



Guam Visitors Bureau Citizen-Centric Report (CCR) For Fiscal Year 2009

Our Vision

- “A healthy, vibrant, and growing visitor industry generating business opportunities and employment for all residents, protecting the island’s heritage, cultural values and natural resources, and making a positive contribution to the community’s quality of life.”

Guiding Principles and Strategic Direction

There are ten guiding principles that lead our strategic direction:

1. Maximize arrivals
2. Focus marketing efforts on Japan, Korea and Business Travelers
3. Grow small & emerging markets
4. Improve destination with new attractions, events, & improvements
5. Maintain a moderate growth rate
6. Focus on our Spanish-Chamorro cultural heritage to promote Guam’s unique image
7. Secure guaranteed funding
8. Explore ways to improve GVB operations
9. Encourage the community to participate
10. Promote Guam’s regional location in Micronesia

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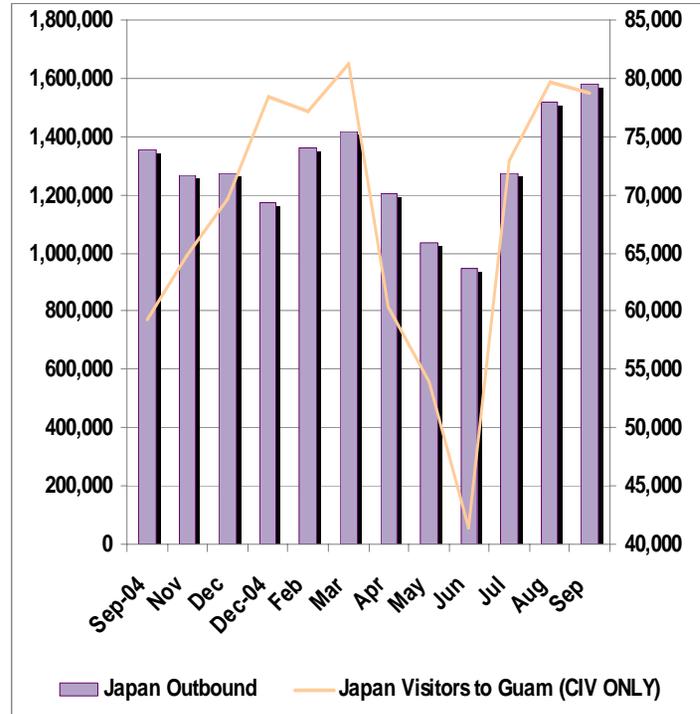
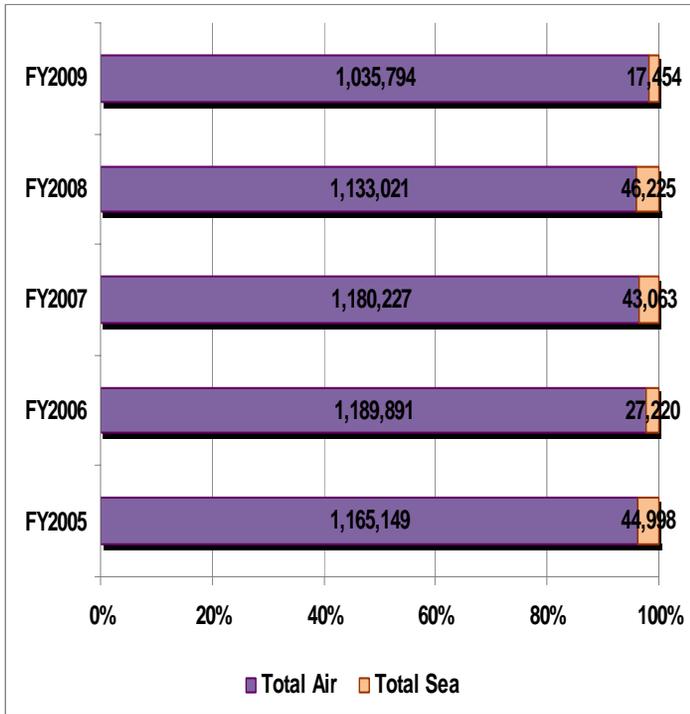
Enabling Statutes & Funding

The Guam Visitors Bureau is a public, non-stock and non-profit corporation. It is a unique organization where its members and the people of Guam share an interest in the island’s tourist industry.

GVB is governed by a 13-member Board of Directors. They oversee the overall operations of the Bureau to insure that we meet our goals and objectives.

GVB is funded by the Tourist Attraction Fund and membership dues (less than 1% of total funding).

PERFORMANCE



Guam suffered an overall -10.7% drop in arrivals, ending the fiscal year 2009 with a combined 1,053,248 visitors from all markets. The serious decline in island visitors, which was anticipated to moderate following international measures aimed at resolving the global credit crisis in late 2008 and early 2009, worsened in late April through July when fears from the H1N1 virus “epidemic” impacted the leisure travel market. This negative travel environment went through the rest of the year, although Japan saw some recovery in the last quarter with an increase of +8.6%.

The Bureau continued an aggressive marketing strategy that helped to maintain Guam’s Japan tourist market share. We continue our brand building drive by investing in community events at the village level with support of fiestas and festivals. This combined approach will ensure Guam’s place as a viable tourist destination in this dynamic and ever changing market.



FINANCIAL REPORT

	2009	2008 (As Restated)
Total Assets	<u>\$14,071,948</u>	<u>\$13,867,626</u>
Liabilities	2,000,713	2,116,862
Net Assets	<u>12,071,235</u>	<u>11,750,764</u>
Total Liabilities and Net Assets	<u>\$14,071,948</u>	<u>\$13,867,626</u>
Operating Revenue	\$888,793	\$623,750
Operating Expense	12,852,812	12,679,676
Revenues net of Expenses	(11,964,019)	(12,055,926)
Appropriation from TAF	<u>12,852,812</u>	<u>13,441,198</u>
Change in Net Assets	<u>\$320,471</u>	<u>\$1,385,272</u>

HIGHLIGHTS

- A very difficult travel environment prevailed throughout the year, dominated first by the global financial meltdown and then later by the H1N1 virus. Financially, the Bureau did receive its full appropriation, however, the delay in receipt did not allow for some of the programs to be implemented during the fiscal year.
- The Bureau received \$713,279 in membership “in-kind” contributions, which represented 6.2% of total cash allotments received during the year, and up more than two and a half times the \$268,513 contribution last year.
- The allotments received in 2009 were spent as follows; 62% was spent on marketing, 19% in destination development, visitor satisfaction, and cultural or special events, and 18% on administrative expenses including payroll, building maintenance, rent, security, etc. An additional \$2 million was also appropriated (P.L. 30-22 and P.L. 30-23) and funds were used to intensify village outreach and cultural brand building initiatives, support eradication of the rhinoceros beetle, and update our Japan website.

INDEPENDENT AUDIT

An independent audit performed by Deloitte & Touché resulted in the GVB receiving an unqualified (clean) audit opinion. The Office of Public Audit released the audited financial report dated February 23, 2010.



FUTURE OUTLOOK

Currently, Guam is ranked 8th out of 36 insular economies for tourism penetration index (TPI). Jobs in the tourism industry make up 35% of Guam's total employment and tourism constitutes 60% of Guam's business revenue.

A favorable final ruling by the U.S. Department of Homeland Security is anticipated, allowing easier entry by Chinese and Russian visitors. Both markets are significant to Guam for the value and spending they can inject into the island and their support of our source markets of Japan and Korea. The positive impact from this development, however, will not be felt until FY2011 and beyond.

The Bureau's focus for 2010 will continue to be on key markets, development of the China opportunity, improvements in our destination product, and vigorous support of our community outreach and brand building initiatives. Key metrics in the new 2010 Japan Marketing contract relate to improving Guam's market share, increasing tourist repeat visits, increasing average lengths of stay, and increasing local spending.

Additional information regarding the Bureau can be found on our website at www.gvb.org. There you will find a wealth of information on the Bureau, its staff, annual report and fiscal information, upcoming events and many interesting links. Please visit our site regularly for updates.

Give Us Your Comments

What did you think of this report? Is there other information you would like to see included in this report for the future? Please send your comments to Mr. Gerald SA Perez, General Manager at 401 Pale San Vitores Road, Tumon, Guam 96913 or fax to 646-3917.