

May 14, 2008

The Board of Directors
Guam Visitor's Bureau:

In planning and performing our audit of the financial statements of Guam Visitor's Bureau (GVB) for the year ended September 30, 2007, on which we have issued our report dated May 14, 2008, we developed the following recommendations concerning matters related to its internal control. Our recommendations are summarized below:

Foreign Exchange Rate

Comment: An arbitrary exchange rate of 105 is used to calculate the value of yen disbursements. The difference between the rate and the actual disbursement is recorded as non-operating income/loss.

Recommendation: The entity should reconsider its procedures and record operating expenses based on average monthly yen exchange rates. This matter was previously reported to management in the 2006 audit and has been corrected in 2008.

Japan Vendor Contracts

Comment: Contracts entered into with Japan vendors indicate that disbursements will be made in US dollars for the first three months based on a 105 yen/dollar exchange rate. GVB had not reevaluated the foreign exchange rate after the initial three months.

Recommendation: GVB should reevaluate the contractual exchange rate. We understand that GVB has reevaluated the rate in 2008.

* * * * *

This report is intended solely for the information and use of Board of Directors and management of GVB and the Office of the Public Auditor of Guam.

We will be pleased to discuss the above comments with you and, if desired, to assist you in implementing any of the suggestions.

We wish to thank the staff and management of GVB for their cooperation and assistance during the course of this engagement.

Very truly yours,

