

*Financial Statements and  
Supplementary Information*

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

*Year ended September 30, 2016  
with Report of Independent Auditors*



**Building a better  
working world**

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

Financial Statements and  
Supplementary Information

Year ended September 30, 2016

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## Report of Independent Auditors

The Board of Directors  
Guam Preservation Trust

### **Report on the Financial Statements**

We have audited the accompanying governmental funds balance sheet/statement of net position of the Guam Preservation Trust (the Trust), a component unit of the Government of Guam, as of September 30, 2016, and the related statement of governmental fund revenues, expenditures and changes in fund balance/statement of activities for the year then ended, and the related notes to the financial statements, which collectively comprise the Guam Preservation Trust's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Guam Preservation Trust as of September 30, 2016, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

## ***Other matters***

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Guam Preservation Trust's basic financial statements. The supplementary comparative financial statement information included in pages 29 and 30 and the Schedule of Grant Projects Reserved for Encumbrances included in page 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such supplementary comparative financial statement information and the Schedule of Grant Projects Reserved for Encumbrances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the comparative financial statement information and the Schedule of Grant Projects Reserved for Encumbrances are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated March 14, 2017 on our consideration of the Guam Preservation Trust's internal control over financial reporting and on 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 *Government Auditing Standards* in considering the Guam Preservation Trust's internal control over financial reporting and compliance.

*Ernst + Young LLP*

March 14, 2017

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

**Management’s Discussion and Analysis**

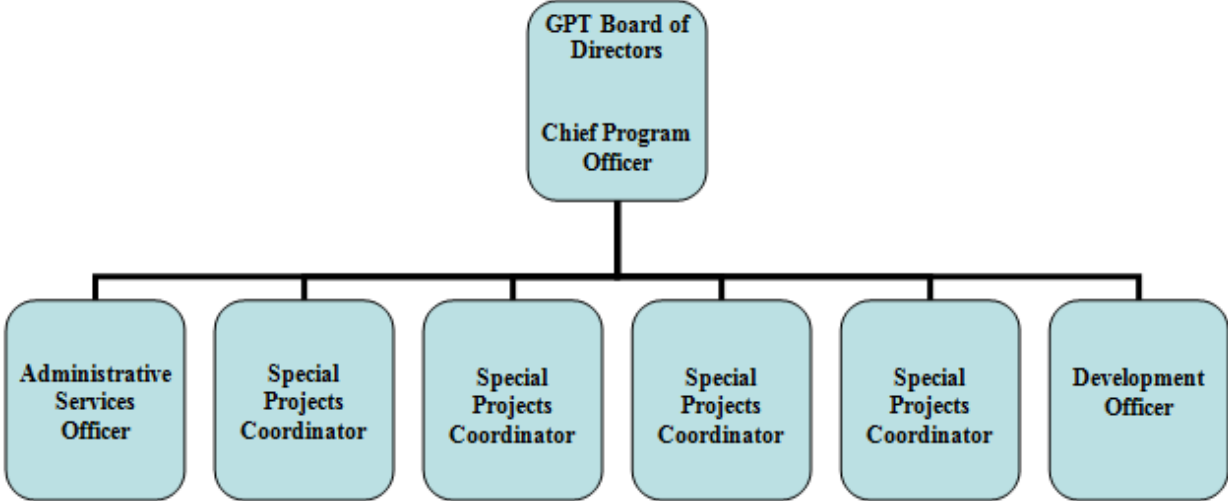
The Management's Discussion and Analysis (MD&A) of the Guam Preservation Trust’s financial performance provides an overall review of the Trust's financial activities for the fiscal year ended September 30, 2016. This presentation is provided to better understand the Trust and its financial status in accordance with United States 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 supports various types of heritage projects.

**Management**

The 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 Thursday of the month at 3:00pm. In Fiscal Year 2016, a total of six (6) Trust Board of Directors meetings were conducted and a total of thirty (30) board resolutions were made. Attendance of Board Members representing four of the five disciplines constitutes a quorum.



Guam Preservation Trust  
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Management’s Discussion and Analysis, continued

**Management, continued**

The Trust Board Members by discipline are:

<u>Discipline</u>	<u>Primary</u>	<u>Alternate</u>
<i>Architecture</i>	Michael Makio, AIA (Board Chair)	(Vacant)
<i>Archaeology</i>	Cacilie Craft	(Vacant)
<i>Chamorro Culture</i>	Rebecca Dueñas	Marilyn Salas, Ph.D.
<i>History</i>	Eric Forbes	James Viernes
<i>Planning</i>	Dave Lotz	Joaquin Perez

The Trust is currently staffed by Joseph Quinata, Chief Program Officer; Ruby Santos, Administrative Services Coordinator; Andrew Tenorio, Special Projects Coordinator, and Lawrence Borja, Development Officer. 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 policy.

**The 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 Trust Mission**

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

**2016 Highlights**

***Restoration, Rehabilitation, and Reconstruction of Historic Structures***

During the year ended September 30, 2016, the Guam Preservation Trust Board of Directors approved funding of about \$1.2 million and expended about \$3.9 million in total for the rehabilitation and reconstruction of the ***Historic Guam Congress Building*** in Hagåtña, the ***Juan Flores and Doris Flores Lujan Homes*** in Inarajan, the ***Malesso Bell Tower*** in Merizo, and the ***Magellan Monument*** in Umatac. In the last twenty-five years, this has been the largest amount approved in a given year to preserve and protect Guam’s historic sites and structures.

***Capacity Building for Historic Preservation in Guam and the Pacific***

The Guam Preservation Trust, in partnership with local and federal organizations such as the Guam Bureau of Planning and Statistics, the Advisory Council for Historic Preservation (ACHP), Guam Community College, University of Guam, and the U.S. Department of Interior, have provided technical training to build the capacity of professionals in historic preservation. A total of over 50 professionals from the fields of archaeology, architecture, engineering, and historic preservation technicians from the region participated in their respective training sessions. A total of \$126,473 was awarded to the Guam Preservation Trust for the three-year Pacific Preservation grant program ([www.pacificpreservation.org](http://www.pacificpreservation.org)). This award has been the largest received that is dedicated to building the capacity of our preservationists in Guam and the Pacific.

Guam Preservation Trust  
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Management's Discussion and Analysis, continued

**2016 Highlights, continued**

***Historic Preservation and Secondary School-Aged Youth***

The Guam Preservation Trust in partnership with local and national organizations continues to provide teachers and youth with resources and opportunities to become stewards in heritage preservation. Two significant programs are the Guam/National History Day (<http://guamhistoryday.weebly.com/>) and the Pacific Heritage Youth Summit (<http://2016summit.weebly.com/>). With the Trust and community funding from both national and local communities, these programs continue to provide necessary tools for students to participate in historic preservation in their respective communities. Approximately \$200,000 of funding and in-kind contributions was dedicated annually and biennially towards the betterment for our children...our future.

***Community Partnerships and Investments***

In 2016, the Trust partnered with over 50 public and private organizations, and individuals from the community to oversee 15 grants and projects to accomplish our *proposed outcomes* (Goals) for the year. All have been successful in their respective delivery to the community for their benefit and appreciation.

***Regional and National Support***

The Trust 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:

National Preservation Institute (NPI); Asian & Pacific Islanders American for Historic Preservation (APIAHIP); National History Day, Inc. (NHD); The National Trust for Historic Preservation (NTHP); National Park Service; Association for Preservation Technology International (APT); U.S. Department of Interior (DOI/TAP); and The Nature Conservancy (TNC).

**Trust Standards of Success (Goals)**

Guam's preservation stakeholders presented the Trust Five-Year Historic Preservation Master Plan ([http://www.guampreservationtrust.com/images/gpt\\_master\\_plan.pdf](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 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.



Guam Preservation Trust  
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Management's Discussion and Analysis, continued

**Trust Standards of Success (Goals), continued**

***Historic Property Documentation and Register Nomination***

The 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.

**Proposed Outcomes**

Project Name	Date Approved	Approved Amount	Expenditures to Date	Balance at 09/30/16
Manenggon Concentration Camp Site Nomination	05/15/14	\$39,412	\$39,412	\$---
Former US District Court of Guam Island Court of Guam Nomination*	06/09/13	5,000	4,770	230
<b>Total</b>		<b>\$44,412</b>	<b>\$44,182</b>	<b>\$230</b>

\* Unused balances at September 30, 2016 will be reverted back to the Trust.

***Public Interpretation and Presentation***

The Trust will assist historians and other writers in the interpretation and presentation of historic properties for public education and appreciation.

**Proposed Outcomes**

Project Name	Date Approved	Approved Amount	Expenditures to Date	Balance at 09/30/16
George Flores Museum	08/10/11	\$ 5,000	\$ 5,000	\$ ---
Taleyfac Bridge Signage	04/17/13	10,000	215	9,785
The Ritidian Story: An Illustrated History of Ancient Life & Landscape at Ritidian (MARC)	06/19/13	5,000	3,750	1,250
Amot Hunters	11/13/13	5,000	3,750	1,250
I Yo' amte Past to Present	10/09/14	5,000	5,000	---
A Year on the Island	12/18/14	10,000	10,000	---
Rosario House Fencing	01/26/15	12,000	11,944	56
Section 106 Training	08/13/15	13,724	13,724	---
Teaching with Historic Places	08/13/15	14,400	2,100	12,300
Pacific Heritage Youth Summit (Federal Grant)	10/01/15	50,000	35,147	14,853
Pacific History Conference	10/22/15	20,000	20,000	---
Ta Na La'La, Ta Praktika, Para I Hinemlota Project	10/22/15	3,930	2,948	982
Ta Na La'La, Ta Praktika, Para I Hinemlota Project – Amendment I	02/11/16	4,270	---	4,270
Subtotal carried forward		\$158,324	\$113,578	\$44,746

Guam Preservation Trust  
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Management's Discussion and Analysis, continued

**Trust Standards of Success (Goals), continued**

<b>Project Name</b>	<b>Date Approved</b>	<b>Approved Amount</b>	<b>Expenditures to Date</b>	<b>Balance at 09/30/16</b>
Subtotal brought forward		\$158,324	\$113,578	\$44,746
Who Wears the Beads	10/22/16	15,000	14,000	1,000
Fan Hasso Guahan	02/09/16	9,920	7,440	2,480
APIAHiP Conference	03/21/16	2,000	2,000	---
National History Day	03/21/16	28,000	28,000	---
National History Day – Teacher Award	06/09/16	500	500	---
2016 Congressional Art Competition	05/02/16	500	500	---
Board Orientation*	07/11/16	1,500	1,390	110
<b>Total</b>		<b>\$215,744</b>	<b>\$167,408</b>	<b>\$48,336</b>
* Unused balances at September 30, 2016 will be reverted back to the Trust.				

***Architectural Research***

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**

<b>Project Name</b>	<b>Date Approved</b>	<b>Approved Amount</b>	<b>Expenditures to Date</b>	<b>Balance at 09/30/16</b>
Meno House A&E	02/13/14	\$ 71,884	\$ 71,884	\$ ---
Guam Legislature – RNK	05/15/14	180,000	176,250	3,750
FQ Sanchez A&E	12/18/14	208,054	207,554	500
F.Q. Sanchez – Amendment	06/04/15	35,608	35,608	---
Architecture Book for Guam	02/23/15	49,500	20,625	28,875
<b>Total</b>		<b>\$545,046</b>	<b>\$511,921</b>	<b>\$33,125</b>

***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**

<b>Project Name</b>	<b>Date Approved</b>	<b>Approved Amount</b>	<b>Expenditures to Date</b>	<b>Balance at 09/30/16</b>
Pagat, Haputo, Hilaan Documentary	07/24/12	\$5,000	\$4,500	\$500
<b>Total</b>		<b>\$5,000</b>	<b>\$4,500</b>	<b>\$500</b>

Guam Preservation Trust  
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Management's Discussion and Analysis, continued

**Trust Standards of Success (Goals), continued**

***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**

<b>Project Name</b>	<b>Date Approved</b>	<b>Approved Amount</b>	<b>Expenditures to Date</b>	<b>Balance at 09/30/16</b>
Malesso Bell Tower & Magellan Monument	08/20/15	\$ 101,413	\$ 98,624	\$ 2,789
Malesso Bell Tower & Magellan Arborist	08/20/15	1,500	1,500	---
Guam Congress/Legislature	05/18/15	2,759,278	2,208,501	550,777
Guam Congress/Legislature – Change Order 1	07/12/16	24,101	---	24,101
4 Historic Inarajan Homes Construction Administration	06/22/15	128,960	10,747	118,213
Juan Flores House	12/01/15	572,090	303,667	268,423
Doris Lujan House	07/11/16	410,392	---	410,392
<b>Total</b>		<b>\$3,997,734</b>	<b>\$2,623,039</b>	<b>\$1,374,695</b>

***Archaeological Research***

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

**Proposed Outcomes**

<b>Project Name</b>	<b>Date Approved</b>	<b>Approved Amount</b>	<b>Expenditures to Date</b>	<b>Balance at 09/30/16</b>
Latte Quarrying Project	10/22/15	\$ 6,200	\$2,092	\$4,108
Phase 1 – Pilot Study Ancient mtDNA in the Dentitions from Naton Beach	10/22/15	3,028	2,271	757
Archaeological Survey – Ann Perez*	02/09/16	2,500	2,450	50
<b>Total</b>		<b>\$11,728</b>	<b>\$6,813</b>	<b>\$4,915</b>

\* Unused balances will be reverted back to the Trust.

Guam Preservation Trust  
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Management’s Discussion and Analysis, continued

**Trust Standards of Success (Goals), continued**

***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.

No proposals were received for this category; therefore no funding was approved for FY 2016.

***Legislative Initiative (Public Law 31-19)***

Project Name	Date Approved	Approved Amount	Expenditures to Date	Balance at 09/30/16
Manuel Guerrero Bldg. Demolition	06/04/15	\$1,000,000	\$345,086	\$654,914
<b>Total</b>		<b>\$1,000,000</b>	<b>\$345,086</b>	<b>\$654,914</b>

**Guam Preservation Trust**  
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**Management's Discussion and Analysis, continued**

**Financial Analysis**

Our analysis is based on the following condensed financial data for the years ended September 30, 2016, 2015 and 2014.

	September 30, <u>2016</u>	September 30, <u>2015</u>	September 30, <u>2014</u>	2016 % increase (decrease) <u>from 2015</u>
<u>Statement of Net Position</u>				
Assets:				
Cash and cash equivalents	\$ 957,232	\$ 1,965,439	\$ 1,934,315	-51.30%
Investments	2,579,606	3,982,618	4,975,420	-35.23%
Receivables:				
Buidling permit fund	1,795,286	1,689,053	1,578,218	6.29%
Allowance for doubtful accounts	(1,535,526)	(1,535,525)	(1,517,137)	0.00%
Prepaid expenses	9,622	19,855	13,854	-51.54%
Other assets	<u>10,279,215</u>	<u>10,202,274</u>	<u>10,077,676</u>	0.75%
 Total assets	 <u>14,085,435</u>	 <u>16,323,714</u>	 <u>17,062,346</u>	 -13.71%
 Liabilities:				
Accrued expenses	459,734	56,372	72,915	715.54%
Deposits payable - grants	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	0.00%
 Total liabilities	 <u>467,734</u>	 <u>64,372</u>	 <u>80,915</u>	 626.61%
 Net position:				
Invested in capital assets	370,515	293,574	177,676	26.21%
Unrestricted	3,323,633	6,057,068	6,903,755	-45.13%
Restricted	<u>9,923,553</u>	<u>9,908,700</u>	<u>9,900,000</u>	0.15%
 Total net position	 \$ <u>13,617,701</u>	 \$ <u>16,259,342</u>	 \$ <u>16,981,431</u>	 -16.25%

**Guam Preservation Trust**  
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**Management's Discussion and Analysis, continued**

**Financial Analysis, continued**

	Year ended September 30, <u>2016</u>	Year ended September 30, <u>2015</u>	Year ended September 30, <u>2014</u>	2016 % increase (decrease) <u>from 2015</u>
<u>Statement of Activities</u>				
Building permit fees	\$ 721,233	\$ 924,329	\$ 1,413,023	-21.97%
Grants / support - unrestricted	57,921	---	64,499	---
Interest income	<u>48,026</u>	<u>148,473</u>	<u>118,423</u>	-67.65%
 Total revenues	 827,180	 1,072,802	 1,595,945	 -22.90%
 Expenditures	 (3,611,526)	 (1,606,779)	 (1,068,151)	 124.77%
Contributions - restricted	---	---	9,900,000	---
Unrealized gain (loss) on investments	<u>142,705</u>	<u>(188,112)</u>	<u>131,951</u>	-175.86%
 (Decrease) increase in net position	 (2,641,641)	 (722,089)	 10,559,745	 265.83%
 Net position at beginning of year	 <u>16,259,342</u>	 <u>16,981,431</u>	 <u>6,421,686</u>	 -4.25%
 Net position at end of year	 <u>\$ 13,617,701</u>	 <u>\$ 16,259,342</u>	 <u>\$ 16,981,431</u>	 -16.25%

***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) 2016, a total of \$721,233 was collected from building permit fees, a decrease by \$203,096 or 22% from the 2015 total of \$924,329. The decrease was partly due to a result of a mandate initiated by the 33<sup>rd</sup> Guam Legislature, re-allocating 50% of revenues from the Building Permit Fees to go towards the Guam Museum and Department of Public Works.

***Investments***

Interest income on investments decreased between FY 2016 and FY 2015. In FY 2016, \$48,026 was earned on interest income, compared to \$148,473 in Fiscal Year 2015. The 68% decrease is due to the drawdowns from investment accounts to pay for capital improvement projects such as the Guam Congress Building and Juan Flores House Projects. These drawdowns were anticipated for fiscal years 2016 and 2017.

Guam Preservation Trust  
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Management's Discussion and Analysis, continued

**Financial Analysis, continued**

*Expenditures*

Overall expenditures for FY 2016 is \$3,611,526, an increase of 123% from FY 2015 total of \$1,606,779. The increase is mostly attributed by the rehabilitation and reconstruction of the Guam Congress Building (\$2,032,198) in Hagåtña, the Juan Flores House in Inarajan (\$303,667), and the demolition (\$345,086) of the Governor Manuel Guerrero Department of Administration Building (an initiative by the 33<sup>rd</sup> Guam Legislature). Although the Guam Preservation Trust invested over \$3 million on historic preservation, our overall projects generated additional funding of about \$4.2 million from partner-contributed funds.

Guam Preservation Trust  
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Governmental Funds Balance Sheet/Statement of Net Position

September 30, 2016

	<u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u>
<b>Assets:</b>			
Cash and cash equivalents <i>(Note 3)</i>	\$ 957,232	\$ -	\$ 957,232
Investments <i>(Note 3)</i>	2,579,606	-	2,579,606
Due from Government of Guam			
Building Permit Fund, net <i>(Note 4)</i>	259,760	-	259,760
Prepaid expenses	9,622	-	9,622
Depreciable capital assets, net <i>(Notes 2 and 5)</i>	-	55,467	55,467
Nondepreciable capital assets <i>(Notes 2 and 5)</i>	-	10,223,748	10,223,748
	<u>3,806,220</u>	<u>10,279,215</u>	<u>14,085,435</u>
Total assets	\$ <u>3,806,220</u>	<u>10,279,215</u>	<u>14,085,435</u>
<b>Liabilities and Net Position:</b>			
Accrued expenses	\$ 459,734	-	459,734
Grant deposit	8,000	-	8,000
	<u>467,734</u>	<u>-</u>	<u>467,734</u>
Total liabilities	<u>467,734</u>	<u>-</u>	<u>467,734</u>
Commitments and contingencies <i>(Note 6)</i>			
Fund balances - assigned <i>(Note 2)</i>	<u>3,338,486</u>	( <u>3,338,486</u> )	<u>-</u>
Total fund balances	<u>3,338,486</u>	( <u>3,338,486</u> )	<u>-</u>
Total liabilities and fund balances	\$ <u>3,806,220</u>		
Net position:			
Invested in capital assets		370,515	370,515
Unrestricted		3,323,633	3,323,633
Restricted <i>(Note 5)</i>		9,923,553	9,923,553
Total net position		<u>\$ 13,617,701</u>	<u>\$ 13,617,701</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/Statement of Activities

Year ended September 30, 2016

	<u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Activities</u>
Revenues:			
Building permit fees	\$ 721,233	\$ -	\$ 721,233
Grants and other support	51,000	-	51,000
Interest income	48,026	-	48,026
Other support	6,921	-	6,921
Total revenues	827,180	-	827,180
Expenditures:			
Program services - projects/grants	3,088,071	-	3,088,071
Supporting services:			
Personnel ( <i>Note 7</i> )	331,453	-	331,453
Capital outlays	89,856	( 89,856 )	-
Contractual	53,211	-	53,211
Travel	36,520	-	36,520
Insurance	29,448	-	29,448
Trust fund and investment fees	22,878	-	22,878
Supplies and equipment rental	16,510	-	16,510
Miscellaneous	6,796	-	6,796
Utilities	4,831	-	4,831
Communication	4,443	-	4,443
Advertising	2,350	-	2,350
Stipend	2,100	-	2,100
Depreciation expense	-	12,915	12,915
Total expenditures/expenses	600,396	( 76,941 )	523,455
Total expenditures/expenses	3,688,467	( 76,941 )	3,611,526
Unrealized gain on investments	142,705	-	142,705
Deficiency of revenues over expenditures and unrealized gain on investments	( 2,718,582 )	( 2,718,582 )	-
Decrease in net position		( 2,641,641 )	( 2,641,641 )
Fund balance/net position:			
Beginning of year	6,057,068	-	16,259,342
End of year	\$ 3,338,486	\$ -	\$ 13,617,701

See accompanying notes.

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

Notes to Financial Statements

Year ended September 30, 2016

**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 Liheslaturan 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 position 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 U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing Governmental Accounting and Financial Reporting Principles.

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 position 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 reduced by liabilities and deferred inflows of resources related to those assets and (3) unrestricted assets.

Assets are reported as restricted when constraints are imposed by third parties or enabling legislation.

**Measurement Focus/Government-wide and Fund Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus.

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**

The Trust accounts 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 position.

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 position of governmental activities in the Statement of Net Position as of September 30, 2016 is as follows:

Fund balance – governmental funds	\$ 3,338,486
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Amounts reported for governmental activities in the Balance Sheet differ from the amounts reported in the Statement of Net Position because:

Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds	<u>10,279,215</u>
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Net position of governmental activities	<u>\$13,617,701</u>
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Adjustments required to reconcile net change in total governmental fund balance to change in net position of governmental activities in the Statement of Activities for the year ended September 30, 2016 is as follows:

Net change in fund balances - governmental funds	\$(2,718,582)
--	---------------

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:

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 capital outlays exceeded depreciation	<u>76,941</u>
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Change in net position of governmental activities	<u>\$(2,641,641)</u>
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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/statement of net position, 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. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated over a period of 3 to 10 years using the straight-line method.

**Impairment of Capital Assets**

In accordance with GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* the Trust evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred.

A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value.

**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 cash and investment 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.

Public Law 33-66 amended Article 6, Chapter 76, Title 21 of the Guam Code Annotated, to allow for 50% of all building permit fees to be deposited in the Trust's fund. This became effective starting fiscal year ending September 30, 2016.

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

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Income Taxes**

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

**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**

**Recently Adopted Accounting Pronouncements**

As of October 1, 2015, the Trust implemented the following GASB pronouncements:

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement establishes accounting and financial reporting standards for fair value measurements, the level of fair value hierarchy, and valuation techniques.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

**Upcoming Accounting Pronouncements**

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes accounting and financial reporting standards for pensions that do not meet the requirements set forth in Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*, and makes some modifications to GASB Statements No. 67 and 68. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. GASB Statement No. 73 will become effective for fiscal year ending September 30, 2017.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. This Statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. GASB Statement No. 74 will be effective for fiscal year ending September 30, 2017.

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

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Upcoming Accounting Pronouncements, continued**

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This Statement replaces the requirement of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. GASB Statement No. 75 will be effective for fiscal year ending September 30, 2018.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. GASB Statement No. 77 will be effective for fiscal year ending September 30, 2017.

In December 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. GASB Statement No. 78 will be effective for fiscal year ending September 30, 2017.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. GASB Statement No. 79 will be effective for fiscal year ending September 30, 2017.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The Statement is intended to provide clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. GASB Statement No. 80 will be effective for fiscal year ending September 30, 2017.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The Statement is intended to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 81 will be effective for fiscal year ending September 30, 2018.



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

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Upcoming Accounting Pronouncements, continued**

In March 2016, GASB issued Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68 and No. 73*. The Statement addresses issues regarding (1) presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB Statement No. 81 will be effective for fiscal year ending September 30, 2017.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations. GASB Statement No. 83 will be effective for fiscal year ending September 30, 2019.

The Trust is currently evaluating the effects the above upcoming accounting pronouncements might have on its financial statements.

**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.

*Custodial Credit Risk*

Custodial credit risk for cash and cash equivalents and investments is the risk that in the event of the failure of the counterparty to the transaction, the Trust's deposits and investments may not be returned to it. The Trust does not have a deposit and/or investment policy for custodial credit risk. As of September 30, 2016, cash and cash equivalents and investments were held by depositories and amounted to \$3,536,838 of which \$1,948,033 were insured and \$1,588,805 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, 2016.

*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, a majority of the Trust's investments have maturities of one year or less. This reduces the impact of interest rate movements seen with longer maturity investments.

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

Notes to Financial Statements, continued

**3. Cash and Cash Equivalents and Investments, continued**

*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, 2016:

<u>Type</u>	<u>Amount</u>	<u>% of Portfolio</u>
Time certificates of deposits (TCD)	\$1,579,932	61%
Equities	603,155	23%
ETFs	225,472	9%
Other (fixed income)	<u>171,047</u>	<u>7%</u>
	<u>\$2,579,606</u>	<u>100%</u>

**Investments Measured at Fair Value**

The Trust categories its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following presents the Trust's assets carried at fair value by fair value hierarchy at September 30, 2016:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value				
Equity securities	\$ 603,155	\$ -	\$ 603,155	\$ -
Investments measured at cost				
Time Certificates of Deposits (TCD)	1,579,932	-	1,579,932	-
Exchange Traded Funds (ETFs)	225,472	-	225,472	-
Others	171,047	-	171,047	-
	<u>\$ 2,579,606</u>	<u>\$ -</u>	<u>\$ 2,579,606</u>	<u>\$ -</u>

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

Notes to Financial Statements, continued

**3. Cash and Cash Equivalents and Investments, continued**

The Trust's credit distribution for its investments is as follows:

At September 30, 2016		
	Standard & Poor's/Moody's Credit Rating	Amount
Equity securities	AAA	\$ 168,589
Equity securities	AA+	116,462
Equity securities	AA-	97,549
Equity securities	AA	30,876
Equity securities	A+	18,193
Equity securities	Unrated	171,486
ETFs	Unrated	225,472

At September 30, 2016, the Trust had the following investment maturities:

Investment type	Total	Less than 1 Year	1 - 5 Years	6 - 10 Years	More than 10 Years
TCDs	\$ 1,579,932	\$ 464,974	\$ 738,303	\$ 124,945	\$ 251,710
Equity securities	603,155	603,155	---	---	---
Exchange Traded Funds (ETFs)	225,472	225,472	---	---	---
Others	171,047	171,047	---	---	---
	\$ 2,579,606	\$ 1,464,648	\$ 738,303	\$ 124,945	\$ 251,710

**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.

The Trust recorded an allowance for uncollectible receivables totaling \$1,535,526 as of September 30, 2016.

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 year ended September 30, 2016:

	Beginning Balance <u>October 1, 2015</u>	<u>Additions</u>	Transfers and <u>Deletions</u>	Ending Balance <u>September 30, 2016</u>
Capital assets depreciated:				
Furniture, fixtures, and equipment	\$ 94,418	\$ ---	\$ ---	\$ 94,418
Less accumulated depreciation	( 26,036)	(12,915)	---	( 38,951)
Net capital assets depreciated	\$ <u>68,382</u>	\$( <u>12,915</u> )	\$ <u>---</u>	\$ <u>55,467</u>
Capital assets not depreciated:				
Construction-in-progress	\$ ---	\$ 52,189	\$ ---	\$ 52,189
Land	<u>10,133,892</u>	<u>37,667</u>	<u>---</u>	<u>10,171,559</u>
	<u>\$10,133,892</u>	\$ <u>89,856</u>	\$ <u>---</u>	\$ <u>10,223,748</u>

In February 2014, the Trust received donated land with a fair market value of approximately \$9.9 million at the date of donation. The donor placed restrictions over the use of the land. Accordingly, the Trust recorded the land as a component of restricted net position.

In January 2016, the Trust purchased a historical home which will be rehabilitated. The cost of the home is \$52,189.

**6. Commitments and Contingencies**

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 term 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 \$2,116,269 to fund grants approved as of September 30, 2016. 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 year ended September 30, 2016, the retirement contribution amounted to \$6,570 which is included as a component of personnel services in the accompanying Statement of Government Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities.

**8. Subsequent Events**

The Trust has evaluated subsequent events through March 14, 2017. It is also the date that the financial statements were available to be issued.

## Supplementary Information

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

Governmental Funds  
Balance Sheet/Statement of Net Position  
September 30, 2016  
(With comparative totals as of September 30, 2015)

	General Fund <u>2016</u>	General Fund <u>2015</u>	Statement of Net Position <u>2016</u>	Statement of Net Position <u>2015</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 957,232	\$ 1,965,439	\$ 957,232	\$ 1,965,439
Investments	2,579,606	3,982,618	2,579,606	3,982,618
Due from Government of Guam				
Building Permit Fund, net	259,760	153,528	259,760	153,528
Prepaid expenses	9,622	19,855	9,622	19,855
Depreciable capital assets, net	-	-	55,467	68,382
Nondepreciable capital assets	-	-	10,223,748	10,133,892
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ <u>3,806,220</u>	\$ <u>6,121,440</u>	<u>14,085,435</u>	<u>16,323,714</u>
<b>Liabilities and Net Position:</b>				
Accrued expenses	\$ 459,734	\$ 56,372	459,734	56,372
Grant deposit	8,000	8,000	8,000	8,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	467,734	64,372	467,734	64,372
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fund balances - assigned	3,338,486	6,057,068	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	3,338,486	6,057,068	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	\$ <u>3,806,220</u>	\$ <u>6,121,440</u>		
<b>Net position:</b>				
Invested in capital assets			370,515	293,574
Unrestricted			3,323,633	6,057,068
Restricted			9,923,553	9,908,700
Total net position			<u>\$ 13,617,701</u>	<u>\$ 16,259,342</u>

**Guam Preservation Trust**  
**(A Component Unit of The Government of Guam)**

**Statement of Governmental Fund Revenues, Expenditures and  
Changes in Fund Balance /Schedule of Activities**  
**Year ended September 30, 2016**  
(With comparative totals for the year ended September 30, 2015)

	General Fund <u>2016</u>	General Fund <u>2015</u>	Statement of Activities <u>2016</u>	Statement of Activities <u>2015</u>
<b>Revenues:</b>				
Building permit fees	\$ 721,233	\$ 924,329	\$ 721,233	\$ 924,329
Grants and other support	51,000	-	51,000	-
Interest income	48,026	148,473	48,026	148,473
Other support	6,921	-	6,921	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	827,180	1,072,802	827,180	1,072,802
<b>Expenditures:</b>				
Program services - projects/grants	3,088,071	1,021,432	3,088,071	1,021,432
<b>Supporting services:</b>				
Personnel	331,453	386,470	331,453	386,470
Capital outlays	89,856	131,664	-	-
Contractual	53,211	54,866	53,211	54,866
Travel	36,520	35,405	36,520	35,405
Insurance	29,448	21,783	29,448	21,783
Trust fund and investment fees	22,878	33,623	22,878	33,623
Supplies and equipment rental	16,510	22,762	16,510	22,762
Miscellaneous	6,796	5,421	6,796	5,421
Utilities	4,831	5,739	4,831	5,739
Communication	4,443	4,878	4,443	4,878
Advertising	2,350	5,484	2,350	5,484
Stipend	2,100	1,850	2,100	1,850
Depreciation expense	-	-	12,915	7,066
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures/expenses	3,688,467	1,731,377	3,611,526	1,606,779
Unrealized gain (loss) on investments	142,705	( 188,112 )	142,705	( 188,112 )
Deficiency of revenues over expenditures and unrealized gain (loss) on investments	( 2,718,582 )	( 846,687 )	-	-
Decrease in net position			( 2,641,641 )	( 722,089 )
<b>Fund balance/net position:</b>				
Beginning of year	6,057,068	6,903,755	16,259,342	16,981,431
End of year	<u>\$ 3,338,486</u>	<u>\$ 6,057,068</u>	<u>\$ 13,617,701</u>	<u>\$ 16,259,342</u>



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

Schedule of Grant Projects Reserved for Encumbrances

Description	Grant no.	Date approved	Grant amount	Year-to-date expenditures FYE 09/30/15	Expenditures year-ended 09/30/16	Outstanding encumbrance 09/30/16
Taleyfak Bridge Signage	HS-10-01 (A)	04/17/13	\$ 10,000	\$ 215	\$ -	\$ 9,785
George Flores Museum	GPTG-11-06	08/10/11	5,000	3,750	1,250	-
Pagat, Haputo, Hilaan Documentary	GPTG-12-06	07/24/12	5,000	4,500	-	500
Former US District Court of Guam Nomination	GPTG-13-10	06/19/13	5,000	3,750	1,020	230 *
The Ritidian Story: An Illustrated History of Ancient Life & Landscape at Ritidian	GPTG-13-11	06/19/13	5,000	3,750	-	1,250
Amot Hunters	GPTG-14-02	11/13/13	5,000	3,750	-	1,250
Meno House (Addendum)	HS-13-01 (A)	02/13/14	71,884	43,138	28,746	-
Maneggon Concentration Camp Site Nomination	BP-14-16	05/15/14	39,412	29,900	9,512	-
Guam Legislature (Architects RNK)	HS-09-02	05/15/14	180,000	103,750	72,500	3,750
I Yo'Amte Past to Present	GPTG15-01	10/09/14	5,000	3,750	1,250	-
A Year on the Island	GPTG15-02	12/18/14	10,000	9,000	1,000	-
FQ Sanchez Facility A&E	HS15-01	12/18/14	208,054	187,249	20,305	500
Amendment 1	HS15-01 (A)	06/04/15	35,608	17,804	17,804	-
Rosario House Fencing	BP15-06	01/26/15	12,000	10,144	1,800	56 *
Architecture Book for Guam	BP15-07	02/23/15	49,500	4,125	16,500	28,875
Guam Congress/Legislature Change Order No. 1	HS15-03	05/18/15	2,759,278	176,303	2,032,198	550,777
Manuel Guerrero Bldg Demolition DPW	BP15-12	06/04/15	1,000,000	-	345,086	654,914
Historic Inarajan 4 Homes-Const Admin	HS-13-01	06/22/15	128,960	-	10,747	118,213
Section 106 Training	BP15-13	08/13/15	13,724	10,000	3,724	-
Teaching with Historic Places	BP15-16	08/13/15	14,400	-	2,100	12,300
Malessso Bell Tower Magellan Monument	BP15-14	08/20/15	101,413	-	98,624	2,789
Malessso Bell Tower Magellan Monument Arborist	BP15-15	08/20/15	1,500	-	1,500	-
Pacific History Conference	BP16-01	10/22/15	20,000	-	20,000	-
Latte Quarrying Project	BP16-02	10/22/15	6,200	-	2,092	4,108
APIAHip Conference	BP16-03	03/21/16	2,000	-	2,000	-
National History Day	BP16-04	03/21/16	28,000	-	28,000	-
National History Day-Teacher Award		06/09/16	500	-	500	-
2016 Congressional Art Competition	BP16-05	05/02/16	500	-	500	-
Pacific Heritage Youth Summit	BP16-06	10/01/15	50,000	-	35,147	14,853
Board Orientation	BP16-07	07/11/16	1,500	-	1,390	110 *
Who Wears the Beads	GPTG-16-01	10/22/15	15,000	-	14,000	1,000
Phase 1 - Pilot Study Ancient DNA in the Denitions from Naton Beach	GPTG-16-02	10/22/15	3,028	-	2,271	757
Tan Na La'La, Ta Praktika, Para I Hinemlota Project	GPTG-16-03	10/22/15	3,930	-	2,948	982
Tan Na La'La, Ta Praktika, Para I Hinemlota Project	Amendment 1	02/11/16	4,270	-	-	4,270
Archaeological Survey-Anne Perez	GPTG-16-04	02/09/16	2,500	-	2,450	50 *
Fan Hasso Guahan	GPTG-16-05	02/09/16	9,920	-	7,440	2,480
Juan Flores House	HS-16-01	12/01/15	572,090	-	303,667	268,423
Doris Lujan House	HS-16-02	07/11/16	410,392	-	-	410,392
			<u>\$ 5,819,664</u>	<u>\$ 614,878</u>	<u>\$ 3,088,071</u>	<u>\$ 2,116,715</u>
						( 446 )
						<u><b>Total outstanding encumbrances as of FY2016 \$ 2,116,269</b></u>

\* Represents Grants/Projects that have been completed. Any unused portion will be reverted back to the Trust. ( 446 )

**Total outstanding encumbrances as of FY2016 \$ 2,116,269**