

*Financial Statements and
Supplementary Information*

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

*Year ended September 30, 2013
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, 2013

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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, 2013, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and governmental activities and the general fund of the Guam Preservation Trust as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 14 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 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 opinions on the financial statements that collectively comprise the Guam Preservation Trust's basic financial statements. The supplementary comparative financial statement information included in pages 28 and 29 and the Schedule of Grant Projects Reserved for Encumbrances included in pages 30 through 32 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 February 13, 2014 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

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

February 13, 2014

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

Management's Discussion and Analysis

Year ended September 30, 2013

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, 2013. This presentation is provided to better understand the Trust and its financial status in accordance with the 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 Wednesday of the month at 3:30pm. In Fiscal Year 2013, a total of five (5) Trust Board of Directors 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
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Management's Discussion and Analysis, continued

Management, continued

The Trust Board Members by discipline are:

- **Architecture – Primary:** Michael Makio, AIA (Board Chair) **Alternate:** (vacant)
- **Archaeology – Primary:** Richard Olmo **Alternate:** (vacant)
- **Chamorro Culture – Primary:** Rebecca Dueñas (Board Vice-Chair) **Alternate:** Marilyn Salas, Ph.D.
- **History – Primary:** Helen Bordallo (Board Secretary and Treasurer) **Alternate:** (vacant)
- **Planning – Primary:** Dave Lotz **Alternate:** (vacant)

The Trust is currently staffed by Joseph Quinata, Chief Program Officer; Ruby Santos, Administrative Services Coordinator; Nicole Calvo, Special Projects Coordinator; Angelica Okada Roscoe, Specials Projects Coordinator; and Andrew Tenorio, Special Projects 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 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.

2013 Highlights

Guam Preservation Trust Five-Year Strategic Plan

Focus group sessions to develop the Trust's next five-year strategic plan were conducted in 2013 and the final draft is before the Trust Board for approval. The five-year strategic plan involves engagements and dialogue with community stakeholders to bring about the best possible way to advance preservation on Guam. Four focus group sessions involving over 95 stakeholders were conducted to provide the Trust with innovative and creative ideas to advance preservation through preservation projects, education awareness and outreach, capacity building, and resource development.

Guam Preservation Trust
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Management's Discussion and Analysis, continued

2013 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 España'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. To date, the rehabilitation of the Plaza de España was completed and a ribbon cutting ceremony was held on December 30, 2013; The rehabilitation of Inarajan homes of Juan S. N. Flores, Doris Flores Lujan, and Antonia Chargualaf, are currently undergoing the Architectural and Engineering Design Phase. The Structural Assessment and Historic Structures Report for the F. Q. Sanchez School facility in Umatac is currently underway.

Talaifak Bridge Ribbon Cutting Ceremony

The Trust, with funding partnership from the Federal Highway Administration (FHWA), completed the rehabilitation and restoration of the Historic Talaifak Bridge in Agat and a ribbon ceremony was held on May 23, 2013. Over \$600,000 was invested by the Trust to preserve one of Guam's iconic historic sites.

Capacity Building

The Trust, in its effort to build the capacity of the community to advance historic preservation, co-sponsored conferences, fairs, scholarship programs, and educational series. Over \$100,000 was invested in co-sponsoring capacity building programs such as the 2nd Marianas History Conference, Guam History Day Competition, Chamorro Language Competition, Micronesian Endowment for Historic Preservation, Guam Humanities Council *I Tano yan I Tasi* Program Series, Guam/Micronesia Island Fair, Pãgat Educational Series, Talaifak Bridge Interpretive Signage, University of Guam Micronesian Studies Scholarship Program, and historic sites' educational posters (Talaifak Bridge and Lujan House).

Guam Preservation Trust
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Management's Discussion and Analysis, continued

Community Partnerships and Investments

In 2013, the Trust partnered with over 50 public and private organizations, and individuals from the community to oversee 17 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.

The Trust Board approved about \$473,000 for grants and projects for this fiscal year. The total grants and projects decreased to 17 submissions as compared to last year's total of 19 submissions. The 17 grants and projects contributed an estimated total of \$750,000 (in-kind and cash contributions) as our partners' share to advance preservation on Guam.

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:

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); The National Trust for Historic Preservation (NTHP), Western Division; SNR Denton US LLP; University of Hawaii; National Park Service; and Association for Preservation Technologies International (APT); 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.

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 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	Amount	Balance at 09/30/13
Former US District Court of Guam Island Court of Guam Nomination	06/19/13	\$5,000	\$1,250
Total		\$5,000	\$1,250

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	Amount	Balance at 09/30/13
Exploring Guam's Heritage*	07/08/09	\$ 8,290	\$ 900
Preserve Micronesia Video**	08/12/09	8,400	8,400
Navigating Cultural Values	05/02/11	5,000	1,034
Plight of Pagat Video	05/02/11	5,000	5,000
House that Jose Built	10/05/11	5,000	---
Micronesia Endowment Historic Preservation Conference*	02/08/12	4,500	3,703
TASA: Guma Latte Marianas	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	3,000
GPT Desk Audit	07/30/12	6,032	---
George Flores Museum***	Pending	5,000	5,000
Edgar Flores Photo Documentary**	09/27/11	5,000	5,000
Marianas History Conference	07/17/12	1,680	---
GPT Strategic Plan	09/12/12	12,250	10,437
UOG Foundation Sponsorship	03/14/13	5,000	---
Guam Humanities Council Sponsorship	03/14/13	1,500	---
UOG Chamorro Language Competition	03/14/13	5,000	---
GVB – Guam Micronesia Fair	03/14/13	5,000	---
Subtotal carried forward		\$97,652	\$47,974

Guam Preservation Trust
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Management's Discussion and Analysis, continued

Trust Standards of Success (Goals), continued

Public Interpretation and Presentation, continued

Project Name	Date Approved	Amount	Balance at 09/30/13
Subtotal brought forward		\$ 97,652	\$47,974
Taleyfak Commemorative Poster	04/17/13	3,000	---
Taleyfak Commemorative Poster (Amendment 1)	04/17/13	10,000	9,785
Marianas History Conference II	03/14/13	10,000	---
Exploring Guam's Heritage	09/11/13	1,860	---
Across the Water in Time	03/14/13	5,000	---
Leblon Amot Famagu'on	03/14/13	5,000	1,250
Amot Famalao'an: Women's Holistic Health	03/14/13	5,000	1,250
Haya Foundation: Para Hinemlo	03/14/13	5,000	1,250
A Film to Document & Promote Guam's Cultural Heritage Sites	03/14/13	5,000	1,250
Guam Governance	03/14/13	5,000	---
Case Study of a Suruhana/u	03/14/13	5,000	1,250
Seabee Marine Park Concept Plan	03/14/13	5,000	2,500
Mitigation Project – Ylig Bridge	06/19/13	14,999	4,999
The Ritidian Story: An Illustrated History of Ancient Life & Landscape at Ritidian	06/19/13	5,000	1,250
Total		\$182,511	\$72,758
* Unused balances at September 30, 2013 will be reverted back to the Trust.			
** This grant has been canceled by the applicant.			
*** This grant has been approved by the Trust Board but is pending a signed contract.			

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.

Guam Preservation Trust
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Management's Discussion and Analysis, continued

Trust Standards of Success (Goals), continued

Architectural History, continued

Proposed Outcomes

Project Name	Date Approved	Amount	Balance at 09/30/13
Duenas & Bordallo - Plaza De Espana (Amendment 2)*	03/14/12	\$ 23,590	\$ 3,600
Architect RNK - Guam Legislature	05/11/09	220,000	4,475
Historic Inalahan Revitalization Plan	02/10/10	59,800	14,950
A&E to Rehabilitate 3 Homes – Antonia Chargualaf, Doris Lujan & Juan SN Flores	09/06/13	215,572	215,572
Structural Assessment for FQ Sanchez	09/06/13	64,018	64,018
Total		\$582,980	\$302,615
* Unused balances at September 30, 2013 will be reverted back to the Trust.			

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

Project Name	Date Approved	Amount	Balance at 09/30/13
National History Day	03/14/13	\$65,619	\$ ---
National History Day (Amendment 1)	05/21/13	1,523	---
Total		\$67,142	\$ ---

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.

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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, continued

Proposed Outcomes

<i>Repair, Rehabilitation, Restoration or Renovation of Historic Buildings and Structures</i>			
Project Name	Date Approved	Amount	Balance at 09/30/13
Fort Nuestra De La Soledad, Umatac	10/01/06	\$ 8,000	\$ 2,050
Historic Inalahan Foundation - Meno House (Amendment 1)	02/13/08	14,000	14,000
JRN Refrigeration - Lujan House (Change Orders 13 -14)	07/13/11	17,783	643
JRN Refrigeration - Lujan House (Change Orders 15)	06/19/13	20,112	14,246
Talayfak Bridge Project	12/16/09	606,198	65,566
Talayfak Bridge Project (Amendment 1)	08/04/10	80,000	80,000
Talayfak Bridge Project (Supplemental IARI)	02/01/12	23,721	---
Rosario House Appraisal*	04/17/13	2,000	180
Total		\$771,814	\$176,685
* Unused balances at September 30, 2013 will be reverted back to the Trust.			

Archaeological Research

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

Proposed Outcomes

Project Name	Date Approved	Amount	Balance at 09/30/13
UOG Archaeological Program - Year 3	09/16/09	\$ 75,000	\$31,961
Historic Structures Report Training Program (UOG)	09/10/08	25,000	5,000
Mahalac & Litekeyan Pictographs*	04/23/12	4,629	696
Historic Landmark Signs	05/09/12	4,830	525
Margaret Peredo - Archaeology Research	09/17/12	5,000	---
Chemical & Dating Analysis III of Pictographs at Mahlac	03/14/13	5,000	1,250
Total		\$119,459	\$39,432
* Unused balances at September 30, 2013 will be reverted back to the Trust.			

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

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.

Proposed Outcomes

<i>Archival Research</i>			
Project Name	Date Approved	Amount	Balance at 09/30/13
Inventory of Cataloging - Guam Museum (Amendment 1)*	09/10/08	\$36,573	\$4,682
Total		\$36,573	\$4,682
* Unused balances at September 30, 2013 will be reverted back to the Trust. Note: No proposals were received for the categories of Archival Research and Historic Property Documentation & Register Nomination and therefore no funding was approved for FY 2013.			

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, 2013, 2012 and 2011.

	September 30, <u>2013</u>	September 30, <u>2012</u>	September 30, <u>2011</u>	2013 % increase (decrease) <u>from 2012</u>
<u>Statement of Net Position</u>				
Assets:				
Cash and cash equivalents	\$3,501,457	\$4,024,170	\$1,204,116	(13.0)%
Investments	2,561,238	1,780,695	344,439	43.8 %
Receivables:				
Building permit fund	1,921,611	2,179,821	5,861,411	(11.8)%
Allowance for doubtful accounts	(1,517,137)	(1,517,137)	(5,806,688)	--- %
Prepaid expenses	8,417	13,413	---	(37.2)%
Other assets	<u>2,068</u>	<u>2,787</u>	<u>2,980</u>	(25.8)%
Total assets	<u>6,477,654</u>	<u>6,483,749</u>	<u>1,606,258</u>	(0.1) %
Liabilities:				
Accrued expenses	47,968	196,238	67,327	(75.6)%
Deposits payable - grants	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	--- %
Total liabilities	<u>55,968</u>	<u>204,238</u>	<u>75,327</u>	(72.6)%
Net Position:				
Invested in capital assets	2,068	2,787	2,980	(25.8)%
Unrestricted	<u>6,419,618</u>	<u>6,276,724</u>	<u>1,527,951</u>	2.3 %
Total net position	<u>\$6,421,686</u>	<u>\$6,279,511</u>	<u>\$1,530,931</u>	2.3 %

Guam Preservation Trust
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Management's Discussion and Analysis, continued

Financial Analysis, continued

	Year ended September 30, <u>2013</u>	Year ended September 30, <u>2012</u>	Year ended September 30, <u>2011</u>	2013 % increase (decrease) <u>from 2012</u>
<u>Statement of Activities</u>				
Building permit fees	\$1,181,790	\$1,094,760	\$ 698,967	7.9 %
Interest income	<u>87,735</u>	<u>23,368</u>	<u>10,231</u>	275.4 %
Total revenues	1,269,525	1,118,128	709,198	13.5 %
Expenditures	(1,052,969)	(779,657)	(1,105,732)	35.1 %
Recovery of bad debt	---	4,289,551	---	(100.0)%
Gain (loss) on sale of investment	---	400	(8,918)	(100.0)%
Unrealized gain (loss) on investments	(<u>74,381</u>)	<u>120,158</u>	(<u>167,494</u>)	(161.9)%
Increase (decrease) in net position	142,175	4,748,580	(572,946)	(97.0)%
Net position at beginning of year	<u>6,279,511</u>	<u>1,530,931</u>	<u>2,103,877</u>	310.2 %
Net position at end of year	<u>\$6,421,686</u>	<u>\$6,279,511</u>	<u>\$1,530,931</u>	2.3 %

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) 2013, a total of \$1,181,790 was collected from building permit fees, which resulted in a slight increase of 7.9% from the 2012 total of \$1,094,760. 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 Office of Public Accountability's Performance Audit of the Guam Department of Public Works Building Permits and Inspection Section conducted in 2011.

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Management's Discussion and Analysis, continued

Financial Analysis, continued

Investments

Interest income on investments increased between FY 2013 and FY 2012. In FY 2013, \$87,735 was earned on interest income, compared to \$23,368 in Fiscal Year 2012. The 275.4% 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 and therefore, Investment Managers were required to align their strategies to adhere to the change in policy within the fiscal period.

Receivables

Receivables from the General Fund as of September 30, 2013 totaled \$404,474, a decrease as compared to the fiscal year 2012 total of \$662,684.

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 issued a request for a mutual termination agreement with the owners of the property, the estate of Louis and Rose Patton. The Trust has made an offer to purchase the property and the heirs to the estate initially agreed to the purchase.

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

September 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and cash equivalents <i>(Note 3)</i>	\$ 3,501,457	\$ ---	\$ 3,501,457
Investments <i>(Note 3)</i>	2,561,238	---	2,561,238
Due from Government of Guam			
Building Permit Fund, net <i>(Note 4)</i>	404,474	---	404,474
Prepaid expenses	8,417	---	8,417
Property and equipment, at cost, net <i>(Note 5)</i>	---	2,068	2,068
Total assets	<u>6,475,586</u>	<u>2,068</u>	<u>6,477,654</u>
Liabilities and Net Position:			
Accrued expenses	47,968	---	47,968
Grant deposit	8,000	---	8,000
Total liabilities	<u>55,968</u>	<u>---</u>	<u>55,968</u>
Commitments and contingencies <i>(Note 6)</i>			
Fund balances - assigned <i>(Note 2)</i>	<u>6,419,618</u>	(<u>6,419,618</u>)	<u>---</u>
Total fund balances	<u>6,419,618</u>	(<u>6,419,618</u>)	<u>---</u>
Total liabilities and fund balances	<u>\$ 6,475,586</u>		
Net position:			
Invested in capital assets		2,068	2,068
Unrestricted		6,419,618	6,419,618
Total net position		<u>\$ 6,421,686</u>	<u>\$ 6,421,686</u>

See accompanying notes.

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

Year ended September 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Building permit fees	\$ 1,181,790	\$ ---	\$ 1,181,790
Interest income	<u>87,735</u>	<u>---</u>	<u>87,735</u>
Total revenues	<u>1,269,525</u>	<u>---</u>	<u>1,269,525</u>
Expenditures:			
Program services - projects/grants	<u>648,066</u>	<u>---</u>	<u>648,066</u>
Supporting services:			
Personnel (<i>Note 7</i>)	276,854	---	276,854
Contractual	44,937	---	44,937
Trust fund and investment fees	25,313	---	25,313
Supplies and equipment rental	19,735	---	19,735
Travel	18,911	---	18,911
Utilities	5,199	---	5,199
Communication	4,509	---	4,509
Miscellaneous	3,935	---	3,935
Advertising	3,841	---	3,841
Stipend	950	---	950
Depreciation expense	<u>---</u>	<u>719</u>	<u>719</u>
Total expenditures/expenses	<u>404,184</u>	<u>719</u>	<u>404,903</u>
Unrealized loss on investments	(<u>74,381</u>)	<u>---</u>	(<u>74,381</u>)
Excess of revenues, recoveries and unrealized loss on investments over expenses	142,894	(142,894)	---
Increase in net position		142,175	142,175
Fund balance/net position:			
Beginning of year	<u>6,276,724</u>	<u>---</u>	<u>6,279,511</u>
End of year	<u>\$ 6,419,618</u>	<u>\$ ---</u>	<u>\$ 6,421,686</u>

See accompanying notes.

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

Notes to Financial Statements

Year ended September 30, 2013

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. All other 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 position.

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 2013 and 2012, 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 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, 2013 is as follows:

Fund balance – governmental funds	\$6,419,618
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>2,068</u>
Net position of governmental activities	<u>\$6,421,686</u>

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, 2013 is as follows:

Net change in fund balances - governmental funds	\$142,894
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 depreciation exceeded capital outlays	<u>(719)</u>
Change in net position of governmental activities	<u>\$142,175</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/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. 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 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.

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

Recently Adopted Accounting Pronouncements

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 financial reporting guidance for deferred outflows of resources and deferred inflow of resources. Deferred outflows is defined as the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows is defined as the acquisition of net assets by the government that is applicable to a future reporting period. GASB No. 63 also amends the net asset reporting requirement by incorporating deferred outflows of resources and deferred inflow of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Trust's adoption of GASB No. 63 in 2013 resulted in a change in the presentation of the statements of net assets to what is now referred to as the statements of net position and the term "net assets" was changed to "net position" throughout the financial statements.

The implementation of GASB No. 63 did not have a material effect on the financial statements of the Trust.

Upcoming Accounting Pronouncements

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.

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. The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements- Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 189 FASB and AICPA Pronouncements*.

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

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.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. In addition, this Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment and also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The Trust is currently evaluating the effects the above upcoming accounting pronouncements might 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, 2013 is classified in the statement of net position as follows:

Cash and cash equivalents	<u>\$3,501,457</u>
Investments	<u>\$2,561,238</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, 2013, cash and cash equivalents were held by depositories and amounted to \$3,501,457 of which \$553,187 were insured and \$2,948,270 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, 2013.

As of September 30, 2013, the Trust also had \$1,476,254 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.

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.

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, 2013:

<u>Type</u>	<u>Amount</u>	<u>% of Portfolio</u>
ETFs/Mutual Funds	\$2,561,238	100%

As of September 30, 2013 and 2012, 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 as of September 30, 2013.

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, 2013:

	Beginning Balance <u>October 1, 2012</u>	<u>Additions</u>	Transfers and <u>Deletions</u>	Ending Balance <u>September 30, 2013</u>
Furniture, fixtures, and equipment	\$18,649	\$ ---	\$ ---	\$18,649
Less accumulated depreciation	(15,862)	(719)	---	(16,581)
Invested in capital assets	\$ <u>2,787</u>	\$(719)	\$ <u>---</u>	\$ <u>2,068</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 \$134,000 as of September 30, 2013. 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, 2013 will not exceed approximately \$14,000. Because the lessor has not pursued collection, the Trust has not recorded any accrued liability.

Future rental payments as of September 30, 2013, are as follows:

Year ending September 30,

2014	\$ 10,536
2015	10,536
2016	10,536
2017	10,536
2018	10,536
Thereafter	<u>221,933</u>
	<u>\$274,613</u>

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

Notes to Financial Statements, continued

6. Commitments and Contingencies, continued

Subsequent to September 30, 2013, the Trust and the heirs to the aforementioned property reached an agreement whereby the Trust will purchase the property. A petition to approve the purchase and sale is pending filing with the probate court.

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 \$565,261 to fund grants approved as of September 30, 2013. 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.

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, 2013, the retirement contribution amounted to \$5,406 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.

Supplementary Information

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

Governmental Funds
Balance Sheet/Statement of Net Position
As of September 30, 2013
(With comparative totals as of September 30, 2012)

	General Fund <u>2013</u>	General Fund <u>2012</u>	Statement of Net Position <u>2013</u>	Statement of Net Position <u>2012</u>
Assets:				
Cash and cash equivalents	\$ 3,501,457	\$ 4,024,170	\$ 3,501,457	\$ 4,024,170
Investments <i>(Note 3)</i>	2,561,238	1,780,695	2,561,238	1,780,695
Due from Government of Guam				
Building Permit Fund, net	404,474	662,684	404,474	662,684
Prepaid expenses	8,417	13,413	8,417	13,413
Property and equipment, net	<u>---</u>	<u>---</u>	<u>2,068</u>	<u>2,787</u>
Total assets	<u>6,475,586</u>	<u>6,480,962</u>	<u>6,477,654</u>	<u>6,483,749</u>
Liabilities and Net Position:				
Accrued expenses	47,968	196,238	47,968	196,238
Grant deposit	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
Total liabilities	<u>55,968</u>	<u>204,238</u>	<u>55,968</u>	<u>204,238</u>
Fund Balances - assigned	<u>6,419,618</u>	<u>6,276,724</u>	<u>---</u>	<u>---</u>
Total fund balances	<u>6,419,618</u>	<u>6,276,724</u>	<u>---</u>	<u>---</u>
Total liabilities and fund balances	<u>\$ 6,475,586</u>	<u>\$ 6,480,962</u>		
Net Position:				
Invested in capital assets			2,068	2,787
Unrestricted			<u>6,419,618</u>	<u>6,276,724</u>
Total net position			<u>\$ 6,421,686</u>	<u>\$ 6,279,511</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, 2013
(With comparative totals for the year ended September 30, 2012)

	General Fund <u>2013</u>	General Fund <u>2012</u>	Statement of Activities <u>2013</u>	Statement of Activities <u>2012</u>
Revenues:				
Building permit fees	\$ 1,181,790	\$ 1,094,760	\$ 1,181,790	\$ 1,094,760
Interest income	87,735	23,368	87,735	23,368
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,269,525	1,118,128	1,269,525	1,118,128
Expenditures:				
Program services - projects/grants	648,066	383,361	648,066	383,361
Supporting services:				
Personnel	276,854	297,708	276,854	297,708
Contractual	44,937	50,676	44,937	50,676
Trust fund and investment fees	25,313	5,114	25,313	5,114
Supplies and equipment rental	19,735	13,188	19,735	13,188
Travel	18,911	12,999	18,911	12,999
Utilities	5,199	4,647	5,199	4,647
Communication	4,509	4,191	4,509	4,191
Miscellaneous	3,935	2,027	3,935	2,027
Advertising	3,841	3,012	3,841	3,012
Stipend	950	1,800	950	1,800
Depreciation expense	---	---	719	934
Capital outlays	---	741	---	---
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures/expenses	404,184	396,103	404,903	396,296
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures/expenses	1,052,250	779,464	1,052,969	779,657
Recovery of bad debt	---	4,289,551	---	4,289,551
Gain on sale of investments	---	400	---	400
Unrealized (loss) gain on investments	(74,381)	120,158	(74,381)	120,158
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues, recoveries and gain on investments over expenses	142,894	4,748,773	---	---
Increase in net position			142,175	4,748,580
Fund balance/net position:				
Beginning of year	6,276,724	1,527,951	6,279,511	1,530,931
	<hr/>	<hr/>	<hr/>	<hr/>
End of year	\$ 6,419,618	\$ 6,276,724	\$ 6,421,686	\$ 6,279,511
	<hr/>	<hr/>	<hr/>	<hr/>

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

Schedule of Grant Projects Reserved for Encumbrances

September 30, 2013

<u>Description</u>	<u>Grant no.</u>	<u>Date approved</u>	<u>Grant amount</u>	<u>Year-to-date expenditures FYE 09/30/12</u>	<u>Expenditures year-ended 09/30/13</u>	<u>Outstanding encumbrance 09/30/13</u>
Inalahan Historic Foundation - Meno House (Amendment 1)	GPTG-0704	02/13/08	\$ 14,000	\$ -	\$ -	\$ 14,000
Inventory of Cataloging - Guam Museum (Amendment 1)	GPTG-0807	09/10/08	36,573	31,891	-	4,682 *
Duenas & Bordallo - Plaza De Espana (Amendment 2)	GPTG-0901	03/14/12	23,590	12,612	7,378	3,600 *
Historic Inalajan Revitalization Plan	GPTG-1001	02/10/10	59,800	29,900	14,950	14,950
Fort Nuestra De La Soledad, Umatac	BP-06-03	10/01/06	8,000	5,950	-	2,050
UOG Archeology Program - Year 3	BP-07-01	09/16/09	75,000	41,839	1,200	31,961
Historic Structures Report Training Program (UOG Archeology Program - Year 2 Amendment 2 HSR Plaza)	BP-0804	09/10/08	25,000	20,000	-	5,000
Exploring Guam's Heritage	GPTG-0706	07/08/09	8,290	4,765	2,625	900 *
Preserve Micronesia Video	BP-1006	08/12/09	8,400	-	-	8,400 **
JRN Refrigeration - Lujan House - Change orders 13-14	HS-0901	07/13/11	17,783	5,883	11,257	643
JRN Refrigeration - Lujan House - Change order 15	HS-0901	06/19/13	20,112	-	5,866	14,246
Architects RNK - Guam Legislature	HS-0902	05/11/09	220,000	215,525	-	4,475
Taleyfac Bridge Project	HS-1001	12/16/09	606,198	128,389	412,243	65,566
Taleyfac Bridge Project (Amendment 1)	HS-1001	08/04/10	80,000	-	-	80,000
Taleyfac Bridge Project (Supplemental IARI)	HS-1001	02/01/12	23,721	-	23,721	-
Navigating Cultural Values	GPTG11-02	05/02/11	5,000	3,966	-	1,034
Plight of Pagat Video	GPTG11-03	05/02/11	5,000	-	-	5,000
George Flores Museum	GPTG11-06	Pending	5,000	-	-	5,000 ***
Edgar Flores Photo Documentary	GPTG11-07	09/27/11	5,000	-	-	5,000 **
House that Jose Built	GPTG11-09	10/05/11	5,000	-	5,000	-
Micronesian Endowment Historic Preservation Conference	BP12-05	02/08/12	4,500	797	-	3,703 *
Historic Landmark Signs	BP12-08	05/09/12	4,830	2,070	2,235	525
GPT Desk Audit	BP12-10	07/30/12	6,032	5,800	232	-
TASA: Guma Latte Marianas	GPTG-12-01	04/23/12	5,000	-	-	5,000
I Know Guam (PBS)	GPTG-12-02	07/18/12	5,000	1,000	1,000	3,000
Sub-total, carried forward			1,276,829	510,387	487,707	278,735

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 09/30/12	Expenditures year-ended 09/30/13	Outstanding encumbrance 09/30/13
Sub-total brought forward			1,276,829	510,387	487,707	278,735
Marianas History Conference	GPTG-12-04	7/17/2012	1,680	1,480	200	-
Mahalac & Litekeyan Pictographs (Chemical Dating Analysis)	GPTG-12-05	4/23/2012	4,629	1,124	2,809	696 *
Pagat, Haputo, Hilaan Documentary	GPTG-12-06	7/24/2012	5,000	4,500	-	500
Margaret Peredo - Archeology Reseach	GPTG-12-07	9/17/2012	5,000	2,500	2,500	-
GPT Strategic Plan	BP13-01	9/12/2012	12,250	-	1,813	10,437
UOG Foundation Sponsorship						
"Developing Micronesia: Enriching Ourselves"	BP13-02	3/14/2013	5,000	-	5,000	-
Guam Humanities Council						
I Tano Yan I Tasi Sponsorship	BP13-03	3/14/2013	1,500	-	1,500	-
UOG Chamorro Language Competition	BP13-04	3/14/2013	5,000	-	5,000	-
GVB - Guam Micronesia Fair	BP13-05	3/14/2013	5,000	-	5,000	-
Rosario House Appraisal	BP13-06	4/17/2013	2,000	-	1,820	180 *
Taleyfak Commerative Poster	BP13-07	4/17/2013	3,000	-	3,000	-
Taleyfak Commerative Poster (Amendment 1)		4/17/2013	10,000	-	215	9,785
Marianas History Conference II	BP13-08	3/14/2013	10,000	-	10,000	-
National History Day	BP13-09	3/14/2013	65,619	-	65,619	-
National History Day (Amendment 1)	BP13-09	5/21/2013	1,523	-	1,523	-
Mitigation Project - Ylig Bridge	BP13-10	6/19/2013	14,999	-	10,000	4,999
Exploring Guam's Heritage	BP13-11	9/11/2013	1,860	-	1,860	-
Across the Water In Time	GPTG13-01	3/14/2013	5,000	-	5,000	-
Leblon Amot Famagu'on	GPTG13-02	3/14/2013	5,000	-	3,750	1,250
Amot Famalao'an: Women's Holistic						
Health	GPTG13-03	3/14/2013	5,000	-	3,750	1,250
Haya Foundation: Para Hinemlo	GPTG13-04	3/14/2013	5,000	-	3,750	1,250
A Film to Document & Promote						
Guam's Cultural Heritage Sites	GPTG13-05	3/14/2013	5,000	-	3,750	1,250
Guam Governance	GPTG13-06	3/14/2013	5,000	-	5,000	-
Sub-total, carried forward			1,460,889	519,991	630,566	310,332

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 09/30/12	Expenditures year-ended 09/30/13	Outstanding encumbrance 09/30/13
Sub-total brought forward			1,460,889	519,991	630,566	310,332
Case Study of a Suruhana/u	GPTG13-07	03/14/13	5,000	-	3,750	1,250
Chemical & Dating Analysis III of Pictographs at Mahlac	GPTG13-08	03/14/13	5,000	-	3,750	1,250
Seabee Marine Park Concept Plan	GPTG13-09	03/14/13	5,000	-	2,500	2,500
Former US District Court of Guam Island Court of Guam Nomination	GPTG13-10	06/19/13	5,000	-	3,750	1,250
The Ritidian Story: An Illustrated History of Ancient Life & Landscape at Ritidian	GPTG13-11	06/19/13	5,000	-	3,750	1,250
A&E to Rehabilitate 3 Homes Antonia Chargualaf, Doris Lujan & Juan SN Flores	HS13-01	09/06/13	215,572	-	-	215,572
Structural Assessment for FQ Sanchez	HS13-02	09/06/13	64,018	-	-	64,018
Total			\$ 1,765,479	\$ 519,991	\$ 648,066	597,422
						(13,761)
						(13,400)
						(5,000)
						<u>565,261</u>

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

**Represents grant/projects that have been approved by the Board of Directors, but have been cancelled by the applicant.

***Represents grants that have been approved by the Board of Directors but are pending a signed contract.

Total outstanding encumbrances as of FY 2013: \$