



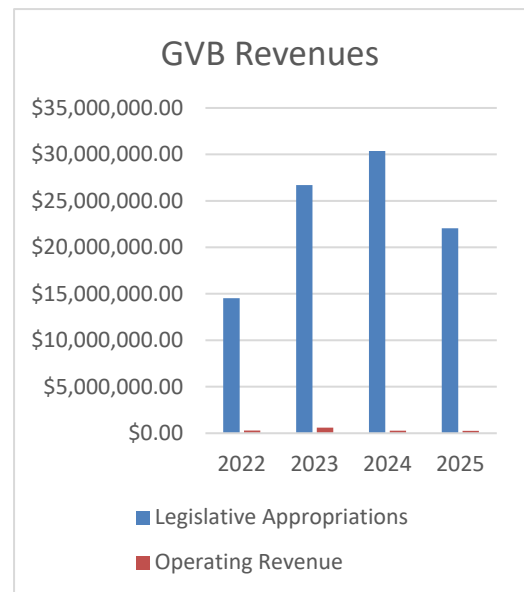
**Financial Highlights**  
**Guam Visitors Bureau Financial Audit**  
**Fiscal Year 2025**

**June 8, 2026**

The Guam Visitors Bureau (GVB) received an **unmodified (clean)** opinion in its Fiscal Year (FY) 2025 financial statements from independent auditors Ernst & Young LLP (EY). No deficiencies were identified in the Report on Internal Control Over Financial Reporting and on Compliance, and no separate Management Letter was issued. GVB closed FY 2025 with a decrease in net position of \$5.9 million (M), bringing its cumulative net position to \$15M in FY 2025 compared to \$20.9M in FY 2024.

**Revenues Decreased by \$9.3M**

GVB’s total revenues decreased by \$9.3M, from \$33M in FY 2024 to \$23.7M in FY 2025, which was mainly due to a significant decrease of \$8.3M in Government of Guam (GovGuam) appropriations. GVB’s primary revenue source is legislative appropriations funded mainly from the Tourist Attraction Fund (TAF). There was a roughly 3% drop in arrivals in FY 2025, which contributed to a \$5.7M shortfall in TAF revenue. Appropriations received by GVB from TAF were \$22M in FY 2025, a decrease of \$8.3M from the \$30.4M in FY 2024, including amounts from surplus Hotel Occupancy Tax collections.



Total operating revenues were \$244 thousand (K) in FY 2025 and \$268K in FY 2024, the bulk of which comes from Other income, which declined from \$236K in FY 2024 to \$191K in FY2025. The decline is due to the conclusion of a non-recurring interagency agreement with the Department of Administration (DOA) for island-wide landscape maintenance services that generated a one-time \$25K revenue from the previous period.

Membership revenue increased from \$32K in FY 2024 to \$54K in FY 2025, a 70% increase driven by the 2025 Board of Directors election, during which 217 members paid the \$100 renewal fee to participate.

Total non-operating revenues, which include federal contributions, consumption tax refunds, in-kind contributions, interest income, and other non-operating items, were \$23.9M in FY 2025 compared to \$33M in FY 2024, mirroring the decline in GovGuam appropriations coupled with a \$1.7M decrease in other non-operating income. In-kind contributions from members and others, recorded as non-operating revenue and mirrored in promotional in-kind expenses, increased from \$173K in FY 2024 to \$320K in FY 2025. This reflects GVB’s greater reliance on donated goods and services to support marketing campaigns amid revenue shortfalls.

### **Operating Expenses Increased by \$2.6M**

Total operating expenses for FY 2025 were approximately \$30M, up from \$27.4M in FY 2024. This increase is attributable to expenditures for professional services, personnel, and new airline incentive programs, despite GVB’s flat operating revenues.

Professional services remained the single largest operating expense at \$15.9M in FY 2025, up from \$14.9M in FY 2024, and encompassed most source-market marketing, destination management, sports and events, visitor safety, and administrative contracts.

Personnel costs were the second-largest expense category at about \$6.2M in FY 2025, up 5% from \$5.9M in FY 2024, driven by step increases for classified employees and higher employer medical and dental insurance premiums. The number of employees declined from 68 in FY 2024 to 60 in FY 2025.



A new airline incentives program was launched in FY 2025, totaling approximately \$4.6M in expenses, a new line item that did not exist in the prior year. This major expense reflects GVB’s strategy to support air service recovery and route development in core markets such as Korea and Taiwan.

Sponsorships decreased sharply from \$1.55M in FY 2024 to about \$696K in FY 2025 as GVB cut discretionary non-marketing expenditures to manage the TAF revenue shortfall. Repairs and maintenance dropped dramatically from approximately \$1.9M in FY 2024 to only \$34K in FY 2025, reflecting completion of the San Vitores Streetlight Upgrade in FY 2024.

### **Accounts Payable Increase**

Accounts payable increased by about 200%, or \$6.1M, from \$2.9M in FY 2024 to \$9.0M in FY 2025, driven largely by higher accruals for airline incentive programs. As of September 30, 2025, accrued payables for these programs totaled \$2.7M for the Korea market and \$1.1M for Taiwan. The balance also increased due to additional accrued liabilities from the late submission of invoices by several vendors

### **Tourism Arrivals and GVB’s Marketing Strategies**

In FY 2025, visitor arrivals decreased by approximately 3% year over year, contributing to a revenue shortfall of about \$5.7M in the TAF relative to projections and forcing GVB to rebalance spending and increase payables. Despite these challenging conditions, GVB implemented various market-specific strategies to help sustain and grow visitor arrivals.

In Japan, GVB increased professional services marketing by 29% in FY 2025, from \$4.3M in FY 2024 to \$5.5M in FY 2025, pivoting toward brand “rediscovery,” via TV drama placements, and influencer storytelling to reposition Guam beyond its legacy family only image and to compete on experience rather than price amid a weak yen and intensified regional competition. Marketing initiatives also target younger generations through TikTok centric content and pop-culture pilgrimage initiatives, while significant resources are allocated to bridging regional access gaps by increasing charter flights from cities like Sapporo and Fukuoka. Ultimately, the increase in

marketing expenses reflects Guam's shift to compete on experience rather than price, prioritizing high value wellness and exclusive memory making over heavy discounting to ensure long term premium positioning in the Japanese market. Japan visitor arrivals increased by 35K, going from 203K in FY 2024 to 239K in FY 2025.

In Korea, GVB reduced professional services marketing by 18% in FY 2025. The decrease from \$4.9M in FY 2024 to \$4.0M in FY 2025 reflects GVB's shift to high efficiency digital channels, cost sharing partnerships with Naver Pay and VISA Korea, and influencer driven campaigns designed to sustain arrivals and increase visitor spending with lower media outlay. Korea visitor arrivals decreased by 49K, going from 393K in FY 2024 to 344K in FY 2025

In Taiwan, GVB increased professional services marketing by 108% from \$438K in FY 2024 to \$900K in FY 2025. The increase was driven by the cost of Taipei airline incentive contract with United Airlines, which began in April 2025, to provide direct airline services between Guam and Taipei. Marketing programs in Taiwan included large-scale consumer campaigns, trade missions, familiarization tours, and government collaborations. Taiwan visitor arrivals increased by 5K, going from 3K in FY 2024 to 8K in FY 2025.

In the Philippines, marketing professional services rose by 61%, from \$141K in FY 2024 to \$228K in FY 2025. The increase allowed GVB to focus on active efforts to re-establish Guam's presence within the local travel industry. Initial engagement began with the Media and TA Event held in March 2025, followed by a familiarization trip from April to May 2025, which deepened the team's understanding of Guam's tourism offerings and enhanced their capability to effectively promote the destination to Filipino travelers. Throughout the remainder of FY 2025, GVB prioritized strengthening trade communications, increasing consumer-facing visibility, and expanding Guam's digital footprint. Major accomplishments include the launch of the Guam Specialist Course—targeted digital marketing campaigns, strategic partnerships with media and influencers, and expanded presence across key B2B (business-to-business) and B2C (business-to-consumer) events in Manila and Cebu. Philippine visitor arrivals increase by 1K, going from 13K in FY 2024 to 14K in 2025.

### **Destination Management**

While FY 2025 did not see the level of capital expenditure (CAPEX) investments as the prior year, notable expenses included the introduction of the Tumon Night Market, which began in July 2025, and ran for a pilot phase of 10 events with a total cost of \$387K. The pilot phase focused on determining event feasibility and assessing operational and budgetary improvements; therefore, no statistics were calculated during the short 10-event period. GVB is currently working and actionable statistics for the event.

In addition, investment into architectural and engineering design for the restoration of Matapang Beach Park totaled \$100K. The next key phase for the project is to identify a funding source for the restoration construction, which is estimated to be over \$10M, a significant investment that may require a new HOT bond.

### **Pending or Threatened Litigation**

GVB Attorneys reported no pending or threatened litigation, claim, or assessment is expected to have an effect on GVB's financial statements that would be in excess of \$168K. A lawsuit alleging sexual harassment against a former general manager and alleged violations of local and federal

law by GVB, the Board, and the Chairman was filed on June 1, 2026, at the District Court of Guam. An assessment of the probability of a favorable or unfavorable outcome is not possible and would be speculative. The lawsuit seeks over \$60M in damages, however, the range of potential loss (or gain), including, if possible, an upper limit on reasonably possible losses is not reasonably estimable.

For more details, refer to the GVB's FY 2025 Financial Statements, Report on Internal Control Over Financial Reporting and On Compliance, and Auditor's Communication With Those Charged with Governance at [www.opaguam.org](http://www.opaguam.org) and [www.guamvisitorsbureau.com](http://www.guamvisitorsbureau.com).