

**Deloitte.**

**GUAM PRESERVATION TRUST**

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**FINANCIAL STATEMENTS AND INDEPENDENT  
ACCOUNTANTS' COMPILATION REPORT**

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**THREE MONTHS ENDED DECEMBER 31, 2010**



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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Guam Preservation Trust:

We have compiled the accompanying balance sheet of Guam Preservation Trust (Trust) as of December 31, 2010, and the related statement of operations for the three months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of a departure from accounting principles generally accepted in the United States of America that is described in the following paragraph.

A statement of cash flows for the three months ended December 31, 2010 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Management has informed us that they are unable to assess the adequacy of the allowance for doubtful accounts in the accompanying financial statements. Trust management is in discussions with the Government of Guam to resolve the collectibility of its recorded receivables, and is currently unable to predict the ultimate outcome of this matter.

As of September 30, 2006, the Trust wrote off a leasehold interest because of its intent to terminate the lease. As a settlement has not been reached, the outcome of this matter is currently undeterminable. Accordingly, the impact of this matter is not predictable.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

January 31, 2011

GUAM PRESERVATION TRUST

Balance Sheet  
December 31, 2010

(See Accompanying Independent Accountants' Compilation Report)

ASSETS

Cash in bank - checking	\$ 20,486
Cash - trust account	55,666
Investments	1,645,134
Receivables:	
General fund	5,865,601
Allowance for doubtful accounts	(5,426,712)
Property and equipment, net of accumulated depreciation	3,005
Total assets	<u>\$ 2,163,180</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued expenses	\$ 6,032
Grant deposit	8,000
Payroll liabilities	57,091
Total liabilities	<u>71,123</u>
Net assets:	
Unrestricted:	
Net assets	2,093,433
Current period reduction of unrestricted net assets	(1,376)
Total unrestricted net assets	<u>2,092,057</u>
	<u>\$ 2,163,180</u>

GUAM PRESERVATION TRUST

Statement of Operations  
 Three Months Ended December 31, 2010  
 (See Accompanying Independent Accountants' Compilation Report)

Revenue:		\$	
Building permit fees		164,995	
Interest income		76	
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Total revenue		165,071	
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Expenses:			
Salaries		65,412	
Projects - grants		64,821	
Travel and conference fees		6,414	
Insurance		5,370	
Accounting services		4,974	
FICA		4,757	
Legal services		2,295	
Retirement plan contribution		2,100	
Repair and maintenance		1,829	
Supplies		1,561	
Communications		1,159	
Utilities		872	
Stipend		300	
Depreciation		243	
Bank charges		188	
Postage		60	
Miscellaneous		4,645	
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Total expenses		167,000	
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Loss from operations		(1,929)	
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Change in fair value of investments		553	
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Net loss and decrease in net assets		\$ (1,376)	
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