



Financial Statements and
Other Financial Information

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

*Years ended September 30, 2011 and 2010
with Report of Independent Auditors*

Ernst & Young

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

Financial Statements and
Other Financial Information

Years ended September 30, 2011 and 2010

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Report of Independent Auditors

The Board of Directors
Guam Preservation Trust

We have audited the accompanying governmental funds balance sheet/statements of net assets of the Guam Preservation Trust (the Trust), a component unit of the Government of Guam, as of September 30, 2011 and 2010, and the related statements of government fund revenues, expenditures and changes in fund balance/statements of activities for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of the Guam Preservation Trust as of September 30, 2011 and 2010, and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2012, on our consideration of the Guam Preservation Trust's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audits.

The Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Trust taken as a whole. The supplementary information included in the Schedule of Grant Projects Reserved for Encumbrances is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of the Trust's management. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Ernst + Young LLP

February 8, 2012

Guam Preservation Trust
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Management's Discussion and Analysis

Year ended September 30, 2011

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, 2011. This presentation is provided to better understand the Trust and its financial status in accordance with the U.S. generally accepted accounting principles promulgated by the Standards of the Government Accounting Standards Board (GASB).

Introduction

The Guam Preservation Trust (the Trust) was created in 1990 as a non-profit, public corporation governed by a Board of Directors. It is dedicated to preserving Guam's historic sites and culture as well as educating the public about those issues. Although primarily tasked with restoring historic structures, which are listed in the Guam Register of Historic Places and/or the National Register of Historic Places, the Trust also funds 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 (FY) 2011, a total of seven (7) Board meetings were conducted and a total of forty-two (42) board resolutions were made. Attendance of Board Members representing four of the five disciplines constitutes a quorum.



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

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

The Guam Preservation Trust Vision

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

The Guam Preservation Trust Mission

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

2011 Highlights

National Trust for Historic Preservation Trustees' Award for Organizational Excellence: The Trust received the national award recognizing sustained and superlative achievement in historic preservation and accomplishments of following goals:

- Achieved outstanding success in historic preservation over a sustained period of time;
- Broadly and effectively communicated the value of historic preservation to its constituents;
- Exhibited leadership in issues of importance to historic preservation;
- Demonstrated integrity in its dealings, including financial management; and
- Made appropriate efforts to be inclusive in the composition of its board, staff, membership, and programs.

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Management's Discussion and Analysis, continued

2011 Highlights, continued

National Trust for Historic Preservation Trustees' Award for Organizational Excellence (continued): This award gives the Trust the leverage for greater opportunities to advance preservation on Guam.

Saving Historic Pãgat Village: The Trust, with its mission to preserve and protect Guam's historic sites, culture, and perspectives for the benefit of our people and our future, have successfully implemented an educational campaign and have forged alliances with local, regional, and international organizations to build a powerful voice to save Historic Pãgat Village from the Department of Defense's plans to build firing ranges on a bluff directly above the site that would bring military exercises, live ammunition, and security fencing to Historic Pãgat Village.

The Trust nominated Historic Pãgat Village to America's 11 Most Endangered Historic Places and in July 2010, the National Trust for Historic Preservation announced the designation of Historic Pãgat Village as one of America's 11 Most Endangered Historic Places. This designation, together with local organizations' and the community's strong voice have made Historic Pãgat Village the symbol to embrace Guam's heritage, culture, and social needs as paramount and priority in the movement to build Guam to prepare for the transfer of thousands of military personnel and their dependents from Okinawa, Japan to Guam. Petitions, letters, social networking, and media releases continue to educate and make aware the need to save Historic Pãgat Village.

In responding to our plight, the National Trust for Historic Preservation and the international law firm of SNR Denton U.S. LLP, have engaged their technical services on a pro-bono basis to assist in the review and action to save Historic Pãgat Village. The Trust and We Are Guãhan (WAG), joined by the National Trust for Historic Preservation (NTHP), announced the filing of a legal action against the U.S. Department of Defense challenging its plans to construct a complex of five firing ranges in Guam that are immediately adjacent to and directed toward Historic Pãgat Village. The lawsuit was filed in Honolulu, Hawaii where the environmental review process was coordinated by the Navy. The plaintiffs (the Trust, NTHP and WAG) are represented by pro bono counsel Nicholas C. Yost and Matthew Adams, both of SNR Denton U.S. LLP's San Francisco office.

On November 15, 2011 the U.S. Department of Justice filed a motion declaring that the Navy will prepare a Supplemental Environmental Impact Statement (SEIS) to reevaluate live-firing range complex alternatives. This declaration is an historic breakthrough for it is the beginning of a process to resolve critical issues that the people of Guam have been seeking to address for the past two years since the release of the Draft Environmental Impact Statement for the military buildup on Guam. Specifically, for the Trust, the issues of protecting and preserving our sacred, cultural, and traditional places and the violations of the process to address these core issues, are yet to be resolved. It is hopeful that the SEIS will address our concerns specific to our mission to preserve and protect Pãgat village for the benefit of our people and our future.

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Management's Discussion and Analysis, continued

2011 Highlights, continued

The Rededication of the 1911 Historic Lujan House and the celebration of its centennial year were held on July 16, 2011, the birthday of Jose P. Lujan, the Chamorro Master Builder of the historic home. This also inaugurated the Trust office on the second floor of the historic home, through an agreement with the Guam Department of Parks and Recreation (the owners of the historic home). The first floor of the two storey home is dedicated as the Community Meeting Room for community organizations to utilize for small meetings or gatherings.

2011 Guam History Day program culminated with the island-wide competition and the winners represented Guam at the National History Day competition held at the University of Maryland. This year the Guam contingent brought home the gold medal for the Naval History Award. In addition, two Guam teachers were recognized as State Winners for the National History Day Teachers of the Year. The program is funded by the Trust and the National History Day Inc. with in-kind contributions from Guam businesses such as Northwest/Delta Airlines, school coordinators and teachers, and history stakeholders (Guampedia, TASI group, MARC, UOG, Guam Museum, National Park Service, Council for the Arts and Humanities Agency, Hurao Inc. and Guam Historic Resource Division of the Department of Parks and Recreation).

Community Partnerships and Investments

In 2011, the Trust has partnered with over 30 public, private, and individuals from the community to oversee more than 30 programs and projects to accomplish *proposed outcomes* for this year. All have been successful in their respective delivery to the community for their benefit and appreciation.

During FY 2011, the Trust Board of Directors appropriated a total of about \$182,511 to fund all programs and projects, a decrease compared to last year's total of approximately \$1.2 million. This is due to a moratorium placed by the Board on grants over \$5,000, a step taken as a result of the decrease in revenues. An estimated total of over \$2 million of in-kind and cash contributions from partner organizations and individuals have been dedicated towards the *proposed outcomes* for this year.

Regional and National Support

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

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Management’s Discussion and Analysis, continued

Regional and National Support, continued

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, Western Division (NTHP); SNR Denton U.S. LLP; University of Hawaii; National Park Service; Association for Preservation Technologies International (APT); and Asian and Pacific Islander Americans Forum for Historic Preservation.

Guam Preservation Trust Standards of Success

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* expected by the community.

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

Proposed Outcomes

None Available

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.

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Management's Discussion and Analysis, continued

Public Interpretation and Presentation, continued

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Historic Landmark Signs	09/10/08	\$ 11,790	\$ 280 *
Exploring Guam's Heritage	07/08/09	8,290	3,525
Preserve Micronesia Video	08/12/09	8,400	8,400
Chamorro Language Instructional Materials	09/15/10	10,000	55 *
Blacksmith Apprenticeship	09/15/10	1,000	487 *
We Are Pagat Video	05/02/11	5,000	4,200
Navigating Cultural Values	05/02/11	5,000	4,858
Plight of Pagat Video	05/02/11	5,000	5,000
George Flores Museum	05/02/11	5,000	5,000
Edgar Flores Photo Documentary	05/02/11	5,000	5,000
Influential Women in Guam's History	05/02/11	5,000	5,000
House that Jose Built	05/02/11	5,000	5,000
Lujan House Rededication Ceremony	09/14/11	13,758	---
Explore Guam Heritage Broadcast	05/18/11	5,000	2,300 *
Konferensian Hita Guahan	03/09/11	5,000	---
Guam Micronesia Island Fair	07/13/11	5,000	---
Total		\$ 103,238	\$ 49,105

* Remaining balance reverted back to the Trust.

Architectural History

The 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.

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Management's Discussion and Analysis, continued

Architectural History, continued

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Setiadi Architects (A/E) Lujan House	01/09/09	\$ 45,360	\$ ---
Setiadi Architects (A/E) Lujan House	08/04/10	7,560	---
Setiadi Architects (A/E) Lujan House	08/04/10	13,230	---
Setiadi Architects (A/E) Lujan House	12/09/10	3,780	---
Plaza de Espana Structural Assessment	03/10/09	37,480	37,480
Guam Legislature - A/E Design	05/11/09	262,000	19,475
Amendment 1	11/18/09	161,000	---
Amendment 2	11/18/09	1,500	---
Amendment 3	05/12/10	4,550	---
Historic Inalahan Revitalization Plan	02/10/10	59,800	44,850
Total		\$ 596,260	\$ 101,805

Ethnography and Oral History

The 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 Approved	Balance
Traditional Fishing on Guam	09/15/10	\$ 15,000	\$ 15,000
Guam History Day	03/19/11	71,970	6,921 *
Total		\$ 86,970	\$ 21,921

* Remaining balance reverted back to the Trust.

Repair, Rehabilitation, Restoration or Renovation of Historic Buildings and Structures

The 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

Repair, Rehabilitation, Restoration or Renovation of Historic Buildings and Structures, continued

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Fort Nuestra de la Soledad, Umatac	10/01/06	\$ 8,000	\$ 2,050
Inalahan Historic Foundation Meno House, Inarajan Amendment I	02/13/08	14,000	14,000
Lujan House	01/14/09	697,700	---
Change Orders 1-5	05/12/10	40,831	---
Change Orders 6-12	09/15/10	29,307	---
Change Orders 13-14	07/13/11	17,783	11,900
Taleyfak Bridge Project	12/16/09	606,198	606,198
Amendment I	08/04/10	80,000	80,000
Inarajan Community Center Fencing	02/09/11	14,000	5,808
Total		\$ 1,507,819	\$ 719,956

**Project has been approved but contracts have not been signed.

*Remaining balance reverted back to the Trust.

Archaeological Research

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

Proposed Outcomes

Project Name	Date Approved	Amount Approved	Balance
Historic Structures Report Training Program	09/10/08	\$ 25,000	\$ 5,000
UOG Archeology Program	06/07/07	127,622	---
UOG Archeology Program Year I	06/13/08	140,240	---
UOG Archeology Program Year III	02/09/09	25,000	---
UOG Archeology Program Year III	09/16/09	75,000	46,049
Chemical Dating Analysis	05/27/11	4,139	---
Archaeological Services - Duenas	08/26/11	5,000	560
Archaeological Services - Iglesias	09/02/11	5,000	2,124
Total		\$ 407,001	\$ 53,733

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Management's Discussion and Analysis, continued

Archival Research

The 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

Project Name	Date Approved	Amount Approved	Balance
Spanish Period Glass and Ceramic Cataloging	03/10/08	\$ 10,588	\$ ---
Guam Museum Inventory and Cataloging Project Amendment	09/10/08	36,573	5,867
Total		\$ 47,161	\$ 5,867

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, 2011, 2010, and 2009. The nature of these statements is explained on the next page.

	September 30, <u>2011</u>	September 30, <u>2010</u>	September 30, <u>2009</u>	2011 % increase (decrease) from 2010
<u>Statement of Net Assets</u>				
Cash and cash equivalents	\$1,204,116	\$1,062,124	\$1,364,856	13.37%
Investments	344,439	734,746	858,030	(53.12)%
Receivables:				
Building permit fund	5,861,410	5,802,443	6,285,091	1.02%
Allowance for doubtful accounts	(5,806,687)	(5,426,711)	(5,426,711)	7.00%
Other assets	<u>2,980</u>	<u>2,471</u>	<u>3,024</u>	20.60%
 Total assets	 <u>\$1,606,258</u>	 <u>\$2,175,073</u>	 <u>\$3,084,290</u>	 (26.15)%
 Liability-accrued expenses	 \$ 67,327	 \$ 63,196	 \$ 45,063	 6.54%
Deposits payable - grants	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	--- %
 Total liabilities	 <u>75,327</u>	 <u>71,196</u>	 <u>53,063</u>	 5.8%
Net assets				
Invested in capital assets	2,980	1,571	2,124	89.69%
Unrestricted	<u>1,527,951</u>	<u>2,102,306</u>	<u>3,029,103</u>	(27.32)%
 Total net assets	 <u>1,530,931</u>	 <u>2,103,877</u>	 <u>3,031,227</u>	 (27.23)%
 Total liabilities and net assets	 <u>\$1,606,258</u>	 <u>\$2,175,073</u>	 <u>\$3,084,290</u>	 (26.15)%

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Management's Discussion and Analysis, continued

Financial Analysis, continued

	Year ended September 30, <u>2011</u>	Year ended September 30, <u>2010</u>	Year ended September 30, <u>2009</u>	2011 % increase (decrease) <u>from 2010</u>
<u>Statement of Activities</u>				
Building permit fees	\$ 698,967	\$ 627,352	\$ 1,170,993	11.42 %
Interest income	<u>10,231</u>	<u>6,488</u>	<u>65,831</u>	57.69 %
Total revenues	709,198	633,840	1,236,824	11.89 %
Expenditure	(1,105,732)	(1,599,442)	(1,132,211)	(30.87)%
(Loss) gain on sale of investment	(8,918)	34,426	77,782	(125.90)%
Unrealized (loss) gain on investments	<u>(167,494)</u>	<u>3,826</u>	<u>6,144</u>	(4,477.78)%
(Decrease) increase in net assets	(572,946)	(927,350)	188,539	(38.21)%
Net assets at beginning of year	<u>2,103,877</u>	<u>3,031,227</u>	<u>2,842,688</u>	(30.59)%
Net assets at end of year	<u>\$1,530,931</u>	<u>\$2,103,877</u>	<u>\$ 3,031,227</u>	(27.23)%

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 the accounting services of Deloitte and compared to totals listed on the Trust's Special Accounts with the Guam Department of Administration. For FY 2011, a total of \$698,967 was recorded for building permit fees, a slight increase from the FY 2010 total of \$627,352. The increase is a result of increase in construction activity on Guam for that period as well as other factors as pointed out by the Public Auditor's Performance Audit of the Guam Department of Public Works Building Permits and Inspection Section.

Expenditures

Total expenditures for FY 2011 decreased by \$493,710 from FY 2010, which is mainly attributed to the decrease in program services due to the moratorium placed on grants over \$5,000. The Trust did experience an increase in operating costs by \$445,165 from FY 2010 to FY 2011. This increase has been attributed mostly by factors related to additions to allowance for doubtful accounts, the re-location of the Trust's office to the Historic Lujan House, as well as the many partnership activities on and off island, and lastly by personnel increments.

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Management's Discussion and Analysis, continued

Financial Analysis, continued

Expenditures, continued

Office Re-Location: FY 2011 is the first full year that the Trust office has been in the Historic Lujan House and the expenses related to the re-location are expected. Although rental expense decreased by \$9,900, utilities have been added on the expense category, which totaled \$5,215. Purchases of tables and chairs for the Community Meeting Room have added to the increase in supplies and equipment category by \$6,000. The installation of telephone service requiring 150 feet of trenching, installation of lines and conduits, removal of temporary wooden power pole, and all other work associated to the installation of a permanent concrete pole increased communication costs by \$5,000.

Personnel costs: Personnel increments and new employee benefits were issued in FY 2011 as approved in the fiscal year's budget with a total of \$38,000.

Investments

Interest income on investments increased in FY 2011 from FY 2010. In FY 2011, \$10,231 was earned on interest income, compared to \$6,488 in FY 2010. Market investments have the tendency to fluctuate and realized gains or losses change constantly. During FY 2011, approximately \$165,000 of unrealized losses was experienced. This is attributed to the drawdown of \$400,000 to defray the capital improvement projects such as the rehabilitation of the Lujan House and the architectural and engineering design for the rehabilitation of the Guam Legislature. Therefore, the decrease in capital investments and the volatile investment markets contribute to the unrealized loss to investments. To date, the investment losses have been realized through aggressive market investments. The Trust's Board has adopted the Investment Policy that governs the investment manager's investment activities.

Receivables

Receivables from the General Fund of \$5,861,410 as compiled by our accounting services, with \$5,806,687 identified as doubtful account, concerned the Trust Board and prompted a discovery meeting with the Department of Administration, the Bureau of Budget and Management Research, Department of Public Works and the Speaker of the Legislature, to reconcile and report its findings. Preliminary findings indicated that in FY 2000, Public Law authorized the release of \$7.4 million dollars from special revenue funds to pay for salary increments of government employees. A total of \$4.7 million dollars was released from the Trust's Special Revenue Fund. This action conflicted with the Trust's mandate that Trust funds "*shall not be used for operations of any government departments or line agencies.*" Efforts to reimburse the Guam Preservation Trust is currently being address through the Hotel Occupancy Tax Bond (HOT Bond) as directed by the Office of the Governor.

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Management's Discussion and Analysis, continued

Financial Analysis, continued

Liabilities

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

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Governmental Funds Balance Sheet/Statement of Net Assets

September 30, 2011 and 2010

	<u>General Fund</u>	<u>Adjustments</u>	<u>2011 Statement of Net Assets</u>	<u>2010 Statement of Net Assets</u>
Assets:				
Cash and cash equivalents (<i>Note 3</i>)	\$ 1,204,116	\$ ---	\$ 1,204,116	\$ 1,062,124
Investments (<i>Note 3</i>)	344,439	---	344,439	734,746
Due from Government of Guam				
Building Permit Fund, net (<i>Note 4</i>)	54,723	---	54,723	375,732
Prepaid expenses	---	---	---	900
Property and equipment, at cost, net (<i>Note 5</i>)	---	2,980	2,980	1,571
	<u>---</u>	<u>2,980</u>	<u>2,980</u>	<u>1,571</u>
Total assets	\$ <u>1,603,278</u>	\$ <u>2,980</u>	\$ <u>1,606,258</u>	\$ <u>2,175,073</u>
Liabilities and Net Assets:				
Accrued expenses	\$ 67,327	\$ ---	\$ 67,327	\$ 63,196
Grant deposit	<u>8,000</u>	<u>---</u>	<u>8,000</u>	<u>8,000</u>
Total liabilities	<u>75,327</u>	<u>---</u>	<u>75,327</u>	<u>71,196</u>
Commitments and contingencies (<i>Note 6</i>)				
Fund Balances - assigned (<i>Note 2</i>)	<u>1,527,951</u>	<u>(1,527,951)</u>	<u>---</u>	<u>---</u>
Total fund balances	<u>1,527,951</u>	<u>(1,527,951)</u>	<u>---</u>	<u>---</u>
Total liabilities and fund balances	\$ <u>1,603,278</u>			
Net Assets:				
Invested in capital assets		2,980	2,980	1,571
Unrestricted		<u>1,527,951</u>	<u>1,527,951</u>	<u>2,102,306</u>
Total net assets		\$ <u>1,530,931</u>	\$ <u>1,530,931</u>	\$ <u>2,103,877</u>

See accompanying notes.

Guam Preservation Trust
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Statement of Government Fund Revenues, Expenditures and
Changes in Fund Balance/Statements of Activities

Years ended September 30, 2011 and 2010

	<u>General Fund</u>	<u>Adjustments</u>	<u>2011 Statement of Activities</u>	<u>2010 Statement of Activities</u>
Revenues:				
Building permit fees	\$ 698,967	\$ ---	\$ 698,967	\$ 627,352
Interest income	<u>10,231</u>	<u>---</u>	<u>10,231</u>	<u>6,488</u>
Total revenues	<u>709,198</u>	<u>---</u>	<u>709,198</u>	<u>633,840</u>
Expenditures:				
Program services - projects/grants	<u>294,776</u>	<u>---</u>	<u>294,776</u>	<u>1,233,651</u>
Supporting services:				
Doubtful accounts (Note 4)	379,976	---	379,976	---
Personnel (Note 7)	306,461	---	306,461	268,958
Contractual	46,797	---	46,797	48,785
Travel	24,247	---	24,247	3,104
Supplies and equipment rental	18,236	---	18,236	12,104
Communication	8,473	---	8,473	3,545
Trust fund and investment fees	7,827	---	7,827	4,992
Miscellaneous	7,822	---	7,822	6,711
Utilities	5,215	---	5,215	---
Stipend	2,350	---	2,350	2,500
Depreciation expense	---	1,350	1,350	1,952
Advertising	1,302	---	1,302	2,340
Rent (Note 6)	900	---	900	10,800
Capital outlays	<u>2,759</u>	<u>(2,759)</u>	<u>---</u>	<u>---</u>
	<u>812,365</u>	<u>(1,409)</u>	<u>810,956</u>	<u>365,791</u>
Total expenditures/expenses	1,107,141	(1,409)	1,105,732	1,599,442
(Loss) gain on sale of investments	(8,918)	---	(8,918)	34,426
Unrealized (loss) gain on investments	<u>(167,494)</u>	<u>---</u>	<u>(167,494)</u>	<u>3,826</u>
Excess of expenditures and loss on investments over revenues	(574,355)	574,355	---	---
Change in net assets		572,946	(572,946)	(927,350)
Fund balance/net assets:				
Beginning of year	<u>2,102,306</u>	<u>---</u>	<u>2,103,877</u>	<u>3,031,227</u>
End of year	<u>\$ 1,527,951</u>	<u>\$ ---</u>	<u>\$ 1,530,931</u>	<u>\$ 2,103,877</u>

See accompanying notes.

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

Notes to Financial Statements

Years ended September 30, 2011 and 2010

1. Organization

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

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

The Trust was created for the following purposes:

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

2. Summary of Significant Accounting Policies

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

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

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

Notes to Financial Statements, continued

2. Summary of Accounting Policies, continued

Government-wide Financial Statements

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

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

Measurement Focus/Government-wide and Fund Financial Statements

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

The governmental fund financial statements of the Trust are accounted for using a flow of current financial resources measurement focus. The statement of 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 2011 and 2010, the Trust accounted for its financial activities in a single governmental fund. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance. The ending fund balance on the balance sheet is reconciled to the ending net assets.

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

Notes to Financial Statements, continued

2. Summary of Accounting Policies, continued

Fund Financial Statements, continued

Adjustments required to reconcile total governmental fund balance to net assets of governmental activities in the Statement of Net Assets as of September 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Fund balance – governmental funds	\$1,527,951	\$2,102,306
<p>Amounts reported for governmental activities in the Balance Sheet differ from the amounts reported in the Statement of Net Assets because:</p>		
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds	<u>2,980</u>	<u>1,571</u>
Net assets of governmental activities	<u>\$1,530,931</u>	<u>\$2,103,877</u>

Adjustments required to reconcile net change in total governmental fund balance to change in net assets of governmental activities in the Statement of Activities for the years ended September 30, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Net change in fund balances - governmental funds	\$(194,379)	\$(926,797)
<p>Amounts reported for governmental activities in the Statement of Government Fund Revenues, Expenditures and Changes in Fund Balance differ from the amounts reported in the Statement of Activities because:</p>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which the depreciation exceeded capital outlays	<u>1,409</u>	(<u>553</u>)
Change in net assets of governmental activities	<u>\$(192,970)</u>	<u>\$(927,350)</u>

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

Notes to Financial Statements, continued

2. Summary of Accounting Policies, continued

Cash and Cash Equivalents

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

Investments

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

Capital Assets

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

Revenue Recognition

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

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

Income Taxes

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

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

Notes to Financial Statements, continued

2. Summary of 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 Accounting Policies, continued

New Accounting Standards

During the year ended September 30, 2011, the Trust implemented GASB Statement No. 59, *Financial Instruments Omnibus*, which was issued in June 2010. This statement was established to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The provisions of this statement are effective for periods beginning after June 15, 2010. The implementation of this pronouncement did not have a material effect on the financial statements of the Trust.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, effective for periods beginning after December 15, 2011. The statement establishes guidance for accounting and financial reporting for service concession arrangements. The Trust is currently evaluating the effects this statement will have on its financial statements.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, effective for periods beginning after June 15, 2012. The statement addresses reporting entity issues that have arisen since the issuance of Statement No. 14 and Statement No. 34. The Trust is currently evaluating the effects this statement will have on its financial statements.

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

In June 2011, GASB issued Statement No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Trust is currently evaluating the effects this statement will have on its financial statements.

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

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

Notes to Financial Statements, continued

3. Cash and Cash Equivalents and Investments

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

Cash and cash equivalents and investments as of September 30, 2011 and 2010 are classified in the statements of net assets as follows:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ <u>1,204,116</u>	\$ <u>1,062,124</u>
Investments	\$ <u>344,439</u>	\$ <u>734,746</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, 2011 and 2010, cash and cash equivalents were held by depositories and amounted to \$1,204,116 and \$1,062,124, respectively, of which \$541,161 and \$595,108, respectively, were insured and \$662,955 and \$467,016, respectively, were uninsured and uncollateralized. Based on negotiated trust and custody contracts, all of the investments were held in the Trust's name by the Trust's custodial financial institution at September 30, 2011 and 2010.

As of September 30, 2011 and 2010, the Trust also had \$480,192 and \$284,632, respectively, deposited in an interest bearing money market account which can be liquidated within 24 hours notice to the bank. The account is backed by short term U.S. treasury securities but is not insured by the Federal Deposit Insurance Corporation.

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

Guam Preservation Trust
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Notes to Financial Statements, continued

3. Cash and Cash Equivalents and Investments, continued

Interest Rate Risk

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

Concentration of Credit Risk

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Trust minimized credit risk losses by limiting investments to low risk securities. The following represents the Trust's investments as of September 30, 2011 and 2010:

<u>Type</u>	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>% of Portfolio</u>	<u>Amount</u>	<u>% of Portfolio</u>
ETFs/Mutual Funds	\$344,439	100%	\$ ---	---
Certificates of Deposit	---	---%	230,024	31%
Stocks	---	---%	<u>504,722</u>	<u>69%</u>
	<u>\$344,439</u>	<u>100%</u>	<u>\$734,746</u>	<u>100%</u>

As of September 30, 2011 and 2010, 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. However, issues relating to this outstanding balance exist at September 30, 2011 and 2010. Accordingly, the Trust has recorded an allowance for uncollectible receivables of \$5,806,687 and \$5,426,711 as of September 30, 2011 and 2010, respectively.

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. As of February 8, 2012, no funds have been received by the Trust.

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

Notes to Financial Statements, continued

5. Property and Equipment

The following is a summary of the changes in capital assets for the years ended September 30, 2011 and 2010:

	<u>Beginning Balance October 1, 2010</u>	<u>Additions</u>	<u>Transfers and Deletions</u>	<u>Ending Balance September 30, 2011</u>
Furniture, fixtures, and equipment	\$15,149	\$ 2,759	\$ ---	\$17,908
Less accumulated depreciation	(13,578)	(1,350)	---	(14,928)
Investment in capital assets	<u>\$ 1,571</u>	<u>\$ 1,409</u>	<u>\$ ---</u>	<u>\$ 2,980</u>
	<u>Beginning Balance October 1, 2009</u>	<u>Additions</u>	<u>Transfers and Deletions</u>	<u>Ending Balance September 30, 2010</u>
Furniture, fixtures, and equipment	\$ 13,750	\$ 1,399	\$ ---	\$15,149
Less accumulated depreciation	(11,626)	(1,952)	---	(13,578)
Investment in capital assets	<u>\$ 2,124</u>	<u>\$ (553)</u>	<u>\$ ---</u>	<u>\$ 1,571</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 \$113,000 and \$104,000, as of September 30, 2011 and 2010, respectively. The lessor has not taken efforts to collect.

The Trust, as a component unit of the Government of Guam, is covered under the Government of Guam Claims Act. This act prohibits the lessor from pursuing collection of outstanding rents beyond the past 18 month period. Accordingly, the Trust believes its maximum obligation as of September 30, 2011 will not exceed approximately \$14,000. Because the lessor has not pursued collection, the Trust has not recorded any accrued liability.

Guam Preservation Trust
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Notes to Financial Statements, continued

6. Commitments and Contingencies, continued

Future rental payments as of September 30, 2011, are as follows:

Year ending September 30,

2012	\$ 9,576
2013	10,536
2014	10,536
2015	10,536
2016	10,536
Thereafter	<u>243,005</u>
	<u>\$294,725</u>

The Trust had a lease agreement to rent office space for its operations. Rent expense incurred for the years ended September 30, 2011 and 2010 totaled \$900 and \$10,800, respectively. The lease was terminated in November 2010.

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 \$250,338 to fund grants approved as of September 30, 2011. 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.

In May 2007, the Trust received a levy from the United States Internal Revenue Service (IRS). The IRS seeks to obtain payment of taxes owed by a Trust grant recipient. However, the Trust had disbursed grant monies to the recipient prior to receiving the IRS levy. The Trust communicated this situation to the IRS and no reply has been received from the IRS. The Trust has not recorded any liability for the levy in its 2011 and 2010 financial statements.

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

Notes to Financial Statements, continued

7. Employee's Retirement Plan

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

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

For the years ended September 30, 2011 and 2010, the retirement contribution amounted to \$6,242 and \$6,000, which is included as a component of personnel services in the accompanying Statements of Government Fund Revenues, Expenditures and Changes in Fund Balance/Statements of Activities.

8. Subsequent Events

The Trust has evaluated subsequent events through February 8, 2012, which is the date the financial statements were available to be issued.

Other Financial Information

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

Schedule of Grant Projects Reserved for Encumbrances

September 30, 2011

Description	Grant no.	Date approved	Grant amount	Year-to-date expenditures FYE 09/30/10	Expenditures year-ended 09/30/11	Outstanding encumbrance 09/30/11
Inalahan Historic Foundation- Meno House - Amendment 1	GPTG-0704	2/13/2008	\$ 14,000	\$ -	\$ -	\$ 14,000
Lon Bulgrin-Glass-Ceramic Catalog	GPTG-0801	3/10/2008	10,588	5,446	5,142	-
Guam Museum - Amendment 1	GPTG-0807	9/10/2008	36,573	27,406	3,300	5,867
Department of Parks and Recreation - Historic Landmark Signs	GPTG-0810	9/10/2008	11,790	10,010	1,500	280 *
Duenas & Bordallo - Plaza De Espana	GPTG-0901	3/10/2009	37,480	-	-	37,480
Historic Inalajan Revitalization Plan	GPTG-1001	2/10/2010	59,800	-	14,950	44,850
Traditional Fishing on Guam	GPTG-1002	9/15/2010	15,000	-	-	15,000
Chamorro Language Instructional Materials	GPTG-1003	9/15/2010	10,000	-	9,945	55 *
Fort Nuestra De La Soledad, Umatac	BP-06-01	10/1/2006	8,000	5,950	-	2,050
UOG Archeological Program	BP-07-01	6/7/2007	127,622	127,429	193	-
UOG Archeology Program - Year 2 Amendment 1		6/13/2008	140,240	104,750	35,490	-
UOG Archeology Program - Year 2 Amendment 3 - Pac Arch Conf		2/9/2009	25,000	20,058	4,942	-
UOG Archeology Program - Year 3		9/16/2009	75,000	-	28,951	46,049
Historic Structures Report Training Program (UOG						
Archeology Program - Year 2 Amendment 2 HSR Plaza)	BP-0804	9/10/2008	25,000	20,000	-	5,000
Exploring Guam's Heritage	BP-0907	7/8/2009	8,290	-	4,765	3,525
Preserve Micronesia Video	BP-1006	8/12/2009	8,400	-	-	8,400
Blacksmith Apprenticeship	BP-1008	9/15/2010	1,000	-	513	487 *
Setiadi Architects (A/E) Lujan House - Amendment 1	HS-0703	1/9/2009	45,360	45,360	-	-
Setiadi Architects (A/E) Lujan House		8/4/2010	7,560	7,560	-	-
Setiadi Architects (A/E) Lujan House		8/4/2010	13,230	13,230	-	-
Setiadi Architects (A/E) Lujan House		12/9/2010	3,780	-	3,780	-
Sub-total, carried forward			683,713	387,199	113,471	183,043

Guam Preservation Trust
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Schedule of Grant Projects Reserved for Encumbrances, continued

<u>Description</u>	<u>Grant no.</u>	<u>Date approved</u>	<u>Grant amount</u>	<u>Year-to-date expenditures FYE 09/30/10</u>	<u>Expenditures year-ended 09/30/11</u>	<u>Outstanding encumbrance 09/30/11</u>
Sub-total brought forward			\$ 683,713	\$ 387,199	\$ 113,471	\$ 183,043
JRN Refrigeration - Lujan House	HS-0901	1/14/2009	697,700	697,700		-
JRN Refrigeration - Lujan House - Change orders 1-5		5/12/2010	40,831	22,537	18,294	-
JRN Refrigeration - Lujan House - Change orders 6-12		9/15/2010	29,307	-	29,307	-
JRN Refrigeration - Lujan House - Change orders 13-14		7/13/2011	17,783	-	5,883	11,900
Architects RNK - Guam Legislature	HS-0902	5/11/2009	220,000	184,800	15,725	19,475
Motion - LEED Certification		8/12/2009	42,000	42,000	-	-
Soil, Perk, Water Tests - Amendment 1		11/18/2009	161,000	161,000	-	-
Expansion North Wing - Amendment 2		11/18/2009	1,500	1,500	-	-
Additional LEED - Amendment 3		5/12/2010	4,550	4,550	-	-
Taleyfac Bridge Project	HS-1001	12/16/2009	606,198	-	-	606,198 **
Taleyfac Bridge Project - Amendment 1		8/4/2010	80,000	-	-	80,000 **
We Are Pagat Video Project	GPTG11-01	5/2/2011	5,000	-	800	4,200
Navigating Cultural Values	GPTG11-02	5/2/2011	5,000	-	142	4,858
Plight of Pagat Video	GPTG11-03	5/2/2011	5,000	-	-	5,000
Chemical Dating Analysis	GPTG11-04	5/27/2011	4,139	-	4,139	-
T. Iglesias Archeology Services	GPTG11-05	9/2/2011	5,000	-	2,876	2,124
George Flores Museum	GPTG11-06	5/2/2011	5,000	-	-	5,000
Edgar Flores Photo Documentary	GPTG11-07	5/2/2011	5,000	-	-	5,000
Influential Workmen in Guam's History	GPTG11-08	5/2/2011	5,000	-	-	5,000
House that Jose Built		5/2/2011	5,000	-	-	5,000
Sub-total, carried forward			2,628,721	1,501,286	190,637	936,798

Guam Preservation Trust
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Schedule of Grant Projects Reserved for Encumbrances, continued

<u>Description</u>	<u>Grant no.</u>	<u>Date approved</u>	<u>Grant amount</u>	<u>Year-to-date expenditures FYE 09/30/10</u>	<u>Expenditures year-ended 09/30/11</u>	<u>Outstanding encumbrance 09/30/11</u>
Sub-total brought forward			\$ 2,628,721	\$ 1,501,286	\$ 190,637	\$ 936,798
S. Duenas Archeology Services	GPTG11-10	8/26/2011	5,000	-	4,440	560
Inarajan Community Center Fencing	BP11-01	2/9/2011	14,000	-	8,192	5,808 *
National/Guam History Day	BP11-02	3/19/2011	71,970	-	65,049	6,921 *
Lujan House Dedication	BP11-03	9/14/2011	13,758	-	13,758	-
Explore Guam Heritage Broadcast	BP11-04	5/18/2011	5,000	-	2,700	2,300 *
Konferensian Hita Guahan	BP11-05	3/9/2011	5,000	-	5,000	-
Guam Micronesia Fair 2011	BP11-06	7/13/2011	5,000	-	5,000	-
			<u>\$ 2,748,449</u>	<u>\$ 1,501,286</u>	<u>\$ 294,776</u>	<u>\$ 952,387</u>

* Represents grant/projects that have been completed and whose grant balances will be reverted back to the Trust: (15,851)

** Represents grant/projects that have been approved by the Board of Directors, but have no signed contracts: (686,198)

Total outstanding encumbrance as of FY2011: \$ 250,338