

GUAM PRESERVATION TRUST

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

**THREE AND TWELVE MONTHS PERIODS
ENDED SEPTEMBER 30, 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 September 30, 2007, and the related statements of operations for the three and twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

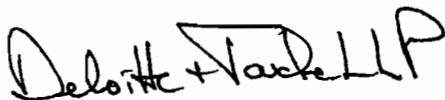
A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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 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 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.

The Trust has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.



October 26, 2007

GUAM PRESERVATION TRUST

Statement of Net Assets
September 30, 2007

(See Accompanying Independent Accountants' Compilation Report)

ASSETS

Cash in bank - checking	\$	53,395
Cash - trust account		252,953
Investments		1,813,588
Receivables:		
General fund		6,091,911
Allowance for doubtful accounts		(5,345,996)
Property and equipment, net of accumulated depreciation		<u>6,609</u>
Total assets	\$	<u><u>2,872,460</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	\$	39,981
Payroll liabilities		<u>8,935</u>
Total liabilities		<u>48,916</u>
Net assets:		
Unrestricted:		
Net assets		2,276,514
Current period addition to unrestricted net assets		<u>547,030</u>
Total unrestricted net assets		<u>2,823,544</u>
	\$	<u><u>2,872,460</u></u>

GUAM PRESERVATION TRUST

Statements of Operations
 Three and Twelve Months Ended September 30, 2007
 (See Accompanying Independent Accountants' Compilation Report)

	Current Quarter	Year-to-Date (Twelve Months)
Revenue:		
Building permit fees	\$ 268,659	\$ 1,045,913
Interest income	33,253	85,354
Total revenue	301,912	1,131,267
Expenses:		
Salaries	54,736	202,997
Projects - grants	49,931	199,903
Travel and conference fees	34,001	43,301
Accounting services	8,958	27,728
Insurance	4,977	15,929
FICA	4,133	14,983
Supplies	2,690	6,247
Rent	2,550	11,050
Communications	1,024	3,623
Legal services	947	4,790
Depreciation	880	2,796
Stipend	750	3,100
Bank charges	434	7,652
Repair and maintenance	203	982
Advertising	169	3,859
Simple plan contribution	8	5,133
Audit services	-	12,502
Postage	-	60
Miscellaneous	1,639	3,663
Total expenses	168,030	570,298
Earnings from operations	133,882	560,969
Other expenses:		
Unrealized loss on investments	(9,647)	(12,060)
Other expenses	(9,909)	(1,879)
Net earnings and increase in net assets	\$ 114,326	\$ 547,030