

*Financial Statements and
Supplementary Information*

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

*Year ended September 30, 2018
with Report of Independent Auditors*



**Building a better
working world**

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

Financial Statements and
Supplementary Information

Year ended September 30, 2018

Contents

Report of Independent Auditors	1
Management's Discussion and Analysis	4
Audited Financial Statements	
2018 Governmental Funds Balance Sheet/Statement of Net Position	12
2018 Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	13
Notes to Financial Statements	14
Supplementary Information	
2018 and 2017 Governmental Funds Balance Sheet/Statement of Net Position	25
2018 and 2017 Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	26
Schedule of Grant Projects Reserved for Encumbrances	27



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

Report of Independent Auditors

The Board of Directors
Guam Preservation Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Guam Preservation Trust (the Trust), a component unit of the Government of Guam, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Trust as of September 30, 2018, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Other matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The supplementary comparative financial statement information included in pages 25 and 26 and the Schedule of Grant Projects Reserved for Encumbrances included in page 27 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary comparative financial statement information and the Schedule of Grant Projects Reserved for Encumbrances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the comparative financial statement information and the Schedule of Grant Projects Reserved for Encumbrances are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March 29, 2019 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

Ernst + Young LLP

March 28, 2019

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

Management’s Discussion and Analysis

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, 2018. This presentation is provided to better understand the Trust and its financial status in accordance with United States generally accepted accounting principles promulgated by the Standards of the Government Accounting Standards Board (GASB).

Introduction

The Guam Preservation Trust (the Trust) was created in 1990 as a non-profit, public corporation governed by a Board of Directors. It is dedicated to preserving Guam’s historic sites and culture as well as educating the public about those issues. Although primarily tasked with restoring historic structures, which are listed in the Guam Register of Historic Places and/or the National Register of Historic Places, the Guam Preservation Trust also supports various types of heritage projects.

Management

The Trust is a 501(c) 3 Non-profit Corporation comprised of ten board members representing five disciplines (Archaeology, Architecture, Chamorro Culture, Community Planning, and History). Each discipline is represented by a primary and an alternate Board Member. Board Members appointed by the Governor and approved by the Legislature to the Historic Review Board of the Guam Department of Parks and Recreation, automatically sit on the Trust Board. The Board of Directors conducts its regular monthly meeting on the second Friday of the month at 3:00pm. In Fiscal Year 2018, a total of six (6) Trust Board of Directors meetings were conducted and a total of thirty-six (36) board resolutions were made. Attendance of Board Members representing four of the five disciplines constitutes a quorum.



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

Management’s Discussion and Analysis, continued

Management, continued

The Trust Board Members by discipline are:

<u>Discipline</u>	<u>Primary</u>	<u>Alternate</u>
<i>Architecture</i>	Michael Makio, AIA (Board Chair)	(Vacant)
<i>Archaeology</i>	(Vacant)	Jolie Liston
<i>Chamorro Culture</i>	Rebecca Dueñas	(Vacant)
<i>History</i>	Eric Forbes	(Vacant)
<i>Planning</i>	Dave Lotz	(Vacant)

The Trust is currently staffed by Joseph Quinata, Chief Program Officer; Ruby Santos, Administrative Services Coordinator; Andrew Tenorio, Program Officer; Victor Camacho, Development Officer; Charmaine Ledesma, Program Officer; and Lawrence Borja, Development Officer. 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 conducts procurement activities in accordance with Guam procurement laws.

The Trust Vision

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

The Trust Mission

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

2018 Highlights

Restoration, Rehabilitation, and Reconstruction of Historic Structures

The Guam Preservation Trust completed the rehabilitation and reconstruction of two homes (Doris Lujan House and Juan Flores House) in the Historic District of Inarajan. In addition, the GPT Board approved the services of Architectural and Engineering Design for two homes acquired by the Trust (Augustine San Nicolas House in Inarajan and Vicente Rosario House in Hagatna).

Capacity Building for Historic Preservation in Guam and the Pacific

The Guam Preservation Trust, in partnership with local and federal organizations such as the Guam Bureau of Planning and Statistics, the Advisory Council for Historic Preservation (ACHP), Guam Community College, University of Guam, and the U.S. Department of Interior, have provided technical training to build the capacity of professionals in historic preservation. A total of over 200 professionals from the fields of archaeology, architecture, engineering, and historic preservation technicians from the region participated in their respective training sessions. A total of \$126,473 was awarded to the Guam Preservation Trust for the three-year Pacific Preservation grant program (www.pacificpreservation.org). This award has been the largest received that is dedicated to building the capacity of our preservationists in Guam and the Pacific.

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

Management's Discussion and Analysis, continued

2018 Highlights, continued

Historic Preservation and Secondary School-Aged Youth

The Guam Preservation Trust in partnership with local and national organizations continues to provide teachers and youth with resources and opportunities to become stewards in heritage preservation. Two significant programs are the Guam/National History Day and the Pacific Heritage Youth Summit. With the Trust and community funding from both national and local communities, these programs continue to provide necessary tools for students to participate in historic preservation in their respective communities. Approximately \$200,000 of funding and in-kind contributions was dedicated annually and biennially towards the betterment for our children... our future.

Community Partnerships and Investments

In 2018, the Trust partnered with over 55 public and private organizations, and individuals from the community to oversee 11 grants and projects to accomplish our *proposed outcomes* (Goals) for the year. All have been successful in their respective delivery to the community for their benefit and appreciation.

Regional and National Support

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

National Preservation Institute (NPI); Asian & Pacific Islanders American for Historic Preservation (APIAHIP); National History Day, Inc. (NHD); The National Trust for Historic Preservation (NTHP); National Park Service; Association for Preservation Technology International (APT); U.S. Department of Interior (DOI/TAP); and The Nature Conservancy (TNC), and National Oceanographic and Atmospheric Agency (NOAA.), Rota Mayor's Office, CNMI Public School Systems, and Rota Historic Preservation Office.

Trust Goals

1. Historic Property Documentation and Register Nomination

The Trust will provide opportunities for the documentation of the historic significance of places, objects, structures, buildings, and sites, and is in the formal process for registration and nomination for listing on the Guam and/or National Register of Historic Places.

Action Outcomes

No proposals were received for this category; therefore, no funding was approved for fiscal year (FY) 2018.

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

Management's Discussion and Analysis, continued

Trust Goals, continued

2. 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.

Action Outcomes

Project Name	Date Approved	Amount Approved	Expenditures to Date	Balance at 09/30/18
Taleyfac Bridge Signage	04/17/13	\$ 10,000	\$ 215	\$ 9,785
The Ritidian Story: An Illustrated History of Ancient Life & Landscape at Ritidian	06/19/13	5,000	5,000	---
Amot Hunters*	11/13/13	5,000	3,750	1,250
Teaching With Historic Places	08/13/15	14,400	4,315	10,085
Pacific Preservation Project (Department of Interior (DOI) Federal Grant)	03/14/16	126,473	126,473	---
Five Year Strategic Plan*	07/11/16	2,500	2,454	46
Guam and National History Day 2017*	02/13/17	25,000	24,935	65
Capital Campaign	07/10/17	20,000	266	19,734
A Day at the Museum	08/01/17	15,000	15,000	---
National Trust for Historic Preservation Conference	09/29/17	12,333	12,333	---
Humatak Revitalization Plan	11/08/17	50,000	12,500	37,500
GPT Strategic Plan*	12/06/17	10,000	7,250	2,750
CHamoru Language Competition	12/06/17	500	500	---
Pacific Heritage Youth Summit (PHYS)*	07/10/17	20,000	7,411	12,589
National Park Service Grant	08/21/17	30,800	30,800	---
Guam Women's Club Grant	04/27/18	1,000	1,000	---
Pacific Preservation Project*	01/31/18	10,000	55	9,945
Guam and National History Day 2018	04/05/18	24,000	24,000	---
Takhelo na Tiningo gi Fino Yan Kutturán CHamoru	04/13/18	55,606	-	55,606
Kosas Camp	04/30/18	10,500	10,500	---
Congressional Art Competition*	05/01/18	1,000	990	10
Total		\$ 449,112	\$ 289,747	\$ 159,365
<i>*Unused balance at September 30, 2018 will be reverted back to the Trust.</i>				

3. Architectural Research

The Guam Preservation Trust, in collaboration with architectural and engineering organizations, will develop architectural research and documentation of historic structures for use in rehabilitation, renovation, restoration, or re-construction.

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

Management's Discussion and Analysis, continued

Trust Goals, continued

3. Architectural Research, continued

Action Outcomes

Project Name	Date Approved	Amount Approved	Expenditures to Date	Balance at 09/30/18
FQ Sanchez Facility A&E	12/18/14	\$ 208,054	\$ 207,554	\$ 500
Architecture Book for Guam	02/23/15	49,500	41,250	8,250
Total		\$ 257,554	\$ 248,804	\$ 8,750
<i>*Unused balance at September 30, 2018 will be reverted back to the Trust.</i>				

4. Ethnography and Oral History

The Guam Preservation Trust, in collaboration with organizations involved in ethnography and oral history, will dedicate resources, to research and document: 1) historic places; and 2) traditional cultural values and practices significant to Guam.

Action Outcomes

Project Name	Date Approved	Amount Approved	Expenditures to Date	Balance at 09/30/18
Pagat, Haputo, Hilaan Documentary*	07/24/12	\$ 5,000	\$ 4,500	\$ 500
Total		\$ 5,000	\$ 4,500	\$ 500
<i>*Unused balance at September 30, 2018 will be reverted back to the Trust.</i>				

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

The Guam Preservation Trust, in collaboration with other organizations and property owners, will dedicate resources for the care and treatment of deteriorating historic structures and buildings.

Action Outcomes

Project Name	Date Approved	Amount Approved	Expenditures to Date	Balance at 09/30/18
Guam Congress Building	05/18/15	\$ 2,759,278	\$ 2,758,379	\$ 899
Change Order I	07/21/16	24,101	---	24,101
4 Historic Homes in Inarajan - Construction Administration	06/22/15	128,960	34,083	94,877
Malesso Bell Tower & Magellan Monument*	08/20/15	101,413	98,624	2,789
Doris Lujan House*	07/11/16	410,392	399,392	11,000
Change Order I	09/15/17	14,532	14,532	---
Antonia Chargualaf House	08/18/17	350,000	---	350,000
Change Order I	09/29/17	43,350	---	43,350
Rosario House A&E	01/31/18	96,488	---	96,488
San Nicolas House A&E	01/31/18	83,218	---	83,218
Total		\$ 4,011,732	\$ 3,305,010	\$ 706,722
<i>*Unused balance at September 30, 2018 will be reverted back to the Trust.</i>				

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

Management's Discussion and Analysis, continued

Trust Goals, continued

6. Archaeological Research

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

Action Outcomes

Project Name	Date Approved	Amount Approved	Expenditures to Date	Balance at 09/30/18
Latte Quarrying Project	10/22/15	\$ 6,200	\$ 2,592	\$ 3,608
Pilot Study of Ancient mtDNA in the Dentitions from Naton Beach - Phase 2	02/24/17	4,336	4,336	---
Developing Maritime Archaeology	02/27/17	20,250	15,200	5,050
Total		\$ 30,786	\$ 22,128	\$ 8,658

7. Archival Research

The Guam Preservation Trust, in collaboration with archival organizations, will develop and provide archival research that focuses on specific historic places or broad patterns of events significant in Guam's history for public education and appreciation.

Action Outcomes

No proposals were received for this category; therefore, no funding was approved for FY2018.

8. Legislative Initiative (Public Law 31-19)

Project Name	Date Approved	Amount Approved	Expenditures to Date	Balance at 09/30/18
Manuel Guerrer Bldg. Demolition */**	06/04/15	\$ 700,000	\$ 345,086	\$ 354,914
Humatak Bridge Repair */**	08/22/16	300,000	262,000	38,000
Total		\$ 1,000,000	\$ 607,086	\$ 392,914

**Unused balance at September 30, 2018 will be reverted back to the Trust.*

***Public Law 33-120 reappropriated \$300,000 of the \$1million Manuel Guerrero Building Demolition project towards the repair of the Humatak Bridge.*

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

Management's Discussion and Analysis, continued

Financial Analysis

Our analysis is based on the following condensed financial data for the years ended September 30, 2018, 2017 and 2016.

	September 30, <u>2018</u>	September 30, <u>2017</u>	September 30, <u>2016</u>	2018 % increase (decrease) from <u>2017</u>
<u>Statement of Net Position</u>				
Assets:				
Cash and cash equivalents	\$ 765,712	\$ 330,233	\$ 957,232	131.87%
Investments	1,212,885	2,124,789	2,579,606	-42.92%
Due from building permit fund, net	122,889	---	259,760	---
Prepaid expenses	---	---	9,622	---
Other assets	<u>10,282,859</u>	<u>10,268,911</u>	<u>10,279,215</u>	0.14%
Total assets	<u>12,384,345</u>	<u>12,723,933</u>	<u>14,085,435</u>	-2.67%
Liabilities:				
Accrued expenses	74,471	63,574	459,734	17.14%
Deferred revenue	---	14,364	---	---
Deposits payable - grants	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	0.00%
Total liabilities	<u>82,471</u>	<u>85,938</u>	<u>467,734</u>	-4.03%
Net position:				
Invested in capital assets	374,159	360,211	370,515	3.87%
Unrestricted	2,019,015	2,369,084	3,323,633	-14.78%
Restricted	<u>9,908,700</u>	<u>9,908,700</u>	<u>9,923,553</u>	0.00%
Total net position	<u>\$ 12,301,874</u>	<u>\$ 12,637,995</u>	<u>\$ 13,617,701</u>	-2.66%

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

Management's Discussion and Analysis, continued

Financial Analysis, continued

	Year ended September 30, <u>2018</u>	Year ended September 30, <u>2017</u>	Year ended September 30, <u>2016</u>	2018 % increase (decrease) <u>from 2017</u>
<u>Statement of Activities</u>				
Building permit fees	\$ 611,435	\$ 676,182	\$ 721,233	-9.58%
Grants / support - unrestricted	109,600	70,344	57,921	55.81%
Interest income	<u>26,199</u>	<u>22,923</u>	<u>48,026</u>	14.29%
Total revenues	747,234	769,449	827,180	-2.89%
Expenditures	(1,141,355)	(1,811,467)	(3,611,526)	-36.99%
Unrealized gain on investments	<u>58,000</u>	<u>62,312</u>	<u>142,705</u>	-6.92%
Decrease in net position	(336,121)	(979,706)	(2,641,641)	-65.69%
Net position at beginning of year	<u>12,637,995</u>	<u>13,617,701</u>	<u>16,259,342</u>	-7.19%
Net position at end of year	<u>\$ 12,301,874</u>	<u>\$ 12,637,995</u>	<u>\$ 13,617,701</u>	-2.66%

Revenues

The Trust receives most of its revenues from the Building Permit Fees administered by the Guam Department of Public Works. A compilation is conducted every quarter by our accounting services provider and compared to totals listed on the Trust's Special Accounts with the Guam Department of Administration. For FY 2018, a total of \$611,435 was collected from building permit fees, a decrease by \$64,747 or -9.58% from the 2017 total of \$676,182. The decrease in revenue is attributed to the decrease in construction activity due in part to the drastic decrease in H-2 Worker approval by U.S. Immigration Agency. We are expecting a further decrease in construction activity in 2019 if the H-2 Workers for construction continues in its trend.

Investments

Interest income on investments increased by 14.29% between FY 2018 and FY 2017. In FY 2018, \$26,199 was earned on interest income, compared to \$22,923 in Fiscal Year 2017. The increase is largely attributed in part to the decrease in drawdowns in FY 2018 for capital improvement projects.

Expenditures

Overall expenditures for FY 2018 is \$1,141,355, a decrease of 36.99% from FY 2017 total of \$1,811,467. This is attributed to the tapering off and near-completion of major capital improvement projects, such as the rehabilitation and reconstruction of the Doris Flores Lujan House in Inarajan (\$410,392) and the Antonia Chargualaf House in Inarajan (\$350,000). Although the Trust invested and approved almost \$300,000 for FY 2018, our overall projects generated additional funding of about \$100,000 from partner-contributed funds.

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

Governmental Funds Balance Sheet/Statement of Net Position

September 30, 2018

	<u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u>
Assets:			
Cash and cash equivalents <i>(Note 3)</i>	\$ 765,712	\$ ---	\$ 765,712
Investments <i>(Note 3)</i>	1,212,885	---	1,212,885
Due from Government of Guam Building Permit Fund, net <i>(Note 4)</i>	122,889	---	122,889
Depreciable capital assets, net <i>(Notes 2 and 5)</i>	---	59,111	59,111
Nondepreciable capital assets <i>(Notes 2 and 5)</i>	---	10,223,748	10,223,748
	\$ 2,101,486	10,282,859	12,384,345
Total assets	\$ 2,101,486	10,282,859	12,384,345
Liabilities and Fund Balance/Net Position:			
Accrued expenses	\$ 28,825	---	28,825
Grant deposit	8,000	---	8,000
Long-term liability <i>(Note 9)</i> :			
Due in one year	---	7,706	7,706
Due after one year	---	37,940	37,940
	36,825	45,646	82,471
Total liabilities	36,825	45,646	82,471
Commitments and contingencies <i>(Note 6)</i>			
Fund balances - assigned <i>(Note 2)</i>	2,064,661	(2,064,661)	---
Total fund balances	2,064,661	(2,064,661)	---
Total liabilities and fund balances	\$ 2,101,486		
Net position:			
Invested in capital assets		374,159	374,159
Unrestricted		2,019,015	2,019,015
Restricted <i>(Note 5)</i>		9,908,700	9,908,700
Total net position		\$ 12,301,874	\$ 12,301,874

See accompanying notes.

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

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

Year ended September 30, 2018

	<u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Activities</u>
Revenues:			
Building permit fees	\$ 611,435	\$ ---	\$ 611,435
Grants and other support	109,600	---	109,600
Interest income	26,199	---	26,199
Total revenues	747,234	---	747,234
Expenditures:			
Program services - projects/grants	562,700	---	562,700
Supporting services:			
Personnel (<i>Note 7</i>)	356,250	45,646	401,896
Contractual	50,716	---	50,716
Travel	32,614	---	32,614
Insurance	27,124	---	27,124
Supplies and equipment rental	25,685	---	25,685
Trust fund and investment fees	14,699	---	14,699
Depreciation expense	---	7,724	7,724
Utilities	7,650	---	7,650
Communication	4,693	---	4,693
Miscellaneous	2,324	---	2,324
Advertising	2,080	---	2,080
Stipend	1,450	---	1,450
Capital outlay	21,672	(21,672)	---
	546,957	31,698	578,655
Total expenditures/expenses	1,109,657	(31,698)	1,141,355
Unrealized gain on investments	58,000	---	58,000
Deficiency of revenues over expenditures and unrealized gain on investments	(304,423)	304,423	---
Decrease in net position		(336,121)	(336,121)
Fund balance/net position:			
Beginning of year	2,369,084	---	12,637,995
End of year	\$ 2,064,661	\$ ---	\$ 12,301,874

See accompanying notes.

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

Notes to Financial Statements

Year ended September 30, 2018

1. Organization

The Guam Preservation Trust (the Trust) 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) as a public, non-profit corporation.

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

The Trust was created for the following purposes:

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

2. Summary of Significant Accounting Policies

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

The financial statements of the Trust are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing Governmental Accounting and Financial Reporting Principles.

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Government-wide Financial Statements

The statement of net position presents the non-fiduciary financial condition of the Trust's assets after liabilities are deducted and consists of (1) assets invested in capital assets net of accumulated depreciation, (2) restricted assets reduced by liabilities and deferred inflows of resources related to those assets and (3) unrestricted assets.

Assets are reported as restricted when constraints are imposed by third parties or enabling legislation.

Measurement Focus/Government-wide and Fund Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus.

The governmental fund financial statements of the Trust are accounted for using a flow of current financial resources measurement focus. The statement of governmental fund revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred.

Fund Financial Statements

The Trust uses one governmental fund to report on its financial position and results of operations. The operations of this fund are accounted for with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues and expenditures.

Separate financial statements are provided for Governmental funds. The Trust presents a balance sheet and a statement of revenues, expenditures and changes in fund balance for its government fund. The ending fund balance on the balance sheet is then reconciled to the ending governmental net position.

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Fund Financial Statements, continued

Adjustments required to reconcile total governmental fund balance to net position of governmental activities in the statement of net position as of September 30, 2018 is as follows:

Fund balance – governmental funds	\$ 2,064,661
Add – capital assets	10,282,859
Less – compensated absences payable	(45,646)
Net position of governmental activities	<u>\$12,301,874</u>

Adjustments required to reconcile net change in total governmental fund balance to change in net position of governmental activities in the statement of activities for the year ended September 30, 2018 is as follows:

Net change in fund balances – governmental funds	\$(304,423)
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 capital outlays exceeded depreciation	13,948
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount consists of the change in the compensated absence balance	(45,646)
Change in net position of governmental activities	<u>\$(336,121)</u>

Cash and Cash Equivalents

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

Investments

Investments 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.

Budget

An annual appropriated budget has not been formally adopted on a legal basis or a basis consistent with GAAP. Accordingly, a budget to actual presentation is not required or presented.

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

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. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated over a period of 3 to 25 years using the straight-line method.

Impairment of Capital Assets

In accordance with GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* the Trust evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred.

A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value.

Revenue Recognition

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

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

Public Law 33-66 amended Article 6, Chapter 76, Title 21 of the Guam Code Annotated, to allow for 50% of all building permit fees to be deposited in the Trust's fund. This became effective starting fiscal year ending September 30, 2016.

Income Taxes

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

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Compensated Absences

GASB Statement No. 16, Accounting for Compensated Absences, provides that liabilities for vacation leave and other compensated absences, excluding sick leave, will be accrued provided the leave is attributable to past service.

The Trust compensates its employees for annual leave as follows:

- One half day (4 hours) for each full biweekly pay period in the case of employees with less than (1) to five (5) years of service;
- Three-fourths day (6 hours) for each biweekly pay period except that for accrual for the last full biweekly pay period in the year shall be one and one-fourth (10 hours) in the case of employees with six (6) to ten (10) years of service;
- One day (8 hours) for each full biweekly pay period in the case of employees with eleven (11) or more years of service.

Employees entitled to annual leave may accumulate up to four hundred eighty (480) hours thereof. Any annual leave earned by eligible employees in excess of four hundred eighty (480) hours shall be automatically credited to such employee's accumulated sick leave, provided, that not more than one hundred (100) hours shall be credited to said sick leave.

Fund Balances - Assigned

Assigned fund balances for governmental funds represent the amount available for funding historical preservation projects as determined by the Board of Directors of the Trust.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This Statement replaces the requirement of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The implementation of this statement did not have a material effect on the accompanying financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The Statement is intended to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have a material effect on the accompanying financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68 and No. 73*. The Statement addresses issues regarding (1) presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this statement did not have a material effect on the accompanying financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The implementation of this statement did not have a material effect on the accompanying financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have a material effect on the accompanying financial statements.

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance of this statement. GASB Statement No. 83 will be effective for the Authority for fiscal year ending September 30, 2019.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. GASB Statement No. 84 will be effective for fiscal year ending September 30, 2020.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. GASB Statement No. 87 will be effective for fiscal year ending September 30, 2021.

In April 2018, GASB issued Statement no. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 89 will be effective for fiscal year ending September 30, 2019.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for fiscal year ending September 30, 2021.

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

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

In March 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. GASB Statement No. 90 will be effective for fiscal year ending September 30, 2020.

The Trust is currently evaluating the effects the above upcoming accounting pronouncements might have on its financial statements.

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.

Custodial Credit Risk

Custodial credit risk for cash and cash equivalents and investments is the risk that in the event of the failure of the counterparty to the transaction, the Trust’s deposits and investments may not be returned to it. The Trust does not have a deposit and/or investment policy for custodial credit risk. As of September 30, 2018, cash and cash equivalents and investments were held by depositories and amounted to \$1,978,597 of which \$1,715,651 were insured and \$262,946 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, 2018.

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

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, a majority of the Trust's investments have maturities of 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, 2018:

<u>Type</u>	<u>Amount</u>	<u>% of Portfolio</u>
Time certificates of deposits (TCDs)	\$ 449,939	37%
Equity securities	372,847	31%
Exchange Traded Funds (ETFs)	220,822	18%
Mutual Funds	<u>169,277</u>	<u>14%</u>
	<u>\$1,212,885</u>	<u>100%</u>

Investments Measured at Fair Value

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following presents the Trust's assets carried at fair value by fair value hierarchy at September 30, 2018:

	Total	Level 1	Level 2	Level 3
Investments by fair value :				
Equity securities	\$ 372,847	\$ 372,847	\$ ---	\$ ---
ETFs	220,822	220,822	---	---
Mutual Funds	169,277	169,277	---	---
Total investments by fair value level	<u>762,946</u>	<u>762,946</u>	<u>---</u>	<u>---</u>
Investment measured at a cost based measure:				
TCD	449,939			
	<u>\$ 1,212,885</u>			

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

Notes to Financial Statements, continued

3. Cash and Cash Equivalents and Investments, continued

At September 30, 2018, the Trust had the following investment maturities:

<u>Investment type</u>	<u>Total</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More than 10 Years</u>
TCDs	\$ 449,939	\$ 449,939	\$ ---	\$ ---	\$ ---
Equity securities	372,847	372,847	---	---	---
ETFs	220,822	220,822	---	---	---
Mutual Funds	169,277	169,277	---	---	---
	<u>\$ 1,212,885</u>	<u>\$ 1,212,885</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

4. Due from Government of Guam Building Permit Fund

The Trust records amounts due from the Government of Guam Building Permit Fund for 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. The Trust recorded an allowance for uncollectible receivables totaling \$1,535,014 as of September 30, 2018.

5. Property and Equipment

The following is a summary of the changes in capital assets for the year ended September 30, 2018:

	<u>Beginning Balance October 1, 2017</u>	<u>Additions</u>	<u>Transfers and Deletions</u>	<u>Ending Balance September 30, 2018</u>
Capital assets depreciated:				
Furniture, fixtures, and equipment	\$ 94,418	\$21,672	\$ ---	\$ 116,090
Less accumulated depreciation	(49,255)	(7,724)	---	(56,979)
Net capital assets depreciated	<u>\$ 45,163</u>	<u>\$13,948</u>	<u>\$ ---</u>	<u>\$ 59,111</u>
Capital assets not depreciated:				
Construction-in-progress	\$ 52,189	\$ ---	\$ ---	\$ 52,189
Land	<u>10,171,559</u>	---	---	<u>10,171,559</u>
	<u>\$10,223,748</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$10,223,748</u>

In February 2014, the Trust received donated land with a fair market value of approximately \$9.9 million at the date of donation. The donor placed restrictions over the use of the land. Accordingly, the Trust recorded the land as a component of restricted net position.

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

Notes to Financial Statements, continued

5. Property and Equipment, continued

In January 2016, the Trust purchased a historical home which will be rehabilitated. The cost of the home is \$52,189.

In June 2018, the Trust received donated property with a value assessed at \$21,672.

6. Commitments and Contingencies

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 term 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 \$843,051 to fund grants approved as of September 30, 2018. The Trust will release the funds to the grantees only upon satisfactory performance by the grantees of requirements called for in their respective grant agreements.

7. Employees’ Retirement Plan

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

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

For the year ended September 30, 2018, the retirement contribution amounted to \$5,849 which is included as a component of personnel services in the accompanying Statement of Government Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities.

8. Subsequent Events

The Trust has evaluated subsequent events through March 28, 2019. It is also the date that the financial statements were available to be issued.

9. Long-Term Liability

A summary of changes in long-term liability during fiscal year 2018 is as follows:

	Outstanding October 1, 2017	Increase	Decrease	Outstanding September 30, 2018	Current	Noncurrent
Compensated Absences	\$ ---	\$ 53,396	\$ 7,750	\$ 45,646	\$ 7,706	\$ 37,940

Supplementary Information

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

Governmental Funds
Balance Sheet/Statement of Net Position
September 30, 2018
(With comparative totals as of September 30, 2017)

	General Fund <u>2018</u>	General Fund <u>2017</u>	Statement of Net Position <u>2018</u>	Statement of Net Position <u>2017</u>
Assets:				
Cash and cash equivalents	\$ 765,712	\$ 330,233	\$ 765,712	\$ 330,233
Investments	1,212,885	2,124,789	1,212,885	2,124,789
Due from Government of Guam				
Building Permit Fund, net	122,889	---	122,889	---
Depreciable capital assets, net	---	---	59,111	45,163
Nondepreciable capital assets	---	---	10,223,748	10,223,748
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>2,101,486</u>	\$ <u>2,455,022</u>	<u>12,384,345</u>	<u>12,723,933</u>
Liabilities and Net Position:				
Accrued expenses	\$ 28,825	\$ 63,574	28,825	63,574
Deferred revenues	---	14,364	---	14,364
Grant deposit	8,000	8,000	8,000	8,000
Long-term liability:				
Due in one year	---	---	7,706	---
Due after one year	---	---	37,940	---
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>36,825</u>	<u>85,938</u>	<u>82,471</u>	<u>85,938</u>
Fund balances - assigned	<u>2,064,661</u>	<u>2,369,084</u>	<u>---</u>	<u>---</u>
Total fund balances	<u>2,064,661</u>	<u>2,369,084</u>	<u>---</u>	<u>---</u>
Total liabilities and fund balances	\$ <u>2,101,486</u>	\$ <u>2,455,022</u>		
Net position:				
Invested in capital assets			374,159	360,211
Unrestricted			2,019,015	2,369,084
Restricted			9,908,700	9,908,700
Total net position			\$ <u>12,301,874</u>	\$ <u>12,637,995</u>

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

**Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balance /Statement of Activities**
Year ended September 30, 2018
(With comparative totals for the year ended September 30, 2017)

	General Fund <u>2018</u>	General Fund <u>2017</u>	Statement of Activities <u>2018</u>	Statement of Activities <u>2017</u>
Revenues:				
Building permit fees	\$ 611,435	\$ 676,182	\$ 611,435	\$ 676,182
Grants and other support	109,600	70,344	109,600	70,344
Interest income	26,199	22,923	26,199	22,923
	<u>747,234</u>	<u>769,449</u>	<u>747,234</u>	<u>769,449</u>
Total revenues				
	<u>747,234</u>	<u>769,449</u>	<u>747,234</u>	<u>769,449</u>
Expenditures:				
Program services - projects/grants	<u>562,700</u>	<u>1,335,296</u>	<u>562,700</u>	<u>1,335,296</u>
Supporting services:				
Personnel	356,250	298,454	401,896	298,454
Contractual	50,716	51,653	50,716	51,653
Travel	32,614	29,026	32,614	29,026
Insurance	27,124	27,778	27,124	27,778
Supplies and equipment rental	25,685	14,147	25,685	14,147
Trust fund and investment fees	14,699	15,106	14,699	15,106
Depreciation expense	---	---	7,724	10,304
Utilities	7,650	6,021	7,650	6,021
Communication	4,693	4,431	4,693	4,431
Miscellaneous	2,324	13,403	2,324	13,403
Advertising	2,080	3,548	2,080	3,548
Stipend	1,450	2,300	1,450	2,300
Capital outlay	21,672	---	---	---
	<u>546,957</u>	<u>465,867</u>	<u>578,655</u>	<u>476,171</u>
Total expenditures/expenses				
	1,109,657	1,801,163	1,141,355	1,811,467
Unrealized gain on investments				
	<u>58,000</u>	<u>62,312</u>	<u>58,000</u>	<u>62,312</u>
Deficiency of revenues over expenditures and unrealized gain on investments				
	(304,423)	(969,402)	-	-
Decrease in net position				
			(336,121)	(979,706)
Fund balance/net position:				
Beginning of year	<u>2,369,084</u>	<u>3,338,486</u>	<u>12,637,995</u>	<u>13,617,701</u>
End of year	<u>\$ 2,064,661</u>	<u>\$ 2,369,084</u>	<u>\$ 12,301,874</u>	<u>\$ 12,637,995</u>

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

Schedule of Grant Projects Reserved for Encumbrances

Description	Grant no.	Date approved	Grant amount	Year-to-date expenditures FYE 09/30/17	Expenditures year-ended 09/30/18	Outstanding encumbrance 09/30/18
Taleyfak Bridge Signage	HS10-01 (A)	04/17/13	\$ 10,000	\$ 215	\$ -	\$ 9,785
Pagat, Haputo, Hilaan Documentary	GPTG12-06	07/24/12	5,000	4,500	-	500 *
The Ritidian Story: An Illustrated History of Ancient Life & Landscape at Ritidian	GPTG13-11	06/19/13	5,000	3,750	1,250	-
Amot Hunters	GPTG14-02	11/13/13	5,000	3,750	-	1,250 *
FQ Sanchez Facility A&E	HS15-01	12/18/14	208,054	207,554	-	500
Architecture Book for Guam	BP15-07	02/23/15	49,500	28,875	12,375	8,250
Guam Congress/Legislature	HS15-03	05/18/15	2,759,278	2,758,379	-	899
Change Order No. 1		07/12/16	24,101	-	-	24,101
Manuel Guerrero Bldg Demolition DPW	BP15-12	06/04/15	700,000	** 345,086	-	354,914 *
PL33-120 approp to Humatak Bridge	BP17-03	08/22/16	300,000	** 262,000	-	38,000 *
Historic Inarajan 4 Homes-Const Admin	HS13-01	06/22/15	128,960	34,083	-	94,877
Teaching with Historic Places	BP15-16	08/13/15	14,400	2,850	1,465	10,085
Malesso Bell Tower Magellan Monument	BP15-14	08/20/15	101,413	98,624	-	2,789 *
Latte Quarrying Project	BP16-02	10/22/15	6,200	2,592	-	3,608
Doris Lujan House	HS16-02	07/11/16	410,392	36,860	362,532	11,000 *
Change Order No. 1		09/15/17	14,532	-	14,532	-
Pacific Preservation Project	BP17-01	03/14/16	126,473	70,345	56,128	-
Guam & National History Day 2017	BP17-06	02/13/17	25,000	23,431	1,504	65 *
5 Year Strategic Plan	BP17-08	07/11/16	2,500	1,979	475	46 *
Capital Campaign - GPT	BP17-10	07/10/17	20,000	-	266	19,734
Phase 2 - Pilot Study of Ancient DNA in Skeletal Samples from Naton Beach	GPTG17-01	02/24/17	4,336	3,252	1,084	-
Developing Capacity in Maritime Archaeology	GPTG17-02	02/27/17	20,250	15,200	-	5,050
A Day at the Museum	GPTG17-03	08/01/17	15,000	11,250	3,750	-
Antonia Chargualaf House - Construction	HS17-01	08/18/17	350,000	-	-	350,000
Amendment 1		09/29/17	43,350	-	-	43,350
Rosario & San Nicolas House A&E	HS18-01	01/31/18	179,706	-	-	179,706
Guam/National History Day	GPTG18-01	04/05/18	24,000	-	24,000	-
Takhelo na Tiningo gi Fino Yan Kutturán Chamoru	GPTG18-02	04/13/18	55,606	-	-	55,606
Kosas Camp	GPTG18-03	04/30/18	10,500	-	10,500	-
Congressional Art Competition	GPTG10-04	05/01/18	1,000	-	990	10 *
National Trust Historic Preservation Conference	BP18-01	09/29/17	12,333	-	12,333	-
Humatak Revitalization Plan	BP18-02	11/08/17	50,000	-	12,500	37,500
GPT Strategic Plan	BP18-03	12/06/17	10,000	-	7,250	2,750 *
Chamorro Language Competition	BP18-04	12/06/17	500	-	500	-
Pacific Preservation Project - GPT (BP17-01)	BP18-05	01/31/18	10,000	-	55	9,945 *
Pacific Heritage Youth Summit (PHYS)	BP18-06	07/10/17	20,000	-	7,411	12,589 *
PHYS (funded by a US Department of Interior grant)		08/21/17	30,800	-	30,800	-
PHYS (funded by a Guam Women's Club grant)		04/27/18	1,000	-	1,000	-
			<u>\$ 5,754,184</u>	<u>\$ 3,914,575</u>	<u>\$ 562,700</u>	<u>\$ 1,276,909</u>
						(433,858)
						<u>\$ 843,051</u>

* Represents Grants/Projects that have been completed. Any unused portion will be reverted back to the Trust. (433,858)

Total outstanding encumbrances as of FY2018 \$ 843,051

**PL33-120 Reappropriated \$300,000 of the \$1,000,000 project to repair the Humatic Bridge..