

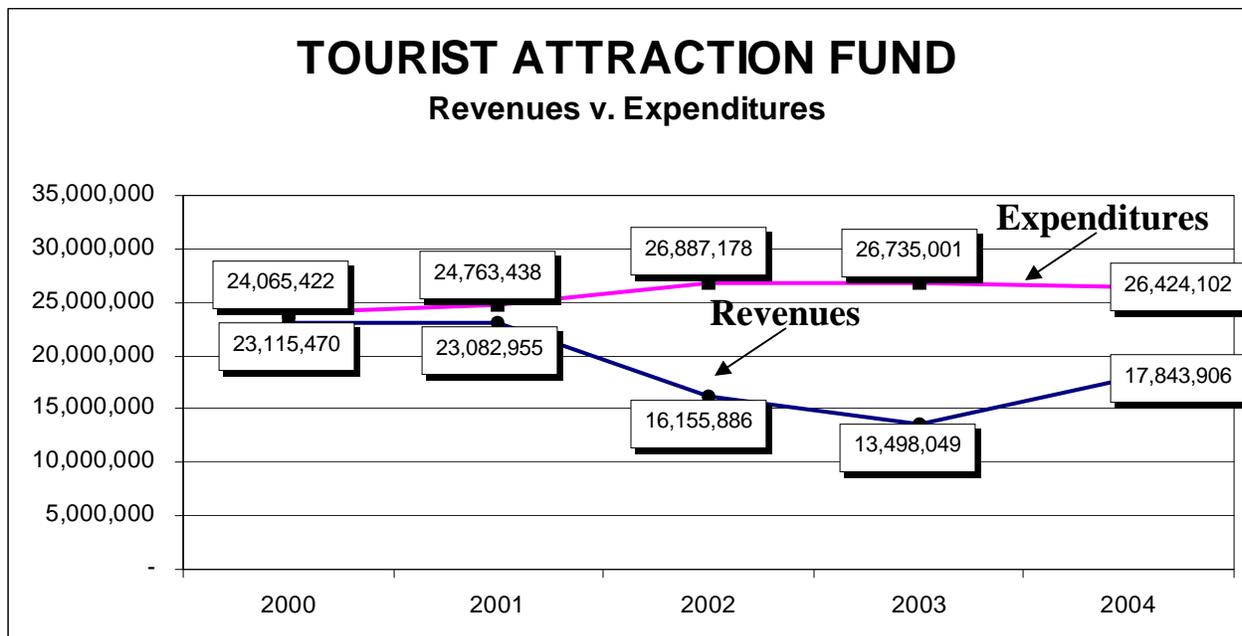
Tourist Attraction Fund FY 2004 Financial Highlights

October 19, 2005

The FY 2004 Tourist Attraction Fund (TAF) audit, conducted by Deloitte & Touche, LLP, is over three months past due of the June 30th deadline. Stemming the continuous decline in revenues, the TAF completed the year with \$17.8 million in revenues, a 32% increase in hotel occupancy taxes. See chart below.

However, expenditures continued to exceed revenues. Expenditures for FY 2004 totaled \$26.4 million, a slight decline of \$311,000 from FY 2003. Major areas of expenditures were payments of \$10 million to Guam Visitor's Bureau for their FY 2004 operations, Capital outlay of \$9 million, and \$7.3 million for debt service.

The TAF has a \$12 million deficit, with \$2 million owed to the General Fund. The Capital Projects Fund showed a surplus of \$15.3 million that is restricted mainly for implementing infrastructure improvement projects and paying the cost of bond issuance and letter of credit fees. The Debt Service Fund also had a surplus of \$21.9 million restricted in accordance with the bond indenture.



The Independent Auditors' Report on Compliance and on Internal Control had one finding compared to four findings in the FY 2003 report. The finding identified that receivables were not adjusted for collections received thirty days after fiscal year end, in accordance with current Government of Guam policy.