

**GUAM PRESERVATION TRUST**

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

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**THREE AND TWELVE MONTHS ENDED  
SEPTEMBER 30, 2012**



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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 September 30, 2012, and the related statements of operations for the three and twelve 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.

A statement of cash flows for three and twelve months ended September 30, 2012, has 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.

November 14, 2012

GUAM PRESERVATION TRUST

Balance Sheet

September 30, 2012

(See Accompanying Independent Accountants' Compilation Report)

ASSETS

Cash in bank - checking	\$	279,564
Cash - trust account		214,354
Investments		5,310,947
Receivables:		
General fund		2,134,150
Allowance for doubtful accounts		<u>(2,134,150)</u>
Net receivables		<u>-</u>
Property and equipment, net of accumulated depreciation		<u>2,787</u>
	\$	<u><u>5,807,652</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	\$	1,234
Grant deposit		8,000
Payroll liabilities		<u>49,085</u>
Total liabilities		<u>58,319</u>
Net assets:		
Unrestricted:		
Net assets		1,530,931
Current period addition to unrestricted net assets		<u>4,218,402</u>
Total unrestricted net assets		<u>5,749,333</u>
	\$	<u><u>5,807,652</u></u>

GUAM PRESERVATION TRUST

Statements of Operations  
 Three and Twelve Months Ended September 30, 2012  
 (See Accompanying Independent Accountants' Compilation Report)

	Current Quarter	Year-to-Date (Twelve Months)
Revenues:		
Building permit fees	\$ 247,562	\$ 1,049,089
Interest income	293	501
Total revenues	247,855	1,049,590
Expenses:		
Projects - grants	73,702	249,061
Salaries	47,973	235,840
Insurance	13,869	44,032
Accounting services	7,067	24,050
Audit services	-	20,908
FICA	3,964	18,020
Travel and conference fees	6,657	12,998
Repair and maintenance	2,552	6,246
Retirement plan contribution	256	6,000
Utilities	1,210	4,647
Investment fees	990	4,359
Communications	1,010	4,111
Equipment rental	919	3,677
Supplies	463	3,265
Advertising	1,079	3,012
Stipend	500	1,800
Legal services	-	1,329
Depreciation	233	933
Bank charges	188	756
Miscellaneous	1,768	2,097
Total expenses	164,400	647,141
Gain from operations	83,455	402,449
Other Income:		
Other income	400	400
Recovery of bad debts	3,672,538	3,672,538
Change in fair value of investments	27,342	143,015
	3,700,280	3,815,953
Net gain and increase in net assets	\$ 3,783,735	\$ 4,218,402