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BENJAMIN CRUZ <speaker@senatorbjcruz.com>

MC Fwd: Guam Visitors Bureau FY 2016 Citizen Centric Report

BENJAMIN CRUZ <speaker@senatorbjcruz.com> Wed, Nov 8, 2017 at 9:53 AM
To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

11/8/2017	11/8/2017	Guam Visitors Bureau	Guam Visitors Bureau FY 2016 Citizen Centric Report. *	34-17-1204

---------- Forwarded message ----------
From: **Lisa Linek** <lisa.linek@visitguam.org>
Date: Wed, Nov 8, 2017 at 9:37 AM
Subject: Guam Visitors Bureau FY 2016 Citizen Centric Report
To: speaker@senatorbjcruz.com
Cc: Rose Cunliffe <rose.cunliffe@visitguam.org>, Juanita Sablan <juanita.sablan@visitguam.org>, Laurette Perez <laurette.perez@visitguam.org>

Hafa Adai Speaker,

Attached is the Guam Visitors Bureau FY 2016 Citizen Centric Report.

--

Senseramente',

Lisa B. Linek
Accountant III

GUAM VISITORS BUREAU
401 Pale San Vitores Road | Tumon, Guam 96913 | (671) 646-5278
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GL#34-17-1204
Speaker Benjamin J.F. Cruz

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FY2016 CITIZEN CENTRIC REPORT

GUAM

GUAM VISITORS BUREAU

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Doc. No. 34GL-17-1204



About GVB

The Guam Visitors Bureau was established in 1963 as the Guam Tourist Commission under the auspice of the Guam Department of Commerce, signaling the beginning of the Tourism Industry on the tropical island. In 1970, the commission was renamed to the Guam Visitors Bureau, and re-established as a public non-stock, non-profit membership corporation to promote Guam as a visitor destination. GVB is funded by the Tourist Attraction Fund and membership dues (less than 1% of total funding).

Tourism provides thousands of employment opportunities for Guam's residents. Tourism accounts for over 50% to the Gross Island Product and is considered to be the main economic contributor to Guam's economy. As the official marketing agency for the Government of Guam, GVB strives to promote and develop Guam as a viable destination overseas. Additionally, programs, campaigns and events also support the duration and awareness of the local community in regards to the importance of tourism.

As GVB joins the island in welcoming the future of our industry, GVB envisions a healthy, vibrant, and ever growing visitor industry that generates business opportunities and employment for all residents, protecting the island's heritage, cultural values and natural resources, and making positive contributions to the local community's quality of life.

This is GVB's vision re-imagined; our "Guam" version 2.0.

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Jon Nathan Denight
President & CEO



Antonio "Tony" Muña, Jr.
Vice President

Message from the President & CEO

Håfa Adai!

Fiscal Year 2015 was a banner year for tourism where we welcomed the most visitors in a single year in nearly two decades. In FY2016, our industry did even better, soaring to new heights and welcoming over 1.51 million visitors to our shores, the most ever in one year. This eclipsed the prior record made in FY1997.

Many events Guam hosted thrusted our island onto the global stage. In May of 2016, Guam hosted hundreds of global travel industry executives and national tourism policy makers at the Pacific Asia Travel Association's Annual Summit. The summit included high profile speakers and a debate hosted by United Nations World Tourism Organization (UNWTO) and the World Tourism Council (WTC). This was the first time in the history that the UNWTO and the WTC held an event of this magnitude in the Pacific. This highlighted the growing importance of the Asia Pacific region to the global tourism economy. Additionally, Guam welcomed thousands of visitors that made their way to attend the 12th Festival of Pacific Arts (FestPac). Known as the Olympics of Culture, FestPac showcased the unique cultures of every island in the Pacific.

With the changing landscape of today's global traveling public, there is still much work to be done to ensure a sustainable industry on Guam for future generations. GVB continues to be at the forefront, leading the evolution of Guam's industry that promotes our unique Chamorro culture and pristine natural environment.

GVB believes that by working together and supporting tourism, we will continue to make Guam a better place to live, work & visit.

Si Yu'os Ma'åse',

JON NATHAN DENIGHT
President & CEO

Doc. No. 34GL-17-1204.*





Rose Q. Cunliffe
Director of Finance & Administration

Message from the Director of Finance & Administration

Håfa Adai!

The Guam Visitors Bureau is pleased to once again have been given an unqualified or "clean" audit by the Office of Public Accountability for FY2016. This honor given for the 7th time in a row, underscores our commitment to transparency and accountability with the resources entrusted to us.

This citizen centric report highlights the work we have accomplished over the last fiscal year to include the many organizations GVB supports. This is all in an effort to make Guam a better place to live, work and visit.

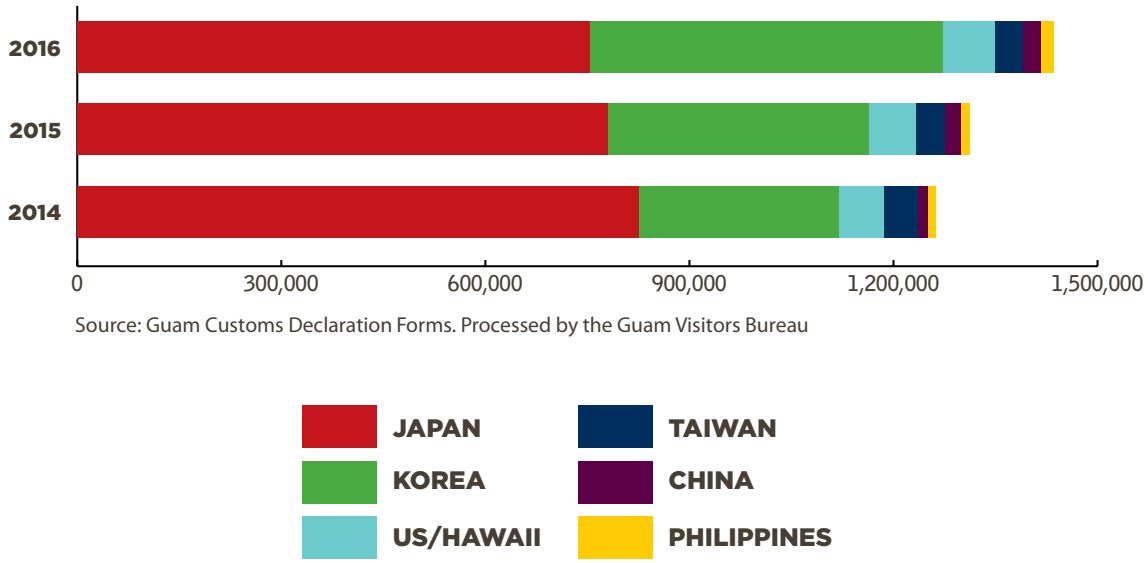
Un Sen Dangkulo na Si Yu'os Ma'åse' and Thank you!

Senseramente,

ROSE Q. CUNLIFFE
Director of Finance & Administration

PERFORMANCE

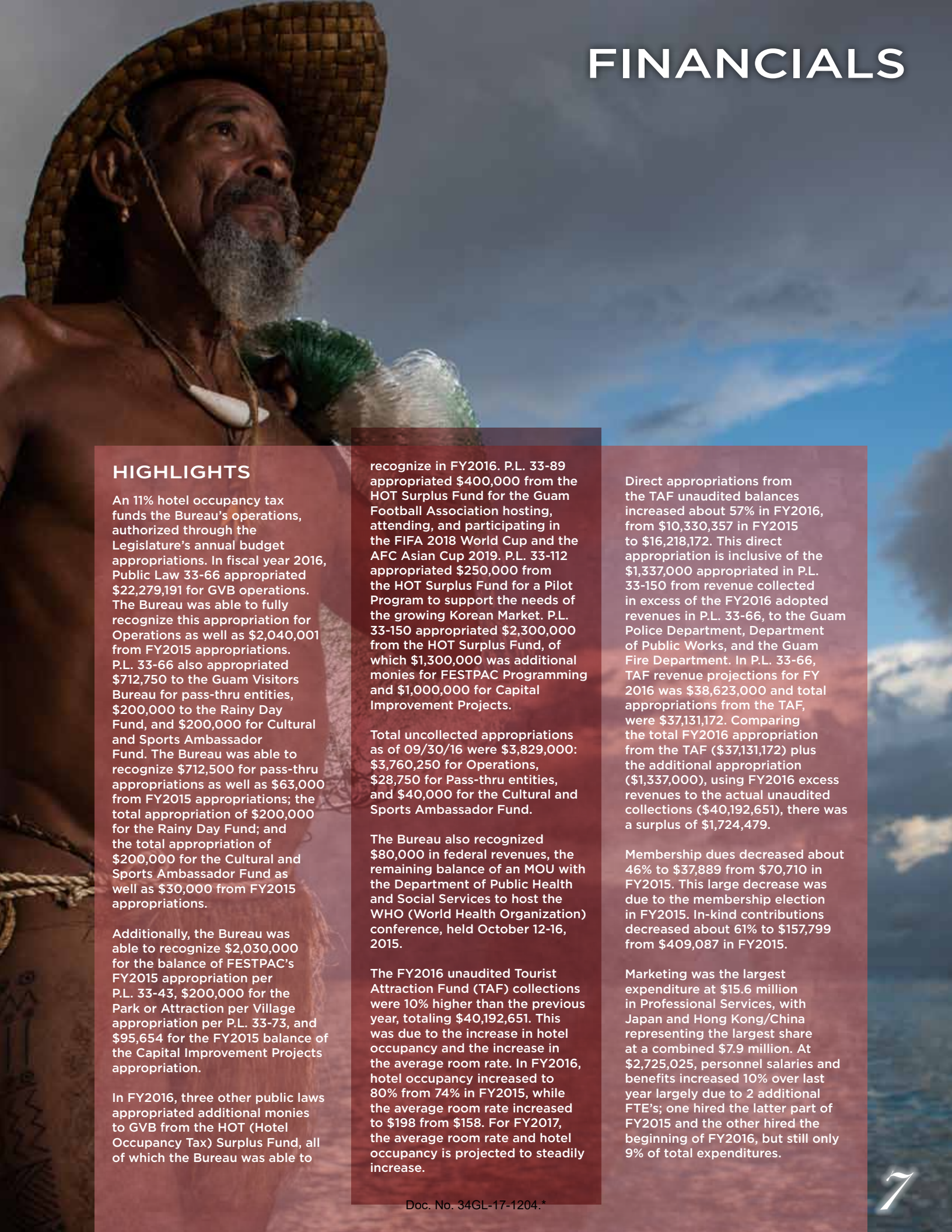
VISITOR ARRIVALS FROM TOP SIX MARKETS (BY AIR)



Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau

ARRIVALS

Visitor arrivals in fiscal year 2016 soared to a 10.1% increase over FY2015. FY2016 was confirmed as the top fiscal year in Guam's tourism history, beating out arrivals from fiscal year 1997, the previous best year in tourism. This is the fourth consecutive year Guam has surpassed the 1.3 million arrivals mark. Conservative arrival estimates keeps us on track to achieve the goal of 1.75 million visitors without China Visa Waiver by 2020.



FINANCIALS

HIGHLIGHTS

An 11% hotel occupancy tax funds the Bureau's operations, authorized through the Legislature's annual budget appropriations. In fiscal year 2016, Public Law 33-66 appropriated $22,279,191 for GVB operations. The Bureau was able to fully recognize this appropriation for Operations as well as $2,040,001 from FY2015 appropriations. P.L. 33-66 also appropriated $712,750 to the Guam Visitors Bureau for pass-thru entities, $200,000 to the Rainy Day Fund, and $200,000 for Cultural and Sports Ambassador Fund. The Bureau was able to recognize $712,500 for pass-thru appropriations as well as $63,000 from FY2015 appropriations; the total appropriation of $200,000 for the Rainy Day Fund; and the total appropriation of $200,000 for the Cultural and Sports Ambassador Fund as well as $30,000 from FY2015 appropriations.

Additionally, the Bureau was able to recognize $2,030,000 for the balance of FESTPAC's FY2015 appropriation per P.L. 33-43, $200,000 for the Park or Attraction per Village appropriation per P.L. 33-73, and $95,654 for the FY2015 balance of the Capital Improvement Projects appropriation.

In FY2016, three other public laws appropriated additional monies to GVB from the HOT (Hotel Occupancy Tax) Surplus Fund, all of which the Bureau was able to recognize in FY2016. P.L. 33-89 appropriated $400,000 from the HOT Surplus Fund for the Guam Football Association hosting, attending, and participating in the FIFA 2018 World Cup and the AFC Asian Cup 2019. P.L. 33-112 appropriated $250,000 from the HOT Surplus Fund for a Pilot Program to support the needs of the growing Korean Market. P.L. 33-150 appropriated $2,300,000 from the HOT Surplus Fund, of which $1,300,000 was additional monies for FESTPAC Programming and $1,000,000 for Capital Improvement Projects.

Total uncollected appropriations as of 09/30/16 were $3,829,000: $3,760,250 for Operations, $28,750 for Pass-thru entities, and $40,000 for the Cultural and Sports Ambassador Fund.

The Bureau also recognized $80,000 in federal revenues, the remaining balance of an MOU with the Department of Public Health and Social Services to host the WHO (World Health Organization) conference, held October 12-16, 2015.

The FY2016 unaudited Tourist Attraction Fund (TAF) collections were 10% higher than the previous year, totaling $40,192,651. This was due to the increase in hotel occupancy and the increase in the average room rate. In FY2016, hotel occupancy increased to 80% from 74% in FY2015, while the average room rate increased to $198 from $158. For FY2017, the average room rate and hotel occupancy is projected to steadily increase.

Direct appropriations from the TAF unaudited balances increased about 57% in FY2016, from $10,330,357 in FY2015 to $16,218,172. This direct appropriation is inclusive of the $1,337,000 appropriated in P.L. 33-150 from revenue collected in excess of the FY2016 adopted revenues in P.L. 33-66, to the Guam Police Department, Department of Public Works, and the Guam Fire Department. In P.L. 33-66, TAF revenue projections for FY 2016 was $38,623,000 and total appropriations from the TAF, were $37,131,172. Comparing the total FY2016 appropriation from the TAF ($37,131,172) plus the additional appropriation ($1,337,000), using FY2016 excess revenues to the actual unaudited collections ($40,192,651), there was a surplus of $1,724,479.

Membership dues decreased about 46% to $37,889 from $70,710 in FY2015. This large decrease was due to the membership election in FY2015. In-kind contributions decreased about 61% to $157,799 from $409,087 in FY2015.

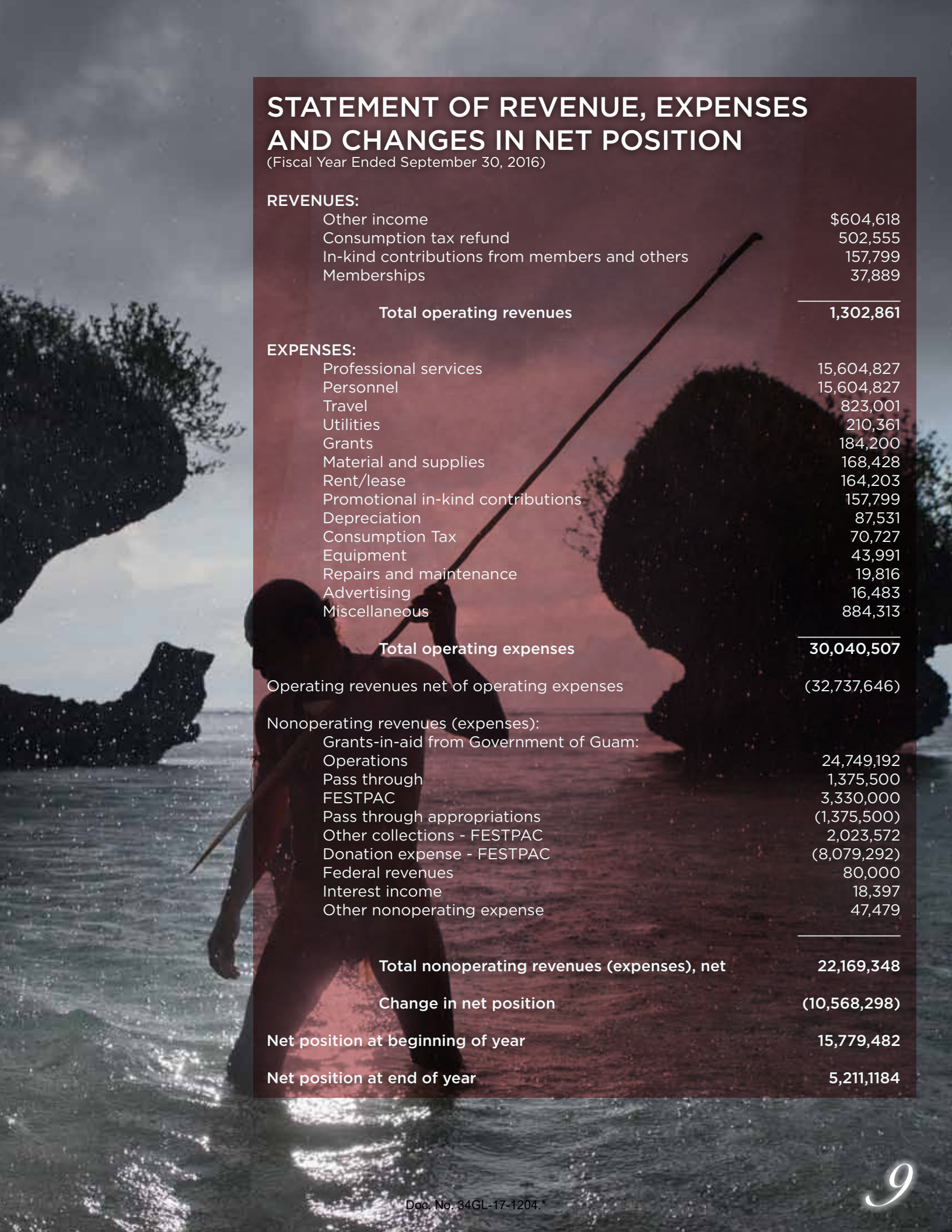
Marketing was the largest expenditure at $15.6 million in Professional Services, with Japan and Hong Kong/China representing the largest share at a combined $7.9 million. At $2,725,025, personnel salaries and benefits increased 10% over last year largely due to 2 additional FTE's; one hired the latter part of FY2015 and the other hired the beginning of FY2016, but still only 9% of total expenditures.

Doc. No. 34GL-17-1204.*

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
(Fiscal Year Ended September 30, 2016)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets:	
Cash - unrestricted	$9,302,906
Cash - restricted	2,455,079
Investments	2,525,177
Accounts receivable - Government of Guam	3,829,000
Accounts receivable - others	390,519
Due from Special TAF Projects Fund	64,298
Prepaid expense	6,452
Total current assets	**$18,573,431**
Security deposit	118,202
Capital assets:	
Nondepreciable capital assets	5,992,415
Depreciable capital assets, net of accumulated depreciation	656,977
Total assets	**23,341,025**
Deferred outflow of resources:	
Deferred outflow from pension	648,508
Total	**$25,989,533**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current liabilities:	
Accounts payable	3,269,774
Accrued annual leave	159,693
Due to FESTPAC	10,080
Unearned income	71,905
Total current liabilities	**3,511,452**
Net pension liability	4,513,916
Accrued sick leave	170,108
Total liabilities	**8,195,476**
Deferred inflows of resources:	
Deferred inflows from pension	-
Commitments and contingencies	
Net position:	
Net investment in capital assets	6,649,392
Unrestricted	8,249,657
Restricted - expendable	2,895,008
Total net position	**17,794,057**
Total	**$25,989,533**



STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

(Fiscal Year Ended September 30, 2016)

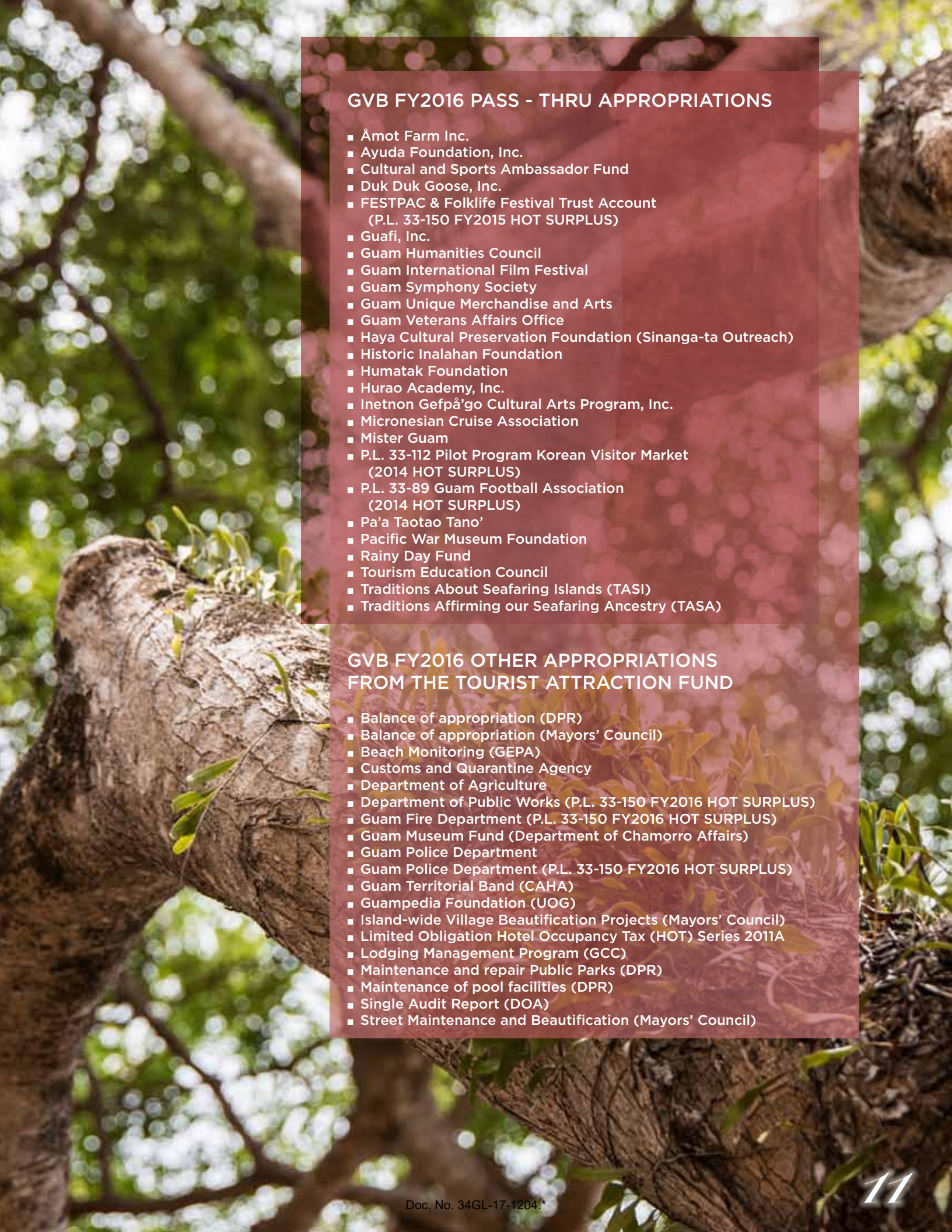
REVENUES:	
Other income	$604,618
Consumption tax refund	502,555
In-kind contributions from members and others	157,799
Memberships	37,889
Total operating revenues	**1,302,861**
EXPENSES:	
Professional services	15,604,827
Personnel	15,604,827
Travel	823,001
Utilities	210,361
Grants	184,200
Material and supplies	168,428
Rent/lease	164,203
Promotional in-kind contributions	157,799
Depreciation	87,531
Consumption Tax	70,727
Equipment	43,991
Repairs and maintenance	19,816
Advertising	16,483
Miscellaneous	884,313
Total operating expenses	**30,040,507**
Operating revenues net of operating expenses	(32,737,646)
Nonoperating revenues (expenses):	
Grants-in-aid from Government of Guam:	
Operations	24,749,192
Pass through	1,375,500
FESTPAC	3,330,000
Pass through appropriations	(1,375,500)
Other collections - FESTPAC	2,023,572
Donation expense - FESTPAC	(8,079,292)
Federal revenues	80,000
Interest income	18,397
Other nonoperating expense	47,479
Total nonoperating revenues (expenses), net	**22,169,348**
Change in net position	**(10,568,298)**
Net position at beginning of year	**15,779,482**
Net position at end of year	**5,211,1184**

THE 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

- Cetti Bay Point Overlook
- East Agana Picnic Shelters (Trinchera Beach Park)
- Fadi'an Point Overlook
- Fort Nuestra Senora Dela Soledad (Umatac Bay Overlook)
- GFCA Dock and Shoreline Reinforcement Project
- Guam and Chamorro Educational Facility (GCEF) - Arts/New Signage
- Guam and Chamorro Educational Facility (GCEF) - Design, CM, Archaeology
- Guam and Chamorro Educational Facility (GCEF) - Exhibits/AV/Specialty Lighting
- Guam and Chamorro Educational Facility (GCEF) - Main Building
- Guam and Chamorro Educational Facility (GCEF) - Media Production
- Guam and Chamorro Educational Facility (GCEF) - Security System
- Guam and Chamorro Educational Facility (GCEF) - Site Preparation
- Guam Farmers' Cooperative Association Facility/Dededo Flea Market
- Guam Fisherman's Cooperative Association (GFCA)
- 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
- Pedestrian Safety
- Pedro C. Santos Memorial Park
- San Vitores Flooding - Design and CM
- San Vitores Flooding - Phase 2 Construction
- Scenic Informational and Highway Signs
- Scenic Parks, By-ways, Overlooks and Historic Sites
- Sella Bay Point Overlook
- Senator Angel L.G. Santos Park Monument (Latte' Stone Park)
- Village Entrance and Scenic Informational and Highway Signs
- Ypao Beach Park Lighting

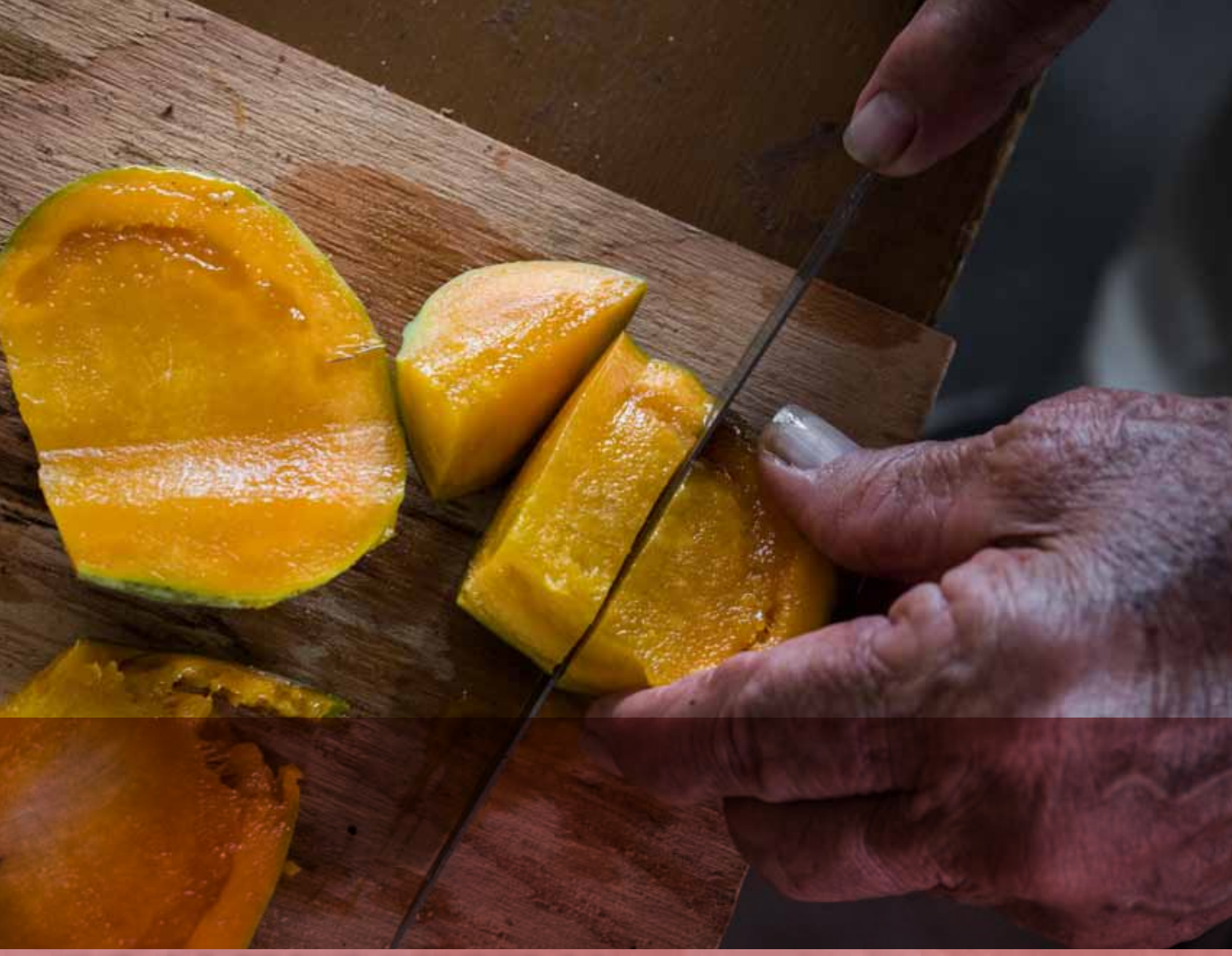


GVB FY2016 PASS - THRU APPROPRIATIONS

- Åmot Farm Inc.
- Ayuda Foundation, Inc.
- Cultural and Sports Ambassador Fund
- Duk Duk Goose, Inc.
- FESTPAC & Folklife Festival Trust Account (P.L. 33-150 FY2015 HOT SURPLUS)
- Guafi, Inc.
- Guam Humanities Council
- Guam International Film Festival
- Guam Symphony Society
- Guam Unique Merchandise and Arts
- Guam Veterans Affairs Office
- Haya Cultural Preservation Foundation (Sinanga-ta Outreach)
- Historic Inalahan Foundation
- Humatak Foundation
- Hurao Academy, Inc.
- Inetnon Gefpå'go Cultural Arts Program, Inc.
- Micronesian Cruise Association
- Mister Guam
- P.L. 33-112 Pilot Program Korean Visitor Market (2014 HOT SURPLUS)
- P.L. 33-89 Guam Football Association (2014 HOT SURPLUS)
- Pa'a Taotao Tano'
- Pacific War Museum Foundation
- Rainy Day Fund
- Tourism Education Council
- Traditions About Seafaring Islands (TASI)
- Traditions Affirming our Seafaring Ancestry (TASA)

GVB FY2016 OTHER APPROPRIATIONS FROM THE TOURIST ATTRACTION FUND

- Balance of appropriation (DPR)
- Balance of appropriation (Mayors' Council)
- Beach Monitoring (GEPA)
- Customs and Quarantine Agency
- Department of Agriculture
- Department of Public Works (P.L. 33-150 FY2016 HOT SURPLUS)
- Guam Fire Department (P.L. 33-150 FY2016 HOT SURPLUS)
- Guam Museum Fund (Department of Chamorro Affairs)
- Guam Police Department
- Guam Police Department (P.L. 33-150 FY2016 HOT SURPLUS)
- Guam Territorial Band (CAHA)
- Guampedia Foundation (UOG)
- Island-wide Village Beautification Projects (Mayors' Council)
- Limited Obligation Hotel Occupancy Tax (HOT) Series 2011A
- Lodging Management Program (GCC)
- Maintenance and repair Public Parks (DPR)
- Maintenance of pool facilities (DPR)
- Single Audit Report (DOA)
- Street Maintenance and Beautification (Mayors' Council)



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GVB SUPPORTED ORGANIZATIONS

Åmot Farm Inc.
Ayuda Foundation, Inc.
Breaking the Cycle, Inc.
Department of Administration
Department of Chamorro Affairs
Department of Parks & Recreation
Duk Duk Goose, Inc.
FESTPAC & Folklife Festival Trust Account
Guam Community College
Guam Council on the Arts & Humanities
Guam Environmental Protection Agency
Guam Humanities Council
Guam International Film Festival
Guam Museum Foundation
Guam Police Department
Guam Symphony Society
Guam Unique Merchandise and Arts
Guampedia Foundation
Haya Cultural Preservation Foundation
Historic Inalahan Foundation
Humatak Foundation
Hurao Academy, Inc.
I Fanlalai'an
Ina Kuttura, Inc.
Inetnon Gefpå'go Cultural Arts Program, Inc.
Manhita Chamorro
Mayors' Council of Guam
Micronesian Chefs Association
Micronesian Cruise Association
Pa'a Taotao Tano'
Pacific War Museum Foundation
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Traditions About Our Seafaring Islands (TASI)
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University of Guam

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