

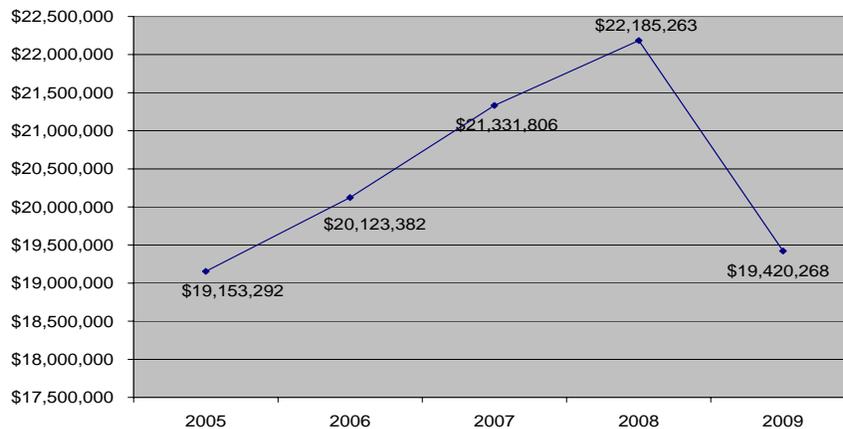


Tourist Attraction Fund FY 2009 Financial Highlights

March 5, 2010

The worldwide economic recession coupled with the H1N1 virus scare, continues to take its toll on Guam's tourism as the Tourist Attraction Fund (TAF) has seen its revenues decline by \$2.7 million (M), going from \$22.1M to \$19.4M in fiscal year (FY) 2009. This 12% decrease has brought the TAF's revenues back to 2005 levels where revenues were \$19.1M. The TAF ended FY 2009 with an \$836,000 decrease in its net assets. See graph for the revenue trend of the TAF.

Tourist Attraction Fund
Revenues FY 2005-2009



Revenues for the TAF are derived from excise taxes imposed on occupants of hotels or similar facilities in Guam. As the number of tourists visiting our island has declined, the effect has been felt on entities that rely on the TAF such as the Guam Visitors Bureau (GVB). In FY 2009, GVB was appropriated \$1.1M less than the previous year.

The TAF was established to fund various recreational projects and visitor industry activities and is the major source of funding for GVB. Expenditures for the operating fund decreased by \$637,000 going from \$13.4M in 2008 to \$12.8M in 2009. This is largely due to a decrease in budget to GVB for its operations by \$1.1M, going from \$13.4M in 2008 to \$12.3M in 2009. Although there was a decrease in budget, the TAF still had an obligation of \$1.3M to pay GVB, which has yet to be paid.

Auditors' Opinion and Compliance

The Independent Auditors, Deloitte and Touche, issued an unqualified or clean opinion in the FY 2009 financial statements. There were no deficiencies in internal control over financial reporting identified. A separate letter to the Governor was issued outlining audit strategies, required communications, audit differences and adjustments. These reports can be accessed on our website at www.guamopa.org or at the Department of Administration's website at www.doa.guam.gov. There was no management letter for FY 2009.