

## MAKING GUAM A BETTER PLACE TO LIVE, WORK AND VISIT ...

### ABOUT THE GUAM VISITORS BUREAU

**T**he Guam Visitors Bureau (GVB), a non-profit membership corporation, is the official tourism agency for the U.S. Territory of Guam. Among its responsibilities, GVB is charged with setting tourism policy and direction; developing and implementing Guam's tourism strategic and marketing plans; managing programs and activities that enhance and showcase Guam's people, place and culture in order to deliver an incomparable visitor experience; and coordinating tourism-related research, planning, events and outreach activities.

GVB serves as a critical bridge linking government, the tourism industry, visitors and the local community, and aims to contribute successfully to a good quality of life for residents through tourism.



PILAR LAGUAÑA  
President & CEO



BOBBY ALVAREZ  
Vice President

**Hafa Adai!** On behalf of our Board of Directors, it gives me great pleasure to report that we have been given an unmodified (clean) opinion on GVB's financial audit by Deloitte & Touche, LLP. It is a testament to the responsible and transparent manner in which the bureau has invested the valuable resources trusted upon us to deliver the very best return on investment for the people of Guam as we strive to improve the quality of life for our island community.

In FY2018, Guam welcomed 1,525,219 visitors to the island. Despite the FY2017 crisis we experienced with the North Korea incident, other geopolitical forces, natural disasters and the significant loss in air seats, Guam was able to recover and claim new marketing strategies to enable us to be on the road to recovery. Guam's visitor industry and our community remain resilient as we continue to conduct tourism research, marketing programs, promote local activities and attractions, as well as our diverse visitor facilities, to make Guam a better place to live, work and visit.

Si Yu'os Ma'åse',

PILAR LAGUAÑA  
President & CEO



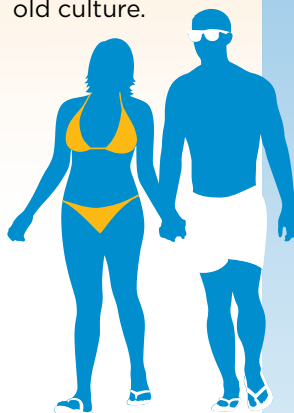
GUAM VISITORS BUREAU

# I ESTORIA

FY2018 CITIZEN CENTRIC REPORT

## CORE

**A** world-class, first-tier resort destination of choice, offering a U.S. island paradise with stunning ocean vistas, for two million businesses and leisure visitors from across the region with accommodations and activities ranging from value to five-star luxury – all in a safe, clean, family-friendly environment set amidst a unique 4,000-year-old culture.



**EXTEND**  
Average Length of Stay

## OBJECTIVES



**IMPROVE**  
Quality & Yield

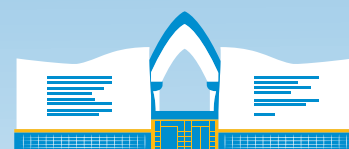
### GROW

Arrivals & Diversity

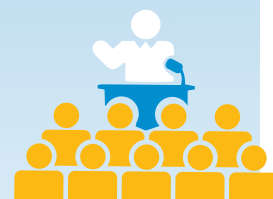


**ADD** High-End Hotel Rooms

**INCENTIVIZE** Reinvestment



**PROMOTE**  
our Unique Attractions



**FOCUS** on MICE



**EXTEND**  
Tourism Beyond Tumon



**PROMOTE**  
the Chamorro Culture



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Making Guam a better place to live, work and visit.

#instaGuam

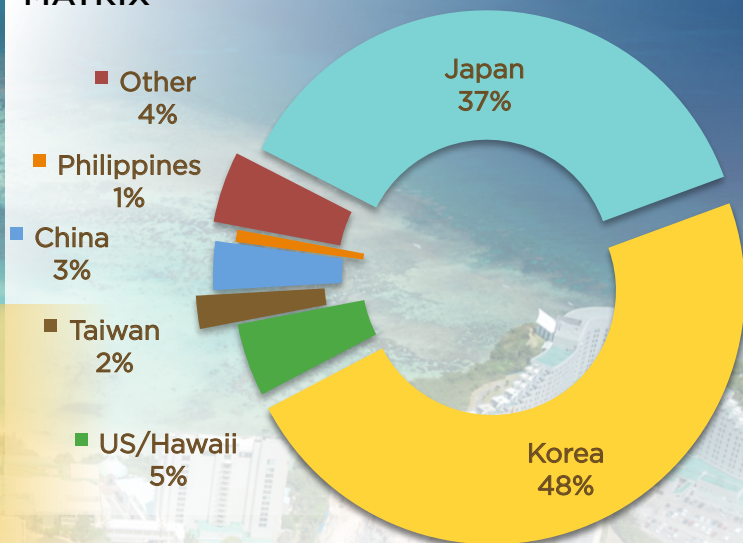


# I ESTORIA

While Visitor arrivals for Fiscal Year 2018 were affected by the global tensions between the United States and North Korea, strong efforts to continue promoting the safety of our destination allowed Guam to welcome 1.52 million visitors. This marks the 3rd consecutive year our visitor arrivals have surpassed the 1.5 million target.

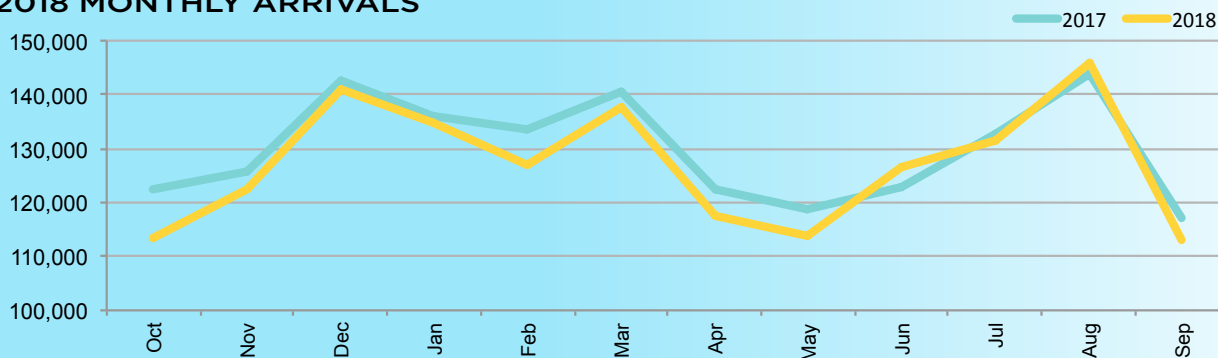
As the industry continues to face new challenges and opportunities, the diversification of our markets is key to establishing a sustainable foundation for our island's #1 Economic Driver.

## MAJOR MARKET MATRIX

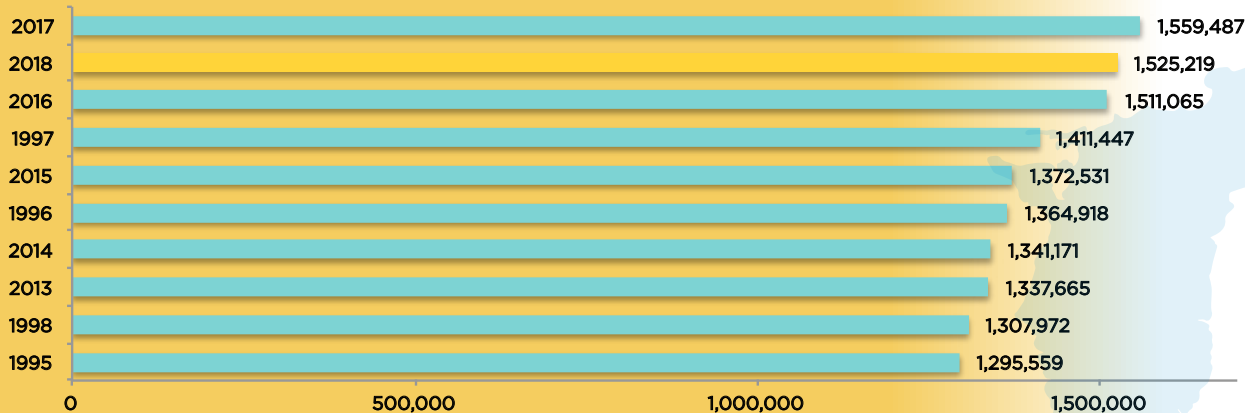


Market	FY2017	FY2018	% to LY
Japan	674,345	530,223	-21.4%
Korea	349,434	752,715	15.9%
US/Hawaii	76,291	89,363	17.1%
Taiwan	36,268	27,550	-24.0%
China	23,239	17,035	-26.7%
Philippines	19,817	19,026	-4.0%

## FY2018 MONTHLY ARRIVALS



## TOP 10 FISCAL YEARS







**ROSE Q. CUNLIFFE**  
*Director of Finance & Administration*

**Håfa Adai!** We are pleased that we have been given an unmodified (clean) audit by Deloitte & Touche, LLP for the 9th year in a row.

This is the standard to which we aspire every year because it is the basis for earning the trust and confidence of our Board of Directors and those who expect the proper stewardship and management of public and membership funds in our care.

I congratulate all Guam Visitors Bureau employees for observing best practices in financial accountability.

Un Sen Dangkulo na Si Yu'os Ma'åse' and Thank you!

**ROSE Q. CUNLIFFE**  
*Director of Finance & Administration*

## GVB FY2018 PASS-THRU APPROPRIATIONS

- Åmot Taotao Tano Farm
- Ayuda Foundation, Inc.
- Duk Duk Goose, Inc.
- Guafi, Inc.
- Guam Humanities Council
- Guam International Film Festival
- Guam Symphony Society
- Guam Unique Merchandise and Arts (GUMA)
- Haya Cultural Heritage and Preservation Development, Inc (Sinanga-ta Outreach)
- Historic Inalahan Foundation
- Humatak Foundation
- Hurao Academy
- Inetnon Gef Pã'go
- Micronesia Conservation Trust
- Pa'a Taotao Tano'
- Pacific War Museum Foundation
- Tourism Education Council
- Traditions Affirming our Seafaring Ancestry (TASA)
- Traditions Affirming our Seafaring Islands (TASI)
- Ulitao, Inc.
- University of Guam Press



EACH VISITOR THAT COMES TO GUAM  
**CONTRIBUTES \$175**  
TO THE MAINTENANCE OF  
**OUR PARKS AND BEACHES.**



## STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

(Fiscal Year Ended September 30, 2018)

### Revenues:

In-kind contributions from members and others	1,253,600
Consumption tax refund	715,657
Other income	266,541
Memberships	36,420
	<u>2,272,218</u>

### Expenses:

Professional services	16,821,872
Personnel	2,429,695
Promotional in-kind contributions	1,253,600
Travel	844,689
Advertising	320,320
Rent/lease	203,981
Utilities	202,360
Material and supplies	169,439
Equipment	141,218
Printing	101,514
Depreciation	83,333
Consumption Tax	61,119
Grants	51,250
Repairs and maintenance	45,630
Miscellaneous	<u>2,993,309</u>
Total operating expenses	<u>25,723,329</u>

Operating revenues net of operating expenses **-23,451,111**

### Nonoperating revenues (expenses):

Grants-in-aid from Government of Guam	
Operations	26,203,484
Pass through	790,000
Pass through appropriations	<b>-790,000</b>
Federal revenues	0
Interest income	48,426
Other nonoperating expense	<b>-1,051,253</b>
Total nonoperating revenues (expenses), net	<u>25,200,657</u>

Change in net position 1,749,546

Net position at beginning of year 11,937,521

Net position at end of year 13,687,067

## GVB FY2018 OTHER APPROPRIATIONS

- Beach Monitoring (GEPA)
- Chamorro Affairs Operations
- Commission on Chamoru Language and the Teaching of the History
- Department of Agriculture
- Department of Parks and Recreation Operations
- Guam CAHA Operations
- Guam Fire Department Operations
- Guam Police Department
- Guam Territorial Band (CAHA)
- Guampedia Foundation (UOG)
- Hagåtña Restoration and Redevelopment Authority Operations
- Island-wide Village Beautification Projects (Mayors Council)
- Limited Obligation Hotel Occupancy Tax (HOT) Series 2011A
- Lodging Management Program (GCC)
- Maintenance and Repair Public Restrooms & Pool Facilities (DPR)
- Mayors Council Operations
- Single Audit Report (DOA)
- Street Maintenance and Beautification (Mayors Council)





## OUTLOOK

Guam's tourism industry continues to be the foundation of our island economy. In the 55 years since its inception, it has never evolved as rapidly as it has over the past several years. With the continued diversification of our visitor market mix coupled with the rise of low costs carriers, we have seen record numbers year over year for the island. The island welcomed 1.52 million visitors from around the world.

While this establishes 2018 as the second highest year in visitor arrivals, it also marks the first overall decline for the industry since 2009. Although many factors contributed to this regression, the North Korean rhetoric with the United States back in August 2017 combined with the recent natural disasters, have all but shaken our very delicate industry.

Although fiscal 2018 recorded a 2.3% decrease compared to 2017, arrivals for 2019 are anticipated to make a full recovery, with initial projections targeting 1.60 million visitors, a 5.5% increase compared to 2018. This growth originates from the news of increased seat capacity and additional flights from our airline partners.

Another significant challenge our island must consider is the declining infrastructure and overall quality of our "product." With the rise of social media playing a more primary role in visitors experiences, the need to reinvest in our parks, roads, hotels and overall infrastructure is crucial in establishing a sustainable visitor industry. As visitors seek more spectacles and sights for unique experiences, we must provide updated and easily accessible settings for them to discover.

As Guam's tourism industry continues to diversify and evolve, it faces new challenges in the coming years. The rise of the Korean market combined with growing numbers from our secondary markets have all played a key role in keeping our visitor industry thriving. However, the volatile nature of the travel industry only strengthens the importance of continuing to invest in our main economic driver in order to ensure manageable and sustainable growth for our island residents.



## HOT BOND

HOT stands for Hotel Occupancy Tax, which was created to fund the operations and functions of the Guam Visitors Bureau. HOT Bond Projects are Capital Improvement Projects that use proceeds from HOT Revenue Limited Obligation Bonds to fund the building of Guam's first permanent and comprehensive cultural and educational museum as well as upgrade and refurbish some of our island's historic sites, tourist attractions and community projects. The HOT Bond Projects were established by Public Law 30-228.

### HOT BOND PROJECTS

- Agaña Bay Vicinity Streetlight Renovation
- Guam Fisherman's Cooperative Association (GCFA) Facility & Dock
- Guam and Chamorro Educational Facility (GCEF) Project Admin
- GCEF Design
- GCEF Construction (incl. Site prep, security system, archaeology, exhibit, media prod.)
- GCEF Construction Management
- Guam Farmers' Cooperative Association Facility/Dededo Flea Market
- Guam Preservation Trust Reimbursement
- Hagåtña Pool
- Hagåtña Tennis Courts
- Historic Hagåtña Projects - Plaza de España Restoration
- Inarajan Community Center Restoration
- Magellan Monument and Plaza
- Malesso' Bell Tower
- Mangilao Public Market
- Pale San Vitores Road Streetlight Renovation
- San Vitores Flooding - Design and CM, PMO/GEDA
- San Vitores Flooding - Phase 2 Construction
- Scenic Parks, By-ways, Overlooks and Historic Sites
- Skinner Crosswalk
- Supplemental Funding for Projects under the Hagåtña Master Plan

## WE WANT TO HEAR FROM YOU ...

Was this report helpful? What other information would you like to see in this report?

Please let us know:  
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[info@visitguam.com](mailto:info@visitguam.com)



For additional information, please visit the Bureau's website at [GUAMVISITORSBUREAU.COM](http://GUAMVISITORSBUREAU.COM).

