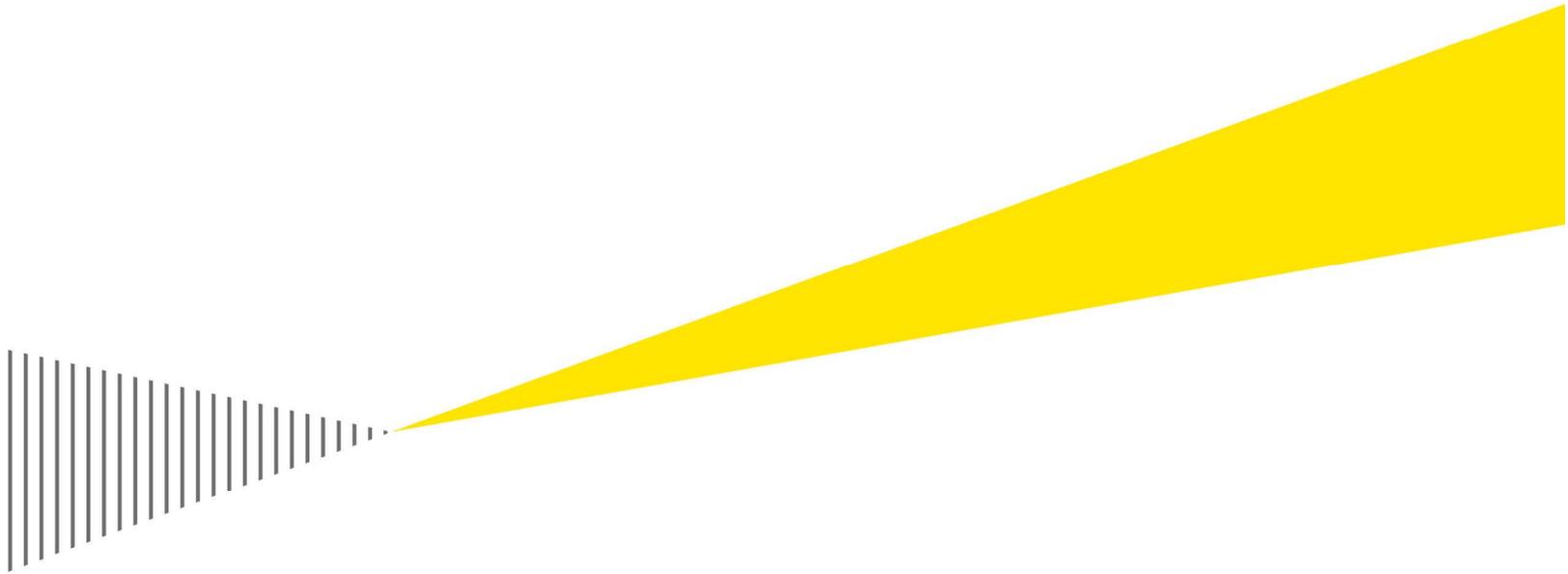


Statement of Auditing Standards No. 114  
The Auditor's Communication with Those Charged  
with Governance

**Guam Preservation Trust**

*For the year ended September 30, 2013*



**Building a better  
working world**



Ernst & Young LLP  
231 Ypao Road  
Suite 201 Ernst & Young Building  
Tamuning, Guam 96913

Tel: +1 671 649 3700  
Fax: +1 671 649 3920  
ey.com

February 13, 2014

The Board of Directors  
Guam Preservation Trust  
P.O. Box 3036  
Hagatna, Guam 96932

Dear Members of the Board:

We have performed an audit of the financial statements of the Guam Preservation Trust (the Trust), a component unit of the Government of Guam, as of and for the year ended September 30, 2013, 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, and have issued our report thereon dated February 13, 2014.

This report summarizes our communications to the board of directors required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which the management of the Trust is responsible.

### **Required Communications**

Statement on Auditing Standards No. 114, *The Auditor's Communication With Those Charged With Governance*, and other professional standards require the auditor to provide the Board of Directors (the Board or those charged with governance) with additional information regarding the scope and results of the audit that may assist the Board (or those charged with governance) in overseeing the financial reporting and disclosure processes which the management of the Trust is responsible. We summarize these required communications as follows:

### **Auditor's Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)**

The financial statements are the responsibility of the Trust's management. Our audit was designed in accordance with the 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, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting.

### **Auditor's Responsibilities US GAAS and GAGAS, continued**

Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

As part of our audit, we considered the Trust's internal control over financial reporting as a basis for designing audit procedures that were appropriate in the circumstances.

### **The Adoption of, or a Change in Significant Accounting Policies**

We determined that the Board is informed about the initial selection of, and any changes in significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying accounting principles, has a material effect on the financial statements.

In fiscal year 2013, the Corporation adopted Government Accounting Standards Board (GASB) Statement No. 63 GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

### **Auditor's Judgments about the Quality of the Trust's Accounting Principles**

We discussed our judgments about the quality, not just the acceptability, of the Trust's accounting principles as applied in its financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.

The Trust has consistently applied accounting principles generally accepted in the United States (US GAAP) and adequately disclosed required US GAAP disclosures in the financial statements.

### **Sensitive Accounting Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure 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. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.

We determined that the Board is informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

### **Sensitive Accounting Estimates, continued**

Management's judgment is called upon in:

- ▶ Preparing budgets used to determine how funds will be used in the Trust's operations
- ▶ Determining the valuation of investments
- ▶ Determining the adequacy of the recorded valuation of receivables, including the need for any reserve

### **Significant Audit Adjustments**

We proposed two adjusting journal entries, which the Trust subsequently agreed to be reflected in the financial statements (see Appendix A – *Adjusting Journal Entries*).

### **Uncorrected Misstatements Considered by Management to be Immaterial**

Certain uncorrected misstatements accumulated by us (i.e. adjustments either identified by us or brought to our attention by management) were identified during the audit and pertaining to the latest period presented, which were determined by the Trust's management to be immaterial, both individually and in the aggregate, to the financial statements as a whole (see Appendix B – *Summary of Uncorrected Misstatements*).

Additionally, we noted that the management of the Trust had not remitted payments to the owners of the Rosario Estate. Unpaid amounts total approximately \$134,000 since the Trust's last payment in September 1999. As a component of the Government of Guam, the Trust is covered under the Government Claims Act and accordingly, past due rentals for the 18 month period totals approximately \$14,000. Management of the Trust believes this is the maximum exposure under the Government of Guam Claims Act. Furthermore, it is the Trust's position that no liability exists as the lessors have not pursued collections of the past due amount since 1999 and the Trust is attempting to terminate the lease.

### **Other Information in Documents Containing the Audited Financial Statements**

We reviewed the Management's Discussion and Analysis and the Schedule of Grant Projects Reserved for Encumbrances in the financial statements to ensure consistency with the audited financial statements.

### **Consultation with Other Accountants**

We are not aware of any consultations that management may have had with other accountants regarding any significant auditing and accounting matters during the fiscal year ended September 30, 2013.

### **Disagreements with Management on Financial Accounting and Reporting Matters**

There were no disagreements with the Trust's management on financial accounting and reporting matters.

### **Major Issues Discussed with Management Prior to Retention**

There were no major issues discussed with the Trust's management prior to our retention.

### **Methods of Accounting for Significant Unusual Transactions and for Controversial or Emerging Issues**

We are not aware of any significant unusual transactions recorded by the Trust or of any significant accounting policies used by the Trust related to controversial or emerging areas for which there is a lack of authoritative guidance.

### **Serious Difficulties Encountered in Dealing with Management in Performing the Audit**

There were no serious difficulties encountered in dealing with management in performing the audit.

### **Fraud and Illegal Acts**

We are not aware of any matters that require communication. Furthermore, the Trust's management has represented to us that they were not aware of any fraud or illegal acts for the period from October 1, 2012 to February 13, 2014 (see Appendix C – *Management's Representation Letter*).

### **Significant Deficiencies and Material Weaknesses in Internal Control**

We did not identify any control deficiencies in internal control during the course of our audit.

### **Independence**

We are not aware of any relationships between EY and our related entities, and the Trust, or any other matters that in our professional judgment, may reasonably be thought to bear on our independence.

We confirm that we are independent with respect to the Trust within the meaning of the applicable published rules and pronouncements, its interpretations and rulings.

The Board of Directors  
Guam Preservation Trust

\*\*\*\*\*

This report is intended solely for the use of the Trust's board of directors and management, the Office of Public Accountability, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

We would be happy to discuss the contents of this report and answer any questions you may have about these or any other audit related matters.

Very truly yours,

*Ernst + Young LLP*

## Appendix

Appendix A – *Adjusting Journal Entries*

Appendix B – *Summary of Uncorrected Misstatements*

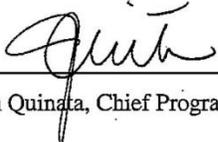
Appendix C – *Management Representation Letter*

**Guam Preservation Trust**  
Year End: September 30, 2013  
Adjusting journal entries  
Date: 10/1/2012 To 9/30/2013

Number	Date	Name	Account No	Reference	Amount	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments						192,609.00	
AJE01	9/30/2013	Accrued Expense	2200	N1	(7,189.00)		
AJE01	9/30/2013	Accounting Services	6601	N1	1,323.00		
AJE01	9/30/2013	Lujan House Construction	6951.4	N1	5,866.00		
						0.00	165,420.00 (7,189.00)
AJE02	9/30/2013	Due from General Fund	1201	E1	(43,245.00)		
AJE02	9/30/2013	Building Permit Fee	4101	E1	43,245.00		
To record the difference in revenues, as per DOA's confirmation.						0.00	142,175.00 (43,245.00)
						0.00	142,175.00 (50,434.00)

Concurrence:

The above adjustments have been discussed with us and we agree to record them.

  
\_\_\_\_\_  
Joseph Quinata, Chief Program Officer

February 13, 2014  
Date

**GUAM PRESERVATION TRUST**  
INANGOKKON INADAH I GUA HAN

P.O. Box 3036 • Agana, Guam 96910 • Tel: (671) 734- 1102 • Fax: (671) 734-1103

Appendix B – Summary of Uncorrected Misstatements

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**Summary of Audit Differences**  
Client: Guam Preservation Trust Audit date: 30-Sep-2013 Currency: USD

No.	W/P ref.	Account description of this entry	Assets		Liabilities		Income Effect of Current period		Analysis of misstatements		Other - Specify
			Current	Non-current	Current	Non-current	Current period	Non-current	Current period	Non-current	
<b>Judgmental misstatements:</b>											
SAD01	N0110	Accrued Salaries	578					(578)			
SAD02	E1	Building Permit Fee	(1,959)					(1,959)			
SAD03	VB011	Accrued Salaries	1,599					(1,599)			
<b>Balance sheet totals</b>			221	0	0	0					0
<b>Financial statement amounts</b>			8,477,854	55,958	0.00%	0.00%					0.00%
<b>Effect of uncorrected misstatements on F/S amounts</b>											
<b>Income effect of uncorrected misstatements (before tax)</b>								(221)			0
<b>Less: Non-taxable items (marked "X" above)</b>											0
<b>Less: Tax effect at current year marginal rate</b>											0
<b>Cumulative effect of uncorrected misstatements before turnaround effect</b>											0
<b>Turnaround effect of prior period uncorrected misstatements (after judgmental misstatements)</b>											0
<b>Cumulative effect of uncorrected misstatements, after turnaround effect</b>											0
<b>Current year net income</b>											1,42,984

Income effect of uncorrected misstatements (before tax) 34.00%

Turnaround effect of prior period uncorrected misstatements (after judgmental misstatements) -0.10%

Cumulative effect of uncorrected misstatements, after turnaround effect -0.10%

Concurrence:

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole

*Joseph Quinata*

Joseph Quinata, Chief Program Officer

February 13, 2014

Date



**GUAM PRESERVATION TRUST**  
**INANGOKKON INADAHI GUĀHAN**

P.O. BOX 3036 • Hagåtña, Guam 96932  
Tel: (671) 472-9439/40 • Fax: (671) 477-2047  
www.guampreservationtrust.com

February 13, 2014

Ernst & Young LLP  
Ernst & Young Building  
231 Ypao Road, Suite 201  
Tamuning, Guam 96931

In connection with your audits of the basic financial statements of the Guam Preservation Trust (the Trust) as of September 30, 2013 and 2012 and for years then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Trust and the respective changes in financial position and cash flows, where applicable, thereof in conformity with U.S. generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

***Management's Responsibilities***

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated July 30, 2012, for the preparation and fair presentation of the financial statements in conformity with US generally accepted accounting principles (US GAAP) applied on a basis consistent with that of the preceding years.

We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence

Appendix C – *Management Representation Letter, continued*

2

Ernst & Young LLP assisted in drafting the format of the financial statement footnotes and the formatting of the various fund financial statements that appear in the Trust's financial statements in accordance with standards of the Governmental Accounting Standards Board. Management accepts responsibility for the fund financial statements that appear in the Trust's financial statements as our own and have prepared the source documents for all transactions and have maintained accounting control.

We have made available to your representatives all financial records and related data.

The financial statements properly classify all funds and activities.

Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved. Required supplementary information (MD&A) and other schedules are measured and presented within prescribed guidelines.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

***Governmental entities***

We recognize that we are responsible for the Trust's compliance with the laws, regulations, and contracts that are applicable to it. We have identified and disclosed to your representatives, all laws and regulations that have direct and material effect on the determination of financial statement amounts.

***Uncorrected Misstatements***

We acknowledge that the Trust has not remitted payments to the owners of the Rosario Estate. Unpaid amounts total approximately \$123,000 since our last payment in September 1999. However, as a component of the Government of Guam, the Trust is covered under the Government Claims Act. This prohibits the lessor from pursuing collections of amount beyond the most recent 18 month period from September 30, 2012, accordingly, past due rentals for the 18 month period totals approximately \$14,000. We believe this is our maximum exposure under the Government of Guam Claims Act. Furthermore, our position is that no liability exists as the lessors have not pursued collections of the past due amount since 1999 and we are attempting to terminate the lease.

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

***Internal Control***

There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the financial statements.

**GUAM PRESERVATION TRUST**  
**INANGOKKON INADAH I GUA'HAN**

P.O. Box 3036 • Agana, Guam 96910 • Tel: (671) 734- 1102 • Fax: (671) 734-1103

Appendix C – *Management Representation Letter, continued*

3

We are not aware of any significant deficiencies or material weaknesses in the design of operation of internal control over financial reporting. There have been no significant changes in internal control since September 30, 2013.

***Minutes and Contracts***

The dates of Board of Director meetings from October 1, 2012 to date of this letter are as follows:

- March 17, 2013
- April 17, 2013
- June 19, 2013
- August 14, 2013
- September 11, 2013

We have made available to you all minutes of the meetings of directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.

We also have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

***Significant assumptions***

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and supportable.

***Risks and Uncertainties***

There are no risks and uncertainties related to significant estimates and current vulnerabilities due to material concentrations that have not been disclosed in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 275, *Risks and Uncertainties*.

***Ownership and Pledging of Assets***

There are no properties capitalized under capital leases. The Trust has satisfactory title to all assets appearing in the statements of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the Trust has satisfactory title appear in the statements of net position.

***Receivables***

Receivables represent valid claims against the debtors indicated. Adequate provision has been made for losses that may be incurred subsequent to the statement of net position dates.

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Appendix C – *Management Representation Letter, continued*

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***Financial Instruments***

The Trust has properly classified equity securities with readily determinable fair values as either available-for-sale or trading.

Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments has been properly disclosed in the financial statements.

***Long-lived Assets to be Held and Used, Including Amortizable Intangible Assets***

No events or changes in circumstances have occurred that indicate the carrying amounts of long-lived assets to be held and used, including intangible assets that are subject to amortization, may not be recoverable.

***Pension Benefits***

We have disclosed to you all significant pension benefits promised and have made available to you all significant summary plan descriptions, benefit communications, and all other relevant information, including plan changes that constitute the plan.

***Contingent Liabilities***

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with ASC 450-20, *Contingencies – Loss Contingencies* other than those disclosed in the financial statements.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There have been no violations of provisions of contracts and grant agreements with effects that should be considered for disclosure in the financial statement as a basis for recording a loss contingency, other than those disclosed in the financial statements.

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by ASC 450-20, *Contingencies*, other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the statements of net position that are not in conformity with the provisions of ASC 450.

***Fraud***

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

**GUAM PRESERVATION TRUST**  
**INANGOKKON INADAH I GUAHAN**

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Appendix C – *Management Representation Letter, continued*

5

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Trust's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have disclosed to you all allegations of financial improprieties, including fraud or suspected fraud, coming to our attention (regardless of the source or form and including, without limitation, allegations by "whistle-blowers") where such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Trust.

***Independence***

Based on inquiries we have made of our officers and board directors, we are not aware of any business relationship between any such officer or board director (or any entity for or of which such an officer or director acts in a similar capacity) and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an EY Firm), other than one pursuant to which an EY Firm performs professional services. We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of the Trust's audit.

We are not aware of any capital lease, material cooperative arrangement, or other business relationship between the Trust and Ernst & Young LLP or any other member of the global Ernst & Young organization.

***Conflicts of Interest***

There are no instances where any officer or employee of the Trust has an interest in a company with which the Trust does business that would be considered a "conflict of interest." Such an interest would be contrary to Trust policy.

***Other Representations***

- We have identified and disclosed to you, all laws, regulations and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have identified and disclosed to you violations (and possible violations) of laws, regulations and provisions of contracts and grant agreements with effects that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- We have followed applicable laws and regulations in adopting, approving and amending budgets, deposits and investments, including collateral requirements on depository accounts and investments.

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**INANGOKKON INADAH I GUAHAN**

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Appendix C – *Management Representation Letter, continued*

6

- The financial statements properly classify all funds and activities.
- Net asset components (invested in capital assets and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.
- Investments are properly valued.
- Capital assets are properly capitalized, reported and, if applicable, depreciated.
- The Trust's ability to continue as a going concern was evaluated.

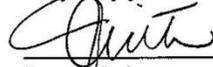
***Subsequent Events***

Subsequent to September 30, 2013, no events or transactions have occurred or are pending that would have a material effect on the financial statements at that date or for the period then ended, or that are of such significance in relation to the Trust's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Trust.

We recognize that we are responsible for the Trust's compliance with the laws, regulations, grant agreement, and contracts that are applicable to it. We have identified and disclosed to your representatives all laws and regulations that have a direct and material effect on the determination of financial statement amounts.

We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States as promulgated by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and were, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of the Trust and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,



Joseph Quinata  
Chief Program Officer

**GUAM PRESERVATION TRUST**  
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Appendix C – Management Representation Letter, continued

7

Guam Preservation Trust  
Year End: September 30, 2013  
Adjusting journal entries  
Date: 10/1/2012 To 9/30/2013

Number	Date	Name	Account No	Reference	Amount	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments						192,609.00	
AJE01	9/30/2013	Accrued Expense	2200	N1	(7,189.00)		
AJE01	9/30/2013	Accounting Services	6601	N1	1,323.00		
AJE01	9/30/2013	Lujan House Construction	6951.4	N1	5,866.00		
						0.00	165,420.00 (7,189.00)
AJE02	9/30/2013	Due from General Fund	1201	E1	(43,245.00)		
AJE02	9/30/2013	Building Permit Fee	4101	E1	43,245.00		
To record the difference in revenues, as per DOA's confirmation.						0.00	142,175.00 (43,245.00)
						0.00	142,175.00 (50,434.00)

Concurrence:

The above adjustments have been discussed with us and we agree to record them.

  
\_\_\_\_\_  
Joseph Quinata, Chief Program Officer

February 13, 2014  
Date

**GUAM PRESERVATION TRUST**  
**INANGOKKON INADAH I GUAHAN**

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Appendix C – Management Representation Letter, continued

Guam Preservation Trust							
Year End: September 30, 2013							
Reclassifying journal entries							
Date: 10/1/2012 To 9/30/2013							
Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
RJE01	9/30/2013	Per Dism/Meals	6701	VD1			1,681.00
RJE01	9/30/2013	Travel	6702	VD1		1,681.00	
To reclass expense to its proper account							
RJE02	9/30/2013	Printing and Reproduction	6310	VA1			1,860.00
RJE02	9/30/2013	Miscellaneous (Board Proj.)	6852.8	VA1		1,860.00	
To properly state the grant account, EY proposed the following reclass.							
RJE03	9/30/2013	Projects:6852 Grant - New Harmonies	6852	VA1			3,750.00
RJE03	9/30/2013	Public Interpretation & Present	6852.2	VA1		3,750.00	
To properly state the grant account, EY proposed the following reclass.							
RJE04	9/30/2013	Conference Fees	6703	VA1			2,500.00
RJE04	9/30/2013	Margaret Peredo Archaso Gl.	8851.82	VA1		2,500.00	
To properly state the grant account, EY proposed the following reclass.							
RJE05	9/30/2013	Supplies	6300			1,430.00	
RJE05	9/30/2013	Exploring Gu Heritage reprint	6851.87				1,430.00
Client reclassifying entry							
RJE05	9/30/2013	Reimbursed Expenses	4080	VA1		8,104.00	
RJE06	9/30/2013	Miscellaneous (Board Proj.)	6852.8	VA1			8,104.00
To properly allocate expense that was paid for by the participants of national history day 2013							
RJE07	9/30/2013	Supplies	6300			114.00	
RJE07	9/30/2013	Miscellaneous (Board Proj.)	6852.8				114.00
RJE08	9/30/2013	Travel	6702	VA1			1,034.00
RJE08	9/30/2013	Miscellaneous (Board Proj.)	6852.8	VA1		1,034.00	
To properly state the grant account, EY proposed the following reclass.							
RJE09	9/30/2013	Investments - Merrill Lynch	1030	H1			1,532,690.00
RJE09	9/30/2013	Cash & cash equivalents - Merrill Lynch	EY08	H1		1,532,690.00	
To properly classify account balances.							

**GUAM PRESERVATION TRUST**  
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Appendix C – Management Representation Letter, continued

Guam Preservation Trust							
Year End: September 30, 2013							
Reclassifying journal entries							
Date: 10/1/2012 To 9/30/2013							
Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
RJE10	9/30/2013	Investments-R.J. & Assoc	1060	H1			3,421.00
RJE10	9/30/2013	Cash & cash equivalents - Southwest	EY09	H1		3,421.00	
To properly classify account balances.							
RJE11	9/30/2013	Investments - TradePLR	1070	H1			1,722,015.00
RJE11	9/30/2013	Cash & cash equivalents - Legacy Wealth	EY07	H1		1,722,015.00	
To properly classify account balances.							
RJE12	9/30/2013	Depreciation Expense	6910	K2			1.00
RJE12	9/30/2013	Other Income	7030	K2		1.00	
						3,278,800.00	3,278,800.00
Net Income (Loss)			142,475.00				

Concurrence:

The above reclassification entries have been discussed with us and we agree to record them.

  
\_\_\_\_\_  
Joseph Quinata, Chief Program Officer

February 13, 2014  
Date

**GUAM PRESERVATION TRUST**  
INANGOKKON INADAH I GUA'HAN

P.O. Box 3036 • Agaña, Guam 96910 • Tel: (671) 734- 1102 • Fax: (671) 734-1103

**Summary of Audit Differences**  
Client: Guam Preservation Trust Audit date: 30-Sep-2013 Currency: USD

No.	W/P ref.	Account description of this entry	Assets		Liabilities		Income Effect of Current period		Other - Specify	
			Current	Non-current	Current	Non-current	Current period	Non-current	Debit/(Credit)	Debit/(Credit)
<b>Judgmental misstatements:</b>										
SAD01	N0110	Accrued Salaries	578				(578)			
SAD02	E1	Building Permit Fee	(1,959)				(1,959)			
SAD03	VB011	Accrued Salaries	1,599				(1,599)			
<b>Balance sheet totals</b>			221	0	0	0				
<b>Financial statement amounts</b>			8,477,854	55,958	0.00%	0.00%				
Effect of uncorrected misstatements on F/S amounts										
Income effect of uncorrected misstatements (before tax)							(221)			
Memo: Non-taxable items (marked "X" above)										
Less: Tax effect at current year marginal rate							75			
Cumulative effect of uncorrected misstatements before turnaround effect							(146)			
Turnaround effect of prior period uncorrected misstatements (after judgmental misstatements)							0			
Cumulative effect of uncorrected misstatements, after turnaround effect							(146)			
Current year net income							142,884			

**Concurrence:**  
We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole

  
Joseph Quinata, Chief Program Officer

February 13, 2014  
Date