



*Financial Statements and
Supplementary Information*

Guam Preservation Trust
(A Component Unit of the Government of Guam)

*Years ended September 30, 2012 and 2011
with Report of Independent Auditors*

Ernst & Young LLP

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Financial Statements and
Supplementary Information

Years ended September 30, 2012 and 2011

Contents

Report of Independent Auditors	1
Management’s Discussion and Analysis.....	3
Audited Financial Statements	
Governmental Funds Balance Sheet/Statements of Net Assets	14
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statements of Activities	15
Notes to Financial Statements	16
Supplementary Information	
Schedule of Grant Projects Reserved for Encumbrances.....	28

Report of Independent Auditors

The Board of Directors
Guam Preservation Trust

We have audited the accompanying governmental funds balance sheet/statements of net assets of the Guam Preservation Trust (the Trust), a component unit of the Government of Guam, as of September 30, 2012 and 2011, and the related statements of government fund revenues, expenditures and changes in fund balance/statements of activities for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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. Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of the Guam Preservation Trust as of September 30, 2012 and 2011, and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2013, on our consideration of the Guam Preservation Trust's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audits.

The Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial financial statements as a whole. The supplementary information included in the Schedule of Grant Projects Reserved for Encumbrances is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Directors, the Management of the Guam Preservation Trust, the Office of Public Accountability and others within the entity and is not intended to be and should not be used by anyone other than those specified parties. However, this report is also a matter of public record.

Ernst + Young LLP

March 7, 2013

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis

Year ended September 30, 2012

The Management's Discussion and Analysis (MD&A) of the Guam Preservation Trust's financial performance provides an overall review of the Trust's financial activities for the fiscal year ended September 30, 2012. This presentation is provided to better understand the Trust and its financial status in accordance with the U.S. generally accepted accounting principles promulgated by the Standards of the Government Accounting Standards Board (GASB).

Introduction

The Guam Preservation Trust (the Trust) was created in 1990 as a non-profit, public corporation 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, the Guam Preservation Trust also funds various types of heritage projects.

Management

The Guam Preservation Trust is a 501(c)3 Non-profit Corporation 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. The Board of Directors conducts its regular monthly meeting on the second Wednesday of the month at 3:30pm. In Fiscal Year 2012, a total of seven (7) Trust Board meetings were conducted and a total of fifty-six (56) board resolutions were made. Attendance of Board Members representing four of the five disciplines constitutes a quorum.



Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Management, continued

The Guam Preservation Trust Board Members by discipline are:

- **Architecture – Primary:** Michael Makio, AIA (Board Chair) **Alternate:** Liza Provido-Tan, AIA.
- **Archaeology – Primary:** Darlene Moore **Alternate:** Rebecca Stephenson
- **Chamorro Culture – Primary:** Marilyn Salas, Ph.D. (Board Secretary, Treasurer) **Alternate:** Rebecca Dueñas (Board Vice-Chair)
- **History – Primary:** (vacant) **Alternate:** Helen Bordallo
- **Planning – Primary:** vacant **Alternate:** Richard Olmo

The Trust is staffed by Joseph Quinata, Chief Program Officer; Rosanna Barcinas, Program Officer; Lawrence Borja, Development Officer and Ruby Santos, Administrative Services Coordinator. The Trust personnel are non-government employees and are governed by the Trust's personnel handbook. Legal and accounting services are contracted by the Trust. The Trust maintains its own procurement regulations and procedures.

The Guam Preservation Trust Vision

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

The Guam Preservation Trust Mission

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

2012 Highlights

Guam Preservation Trust Five-Year Strategic Plan

This year marks the final year of the Guam Preservation Trust Five-Year Strategic Plan for 2007 – 2012. Planning sessions to develop the Trust's next five-year strategic plan is underway and should be completed by March 2013. The five-year strategic plan involves engagements and dialogue with community stakeholders to bring about the best possible way to advance preservation on Guam. Five focus group sessions involving over one hundred stakeholders were conducted to provide the Trust with innovative and creative ideas to advance preservation in the areas of history, architecture, planning, archival, education, and archaeology.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

2012 Highlights, continued

Hotel Occupancy Tax Bond

In our effort to advance historic preservation on Guam, the Guam Visitor's Bureau, with consultation from the Trust, mandated (P.L. 30-228) by the Guam Legislature, and signed into law by the Governor of Guam, the Hotel Occupancy Tax Bond (HOT Bond) which was issued to fund the rehabilitation and restoration of some of Guam's most important iconic and historical places (Plaza de Espana's Azotea, Chocolate House, Garden House, and the plaza's pillars and walls; Inarajan Community Center; Merizo Bell Tower; and Magellan Monument in Umatac). Part of this effort is the reimbursement of \$4.7 million to the Guam Preservation Trust for doubtful account receivables of the Government of Guam. This reimbursement will provide the Guam Preservation Trust the means to complete pending projects such as the rehabilitation of the Guam Legislature building; the Historic Structures Report and Structural Assessment of the Plaza de España; the repair of three historic Inarajan District homes; the Umatac Outdoor Library; and the repair of F. Q Sanchez School.

Taleyfak Bridge Groundbreaking

The Guam Preservation Trust, with funding partnerships from the Federal Highway Administration (FHWA), broke ground to start the rehabilitation and restoration of the Historic Taleyfak Bridge in Agat. Over \$600,000 has been invested by the Trust to preserve one of Guam's iconic historic sites. The project is expected to be completed March 2013.

Capacity Building Conferences

The 1st Marianas History and the 1st Amot Conferences were planned and funded in part by the Guam Preservation Trust to build capacity for our community to better understand our history and heritage. These conferences provided the venue for the community and preservation stakeholders to come together to assess our resources in the Mariana Islands in regards to our collective history and traditions. Conference plenary papers and submissions from the 1st Marianas History Conference have been uploaded to Guampedia's website for public study references.

Community Partnerships and Investments

In 2012, the Guam Preservation Trust has partnered with over 30 public, private, and individuals from the community to oversee 19 grants and projects to accomplish our *proposed outcomes* (Goals) for this year. All have been successful in their respective delivery to the community for their benefit and appreciation.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Community Partnerships and Investments, continued

The Trust Board approved \$182,365 for grants and projects for this fiscal year, which is a slight decrease from last year's total of \$182,511. The total grants and projects increased by 90% to 19 as compared to last year's total of 10. The 19 grants and projects have contributed an estimated total of \$583,000 (in-kind and cash contributions) as our partners' share to advance preservation on Guam.

Regional and National Support

The Guam Preservation Trust has made strides in developing partnerships with technical and professional resources in the preservation arena. These resources are invaluable and contribute to the capacity building of our community in advancing preservation on Guam. The following are preservation partners in the region and the nation:

Australasian Institute of Maritime Archaeology (AIMA), Flinders University, Adelaide, South Australia; Nautical Archaeology Society (NAS) in association with Centre for International Heritage Activities, Netherlands (CIE); Spanish Programs for Cultural Cooperation (SPCC); University of San Carlos, Cebu, Philippines; Asian & Pacific Islanders American Caucus for Historic Preservation (APIA); National History Day, Inc. (NHD); and The National Trust for Historic Preservation, Western Division (NTHP); SNR Denton US LLP; University of Hawaii; National Park Service; and Association for Preservation Technologies International (APT); and Asian and Pacific Islander Americans Forum for Historic Preservation, Northern Marianas Humanities Council (NMHC), Northern Marianas College, National Park Service (NPS), U.S Federal Highway and Waterways Agency (FHWA), and UNESCO.

Guam Preservation Trust Standards of Success (Goals)

In 2006, Guam's preservation stakeholders presented the Trust Five-Year Historic Preservation Master Plan (http://www.guampreservationtrust.com/images/gpt_master_plan.pdf) as a statement of our community's bold step towards taking action to preserve and protect our heritage for all to benefit. Today, the Guam Preservation Trust presents its report as a testimony of the diligence and dedication of the Trust Board of Directors, staff, and the preservation community in accomplishing this year's *proposed outcomes* and achieving the *standards of success* or goals expected by the community.

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 is in the formal process for registration and nomination for listing on the Guam and/or National Register of Historic Places.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Guam Preservation Trust Standards of Success (Goals), continued

Historic Property Documentation and Register Nomination, continued

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

<i>Public Interpretation and Presentation</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
Exploring Guam's Heritage	07/08/09	\$ 8,290	\$ 3,525
Preserve Micronesia Video	08/12/09	8,400	8,400
Traditional Fishing on Guam	09/15/10	15,000	---
We Are Pagat Film Project	05/02/11	5,000	---
Navigating Cultural Values	05/02/11	5,000	1,034
Plight of Pagat Video	05/02/11	5,000	5,000
Guampedia: MHC E-Publication	07/17/12	1,680	200
Influential Women in Guam's History	08/10/11	5,000	---
House that Jose Built	10/05/11	5,000	5,000
Guam Humanities Sponsorship	11/09/11	1,500	---
Humatak Exhibit	02/08/12	5,862	---
Micronesia Endowment Historic Preservation Conference	02/08/12	4,500	3,703
APIA Forum	02/08/12	20,271	---
APIA Forum Amendment	05/09/12	3,526	---
Marianas History Conference	04/03/12	10,000	---
TASA	04/23/12	5,000	5,000
Pagat, Haputo, Hilaan Documentary	07/24/12	5,000	500
I Know Guam (PBS)	07/18/12	5,000	4,000
GPT Desk Audit	07/30/12	5,800	---
Guam Micronesia Island Fair	09/12/12	5,000	---
Pagat Educational Series	09/12/12	3,000	---
Amendment	09/25/12	625	---
Total		\$133,454	\$36,362

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Guam Preservation Trust Standards of Success (Goals), continued

Public Interpretation and Presentation, continued

The following projects were either pending a signed agreement, cancelled or the projects were completed and the remaining grant balance will be reverted to the Trust.

<i>Public Interpretation and Presentation</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
George Flores Museum	Pending	\$ 5,000	\$ 5,000
Photo Documentary - Edgar Flores	09/27/11	5,000	5,000
Chamorro Language Competition	02/08/12	4,000	1,015
Total		\$14,000	\$11,015

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

<i>Architectural History</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
Plaza De Espana - HSR Palasio	03/10/09	\$ 37,480	\$ ---
Amendment 1	05/11/11	18,627	---
Amendment 2	03/14/12	23,590	10,978
Guam Legislature (HSR - A&E)	05/11/09	220,000	4,475
LEED	08/12/09	42,000	---
Amendment - Expansion	11/18/09	161,000	---
LEED - Additional 2010 Fee	11/18/09	1,500	---
Soil, Perk, & Water Flow Testing	05/02/10	4,550	---
Historic Inalahan Revitalization Plan	02/10/10	59,800	29,900
Total		\$568,547	\$45,353

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Guam Preservation Trust Standards of Success (Goals), continued

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

<i>Ethnography and Oral History</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
Guam/National History Day	03/14/12	\$65,052	\$23,511
Total		\$65,052	\$23,511
Noted the unused balance at September 30, 2012 was reverted back to the Trust.			

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

<i>Repair, Rehabilitation, Restoration or Renovation of Historic Buildings and Structures</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
Fort Soledad	10/01/06	\$ 8,000	\$ 2,050
Historic Inalahan - Meno House	02/13/08	14,000	14,000
Lujan House (Construction)	01/14/09	697,700	---
Change Orders 1-5	05/12/10	40,831	---
Change Orders 6-12	09/15/10	29,307	---
Change Orders 13 - 14	07/13/11	17,783	11,900
Taleyfak Bridge	12/16/09	606,198	477,809
Amendment	08/04/10	80,000	80,000
Total		\$1,493,819	\$585,759

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Guam Preservation Trust Standards of Success (Goals), continued

Archaeological Research

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

Proposed Outcomes

<i>Archaeological Research</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
UOG Archaeological Program	06/07/07	\$127,622	\$ ---
Year 2 Amendment 1	06/13/08	140,240	---
Year 2 Pac Arch Conf	02/09/09	25,000	---
Year 3	09/16/09	75,000	33,161
Historic Structures Training Program	09/10/08	25,000	5,000
Iglesias Archaeology Research	09/02/11	5,000	---
Mahalac & Litekeyan Pictographs	04/23/12	4,629	3,505
Historic Landmark Signs	05/09/12	4,830	2,760
Margaret Peredo Archaeology Research	09/17/12	5,000	2,500
Sherry Duenas Archaeology Research*	08/26/11	5,000	560
Total		\$417,321	\$47,486

* Noted the unused balance at September 30, 2012 was reverted back to the Trust.

Archival Research

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.

Proposed Outcomes

<i>Archival Research</i>			
Project Name	Date Approved	Amount	Balance at 09/30/12
Inventory of Cataloging - Guam Museum	09/10/08	\$36,573	\$4,682
Total		\$36,573	\$4,682

Note: No proposals were received for the categories of Archival Research and Historic Property Documentation & Register Nomination and therefore no funding was approved for FY2012.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Financial Analysis

Our analysis is based on the following condensed financial data for the years ended September 30, 2012, 2011 and 2010.

	September 30, <u>2012</u>	September 30, <u>2011</u>	September 30, <u>2010</u>	2012 % increase (decrease) <u>from 2011</u>
<u>Statement of Net Assets</u>				
Cash and cash equivalents	\$4,024,170	\$1,204,116	\$1,062,124	234.2 %
Investments	1,780,695	344,439	734,746	417.0 %
Receivables:				
Building permit fund	2,179,821	5,861,411	5,802,443	(62.8)%
Allowance for doubtful accounts	(1,517,137)	(5,806,688)	(5,426,711)	(73.9)%
Prepaid expenses	13,413	---	---	100.0 %
Other assets	<u>2,787</u>	<u>2,980</u>	<u>2,471</u>	(6.5)%
 Total assets	 <u>\$6,483,749</u>	 <u>\$1,606,258</u>	 <u>\$2,175,073</u>	 303.7 %
 Liability – accrued expenses	 \$ 196,238	 \$ 67,327	 \$ 63,196	 191.5 %
Deposits payable - grants	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	---
 Total liabilities	 <u>204,238</u>	 <u>75,327</u>	 <u>71,196</u>	 171.1 %
 Net assets				
Invested in capital assets	2,787	2,980	1,571	(6.5)%
Unrestricted	<u>6,276,724</u>	<u>1,527,951</u>	<u>2,102,306</u>	310.8 %
 Total net assets	 <u>6,279,511</u>	 <u>1,530,931</u>	 <u>2,103,877</u>	 310.2 %
 Total liabilities and net assets	 <u>\$6,483,749</u>	 <u>\$1,606,258</u>	 <u>\$2,175,073</u>	 303.7 %

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Financial Analysis, continued

	Year ended September 30, <u>2012</u>	Year ended September 30, <u>2011</u>	Year ended September 30, <u>2010</u>	2012 % increase (decrease) <u>from 2011</u>
<u>Statement of Activities</u>				
Building permit fees	\$1,094,760	\$ 698,967	\$ 627,352	56.6 %
Interest income	<u>23,368</u>	<u>10,231</u>	<u>6,488</u>	128.4 %
Total revenues	1,118,128	709,198	633,840	57.7 %
Expenditures	(779,657)	(1,105,732)	(1,599,442)	(29.5)%
Recovery of bad debt	4,289,551	---	---	100.0 %
Gain (loss) on sale of investment	400	(8,918)	34,426	(104.5)%
Unrealized gain (loss) on investments	<u>120,158</u>	<u>(167,494)</u>	<u>3,826</u>	(171.7)%
Increase (decrease) in net assets	4,748,580	(572,946)	(927,350)	(928.8)%
Net assets at beginning of year	<u>1,530,931</u>	<u>2,103,877</u>	<u>3,031,227</u>	(27.2)%
Net assets at end of year	<u>\$6,279,511</u>	<u>\$1,530,931</u>	<u>\$2,103,877</u>	310.2%

Revenues

The Trust receives most of its revenues from the Building Permit Fees administered by the Guam Department of Public Works. A compilation is conducted every quarter by our accounting services provider and compared to totals listed on the Trust's Special Accounts with the Guam Department of Administration. For fiscal year (FY) 2012, a total of \$1,094,760 was earned from building permit fees, which resulted in an increase of 56.6% from the 2011 total of \$698,967. The increase is a result of increase in construction activity on Guam for that period, as well as the revamping of permit collection and control procedures as pointed out by the Public Auditor's Performance Audit of the Guam Department of Public Works Building Permits and Inspection Section conducted in 2011.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Financial Analysis, continued

Investments

Interest income on investments increased between FY 2012 and FY 2011. In FY 2012, \$23,368 was earned on interest income, compared to \$10,231 in Fiscal Year 2011. The 128.4% increase is due to the increase in cash equivalents and investment accounts. For FY 2012, there was a change in the Asset Allocation Rates of the Trust Investment Policy. The new Asset Allocation rates are 80% investment on cash equivalents and 20% on equity investments. Previous Investment Policy Asset Allocation Rates were 60% cash equivalents and 40% equity investments. This policy change is a result of indicators of decreasing returns. For FY 2012, the Trust had an unrealized gain of \$120,158, compared to an unrealized loss of \$167,494 in FY 2011.

Receivables

Receivables from the General Fund as of September 30, 2012 totaled \$2,179,821 as compiled by our accounting services provider, with \$1,517,137 identified as doubtful accounts. In FY 2011, the allowance totaled \$5,806,688, which concerned the Trust Board and prompted a discovery meeting with the Department of Administration, the Bureau of Budget and Management Research, Department of Public Works and the Speaker of the Legislature, to reconcile and report its findings. Preliminary findings indicated that in FY 2000, a Public Law authorized the release of \$7.4 million dollars from special revenue funds to pay for salary increments of government employees. A total of \$4.7 million dollars was released from the Trust's Special Revenue Fund. This action conflicted with the Trust's mandate that Trust funds "*shall not be used for operations of any government departments or line agencies.*"

In September 2012, the efforts to reimburse the Guam Preservation Trust was addressed through the Hotel Occupancy Tax Bond (HOT Bond) as directed by the Office of the Governor and the Guam Legislature. A total of \$4,288,811 was released to the Trust offsetting the recorded doubtful account. A total of \$411,189 is still outstanding and is yet to be settled.

Liabilities

The only leasehold interest is the lease of the Rosario House, a historic home in Hagåtña. In 1999, due to the decrease in revenues, the Trust Board of Directors issued a request for a mutual termination agreement with the owners of the property, the estate of Louis and Rose Patton. Settlement to terminate the lease has yet to be realized.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Governmental Funds Balance Sheet/Statements of Net Assets

September 30, 2012 and 2011

	General Fund	Adjustments	2012 Statement of Net Assets	2011 Statement of Net Assets
Assets:				
Cash and cash equivalents <i>(Note 3)</i>	\$ 4,024,170	\$ ---	\$ 4,024,170	\$ 1,204,116
Investments <i>(Note 3)</i>	1,780,695	---	1,780,695	344,439
Due from Government of Guam				
Building Permit Fund, net <i>(Note 4)</i>	662,684	---	662,684	54,723
Prepaid expenses	13,413	---	13,413	---
Property and equipment, at cost, net <i>(Note 5)</i>	---	2,787	2,787	2,980
	<u>---</u>	<u>2,787</u>	<u>2,787</u>	<u>2,980</u>
Total assets	\$ <u>6,480,962</u>	\$ <u>2,787</u>	\$ <u>6,483,749</u>	\$ <u>1,606,258</u>
Liabilities and Net Assets:				
Accrued expenses	\$ 196,238	\$ ---	\$ 196,238	\$ 67,327
Grant deposit	<u>8,000</u>	<u>---</u>	<u>8,000</u>	<u>8,000</u>
Total liabilities	<u>204,238</u>	<u>---</u>	<u>204,238</u>	<u>75,327</u>
Commitments and contingencies <i>(Note 6)</i>				
Fund Balances - assigned <i>(Note 2)</i>	<u>6,276,724</u>	<u>(6,276,724)</u>	<u>---</u>	<u>---</u>
Total fund balances	<u>6,276,724</u>	<u>(6,276,724)</u>	<u>---</u>	<u>---</u>
Total liabilities and fund balances	\$ <u>6,480,962</u>			
Net Assets:				
Invested in capital assets		2,787	2,787	2,980
Unrestricted		<u>6,276,724</u>	<u>6,276,724</u>	<u>1,527,951</u>
Total net assets		\$ <u>6,279,511</u>	\$ <u>6,279,511</u>	\$ <u>1,530,931</u>

See accompanying notes.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

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

Years ended September 30, 2012 and 2011

	<u>General</u>	<u>Adjustments</u>	2012 <u>Statement of</u>	2011 <u>Statement of</u>
	<u>Fund</u>		<u>Activities</u>	<u>Activities</u>
Revenues:				
Building permit fees	\$ 1,094,760	\$ ---	\$ 1,094,760	\$ 698,967
Interest income	<u>23,368</u>	<u>---</u>	<u>23,368</u>	<u>10,231</u>
Total revenues	<u>1,118,128</u>	<u>---</u>	<u>1,118,128</u>	<u>709,198</u>
Expenditures:				
Program services - projects/grants	<u>383,361</u>	<u>---</u>	<u>383,361</u>	<u>294,776</u>
Supporting services:				
Doubtful Accounts (Note 4)	---	---	---	379,976
Personnel (Note 7)	297,708	---	297,708	306,461
Contractual	50,676	---	50,676	46,797
Travel	12,999	---	12,999	24,247
Supplies and equipment rental	13,188	---	13,188	18,236
Communication	4,191	---	4,191	8,473
Trust fund and investment fees	5,114	---	5,114	7,827
Miscellaneous	2,027	---	2,027	7,822
Utilities	4,647	---	4,647	5,215
Stipend	1,800	---	1,800	2,350
Depreciation expense	---	934	934	1,350
Advertising	3,012	---	3,012	1,302
Rent	---	---	---	900
Capital outlays	<u>741</u>	<u>(741)</u>	<u>---</u>	<u>---</u>
	<u>396,103</u>	<u>193</u>	<u>396,296</u>	<u>810,956</u>
Total expenditures/expenses	779,464	193	779,657	1,105,732
Recovery of bad debt (Note 4)	4,289,551	---	4,289,551	---
Gain (loss) gain on sale of investments	400	---	400	(8,918)
Unrealized gain (loss) on investments	<u>120,158</u>	<u>---</u>	<u>120,158</u>	<u>(167,494)</u>
Excess of revenues, recoveries and gain on investments over expenses	4,748,773	(4,748,773)	---	---
Change in net assets		4,748,580	4,748,580	(572,946)
Fund balance/net assets:				
Beginning of year	<u>1,527,951</u>	<u>---</u>	<u>1,530,931</u>	<u>2,103,877</u>
End of year	<u>\$ 6,276,724</u>	<u>\$ ---</u>	<u>\$ 6,279,511</u>	<u>\$ 1,530,931</u>

See accompanying notes.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements

Years ended September 30, 2012 and 2011

1. Organization

The Guam Preservation Trust (the Trust), is an expendable trust fund that was established by Public Law 20-151 dated March 21, 1990 (as amended by Public Law 21-07 on April 19, 1991 and amended by Public Law 27-89 on May 6, 2004).

The Trust is a component unit of the Government of Guam. The Trust is governed by a Board of Directors, who shall be appointed by the Governor of Guam with the advice and consent of the Guam Legislature. Employees of the Trust are not Government of Guam employees and, accordingly, do not participate in the Government of Guam's retirement system.

The Trust was created for the following purposes:

- To seek grants and donations;
- To acquire title to threatened Guam properties for the preservation of their value whether in fee simple, leasehold, or by easement, through donation, transfer, dedication, purchase and eminent domain;
- To award grants for archaeological investigations;
- To prepare a Guam Preservation Trust Master Plan (the Plan) identifying by order of priority, the buildings, structures and sites which in the opinion of the Trust are deserving of preservation and which shall be preserved. The Trust shall hold a public hearing on the proposed plan and shall transmit the Plan to I Leheslaturan Guahan sixty (60) days prior to its implementation; and
- To support other activities directly related to increasing public appreciation of and benefit from historical places.

2. Summary of Significant Accounting Policies

The Trust's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The financial statements of the Trust are prepared in accordance with generally accepted accounting principles (GAAP). The Trust applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Trust, as a component unit of the Government of Guam, applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Government-wide Financial Statements

The statement of net assets presents the non-fiduciary financial condition of the Trust's assets after liabilities are deducted and consists of (1) assets invested in capital assets net of accumulated depreciation, (2) restricted assets and (3) unrestricted assets.

Net assets are reported as restricted when constraints are imposed by third parties or enabling legislation. All other net assets are unrestricted.

Measurement Focus/Government-wide and Fund Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Trust are included on the statement of net assets.

The governmental fund financial statements of the Trust are accounted for using a flow of current financial resources measurement focus. The statement of governmental fund revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred.

Fund Financial Statements

During 2012 and 2011, the Trust accounted for its financial activities in a single governmental fund. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance. The ending fund balance on the balance sheet is reconciled to the ending net assets.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Fund Financial Statements, continued

Adjustments required to reconcile total governmental fund balance to net assets of governmental activities in the Statement of Net Assets as of September 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Fund balance – governmental funds	\$6,276,724	\$1,527,951
<p>Amounts reported for governmental activities in the Balance Sheet differ from the amounts reported in the Statement of Net Assets because:</p>		
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds	<u>2,787</u>	<u>2,980</u>
Net assets of governmental activities	<u>\$6,279,511</u>	<u>\$1,530,931</u>

Adjustments required to reconcile net change in total governmental fund balance to change in net assets of governmental activities in the Statement of Activities for the years ended September 30, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Net change in fund balances - governmental funds	\$4,748,773	\$(574,355)
<p>Amounts reported for governmental activities in the Statement of Government Fund Revenues, Expenditures and Changes in Fund Balance differ from the amounts reported in the Statement of Activities because:</p>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which the depreciation exceeded capital outlays	(<u>193</u>)	<u>1,409</u>
Change in net assets of governmental activities	<u>\$4,748,580</u>	<u>\$(572,946)</u>

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

For the purpose of presentation in the Governmental Funds balance sheet/statements of net assets, cash and cash equivalents consist of cash balances deposited in banks and money market accounts.

Investments

Investments and related investment earnings are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale and are primarily determined based on quoted market values.

Capital Assets

Property and equipment are stated at cost at the date of acquisition. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful life of the assets are expensed. Capital assets are depreciated over a period of 3 to 5 years using the straight-line method.

Revenue Recognition

Revenues are recorded upon notification of receipt of building permit fees by the Government of Guam's Department of Administration.

Revenues of the Trust are comprised of building permit fees and interest earned on the cash balances. Public Law 20-151, Section 13, provides that the Trust will receive building permit fees and re-inspection fees collected by the Department of Public Works of the Government of Guam and fines for vandalism and unlawful taking of historic properties.

Income Taxes

The Trust is exempt from Guam income taxes under Section 501(c)(3) of the Guam Territorial Income Tax Laws.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Compensated Absences

GASB Statement No. 16, Accounting for Compensated Absences, provides that liabilities for vacation leave and other compensated absences, excluding sick leave, will be accrued provided the leave is attributable to past service.

The Trust compensates its employees for annual leave as follows:

- One half day (4 hours) for each full biweekly pay period in the case of employees with less than (1) to five (5) years of service;
- Three-fourths day (6 hours) for each biweekly pay period except that for accrual for the last full biweekly pay period in the year shall be one and one-fourth (10 hours) in the case of employees with six (6) to ten (10) years of service;
- One day (8 hours) for each full biweekly pay period in the case of employees with eleven (11) or more years of service.

Employees entitled to annual leave may accumulate up to four hundred eighty (480) hours thereof. Any annual leave earned by eligible employees in excess of four hundred eighty (480) hours shall be automatically credited to such employee's accumulated sick leave, provided, that not more than one hundred (100) hours shall be credited to said sick leave.

Fund Balances - Assigned

Assigned fund balances for governmental funds represent the amount available for funding historical preservation projects as determined by the Board of Directors of the Trust.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

New Accounting Standards

During the year ended September 30, 2012, the Trust implemented the following pronouncements:

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, effective for periods beginning after December 15, 2011. The statement establishes guidance for accounting and financial reporting for service concession arrangements.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, effective for periods beginning after June 15, 2012. The statement addresses reporting entity issues that have arisen since the issuance of Statement No. 14 and Statement No. 34.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for periods beginning after December 15, 2011. The statement incorporates into the GASB's authoritative literature certain accounting and financial guidance issued on or before November 30, 1989.

In June 2011, GASB issued Statement No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, effective for periods beginning after June 15, 2011. The statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The statement also sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The implementation of these pronouncements did not have a material effect on the financial statements of the Trust.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for periods beginning after December 15, 2012. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

New Accounting Standards, continued

In March 2012, GASB issued Statement No. 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straightline basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, effective for periods beginning after June 15, 2013. This Statement establishes financial reporting standards for state and local governmental pension plans, defined benefit pension plans and defined contribution pension plans, that are administered through trusts or equivalent arrangements that meet certain criteria.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans.

The Trust is currently evaluating the effects the above statements will have on its financial statements.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

3. Cash and Cash Equivalents and Investments

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the Trust has assessed the custodial credit risk, interest rate risk, credit risk, and concentration of credit risk of its cash and cash equivalents, and investments.

Cash and cash equivalents and investments as of September 30, 2012 and 2011 are classified in the statements of net assets as follows:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$4,024,170</u>	<u>\$1,204,116</u>
Investments	<u>\$1,780,695</u>	<u>\$ 344,439</u>

The Trust uses market quotations to measure fair value of investments.

Custodial Credit Risk

Custodial credit risk for cash and cash equivalents is the risk that in the event of a bank failure, the Trust's deposits may not be returned to it. The Trust does not have a deposit policy for custodial credit risk. As of September 30, 2012 and 2011, cash and cash equivalents were held by depositories and amounted to \$4,024,170 and \$1,204,116, respectively, of which \$1,029,564 and \$541,161, respectively, were insured and \$2,994,606 and \$662,955, respectively, were uninsured and uncollateralized. Based on negotiated trust and custody contracts, all of the investments were held in the Trust's name by the Trust's custodial financial institution at September 30, 2012 and 2011.

As of September 30, 2012 and 2011, the Trust also had \$2,994,606 and \$480,192, respectively, deposited in an interest bearing money market account which can be liquidated within 24 hours notice to the bank. The account is backed by short term U.S. treasury securities but is not insured by the Federal Deposit Insurance Corporation.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trust does not have an investment policy for custodial credit risk.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

3. Cash and Cash Equivalents and Investments, continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To minimize interest rate risk, the maturities of investments are limited to one year or less. This reduces the impact of interest rate movements seen with longer maturity investments.

Concentration of Credit Risk

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Trust minimized credit risk losses by limiting investments to low risk securities. The following represents the Trust's investments as of September 30, 2012 and 2011:

<u>Type</u>	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>% of Portfolio</u>	<u>Amount</u>	<u>% of Portfolio</u>
ETFs/Mutual Funds	\$1,780,695	100%	\$344,439	100%

As of September 30, 2012 and 2011, the Trust had a formal investment policy adopted.

4. Due from Government of Guam Building Permit Fund

The due from Government of Guam Building Permit Fund balance represents accumulated building permit fees and re-inspection fees collected and deposited with the Treasurer of Guam by the Government of Guam's Department of Public Works but not yet transferred to the Trust. Management of the Trust is of the opinion that such balances are due and payable to the Trust.

On December 30, 2010, Public Law 30-228 was signed into law, which authorizes the issuance of Government of Guam limited obligation bonds for the purpose of acquiring, constructing and equipping an educational cultural facility and certain other projects that benefit Guam's tourism industry. Section 1(i)(2)(c) noted a portion of the proceeds will be used for reimbursements to the Trust for past failures to deposit into and transfer out of the Trust's fund.

In September 2012, the Trust received approximately \$4.3 million relating to this bond issue.

The Trust recorded an allowance for uncollectible receivables totaling \$1,517,137 and \$5,806,687 as of September 30, 2012 and 2011, respectively.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

5. Property and Equipment

The following is a summary of the changes in capital assets for the years ended September 30, 2012 and 2011:

	Beginning Balance <u>October 1, 2011</u>	<u>Additions</u>	Transfers and <u>Deletions</u>	Ending Balance <u>September 30, 2012</u>
Furniture, fixtures, and equipment	\$17,908	\$ 741	\$ ---	\$18,649
Less accumulated depreciation	(14,928)	(934)	---	(15,862)
Investment in capital assets	\$ <u>2,980</u>	\$(<u>193</u>)	\$ <u>---</u>	\$ <u>2,787</u>

	Beginning Balance <u>October 1, 2010</u>	<u>Additions</u>	Transfers and <u>Deletions</u>	Ending Balance <u>September 30, 2011</u>
Furniture, fixtures, and equipment	\$15,149	\$2,759	\$ ---	\$17,908
Less accumulated depreciation	(13,578)	(1,350)	---	(14,928)
Investment in capital assets	\$ <u>1,571</u>	\$ <u>1,409</u>	\$ <u>---</u>	\$ <u>2,980</u>

6. Commitments and Contingencies

In 1991, the Trust acquired a leasehold interest in a Guam property of historical significance. The lease agreement, which expires on December 31, 2037, calls for the Trust to remit monthly payments totaling \$798 up to 2012 and will increase every ten years thereafter.

The Trust issued a letter of termination dated December 10, 1998. Rental payments have not been remitted since September 1999 and total approximately \$123,000 and \$113,000, as of September 30, 2012 and 2011, respectively. The lessor has not taken efforts to collect.

The Trust, as a component unit of the Government of Guam, is covered under the Government of Guam Claims Act. This act prohibits the lessor from pursuing collection of outstanding rents beyond the past 18 month period. Accordingly, the Trust believes its maximum obligation as of September 30, 2012 will not exceed approximately \$14,000. Because the lessor has not pursued collection, the Trust has not recorded any accrued liability.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

6. Commitments and Contingencies, continued

Future rental payments as of September 30, 2012, are as follows:

Year ending September 30.

2013	\$ 10,536
2014	10,536
2015	10,536
2016	10,536
2017	10,536
Thereafter	<u>232,469</u>
	<u>\$285,149</u>

In December 2010, the Trust entered into a memorandum of agreement with the Guam Department of Parks and Recreation and the State Historic Preservation office regarding the obligations and rights with respect to the occupancy and the maintenance of the Jose P. Lujan House (“Lujan House”). In exchange of using the Lujan House for office space at no cost, the Trust is to pay for certain costs, including utilities and insurance for the building. The terms of the agreement will be for 25 years with a 5 year option to renew at the end of the term.

The Trust has commitments to pay \$719,082 to fund grants approved as of September 30, 2012. The Trust will release the funds to the grantees only upon satisfactory performance by the grantees of requirements called for in their respective grant agreements.

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

7. Employee's Retirement Plan

Employees of the Trust are not classified as Government of Guam employees and do not participate in the Government of Guam Employees' Retirement System. Instead, the Trust's Board of Directors, through Resolution 0806-31, approved the adoption of a Simple IRA Retirement Plan.

Employees can contribute up to the maximum allowable limit and the Trust offers a matching contribution of up to three percent (3%) of the gross annual salary of employees. To qualify, employees must complete one year of service with the Trust.

For the years ended September 30, 2012 and 2011, the retirement contribution amounted to \$6,000 and \$6,242, which is included as a component of personnel services in the accompanying Statements of Government Fund Revenues, Expenditures and Changes in Fund Balance/Statements of Activities.

8. Subsequent Events

The Trust has evaluated subsequent events through March 7, 2013, which is the date the financial statements were available to be issued.

Supplementary Information

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Schedule of Grant Projects Reserved for Encumbrances

September 30, 2012

<u>Description</u>	<u>Grant no.</u>	<u>Date approved</u>	<u>Grant amount</u>	<u>Year-to-date expenditures FYE 09/30/11</u>	<u>Expenditures year-ended 09/30/12</u>	<u>Outstanding encumbrance 09/30/12</u>
Inalahan Historic Foundation- Meno House - Amendment 1	GPTG-0704	2/13/2008	\$ 14,000	\$ -	\$ -	\$ 14,000
Guam Museum - Amendment 1	GPTG-0807	9/10/2008	36,573	30,706	1,185	4,682
Duenas & Bordallo - Plaza De Espana	GPTG-0901	3/10/2009	37,480	-	37,480	-
Amendment 1		5/11/2011	18,627	-	18,627	-
Amendment 2		3/14/2012	23,590	-	12,612	10,978
Historic Inalajan Revitalization Plan	GPTG-1001	2/10/2010	59,800	14,950	14,950	29,900
Traditional Fishing on Guam	GPTG-1002	9/15/2010	15,000	-	15,000	-
Fort Nuestra De La Soledad, Umatac	BP-06-01	10/1/2006	8,000	5,950	-	2,050
UOG Archaeological Program	BP-07-01	6/7/2007	127,622	127,622	-	-
UOG Archeology Program - Year 2 Amendment 1		6/13/2008	140,240	140,240	-	-
UOG Archeology Program - Year 2 Amendment 3 - Pac Arch Conf		2/9/2009	25,000	25,000	-	-
UOG Archeology Program - Year 3		9/16/2009	75,000	28,951	12,888	33,161
Historic Structures Report Training Program (UOG Archeology Program - Year 2 Amendment 2 HSR Plaza)	BP-0804	9/10/2008	25,000	20,000	-	5,000
Exploring Guam's Heritage	BP-0907	7/8/2009	8,290	4,765	-	3,525
Preserve Micronesia Video	BP-1006	8/12/2009	8,400	-	-	8,400
JRN Refrigeration - Lujan House	HS-0901	1/14/2009	697,700	697,700	-	-
JRN Refrigeration - Lujan House - Change orders 1-5		5/12/2010	40,831	40,831	-	-
JRN Refrigeration - Lujan House - Change orders 6-12		9/15/2010	29,307	29,307	-	-
JRN Refrigeration - Lujan House - Change orders 13-14		7/13/2011	17,783	5,883	-	11,900
Architects RNK - Guam Legislature	HS-0902	5/11/2009	220,000	200,525	15,000	4,475
Motion - LEED Certification		8/12/2009	42,000	42,000	-	-
Expansion - Amendment 1		11/18/2009	161,000	161,000	-	-
Sub-total, carried forward			1,831,243	1,575,430	127,742	128,071

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Schedule of Grant Projects Reserved for Encumbrances, continued

Description	Grant no.	Date approved	Grant amount	Year-to-date expenditures FYE 09/30/11	Expenditures year-ended 09/30/12	Outstanding encumbrance 09/30/12
Sub-total brought forward			\$ 1,831,243	\$ 1,575,430	\$ 127,742	\$ 128,071
LEED - Amendment 2		11/18/2009	1,500	1,500	-	-
Soil Testing- Amendment 3		5/12/2010	4,550	4,550	-	-
Taleyfac Bridge Project	HS-1001	12/16/2009	606,198	-	128,389	477,809
Taleyfac Bridge Project - Amendment 1		8/4/2010	80,000	-	-	80,000
We Are Pagat Video Project	GPTG11-01	5/2/2011	5,000	800	4,200	-
Navigating Cultural Values	GPTG11-02	5/2/2011	5,000	141	3,825	1,034
Plight of Pagat Video	GPTG11-03	5/2/2011	5,000	-	-	5,000
T. Iglesias Archeology Services	GPTG11-05	9/2/2011	5,000	2,876	2,124	-
George Flores Museum	GPTG11-06	Pending	5,000	-	-	5,000 ***
Edgar Flores Photo Documentary	GPTG11-07	9/27/2011	5,000	-	-	5,000 **
Influential Women in Guam's History	GPTG11-08	8/10/2011	5,000	-	5,000	-
House that Jose Built	GPTG11-09	10/5/2011	5,000	-	-	5,000
S. Duenas Archeology Services	GPTG11-10	8/26/2011	5,000	4,440	-	560 *
Guam Humanities Gala Sponsorship	BP12-01	11/9/2011	1,500	1,500	-	-
Guam/National History Day	BP12-02	3/14/2012	65,052	-	41,541	23,511 *
Chamorro Language Competition	BP12-03	2/8/2012	4,000	-	2,985	1,015 *
Humatak Umatac Exhibit	BP12-04	2/8/2012	5,862	-	5,862	-
Micronesian Endowment Historic Preservation Conference	BP12-05	2/8/2012	4,500	-	797	3,703
Marianas History Conference	BP12-07	4/3/2012	10,000	-	10,000	-
Sub-total, carried forward			2,659,405	1,591,237	332,465	735,703

Guam Preservation Trust
(A Component Unit of the Government of Guam)

Schedule of Grant Projects Reserved for Encumbrances, continued

<u>Description</u>	<u>Grant no.</u>	<u>Date approved</u>	<u>Grant amount</u>	<u>Year-to-date expenditures FYE 09/30/11</u>	<u>Expenditures year-ended 09/30/12</u>	<u>Outstanding encumbrance 09/30/12</u>
Sub-total brought forward			\$ 2,659,405	\$ 1,591,237	\$ 332,465	\$ 735,703
Historic Landmark Signs	BP12-08	5/9/2012	4,830	-	2,070	2,760
APIA Forum	BP12-09	2/8/2012	20,271	-	20,271	-
Amendment 1		5/9/2012	3,526	-	3,526	-
GPT Desk Audit	BP12-10	7/30/2012	5,800	-	5,800	-
Guam Micronesian Island Fair	BP12-11	9/12/2012	5,000	-	5,000	-
TASA; Guma Latte Marianas	GPTG-12-01	4/23/2012	5,000	-	-	5,000
I Know Guam	GPTG-12-02	7/18/2012	5,000	-	1,000	4,000
Marianas History Conference	GPTG-12-04	7/17/2012	1,680	-	1,480	200
E-Publication			-	-	-	-
Chemical Dating Analysis	GPTG-12-05	4/23/2012	4,629	-	1,124	3,505
Mahalac Cave			-	-	-	-
Pagat, Haputo, & Hilaan	GPTG-12-06	7/24/2012	5,000	-	4,500	500
Ethnography			-	-	-	-
Margaret Peredo - Archeology	GPTG-12-07	9/17/2012	5,000	-	2,500	2,500
Monitoring			-	-	-	-
Pagat Briefing	N/A	9/12/2012	3,000	-	3,000	-
Amendment	N/A	9/25/2012	625	-	625	-
			<u>\$ 2,728,766</u>	<u>\$ 1,591,237</u>	<u>\$ 383,361</u>	<u>\$ 754,168</u>

* Represents grants/projects that have been completed and whose grant balance will be reverted back to the Trust. (25,086)

** Represents grants/projects that have been approved by the Board of Directors, but have been cancelled by the applicant. (5,000)

*** Represents grants that have been approved by the Board of Directors but are pending a signed contract. (5,000)

Total outstanding encumbrance as of FY2012: \$ 719,082