



OFFICE OF THE PUBLIC AUDITOR

**Guam Visitors Bureau  
FY 2007 Financial Highlights**

June 05, 2008

The government of Guam spent a total of \$15 million (M) to sustain the tourist industry in fiscal year 2007. The Guam Visitors Bureau (GVB) was appropriated \$13.6M for operations and an additional \$1.4M for special projects. GVB's ending net assets increased by \$879,140 to \$10,017,460 in 2007.

**Visitor Arrivals**

Guam has seen a steady increase in the number of total arrivals from 1.16M in 2004 to 1.22M in 2007. Japan promotional expenses were \$4.3M in 2007, down by \$242,016 from \$4.6M in 2006. Despite a 3.1% decrease in Japan arrivals from 959,779 in 2006, Japan remains the mainstay, making up 929,618 or 76% of the over 1.2M in total arrivals in 2007. A total of \$2.2M was spent promoting markets other than Japan in 2007, up by \$348,691 from \$1.9M in 2006. The second largest market in 2007 is Korea, where visitor arrivals increased by 7.5% from 114,282 to 122,858 in 2007. Expenditures to promote Korea increased by 21%, from \$885,838 in 2006 to \$1,071,134 in 2007.

**Operations**

GVB received less cash than appropriated, receiving \$11.9M for operations and \$1.3M for special projects for a total of \$13.2M in 2007. According to GVB officials, the irregularity of allotments made budgeting a challenge. Despite not receiving its total appropriation, however, GVB received a \$1.2M increase in appropriations over the prior year. Operating expenses increased nominally by 2.2% or \$257,748 to \$11,868,414 in 2007. Due to a restructuring of account classification, unlike in previous years' financial statements, expenses (i.e., travel) are more readily identifiable in 2007. GVB's ending net assets increased by \$879,140 to \$10,017,460 in 2007.

**Special TAF Projects**

Expenses of the Special Tourist Attraction Fund Projects (STAFP) remained fairly stable, increasing just by \$40,609 from \$1,207,632 in 2006 to \$1,248,241 in 2007. They are: \$262,140 for cleaning and maintenance of Tumon and Hagatna beaches; \$351,227 for Tumon landscaping; \$297,724 for the beautification of island roadways; \$100,000 each to Gef' Pago and Pa'a Taotao Tano; \$96,150 for Tumon illumination; and \$41,000 for the design of the Guam Museum. The STAFP fund balance at the beginning of the year was \$368,441, up \$70,705 from 2006.

**Compliance**

The independent auditors did not disclose any material weaknesses, but issued a separate Management Letter on a repeat issue. The auditors commented that an arbitrary exchange rate of 105 was used to calculate the value of yen disbursements. This has been addressed for 2008.