registration and nomination for listing on the Guam and/or National Register of Historic Places.

Proposed Outcomes

None Available

Public Interpretation and Presentation

The Guam Preservation Trust will assist historians and other writers in the interpretation and presentation of historic properties for public education and appreciation.

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Constantly Chamorro	06/09/98	\$45,000	\$1,620
Guam Cultural Heritage Program	09/26/07	30,000	495
Sakman	07/16/08	5,000	---
Sakman Canoe House	09/10/08	27,120	27,120
Historic Landmark Signs	09/10/08	11,790	6,785
Guam Micronesian Island Fair	09/17/09	5,000	---
GPT Annual Report	01/14/09	1,425	---
Mes Chamorro	02/11/09	5,000	2,500
Historic Preservation Summer Camp	04/08/09	4,948	2,544
TASI Saina Voyage	06/18/09	5,000	2,500
Historic Preservation Summer Institute	07/08/09	28,003	(2,291)
Guam Micronesian Island Fair	08/12/09	5,000	---
Pa'a Taotao Tano	08/12/09	2,500	2,500
Exploring Guam's Heritage	07/08/09	8,290	8,290

Architectural History

The Guam Preservation Trust, in collaboration with architectural and engineering organizations, will develop architectural research and documentation of historic structures for use in rehabilitation, renovation, restoration, or re-construction.

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Taleyfak Bridge, Agat A/E Design	09/05/07	\$180,000	\$36
Lujan House, Hagåtña Amendment	1/09/09	45,360	24,570
Guam Legislature Building Structural Assessment	06/04/08	40,500	---
Plaza de Espana Structural Assessment	03/10/09	37,480	37,480
Guam Legislature A/E Design	05/11/09	264,200	152,000



Ethnography and Oral History

The Guam Preservation Trust, in collaboration with organizations involved in ethnography and oral history, will dedicate resources, to research and document: 1) historic places; and 2) traditional cultural values and practices significant to Guam.

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Guam History Day	04/08/08	\$105,483	\$448
A U.S. Territory in Japan South Sea Part I	06/30/08	4,341	---
A U.S. Territory in Japan South Sea Part II.	09/10/08	9,060	1,140
Guampedia Video & Material	09/10/08	22,500	6,380
A U.S. Territory in Japan South Sea Part III	09/10/08	7,940	627
Camp Roxas Film Project	09/10/08	5,590	590

Repair, Rehabilitation, Restoration or Renovation of Historic Buildings and Structures

The Guam Preservation Trust, in collaboration with other organizations and property owners, will dedicate resources for the care and treatment of deteriorating historic structures and buildings.

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Fort Nuestra de la Soledad	10/01/06	\$8,000	\$2,050
Meno House, Inarajan	02/13/08	14,000	14,000
Merlyn G. Cook School	08/07/08	102,099	---
Lujan House	01/14/09	697,700	604,840

Archaeological Research

The Guam Preservation Trust will work with archaeological organizations to provide for archaeological research to better understand Guam's history.

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Archaeology Program Year I	06/07/07	\$127,622	\$193
Archaeology Survey: Vincent Perez property	04/14/08	2,000	---
Archaeology Program Year II	06/13/08	140,240	35,490
Historic Structures Report Training	09/10/08	25,000	25,000
Pacific Archaeology Conference	02/09/09	25,000	4,942
Archaeology Program Year III	09/16/09	75,000	75,000

Archival Research

Proposed Outcomes

The Guam Preservation Trust, in collaboration with archival organizations, will develop and provide archival research that focuses on specific historic places or broad patterns of events significant in Guam's history for public education and appreciation.

Project Name	Date Approved	Amount Approved	Balance
Guam Museum Inventory and Cataloging Project	03/26/07	\$69,400	---
Spanish Period Glass and Ceramic Cataloging	03/10/08	10,588	5,142
Guam Museum Inventory and Cataloging Project Amend	09/10/08	36,573	18,794





Ernst & Young LLP
231 Ypao Road
Suite 201, Ernst & Young Building
Tamuning, Guam 96913
Tel: +1-671-649-3700
Fax: +1-671-649-3920
www.ey.com

February 10, 2010

The Board of Directors
Guam Preservation Trust
Suite 211, Second Floor
194 Hernan Cortes Avenue
Hagatna, Guam 96910

Dear Members of the Board:

We have performed an audit of the financial statements of the Guam Preservation Trust (the Trust), a component unit of the Government of Guam, as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated February 10, 2010.

This report to the Finance Committee summarizes our communications to the board of directors required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which the management of the Trust is responsible.

REQUIRED COMMUNICATIONS

Statement on Auditing Standards No. 114, *The Auditor's Communication With Those Charged With Governance*, and other professional standards require the auditor to provide the Finance Committee (the Committee) of the board of directors (or those charged with governance) with additional information regarding the scope and results of the audit that may assist the Committee (or those charged with governance) in overseeing management's financial reporting and disclosure processes. We summarize our communications as follows:

Auditor's Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS)

The financial statements are the responsibility of the Trust's management. Our audit was designed in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting.

Auditor's Responsibilities US GAAS, continued

Our audit included 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 Trust'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, and evaluating the overall financial statement presentation.

As part of our audit, we considered the Trust's internal control over financial reporting as a basis for designing audit procedures that were appropriate in the circumstances.

The Adoption of, or a Change in Significant Accounting Policies

We determined that the Committee is informed about the initial selection of, and any changes in significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying accounting principles, has a material effect on the financial statements.

There were no changes in the Trust's significant accounting policies during the year ended September 30, 2009. The Trust continues to apply its accounting policies in an appropriate manner and is disposed toward high quality financial reporting and application of accounting policies.

Auditor's Judgments About the Quality of the Trust's Accounting Principles

We discussed our judgments about the quality, not just the acceptability, of the Trust's accounting principles as applied in its financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.

The Trust has consistently applied accounting principles generally accepted in the United States (US GAAP) and adequately disclosed required US GAAP disclosures in the financial statements.

Sensitive Accounting Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent 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. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.

Sensitive Accounting Estimates, continued

We determined that the Committee is informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

Management's judgment is called upon in:

- ▲ Preparing budgets used to determine how funds will be used in the Trust's operations
- ▲ Determining the valuation of estimates
- ▲ Determining the adequacy of the recorded valuation of receivables, including the need for any reserve

Significant Audit Adjustments

We proposed four adjusting journal entries, which the Trust subsequently agreed to be reflected in the financial statements. Certain reclassifying journal entries have also been made relating to the investment accounts (see Appendix A – *Adjusting and Reclassifying Journal Entries*).

Unadjusted Audit Difference Considered by Management to be Immaterial

Certain unadjusted audit differences accumulated by us (i.e. adjustments either identified by us or brought to our attention by management) were identified during the audit and pertaining to the latest period presented, which were determined by the Trust's management to be immaterial, both individually and in the aggregate, to the financial statements as a whole (see Appendix B – *Summary of Unrecorded Audit Differences*).

Other Information in Documents Containing the Audited Financial Statements

We reviewed the Management's Discussion and Analysis and the Schedule of Grant Projects Reserved for Encumbrances in the financial statements to ensure consistency with the audited financial statements.

Consultation with Other Accountants

There were no consultations made with other accountants during the audit that we are aware of.

Disagreements with Management on Financial Accounting and Reporting Matters

There were no disagreements with the Trust's management on financial accounting and reporting matters.

Major Issues Discussed with Management Prior to Retention

There were no major issues discussed with the Trust's management prior to our retention.

Methods of Accounting for Significant Unusual Transactions and for Controversial or Emerging Issues

We are not aware of any significant unusual transactions recorded by the Trust or of any significant accounting policies used by the Trust related to controversial or emerging areas for which there is a lack of authoritative guidance.

Serious Difficulties Encountered in Dealing with Management in Performing the Audit

There were no serious difficulties encountered in dealing with management in performing the audit.

Fraud and Illegal Acts

We are not aware of any matters that require communication. Furthermore, the Trust's management has represented to us that they were not aware of any fraud or illegal acts for the period from October 1, 2008 to February 10, 2010 (see Appendix C – *Management's Representation Letter*).

Significant Deficiencies and Material Weaknesses in Internal Control

We have identified significant deficiencies in internal control during the course of our audit which have been included in our separately issued Management Letter and the Compliance and Internal Control report dated February 10, 2010.

Independence

We are not aware of any relationships between Ernst & Young and our related entities, and the Trust, or any other matters that in our professional judgment, may reasonably be thought to bear on our independence.

We also confirm that we are independent with respect to the Trust within the meaning of the applicable published rules and pronouncements, its interpretations and rulings.

The Board of Directors
Guam Preservation Trust

This report is intended solely for the use of the Trust's board of directors and management, the Office of Public Accountability, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

We would be happy to discuss the contents of this report and answer any questions you may have about these or any other audit related matters.

Very truly yours,

Ernst & Young LLP

**Statement of Government Fund Revenues, Expenditures and
Changes in Fund Balance/Statements of Activities**

Years ended September 30, 2009 and 2008

	Building Permit Fund (326)	Adjustments	2009 Statement of Activities	2008 Statement of Activities
Revenue:				
Building permit fees	\$ 1,170,993	\$ ---	\$ 1,170,993	\$ 981,766
Interest income	65,831	---	65,831	68,530
Total revenue	1,236,824	---	1,236,824	1,050,296
Expenditures:				
Program services - projects/grants	783,350	---	783,350	585,902
Supporting services:				
Personnel (Note 6)	234,933	---	234,933	245,409
Contractual	46,323	---	46,323	44,204
Travel	22,666	---	22,666	37,812
Supplies and equipment rental	12,422	---	12,422	10,253
Rent (Note 5)	10,800	---	10,800	10,350
Trust fund and investment fees	4,968	---	4,968	4,561
Advertising	4,301	---	4,301	2,873
Communication	4,018	---	4,018	3,943
Miscellaneous	3,597	---	3,597	1,658
Depreciation expense	---	2,533	2,533	2,877
Stipend	2,300	---	2,300	2,350
Bad debt expense	---	---	---	80,715
	<u>346,328</u>	<u>2,533</u>	<u>348,861</u>	<u>447,005</u>
Total expenditures/expenses	1,129,678	2,533	1,132,211	1,032,907
Gain on sale of investments	77,782	---	77,782	70,942
Unrealized gain (loss) on investments	6,144	---	6,144	(85,243)
Excess of revenues over expenditures and gain/loss on investments	191,072	(191,072)	---	---
Change in net assets	---	188,539	188,539	3,088
Fund balance/net assets:				
Beginning of year	2,838,031	---	2,842,688	2,839,600
End of year	<u>\$ 3,029,103</u>	<u>\$ ---</u>	<u>\$ 3,031,227</u>	<u>\$ 2,842,688</u>

Governmental Funds Balance Sheet/Statements of Net Assets

September 30, 2009 and 2008

	Building Permit Fund (326)	Adjustments	2009 Statement of Net Assets	2008 Statement of Net Assets
Assets:				
Cash and cash equivalents (Note 2)	\$ 1,364,856	\$ ---	\$ 1,364,856	\$ 1,361,238
Investments (Note 2)	858,030	---	858,030	712,335
Due from Government of Guam				
Building Permit fund, net (Note 3)	858,380	---	858,380	812,388
Prepaid expenses	900	---	900	900
Property and equipment, at cost, net (Note 4)	---	2,124	2,124	4,657
Total assets	\$ 3,082,166	\$ 2,124	\$ 3,084,290	\$ 2,891,518
Liabilities:				
Accrued expenses	\$ 45,063	\$ ---	\$ 45,063	\$ 40,830
Grant deposit	8,000	---	8,000	8,000
Total liabilities	53,063	---	53,063	48,830
Commitments and contingencies (Note 5)				
Fund Balances/Net Assets:				
Fund balances:				
Unreserved	3,029,103	(3,029,103)	---	---
Total fund balances	3,029,103	(3,029,103)	---	---
Total liabilities and fund balances	\$ 3,082,166			
Net Assets:				
Invested in capital assets		2,124	2,124	4,657
Unrestricted		3,029,103	3,029,103	2,838,031
	<u>\$ 3,031,227</u>	<u>\$ 3,031,227</u>	<u>\$ 3,031,227</u>	<u>\$ 2,842,688</u>



In compliance to the Freedom of Information Act, the Guam Preservation Trust provides full transparency of records to the public and is made accessible through the Guam Preservation Trust's website at www.guampreservationtrust.com.

Pursuant to the Sunshine Reform Act of 1999 the Guam Preservation Trust received "zero" formal requests for records in FY2009.

