

Deloitte

GUAM PRESERVATION TRUST

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

THREE AND NINE MONTHS ENDED JUNE 30, 2013



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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, 2013, and the related statements of operations for the three and nine months 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 collectability 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.

Statements of cash flows for the three and nine months ended June 30, 2013 have not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures 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.

August 16, 2013

GUAM PRESERVATION TRUST

Balance Sheet

June 30, 2013

(See Accompanying Independent Accountants' Compilation Report)

ASSETS

Cash in bank - checking	\$	80,122
Cash - trust account		113,552
Investments		5,599,416
Receivables:		
General fund		2,144,449
Allowance for doubtful accounts		(1,517,137)
Net receivables		<u>627,312</u>
Property and equipment, net of accumulated depreciation		<u>2,222</u>
	\$	<u>6,422,624</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	\$	4,078
Grant deposit		8,000
Payroll liabilities		<u>47,715</u>
Total liabilities		<u>59,793</u>
Net assets:		
Unrestricted:		
Net assets		87,158
Current period addition to unrestricted net assets		<u>6,275,673</u>
Total unrestricted net assets		<u>6,362,831</u>
	\$	<u>6,422,624</u>

GUAM PRESERVATION TRUST

Statements of Operations
 Three and Nine Months Ended June 30, 2013
 (See Accompanying Independent Accountants' Compilation Report)

	<u>Current Quarter</u>	<u>Year-to-Date (Nine Months)</u>
Revenue:		
Building permit fees	\$ 330,638	\$ 904,628
Investment income	22,234	67,764
Interest income	53	383
Miscellaneous	8,154	8,154
Total revenue	<u>361,079</u>	<u>980,929</u>
Expenses:		
Projects - grants	361,227	454,736
Salaries	46,030	174,930
Insurance	10,695	35,207
Audit services	3,287	21,169
Investment fees	9,050	15,891
Accounting services	7,035	15,239
FICA	3,414	14,618
Travel and conference fees	2,480	14,359
Supplies	625	6,463
Retirement plan contribution	1,150	5,149
Repair and maintenance	1,200	4,041
Utilities	1,517	3,788
Communications	1,007	3,294
Equipment rental	965	2,829
Advertising	2,443	2,749
Legal services	1,342	1,342
Bank charges	267	823
Depreciation	154	566
Stipend	350	550
Due and subscriptions	-	150
Postage	-	92
Other taxes and licenses	-	77
Contributions	50	-
Miscellaneous	775	2,306
Total expenses	<u>455,063</u>	<u>780,368</u>
(Loss) earnings from operations	<u>(93,984)</u>	<u>200,561</u>
Other expenses:		
Change in fair value of investments	<u>(102,988)</u>	<u>(113,403)</u>
Net (decrease) increase in net assets	<u>\$ (196,972)</u>	<u>\$ 87,158</u>