

**Deloitte.**

**GUAM PRESERVATION TRUST**

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

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**THREE AND NINE MONTHS ENDED JUNE 30, 2011**

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Guam Preservation Trust:

We have compiled the accompanying balance sheet of Guam Preservation Trust (Trust) as of June 30, 2011, and the related statements of operations for the three and nine months, respectively, then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

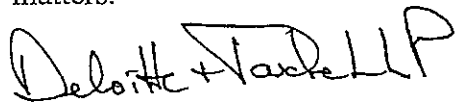
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of departures from accounting principles generally accepted in the United States of America that are described in the following paragraphs.

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 their 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 statements 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.



July 29, 2011

GUAM PRESERVATION TRUST

Balance Sheet

June 30, 2011

(See Accompanying Independent Accountants' Compilation Report)

ASSETS

Cash in bank - checking	\$	109,211
Cash - trust account		35,291
Investments		1,637,781
Prepaid rent		900
Receivables:		
General fund		5,787,832
Allowance for doubtful accounts		(5,426,712)
		361,120
Property and equipment, net of accumulated depreciation		2,354
Total assets	\$	2,146,657

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	\$	2,140
Grant deposit		8,000
Payroll liabilities		62,163
		72,303
Net assets:		
Unrestricted:		
Net assets		2,103,876
Current period deduction from unrestricted net assets		(29,522)
		2,074,354
Total unrestricted net assets		2,074,354
	\$	2,146,657

GUAM PRESERVATION TRUST

Statements of Operations  
 Three and Nine Months Ended June 30, 2011  
 (See Accompanying Independent Accountants' Compilation Report)

	<u>Current Quarter</u>	<u>Year-to-Date (Nine Months)</u>
Revenues:		
Building permit fees	\$ 190,876	\$ 525,388
Interest income	123	283
Total revenues	<u>190,999</u>	<u>525,671</u>
Expenses:		
Projects - grants	116,228	226,450
Salaries	70,451	198,737
Audit services	-	21,268
Insurance	5,934	17,710
Accounting services	5,234	16,016
FICA	5,170	14,540
Communications	1,023	7,289
Travel and entertainment	420	6,834
Supplies	1,539	6,388
Retirement plan contribution	1,972	5,872
Repair and maintenance	1,556	5,068
Advertising	3,099	3,600
Utilities	1,399	3,535
Legal services	1,092	1,763
Stipend	650	1,500
Depreciation	732	1,130
Bank charges	188	562
Miscellaneous	3,013	11,683
Total expenses	<u>219,700</u>	<u>549,945</u>
Loss from operations	(28,701)	(24,274)
Change in fair value of investments	<u>(18,720)</u>	<u>(5,248)</u>
Net loss and decrease in net assets	<u>\$ (47,421)</u>	<u>\$ (29,522)</u>