



OFFICE OF PUBLIC ACCOUNTABILITY

Suite 401 DNA Building, 238 Archbishop Flores Street, Hagatna, Guam 96910
Tel (671) 475-0390 · Fax (671) 472-7951 · Hotline: 47AUDIT (472-8348)
www.opaguam.org

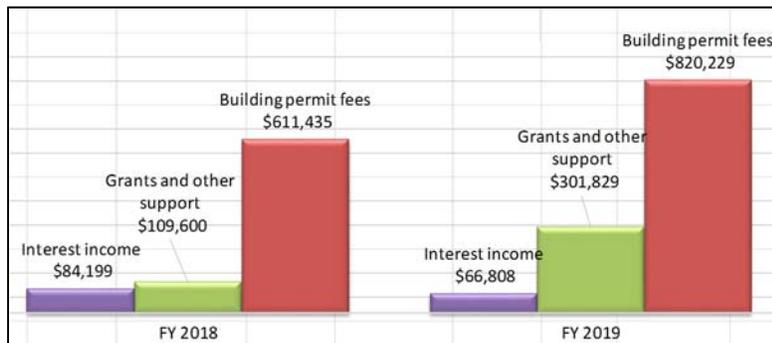
Guam Preservation Trust – FY 2019 Financial Highlights

February 28, 2020

Hagåtña, Guam – The Office of Public Accountability (OPA) released the Guam Preservation Trust’s (GPT) financial statements, report on compliance and internal control, management letter, and the auditor’s communication with those charged with governance for fiscal year (FY) 2019. Independent auditors, Ernst & Young LLP (EY), rendered an unmodified (clean) opinion on GPT’s financial statements, for which no material weaknesses and no significant deficiencies were identified. GPT closed FY 2019 with a decrease in net position (net loss) of \$122 thousand (K), which was less than FY 2018’s net loss of \$336K. For FY 2019, OPA recognized¹ GPT for achieving a status similar to “low risk” for two consecutive years.

GPT Revenues Increased by \$384K

GPT’s total revenues increased by \$384K, from \$805K in FY 2018 to \$1.2 million (M) in FY 2019 due to an increase in building permit fees and grants.



GPT receives most of its revenues from the Building Permit Fees administered by the Guam Department of Public Works (DPW). For FY 2019, building permit fees increased to \$820K in FY 2019 from \$611K in FY 2018. This was due to the increase in construction activity in 2019. Construction activity can be as

large as a hotel development or as small as a renovation on a home or existing small structure. This does not include military-related construction activities because DPW does not have oversight over such projects.

Grants and other support increased to \$301K in FY 2019 from \$109K in FY 2018. GPT applied and was awarded grants from local, federal, and national institutions to fund community outreach programs in preservation. In FY 2019, GPT received \$181K in approved grants. The largest grant projects approved were for Department of Interior (DOI) Grant – Pacific Preservation Technologies (\$95K) and DOI Grant – World Heritage Training and Workshop Opportunities (\$63K).

¹ OPA recognizes entities not subject to a Single Audit that achieved a similar “low-risk” status. OPA’s criteria for such recognition requires that for three consecutive periods (fiscal years 2017, 2018, and 2019), the entity issued its financial audit within six months of the fiscal year and received an unmodified “clean” opinion on its financial statements with no material weaknesses, significant deficiencies, or questioned costs.

Interest income on investments decreased slightly between FY 2018 and FY 2019. In FY 2019, \$67K was earned on interest income, compared to \$84K in FY 2018. This was due to the anticipated drawdowns from investment accounts to pay for capital improvement projects, such as the Antonia Chargualaf House Project.

GPT Expenditures Increased by \$69K

In FY 2019, overall expenditures was \$1.2M, a 6% increase from FY 2018’s \$1.1M. This is attributed mostly to the last construction payment for the Chargualaf House Project’s retaining balance.

During FY 2019, the Department of Administration transferred \$100K of GPT’s building permit fee revenues to the Historic Preservation Archaeological Mitigation Fund administered by the Department of Parks and Recreation in accordance with Public Law 33-66. Expenditures of this Fund is restricted to the contracting of archaeological services as determined by the Historic Preservation Office; public education and awareness activities; and the purchase of supplies, materials, and equipment to support the fund’s activities.

For FY 2019, the GPT Board of Directors approved funding of \$672K and expended \$448K for the rehabilitation and reconstruction of the Antonia Chargualaf House in Inarajan, and the architectural and engineering design of the Agustine San Nicolas House in Inarajan and the Vicente Rosario House in Hagåtña.



San Nicolas House, Inarajan

Management Letter

EY repeated its recommendation for GPT to review its procurement policy to ensure GPT is in compliance with the Guam Procurement Law and Regulations. This includes following up on its request to obtain DPW’s approval to engage in its own process for construction projects. Also, EY recommended that GPT revisit and strengthen their credit card policy to strictly implement the purpose of the corporate credit card for business use only.

GPT accepted five audit adjustments that cumulatively increased GPT’s net position by \$363K.

For more details on GPT’s operations, refer to the Management’s Discussion and Analysis in the audit report at www.opaguam.org and www.guampreservationtrust.org.