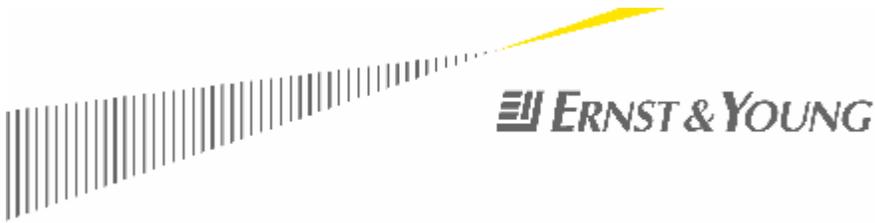


Management Letter

**Guam Preservation Trust**

*For the year ended September 30, 2010*

Ernst & Young



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The Board of Directors  
Guam Preservation Trust

In planning and performing our audit of the financial statements of the Guam Preservation Trust (the Trust) as of and for the year ended September 30, 2010, 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, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

### **Control Deficiency and Other Matters**

During our audit, we noted the following other matters, as defined above.

The Trust has some outstanding encumbrances that are over one year. We recommend that the Trust revisit these outstanding encumbrances to ensure the projects are still active and in compliance with the terms of the grant agreement.

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

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

*Ernst + Young LLP*

February 5, 2011