



Financial Highlights

Guam Preservation Trust Financial Audit

Fiscal Year 2024

August 29, 2025

The Guam Preservation Trust (GPT) received an unmodified (clean) opinion in its Fiscal Year (FY) ended September 30, 2024 financial statements from independent auditors Burger Comer & Associates (BCA). No material weaknesses were identified in GPT's internal control over financial reporting. GPT's FY 2024 net position decreased slightly by \$3 thousand (K) – a minimal change from its FY 2023 net position of \$16.7 million (M).

\$639K Increase in Revenues

GPT recorded total revenues of \$2.1M in FY 2024, which was an increase of \$639K from FY 2023's total of \$1.5M. Most of GPT's revenues comprised of building permit fees collected by the Guam Department of Public Works (DPW) to be deposited into the GPT Reserve Account and transmitted quarterly to GPT. GPT received \$1.2M in building permit fees in FY 2024, an increase of \$180K from the \$1M collected in FY 2023. The overall increase in building permit fee collections was due to increased construction activity during the year. An additional \$250K in bad debt was recovered related to the remittance of building permit fees from DPW.

In addition to increased collection of building permit fees, there was also an increase in the total fair value of investments of \$404K. GPT's total FY 2024 investments comprised of \$2.2M in exchange traded funds, \$514K in mutual funds, and \$238K in equities; however, there was a \$1.1M decrease in GPT's total investments, which was attributed to drawdowns to fund capital projects such as the rehabilitation of the Historic F.Q. Sanchez School and the Architectural and Engineering Design to rehabilitate the George Flores House in Inalåhan. GPT was also awarded \$250K from the Department of Interior Maintenance Assistance Program for the repairs of the historic Lujan House in Hagåtña, which serves as GPT's office.

\$1.4M Increase in Expenditures

Overall expenditures increased by \$1.4M in FY 2024, primarily due to an increase in Program Services – Projects/Grants attributable to capital project expenditures such as the Historic F.Q. Sanchez School project. During FY 2024, GPT entered into a \$4M contract related to the rehabilitation of the Historic F.Q. Sanchez School, of which \$3.5M is funded by Public Law 36-82 and the remaining funds will be provided by GPT's operating funds. As of the end of FY 2024, \$1.3M in total costs for the contract were reflected as a component of Program Services, and \$233K of unpaid costs are reflected as a component of accrued expenses.

Management Letter

A separate management letter identified two matters related to the following:

- 1. Board of Directors Quorum:** GPT lacked a quorum of board members after May 2024. Actions taken without a quorum may be considered invalid and/or voidable. Operational impacts include delays in decision-making and the disruption of essential functions such as approving contracts and setting/amending policies.
- 2. Permit Fees – Due from General Fund:** Public Law 36-107 restored GPT's entitlement to 100% of building permit fees collected, effective October 1, 2022; however, quarterly remittances of permit fees from the Department of Administration continue to be inconsistent with the actual amounts collected for the corresponding quarters. As of September 30, 2024, GPT reported a gross receivable of \$1,362,484 in unpaid permit fees – nearly all of which has been reserved as an allowance for doubtful accounts. This balance includes a reduction of \$249,659, representing a recovery of previously written-off bad debt based on reconciliations between remittances and actual collections during the current year. Despite the statutory requirement for these fees to be held in a restricted account and remitted to GPT, the reason for the continuing nonpayment remains unresolved.

Three matters remained unresolved from FY 2023 – some of which BCA determined to have remained unresolved due to the Board of Directors' lack of quorum, which resulted from the failure to confirm appointees in FY 2024:

- 3. Legal Authority of Grantor:** GPT received a \$200K grant directly from the Office of the Attorney General (OAG) pursuant to a Memorandum of Agreement. The funding source was a settlement related to the Superior Court of Guam Civil Case No. C2206-01610; however, it is unclear whether the OAG possesses the legal authority to directly expend settlement funds.
- 4. Investment Policy/Restricted Funds:** As of September 30, 2024, GPT reported approximately \$2.8M in restricted funds, while cash and cash equivalents totaled approximately \$2.4M. The \$400K difference represents restricted funds that have been invested, thereby subjecting them to market risk. Although there is no known legal prohibition against this practice, the Trust's current investment policy does not specifically address the investment of restricted funds or the associated risk exposure.
- 5. Travel Policy:** Several areas of concern and opportunities for improvement regarding GPT's travel policy were noted relating to: (1) lack of documentation regarding business first class travel; (2) inefficient travel to Marianas History Conference; (3) extended mainland travel and unrelated side trip; (4) travel approval authority; and (5) outdated policies and procedures.

For more details, refer to GPT's FY 2024 Financial Statements and Management Letter at www.opaguam.org and www.guampreservationtrust.org.