



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
TEL: (671) 472-8931 • FAX: (671) 477-4826 • EMAIL: governor@mail.gov.gu

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

05 MAY 2009

2009 MAY -6 AM 8:50

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No.71(LS) "AN ACT TO AMEND SECTION 25(A) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(J) TO PART 11, CHAPTER 5 OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(A) OF PART 11, CHAPTER 5 OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART 11, CHAPTER IV OF PUBLIC LAW 28- 150; RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY I LIHESLATURAN GUAHAN" now designated as Public Law 30-22.

Sinseru yan Magåhet,

[Handwritten signature of Michael W. Cruz]

MICHAEL W. CRUZ, M.D.
I Maga'låhen Guåhan para pa'go
Acting Governor of Guam

Attachment: copy of Bill

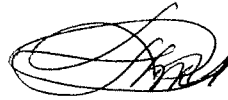
30-09-0581

Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 5/05/09
Time 4:07 PM
Received by [Signature]

**I MINA'TRENTA NA LIHESLATURAN GUÅHAN**  
**2009 (FIRST) Regular Session**

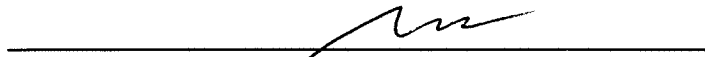
**CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN**

This is to certify that Bill No. 71 (LS), "AN ACT TO AMEND SECTION 25(a) OF PART II, CHAPTER V OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(j) TO PART II, CHAPTER V OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART II, CHAPTER V OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART II, CHAPTER IV OF PUBLIC LAW 28-150, RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUÅHAN*," returned without approval of *I Maga'lahen Guåhan*, was reconsidered by *I Liheslaturan Guåhan* and after such consideration, did agree, on the 1<sup>st</sup> day of May, 2009, to pass said Bill notwithstanding the veto of *I Maga'lahen Guåhan* by a vote of Twelve (12) Members.

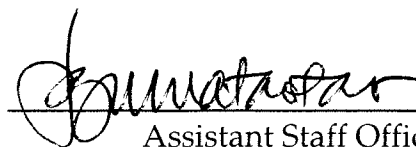


Judith T. Won Pat, Ed. D.  
Speaker

Attested:

  
Rory J. Respicio  
Acting Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 1 day of May 2009, at  
5:15 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's Office*

Public Law No. 30-22

***I MINA'TRENTA NA LIHESLATURAN GUÅHAN***  
**2009 (FIRST) Regular Session**

**Bill No. 71 (LS)**

As amended.

Introduced by:

B. J.F. Cruz  
F. B. Aguon, Jr.  
T. R. Muña Barnes  
Judith Paulette Guthertz, DPA  
R. J. Respicio  
T. C. Ada  
F. F. Blas, Jr.  
E. J.B. Calvo  
J. V. Espaldon  
Adolpho B. Palacios, Sr.  
vicente c. pangelinan  
M. J. Rector  
Ray Tenorio  
Telo Taitague  
Judith T. Won Pat, Ed. D.

**AN ACT TO *AMEND* SECTION 25(a) OF PART II, CHAPTER V OF PUBLIC LAW 29-113; TO *ADD* A NEW SECTION 25(j) TO PART II, CHAPTER V OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART II, CHAPTER V OF PUBLIC LAW 29-19; AND TO *REAPPROPRIATE* UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART II, CHAPTER IV OF PUBLIC LAW 28-150, RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUÅHAN*.**

1       **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2       **Section 1. Legislative Statement.** In recent years, *I Liheslaturan Guåhan*

3       has for various reasons placed restrictions on sums appropriated from the Tourist

1 Attraction Fund to the Guam Visitors Bureau. While these restrictions are  
2 intended to preserve the integrity and proper use of tourism marketing dollars  
3 obtained through receipts from the Monthly Excise Tax of Occupancy of Hotel and  
4 Similar Lodging House Facilities, recent economic events, including, the global  
5 financial market meltdown, has negatively impacted visitor arrivals. The Bureau's  
6 dependence on volatile collections deposited into the Tourist Attraction Fund and  
7 the infrequency of cash allotments for appropriations approved by *I Liheslatura* to  
8 the Bureau has severely impacted the bureau's ability to carry out its purpose  
9 outlined in §9104, Chapter 9, Title 12, Guam Code Annotated.

10 It is the intent of *I Liheslatura* to assist the Guam Visitors Bureau in its  
11 ability to procure necessary services related to its marketing mission by providing  
12 greater flexibility in the statutes governing its current and previous appropriations  
13 from the Tourist Attraction Fund.

14 **Section 2. Fiscal Year 2009 Appropriation to the Guam Visitors**  
15 **Bureau.** Section 25 (a) of Part II, Chapter V of Public Law 29-113 is *amended* to  
16 read:

17 **“Section 25. (a) Appropriations to the Guam Visitors**  
18 **Bureau.** The sum of Twelve Million One Hundred Ninety-six  
19 Thousand Five Hundred Ninety-five Dollars (\$12,196,595) is  
20 appropriated from the Tourist Attraction Fund (TAF) to the Guam  
21 Visitors Bureau (GVB) for the items and the indicated sums listed as  
22 follows:

23	(1) General Administration	\$2,137,197
24	(2) Marketing	\$8,095,133
25	(3) Printing, Promotional	\$ 238,875
26	(4) Research	\$ 375,000
27	(5) Destination Development	\$1,350,390

1           Notwithstanding the general provisions of §30107.1, Title 11,  
2           Guam Code Annotated and this Act, these appropriations *shall*  
3           continue to be available until expended.”

4           **Section 3. Guam Visitors Bureau Transfer Authority for Fiscal Year**  
5           **2009.** A new Section 25(j) is *added* to Part II, Chapter V of Public Law 29-113 to  
6           read:

7                   “(j) **Guam Visitors Bureau Transfer Authority.** The Guam  
8           Visitors Bureau Board of Directors may exercise limited transfer  
9           authority over the appropriation in Subsection (a) in that transfers may  
10          be made between items of appropriation listed in Subsection (a),  
11          except that *no* transfers *shall* be made into *or* out of the General  
12          Administration item.”

13          **Section 4. Re-appropriation of Fiscal Year 2008 Funds.**  
14          Notwithstanding the general provisions of §30107.1, Title 11, Guam Code  
15          Annotated and this Act, such unexpended sums, as previously authorized in  
16          Section 25 (a) of Part II, Chapter V of Public Law 29-19, are hereby re-  
17          appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the  
18          purposes of the Guam Visitors Bureau’s operations. The funds authorized herein  
19          *shall* be specifically used for purposes determined by the Guam Visitors Bureau  
20          Board of Directors, *except* that such sums *shall not* be used for personnel services  
21          *or* for any other project of the government of Guam that is *not* initiated *or*  
22          administered by the Guam Visitors Bureau. This appropriation *shall not* validate  
23          any agreement entered into by officers of the government of Guam prior to the  
24          enactment of this Act.

25          **Section 5. Re-appropriation of Fiscal Year 2007 Funds.**  
26          Notwithstanding the general provisions of §30107.1, Title 11, Guam Code  
27          Annotated, and this Act, such unexpended sums, as previously authorized in

1 Section 18 of Part II, Chapter IV of Public Law 28-150, are hereby re-appropriated  
2 from the Tourist Attraction Fund to the Guam Visitors Bureau for the purposes of  
3 the Guam Visitors Bureau's operations. The funds authorized herein *shall* be  
4 reprogrammed and specifically used for purposes determined by the Guam Visitors  
5 Bureau Board of Directors, *except* that such sums shall *not* be used for personnel  
6 services *or* for any project of the government of Guam that is *not* initiated *or*  
7 administered by the Guam Visitors Bureau. This appropriation *shall not* validate  
8 any agreement entered into by officers of the government of Guam *prior* to the  
9 enactment of this Act.

*Oremullen*

# I MINA' TRENTA NA LIHESLATURAN GUAHAN

2009 (FIRST) Regular Session

Date: 5/1/09

## VOTING SHEET

*Vetoed*

Bill No. 71(LS)

Resolution No. \_\_\_\_\_

Question: Notwithstanding the objection of the Governor, should the Legislature of Guahan override Vetoed Bill 71(LS)?

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Thomas C.					EA
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.	✓				
GUTHERTZ, Judith Paulette	✓				
MUNA-BARNES, Tina Rose					EA
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RECTOR, Matthew	✓				
RESPICIO, Rory J.	✓				
TAITAGUE, Telo					EA
TENORIO, Ray	✓				
WON PAT, Judith T.	✓				

TOTAL

17    0    0    0    3

CERTIFIED TRUE AND CORRECT:

*Fatima Chan for*  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932

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Felix P. Camacho  
Governor

Michael W. Cruz, M.D.  
Lieutenant Governor

17 APR 2009

2009 APR 17 PM 4:47

The Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*I Mina' Trenta Na Liheslaturan Guahan*  
Thirtieth Guam Legislature  
155 Hessler Street  
Hagåtña, Guam 96910

Dear Speaker Won Pat:

*Hafa Adai!* Transmitted herewith please find **Bill No. 71(LS) "AN ACT TO AMEND SECTION 25(A) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(J) TO PART 11, CHAPTER 5 OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(A) OF PART 11, CHAPTER 5 OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART 11, CHAPTER IV OF PUBLIC LAW 28- 150; RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUAHAN*,"** which I have vetoed.

While I support the goal of this legislation to provide greater flexibility to the Guam Visitors Bureau, the decline in visitor arrivals brought on by recent global events has negatively impacted Tourist Attraction Fund (TAF) collections. As of February 2009, TAF revenues are tracking under estimates by some \$1 million. Approval of this measure will not achieve its intent as current trends indicate collections are insufficient to support the re-appropriations contained in this measure and will only add to the present deficit status of the Fund.

*Sinseru yan Magâhet,*

MICHAEL W. CRUZ, M.D.  
*I Segundu Maga'lahen Guåhan*  
Acting Governor of Guam

30-09-0468  
Office of the Speaker  
Judith T. Won Pat, Ed. D.

Date 4/17/09  
Time 4:24  
Received by BS

0474



**I MINA'TRENTA NA LIHESLATURAN GUÅHAN**  
**2009 (FIRST) Regular Session**

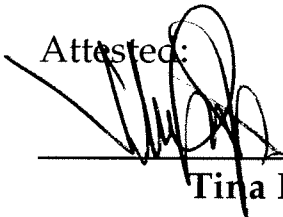
**CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN**

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**Judith T. Won Pat, Ed. D.**  
**Speaker**

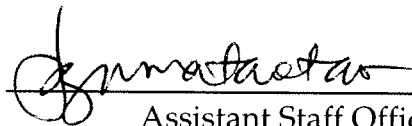
Attested:



**Tina Rose Muña Barnes**  
**Senator and Secretary of the Legislature**

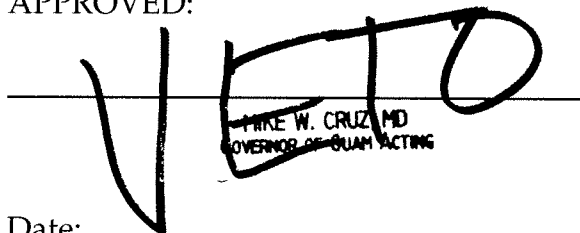
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This Act was received by *I Maga'lahaen Guåhan* this 6 day of April, 2009, at 4:45 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:



MIKE W. CRUZ, MD  
GOVERNOR OF GUAM ACTING

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'TRENTA NA LIHESLATURAN GUÅHAN***  
**2009 (FIRST) Regular Session**

**Bill No. 71 (LS)**

As amended.

Introduced by:

B. J.F. Cruz  
F. B. Aguon, Jr.  
T. R. Muña Barnes  
Judith Paulette Guthertz, DPA  
R. J. Respicio  
T. C. Ada  
F. F. Blas, Jr.  
E. J.B. Calvo  
J. V. Espaldon  
Adolpho B. Palacios, Sr.  
vicente c. pangelinan  
M. J. Rector  
Ray Tenorio  
Telo Taitague  
Judith T. Won Pat, Ed. D.

**AN ACT TO *AMEND* SECTION 25(a) OF PART II, CHAPTER V OF PUBLIC LAW 29-113; TO *ADD* A NEW SECTION 25(j) TO PART II, CHAPTER V OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART II, CHAPTER V OF PUBLIC LAW 29-19; AND TO *REAPPROPRIATE* UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART II, CHAPTER IV OF PUBLIC LAW 28-150, RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUÅHAN*.**

1       **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2       **Section 1. Legislative Statement.** In recent years, *I Liheslaturan Guåhan*  
3 has for various reasons placed restrictions on sums appropriated from the Tourist

1 Attraction Fund to the Guam Visitors Bureau. While these restrictions are  
2 intended to preserve the integrity and proper use of tourism marketing dollars  
3 obtained through receipts from the Monthly Excise Tax of Occupancy of Hotel and  
4 Similar Lodging House Facilities, recent economic events, including, the global  
5 financial market meltdown, has negatively impacted visitor arrivals. The Bureau's  
6 dependence on volatile collections deposited into the Tourist Attraction Fund and  
7 the infrequency of cash allotments for appropriations approved by *I Liheslatura* to  
8 the Bureau has severely impacted the bureau's ability to carry out its purpose  
9 outlined in §9104, Chapter 9, Title 12, Guam Code Annotated.

10 It is the intent of *I Liheslatura* to assist the Guam Visitors Bureau in its  
11 ability to procure necessary services related to its marketing mission by providing  
12 greater flexibility in the statutes governing its current and previous appropriations  
13 from the Tourist Attraction Fund.

14 **Section 2. Fiscal Year 2009 Appropriation to the Guam Visitors**  
15 **Bureau.** Section 25 (a) of Part II, Chapter V of Public Law 29-113 is *amended* to  
16 read:

17 **“Section 25. (a) Appropriations to the Guam Visitors**  
18 **Bureau.** The sum of Twelve Million One Hundred Ninety-six  
19 Thousand Five Hundred Ninety-five Dollars (\$12,196,595) is  
20 appropriated from the Tourist Attraction Fund (TAF) to the Guam  
21 Visitors Bureau (GVB) for the items and the indicated sums listed as  
22 follows:

23	(1) General Administration	\$2,137,197
24	(2) Marketing	\$8,095,133
25	(3) Printing, Promotional	\$ 238,875
26	(4) Research	\$ 375,000
27	(5) Destination Development	\$1,350,390

1 Notwithstanding the general provisions of §30107.1, Title 11,  
2 Guam Code Annotated and this Act, these appropriations *shall*  
3 continue to be available until expended.”

4 **Section 3. Guam Visitors Bureau Transfer Authority for Fiscal Year**  
5 **2009.** A new Section 25(j) is *added* to Part II, Chapter V of Public Law 29-113 to  
6 read:

7 “(j) **Guam Visitors Bureau Transfer Authority.** The Guam  
8 Visitors Bureau Board of Directors may exercise limited transfer  
9 authority over the appropriation in Subsection (a) in that transfers may  
10 be made between items of appropriation listed in Subsection (a),  
11 except that *no* transfers *shall* be made into *or* out of the General  
12 Administration item.”

13 **Section 4. Re-appropriation of Fiscal Year 2008 Funds.**

14 Notwithstanding the general provisions of §30107.1, Title 11, Guam Code  
15 Annotated and this Act, such unexpended sums, as previously authorized in  
16 Section 25 (a) of Part II, Chapter V of Public Law 29-19, are hereby re-  
17 appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the  
18 purposes of the Guam Visitors Bureau’s operations. The funds authorized herein  
19 *shall* be specifically used for purposes determined by the Guam Visitors Bureau  
20 Board of Directors, *except* that such sums *shall not* be used for personnel services  
21 *or* for any other project of the government of Guam that is *not* initiated *or*  
22 administered by the Guam Visitors Bureau. This appropriation *shall not* validate  
23 any agreement entered into by officers of the government of Guam prior to the  
24 enactment of this Act.

25 **Section 5. Re-appropriation of Fiscal Year 2007 Funds.**

26 Notwithstanding the general provisions of §30107.1, Title 11, Guam Code  
27 Annotated, and this Act, such unexpended sums, as previously authorized in

1 Section 18 of Part II, Chapter IV of Public Law 28-150, are hereby re-appropriated  
2 from the Tourist Attraction Fund to the Guam Visitors Bureau for the purposes of  
3 the Guam Visitors Bureau's operations. The funds authorized herein *shall* be  
4 reprogrammed and specifically used for purposes determined by the Guam Visitors  
5 Bureau Board of Directors, *except* that such sums shall *not* be used for personnel  
6 services *or* for any project of the government of Guam that is *not* initiated *or*  
7 administered by the Guam Visitors Bureau. This appropriation *shall not* validate  
8 any agreement entered into by officers of the government of Guam *prior* to the  
9 enactment of this Act.

6

# I MINA' TRENTA NA LIHESLATURAN GUAHAN

2009 (FIRST) Regular Session

Date: 4/3/09

## VOTING SHEET

Bill No. 71(15)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.					✓
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.	✓				
GUTHERTZ, Judith Paulette	✓				
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RECTOR, Matthew	✓				
RESPICIO, Rory J.	✓				
TAITAGUE, Telo	✓				
TENORIO, Ray	✓				
WON PAT, Judith T.	✓				

TOTAL

14 \_\_\_\_\_ 1 EA

CERTIFIED TRUE AND CORRECT:

*Patricia C. Santos*  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence

Senator Benjamin J.F. Cruz  
VICE SPEAKER  
CHAIRMAN, COMMITTEE ON TOURISM, CULTURAL  
AFFAIRS, YOUTH AND PUBLIC BROADCASTING



*I Mina' Trenta na Liheslaturan Guåhan*  
THIRTIETH GUAM LEGISLATURE  
155 HESLER PLACE, HAGÅTÑA, GUAM 96910 • *senadotbjcruz@aol.com*  
TELEPHONE: (671) 477-2520/1 • FACSIMILE: (671) 477-2522

April 2, 2009

The Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*I Mina' Trenta na Liheslaturan Guåhan*  
155 Hesler Place  
Hagåtña, Guam 96910

Via: The Honorable Rory J. Respicio  
Chairman, Committee on Rules

Re: Committee Report - Bill No. 71 (LS)

Dear Speaker Won Pat:

The Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting, to which was referred Bill No. 71 (LS) "An Act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part II, Chapter 5 of Public Law 29-113; to reappropriate unexpended sums, as previously authorized in Section 25(a) of Part II, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28-150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guåhan*," hereby reports out with the recommendation TO PASS.

Committee votes are as follows:

- TO PASS  
 NOT TO PASS  
 TO REPORT OUT ONLY  
 TO ABSTAIN  
 INACTIVE FILE

Sincerely,

Benjamin J.F. Cruz

Enclosure

2009 APR - 3 PM  
MWM





April 2, 2009

MEMORANDUM

To: All Members  
Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting

From: Chairman  
Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting

Subject: Voting Sheet - Bill No. 71 (LS)

Transmitted herewith are the voting sheet and Committee Report on **Bill No. 71 (LS)** "An Act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part II, Chapter 5 of Public Law 29-113; to reappropriate unexpended sums, as previously authorized in Section 25(a) of Part II, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28- 150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guåhan*," for your review and vote via signature.

Thank you for your time and kind consideration.

Attachments





**COMMITTEE VOTING SHEET**

**Bill No. 71 (LS)** - An act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part II, Chapter 5 of Public Law 29-113; to reappropriate unexpended sums, as previously authorized in Section 25(a) of Part II, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28- 150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guåhan*.

	SIGNATURE	TO PASS	TO NOT PASS	TO REPORT OUT ONLY	ABSTAIN	TO PLACE IN INACTIVE FILE
VICE-SPEAKER BENJAMIN J.F. CRUZ Chairperson		✓ 4/2				
LEGISLATIVE SECRETARY TINA ROSE MUÑA BARNES Vice-Chairperson		✓ 4/2				
SENATOR RORY J. RESPICIO Member						
SENATOR JUDITH P. GUTHERTZ Member						
SENATOR THOMAS C. ADA Member		✓				
SENATOR FRANK B. AGUON, JR Member						
SENATOR JAMES V. ESPALDON Member		✓ 4/2				
SENATOR TELO TAITAGUE Member		✓				
SENATOR RAY TENORIO Member						



## Committee Report

on

### Bill No. 71 (LS)

**An Act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part II, Chapter 5 of Public Law 29-113; to reappropriate unexpended sums, as previously authorized in Section 25(a) of Part II, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28- 150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guåhan*.**

# COMMITTEE REPORT NARRATIVE

Bill No. 71 (LS) Introduced by Benjamin J.F. Cruz

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## I. OVERVIEW

The Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting convened a **Public Hearing on Monday, March 16, 2009 at 9 AM** in the Legislature's Public Hearing Room. Among the items on the Agenda for public consideration was Bill No. 71: (LS) – “An Act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part II, Chapter 5 of Public Law 29-113; to re-appropriate unexpended sums, as previously authorized in Section 25(a) of Part II, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28- 150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guahan*.”

### Public Notice Requirements

Notices were sent via e-mail and/or fax to all Senators and main media broadcasting outlets on:

- March 5, 2009, giving five-days notice; and again on
- March 11, 2009, giving two-days notice.

### Senators Present

- Vice Speaker Benjamin J.F. Cruz, Committee Chairman
- Senator Frank B. Aguon, Jr. Committee Member
- Senator Vicente C. Pangelinan
- Senator Matt Rector
- Senator Frank F. Blas, Jr.

The Public Hearing on Bill No. 71 (LS) was **called to order** at 9:00 AM.

## II. Summary of Testimony

**VICE SPEAKER CRUZ** opened the hearing making all proper announcements.

**GERRY PEREZ**, General Manager Guam Visitors Bureau, appeared before the Committee in SUPPORT of Bill No. 71 and read his written testimony (attached) into the record.

**VICE SPEAKER CRUZ** asked for the dollar amount anticipated lapses from Fiscal Year 2008.

**GERRY PEREZ**, General Manager of the Guam Visitors Bureau, stated that for Fiscal Year 2008 there is about \$1 million.

# COMMITTEE REPORT NARRATIVE

Bill No. 71 (LS) Introduced by Benjamin J.F. Cruz

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**SENATOR PANGELINAN** asked if the money appropriated from Fiscal Year 2007 was budgeted into Fiscal Year 2008.

**GERRY PEREZ**, General Manager Guam Visitors Bureau, stated the 2008 budget had the appropriated money, but GVB never spent the funds.

**SENATOR PANGELINAN** asked if additional unspent money from Fiscal Years 2007 and 2008 are in GVB bank accounts.

**PETER TAJALLE**, a GVB Accountant, stated the money is in the accounts, but allotments received lag by about a month. However, the funds are in the account.

**SENATOR PANGELINAN** asked how GVB would spend the additional funds.

**GERRY PEREZ** stated GVB has under-spent on advertisements because it did not know its total allocation for the year and they did not want to violate the administrative provisions under the respective budget laws by spending more than GVB's allotment. Perez reiterated that attempting to negotiate a contract six months in advance is difficult because GVB is uncertain of when the allotments would happen. Additionally, other projects have been underfunded.

**SENATOR PANGELINAN** asked for a report from GVB for both projects funded and unfunded, which would assist the legislation of Bill No. 71 for allocating funds.

**VICE SPEAKER CRUZ** echoed the sentiments of Senator Pangelinan.

**GERRY PEREZ** stated GVB will provide a report of what was appropriated, what was received in allotments, how much was appropriated to GVB by category, how much was allocated by Department of Administration, and a list of programs GVB withheld for "want of caution." *Note: This report was submitted in a letter to the Committee on March 27, 2009.*

**NORBERT UNPINGCO**, Alternate Director of the GVB Board of Directors, appeared before the Committee in SUPPORT of Bill No. 71 expressing that appropriated funds can help upgrade Guam as a tourist destination.

The Public Hearing on Bill No. 71 was **adjourned at 1:00 P.M.**

*Note: An audio/video DVD recording is available for a review of more details of the testimonies summarized above and/or the open discussion during this Public Hearing.*

# COMMITTEE REPORT NARRATIVE

Bill No. 71 (LS) Introduced by Benjamin J.F. Cruz

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## III. FINDINGS AND RECOMMENDATION

In response to inquiries made by Vice Speaker Cruz and Sen. Pangelinan during the hearing, GVB submitted a letter to the Committee on March 27, 2009 indicating “unexpended sums” or allotments received less actual expenditures in Fiscal Years 2007 and 2008. The amounts are \$879,140 and about \$1.3 million, respectively.

The Committee finds that the Fiscal Year 2007 unexpended sum is basically GVB’s net change in assets, according to the bureau’s audited Statement of Revenue, Expenses, and Changes in Net Assets for that fiscal year (attached herein). GVB’s Fiscal Year 2008 financial statements were not available as of the printing of this report.

According to GVB, the unexpended sums are a result of expenditures that were either scaled back or withheld due both the “uncertainty of amounts to be received and the timing of their receipt,” according to GVB. These expenditures include advertising, public relations and promotional expenditures.

The Committee finds that certain miscellaneous provisions under the annual budget laws state “No agency shall contract to spend, or enter into an agreement to spend money in excess of the amount allotted to the agency by BBMR,” as in the case of Section 5 of Chapter V, of Public Law 28-150 and, similarly, in Section 18 of Chapter VI of Public Law 29-19.

In its letter, GVB indicated its intent to use said unexpended funds. They include sums for its marketing events and promotions, community programs and enhancements, and facility enhancements. These items are presented in greater detail in the bureau’s letter.

The Committee finds that in an effort to comply with the budget laws, GVB for want of caution has withheld duly approved expenditures necessary to fulfill its mandates. Further, the Committee finds that passage of Bill No. 71 will assist GVB in fulfilling these mandates.

There being no objections or amendments to Bill No. 71 (LS), the Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting hereby reports out Bill No. 71 (LS) with the recommendation **TO DO PASS**.

**MINA' TRENTA NA LIHESLATURAN GUÅHAN**  
2009 (First) Regular Session

Bill No. 71 ( 45 )

Introduced by:

B.J.F. Cruz  
F.B. Aguon  
Tina Rose Muña Barnes  
Judith P. Guthertz, DPA  
R.J. Respicio

2009 FEB 19 PM 4:14  
m

**AN ACT TO AMEND SECTION 25(a) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(j) TO PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART II, CHAPTER IV OF PUBLIC LAW 28-150; RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUÅHAN*.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Statement.** In recent years, *I Liheslaturan Guåhan*

has for various reasons placed restrictions on sums appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau. While these restrictions are intended to preserve the integrity and proper use of tourism marketing dollars obtained through receipts from the Monthly Excise Tax of Occupancy of Hotel and Similar Lodging House Facilities, recent economic events including the global financial market meltdown has negatively impacted visitor arrivals. The Bureau's dependence on volatile collections deposited into the Tourist Attraction Fund and the infrequency of cash allotments for appropriations *approved by I Liheslatura* to

1 the Bureau has severely impacted the bureau's ability to carry out its purpose  
2 outlined in § 9104, Chapter 9, Title 12, Guam Code Annotated.

3 It is the intent of *I Liheslatura* to assist the Guam Visitors Bureau in its  
4 ability to procure necessary services related to its marketing mission by providing  
5 greater flexibility in the statutes governing its current and previous appropriations  
6 from the Tourist Attraction Fund.

7 **Section 2. Fiscal Year 2009 Appropriation to the Guam Visitors Bureau.**

8 Section 25 (a) of Part II, Chapter 5 of Public Law 29-113 is *amended* to read:

9 **“Section 25. (a) Appropriations to the Guam Visitors Bureau.** The  
10 sum of Twelve Million One Hundred Ninety-six Thousand Five Hundred  
11 Ninety-five Dollars (\$12,196,595) is appropriated from the Tourist  
12 Attraction Fund (TAF) to the Guam Visitors Bureau (GVB) for the items  
13 and the indicated sums listed ~~for the period of October 1, 2008, through~~  
14 ~~September 30, 2009~~ as follows:

15	(1) General Administration	\$2,137,197
16	(2) Marketing	\$8,095,133
17	(3) Printing, Promotional	\$238,875
18	(4) Research	\$375,000
19	(5) Destination Development	\$1,350,390

20 Notwithstanding the general provisions of 11 CGA § 30107.1 and this  
21 Act, these appropriations shall continue to be available until expended.”

22 **Section 3. Guam Visitors Bureau Transfer Authority for Fiscal Year**  
23 **2009.** A new Section 25(j) is *added* to Part II, Chapter 5 of Public Law 29-113 to  
24 read:

25 **“(j) Guam Visitors Bureau Transfer Authority.** The Guam Visitors  
26 Bureau Board of Directors may exercise limited transfer authority over the  
27 appropriation in Subsection (a) in that transfers may be made between items

1 of appropriation listed in Subsection (a), except that *no* transfers shall be  
2 made into or out of the General Administration item.”

3 **Section 4. Re-appropriation of Fiscal Year 2008 Funds.** Notwithstanding  
4 the general provisions of 11 CGA § 30107.1 and this Act, such unexpended sums,  
5 as previously authorized in Section 25 (a) of Part II, Chapter 5 of Public Law 29-  
6 19, are hereby re-appropriated from the Tourist Attraction Fund to the Guam  
7 Visitors Bureau for the purposes of the Guam Visitors Bureau’s operations. The  
8 funds authorized herein *shall* be specifically used for purposes determined by the  
9 Guam Visitors Bureau Board of Directors, except that such sums shall *not* be used  
10 for personnel services *or* for any other project of the government of Guam that is  
11 *not* initiated *or* administered by the Guam Visitors Bureau. This appropriation  
12 *shall* not validate any agreement entered into by officers of the government of  
13 Guam prior to the enactment of this Act.

14 **Section 5. Re-appropriation of Fiscal Year 2007 Funds.** Notwithstanding  
15 the general provisions of 11 CGA § 30107.1 and this Act, such unexpended sums,  
16 as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28-150,  
17 are hereby re-appropriated from the Tourist Attraction Fund to the Guam Visitors  
18 Bureau for the purposes of the Guam Visitors Bureau’s operations. The funds  
19 authorized herein *shall* be reprogrammed and specifically used for purposes  
20 determined by the Guam Visitors Bureau Board of Directors, except that such  
21 sums shall *not* be used for personnel services *or* for any project of the government  
22 of Guam that is *not* initiated *or* administered by the Guam Visitors Bureau. This  
23 appropriation *shall* not validate any agreement entered into by officers of the  
24 government of Guam prior to the enactment of this Act.





March 16, 2009

Testimony of Mr. Gerald S.A. Perez, General Manager, Guam Visitors Bureau on Bill No. 71 (LS):

AN ACT TO AMEND SECTION 25(a) OF PART 11, CHAPTER 5 OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(j) TO PART 11, CHAPTER 5 OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART 11, CHAPTER 5 OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART 11, CHAPTER IV OF PUBLIC LAW 28-150; RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUAHAN*.

Mr. Chairman and members of the Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting. For the record, my name is Gerald S.A. Perez, General Manager of the Guam Visitors Bureau. I am here today to voice my unequivocal support for Bill No. 71 (LS).

The Bureau for years has maintained compliance with budget statutes by ensuring sound fiscal decision making and operations in spite of delayed and inconsistent allotment receipts. This is evident in the Bureau's fiscal year 2007 and 2008 performance as noted in our annual audits. This has come at a price as these inconsistencies have resulted in our inability to react quickly in this fast paced industry. Inconsistent and delayed allotment receipts impact our ability to commit to promotions and ad campaigns whose result is evident in the reduction in tourist arrivals since the beginning of the fiscal year.

This legislation will change how we react in this fluid industry. It will give the Bureau the flexibility to continue and react to changes and keep us very competitive in our target markets for fiscal year 2009. I urge you Mr. Chair and Committee members to support this proposed legislation. Help us protect our market share and our economy.

---

Gerald S.A. Perez  
General Manager



March 27, 2009

Honorable BJ Cruz  
Vice Speaker, 30<sup>th</sup> Guam Legislature  
155 Hesler Place  
Hagatna, Guam 96910

Dear Mr. Vice Speaker:

Your committee requested information relating to Bill 71 at a recently held public hearing. We will address these queries in the following discussion and have attached pertinent schedules for your review.

We have provided a schedule of cash received versus expenditure for FY 2007 and 2008 (Attachment A). Additionally, we have included the allotment receipt schedule (Attachment B & C) for FY 2007 and 2008. It is important to note that GVB historically receives its last allotment toward the end of the month of October and even as late as December (as in the case of FY 2007). GVB operations were driven by allotment receipts and the need for fiscal responsibility and compliance with statute. This made it impossible for GVB to spend the full sum received each year as the exact allotment receipt amount was undeterminable until well after the fiscal year had lapsed.

The enactment into law of Bill 71 would allow GVB to either:

- A Spend the full amount planned, already justified and approved in the Budget Act; or
- B Reprogram the money for current needs (See Attachment D)

As the marketing commitments and target specific opportunities have expired (Option A), we recommend that the remaining balance of \$2.0 million be spent according to the details contained in Attachment D (Option B).

We believe that this recommendation provides optimum balance among the following competing priorities:

- 46% Marketing for Japan and Korea, both representing nearly 90% of total arrivals.
- 24% Facility improvements to provide an additional meeting room for committee work and also replacement of expensive Harmon warehouse space for improved efficiency and control by staff and support space for the annual Guam Micronesia Island Fair event (currently renting containers).
- 16% Capacity building to support cultural development, expansion of Chamorro talent pool in performing or visual arts, and youth tourism programs.
- 14% Mayor's brand building and village improvement initiatives.



Lastly, the question of funds budgeted for marketing in Japan was raised; specifically, in comparison to Hawaii. The Bureau's marketing budget for Japan in FY 2008 was \$5.3 million; however, we expended only \$4.9 million because of statutory and timing restrictions of allotments received. By comparison, Hawaii's leisure marketing budget alone for Japan was \$8.2 million.

Once again, thank you for your continued support of our visitor industry and its needs in the areas of cultural attractions and associated brand initiative centering on the island's culture and history.

Senseramente,

A handwritten signature in black ink, appearing to read "Gerald SA Perez", with a long, sweeping horizontal stroke extending to the right.

Gerald SA Perez  
General Manager

GUAM VISITORS BUREAU  
 FY 2007-2008  
 CASH vs EXPENDITURE  
 ANALYSIS

EXHIBIT 10 ATTACHMENT 10

ALLOTMENT RECEIVED - OPERATIONS	\$ 13,358,948	\$ 11,956,367
OTHER SOURCES OF CASH (INTEREST INCOME/YEN EXCHANGE GAIN/(LOSS)/GMIF/KOKO ROAD RACE/CONSUMPTION TAX REFUND)	\$ 706,000	\$ 791,187
TOTAL SOURCES OF CASH	\$ 14,064,948	\$ 12,747,554
FISCAL YEAR ACTUAL EXPENDITURES	\$ 12,725,578	\$ 11,868,414
CASH EXCESS/(SHORTFALL)	\$ 1,339,370	\$ 879,140

NOTE1: ADVERTISING, PUBLIC RELATIONS, AND PROMOTIONAL  
 EXPENDITURES WERE SCALED BACK (SEE BELOW) OR HELD DUE TO  
 BOTH THE UNCERTAINTY OF AMOUNTS TO BE RECEIVED AND THE TIMING  
 OF THEIR RECEIPT.

MARKET IMPACT

	<u>FY 2008</u>	<u>FY 2007</u>
JAPAN	\$ 500,748	\$ 670,498
KOREA	\$ 527,977	\$ 85,790
OTHER MARKETS	\$ 310,646	\$ 122,852
TOTAL	\$ 1,339,370	\$ 879,140

FY 2007 CASH RECEIPTS - CITIBANK					
Date	Check #	Operations	TAF	Total of ck	
11/1/07	159627	\$ 1,309,845.72	\$	125,000.00	\$ 1,434,845.72
11/27/06	172139	\$ 572,893.92	\$	116,666.66	\$ 689,560.58
12/27/07	177664	\$ 702,060.58	\$	58,333.33	\$ 760,393.91
2/2/07	183697	\$ 774,727.25	\$	68,333.33	\$ 843,060.58
2/28/07	188635	\$ 1,067,310.59	\$	77,499.99	\$ 1,144,810.58
4/5/07	193914	\$ 1,253,410.26	\$	116,666.66	\$ 1,370,076.92
5/2/07	199419	\$ 1,128,560.59	\$	116,666.66	\$ 1,245,227.25
5/31/07	204304	\$ 1,128,560.21	\$	116,666.67	\$ 1,245,226.88
5/31/07	200164	\$ 124,849.67	\$		\$ 124,849.67
7/2/07	209565	\$ 945,224.63	\$	116,664.85	\$ 1,061,889.48
8/1/07	214312	\$ 824,393.54	\$	72,840.35	\$ 897,233.89
8/29/07	215963	\$ 735,015.99	\$	56,661.30	\$ 791,677.29
9/28/07	225991	\$ 1,056,159.97	\$	59,660.00	\$ 1,115,819.97
10/26/07	231269	\$ 1,319,560.00	\$	294,340.00	\$ 1,613,900.00
12/27/07	244072	\$ 318,640.00	\$	50,000.00	\$ 368,640.00
		\$ 11,951,367.20	\$	1,320,999.80	\$ 13,272,367.00

## ATTACHMENT C

**FY 2008 Allotments Received**

<b>Date Received</b>	<b>Check #</b>	<b>AMOUNT</b>	<b>GVB Operations</b>	<b>Pa'A Taotao Tano</b>	<b>Tourism Education Council</b>
11/28/07	242906	\$ 710,568.00	\$ 700,000.00	\$ 7,564.00	\$ 3,004.00
12/31/07	244898	\$ 865,621.00	\$ 865,621.00	\$ -	\$ -
1/30/08	256983	\$ 1,000,840.00	\$ 990,272.00	\$ 7,564.00	\$ 3,004.00
3/3/08	265454	\$ 1,105,071.68	\$ 1,105,071.68	\$ -	\$ -
3/31/08	270739	\$ 1,512,408.00	\$ 1,501,840.00	\$ 7,564.00	\$ 3,004.00
4/30/08	273141	\$ 1,341,840.00	\$ 1,341,840.00	\$ -	\$ -
5/23/08	282206	\$ 1,272,514.00	\$ 1,261,946.00	\$ 7,564.00	\$ 3,004.00
6/27/08	291234	\$ 971,840.00	\$ 971,840.00	\$ -	\$ -
7/25/08	293463	\$ 1,104,844.00	\$ 1,101,840.00	\$ -	\$ 3,004.00
8/27/08	301489	\$ 825,575.00	\$ 825,575.00	\$ -	\$ -
9/26/08	306508	\$ 1,149,859.43	\$ 1,149,859.43	\$ -	\$ -
10/31/08	319500	\$ 1,683,764.57	\$ 1,661,741.57	\$ -	\$ 22,023.00
<b>as of 11/7/08</b>		<b>\$ 13,544,745.68</b>	<b>\$ 13,477,446.68</b>	<b>\$ 30,256.00</b>	<b>\$ 37,043.00</b>

PROPOSED USE OF FUNDS

ATTACHMENT D

**MARKETING EVENTS & PROMOTIONS (NOTE 1)**

JAPAN 777,800.00  
KOREA 150,000.00

**COMMUNITY PROGRAMS/ENHANCEMENTS**

Pa 'a Taotao Tano' 100,000.00  
Tourism Education Council. 40,000.00  
Historic Inalahan Foundation 75,000.00  
Guam Museum Foundation. 100,000.00  
Mayor's Council (Brand Building/Village Improvement Initiatives  
Village Population > 10,000 get \$15,000  
Village Population < 10,000 get \$10,000 275,000.00

**FACILITY ENHANCEMENTS (NOTE 2)**

GROUND LEVEL 271,100.00  
LOWER LEVEL 211,100.00

**TOTAL**

2,000,000.00

**NOTE 1: ADVERTISING AND PROMOTIONS SCALED BACK OR HELD DUE TO LACK OF ALLOTMENT RECEIPT OR TIMING OF ALLOTMENT RECEIPT.**

**NOTE 2: PROPOSED GVB FACILITY ENHANCEMENTS WOULD RESULT IN RENTAL COST SAVINGS (STORAGE SPACE) OF \$32,400.00 PER FY THAT CAN BE RE-DIRECTED INTO MARKETING, CULTURAL DEVELOPMENT, OR DESTINATION MANAGEMENT IMPROVEMENTS.**

Senator Benjamin J.F. Cruz  
 VICE SPEAKER  
 CHAIRMAN, COMMITTEE ON TOURISM, CULTURAL  
 AFFAIRS, YOUTH AND PUBLIC BROADCASTING



*I Mind Tria na Liheslaturan Guahan*  
 THIRTIETH GUAM LEGISLATURE  
 155 HESLER PLACE, HAGATNA, GUAM 96910 • [senadobjcruz@aol.com](mailto:senadobjcruz@aol.com)  
 TELEPHONE: (671) 477-2320/1 • FACSIMILE: (671) 473-3522

**9 A.M. MONDAY, MARCH 16, 2009 – PUBLIC HEARING**

BILL NO. 71 (LS) - An act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part 11, Chapter 5 of Public Law 29-113; to reappropriate unexpended sums, as previously authorized in Section 25(a) of Part 11, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part 11, Chapter IV of Public Law 28-150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guahan*.

NAME (Please Print)	REPRESENTING (Agency/Company/Organization/Self)	SUPPORT (Written/ Oral Testimony)	OPPOSE (Written/ Oral Testimony)	CONTACT INFO (Phone Number &/or email address)
<del>Bob Thompson</del> Gen. PEREZ	<del>Mr. Thompson</del> GOVB	Oral ✓		<del>Reappropriated</del> GSRP43@guathd.com





**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR

Post Office Box 2950, Hagåtña Guam 96932

**FELIX P. CAMACHO**  
GOVERNOR

**BERTHA M. DUENAS**  
DIRECTOR

**MICHAEL W. CRUZ, M.D.**  
LIEUTENANT GOVERNOR

FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Senator Benjamin J.F. Cruz

FACSIMILE NUMBER: 477-2522

FROM: Bertha Duenas Director

Total Pages including this page: 4

If you do not receive legible copies of all the pages, please call back as soon as possible. Phone numbers (671) 475-9412/9414. Fax number (671) 472-2825

RE: Fiscal note on Bill 71 (LS)

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Bureau of Budget & Management Research**  
Fiscal Note of Bill No. 71(LS)

AN ACT TO AMEND SECTION 25(a) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(j) TO PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART II, CHAPTER IV OF PUBLIC LAW 28-150; RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY I LHESLATURAN UAHAN.

**Department/Agency Appropriations Information**

Dept./Agency Affected: Guam Visitors Bureau	Dept./Agency Head: Gerald S.A. Perez
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (specify): Tourist Attraction Fund (TAF) appropriation(s) to date:	\$13,736,095
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$13,736,095</b>

**Fund Source Information of Proposed Appropriation**

	General Fund:	Other:	Total:
FY 2009 Adopted Revenues	\$520,721,797	\$21,500,000	\$542,221,797
FY 2009 Appra. (P.L. 29-113) to P.L. 29-156	(\$520,721,779)	(\$21,500,000)	(\$542,221,779)
Sub-total:	\$18	\$0	\$18
Less appropriation in BIR	\$0	\$0	\$0
<b>Total:</b>	<b>\$18</b>	<b>\$0</b>	<b>\$18</b>

**Estimated Fiscal Impact of Bill**

	One Full Fiscal Year	For Remainder of FY 2009 (if applicable)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Tourist Attraction Fund	\$0	1/	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No  
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No  
If no, what is the additional amount required? \$ \_\_\_\_\_ /X/ N/A
3. Does the Bill establish a new program/agency? / / Yes /X/ No  
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No  
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If so, indicate reason: /X/ Yes / / No  
/X/ Requested agency comments not received by due date / / Other: \_\_\_\_\_  
Rose Cunliffe, GVB Controller, was contacted & information requested 1/28/09.

Analyst: Michael M. Affogua, B&M Analyst Date: 2/14/09 Director: Bertha M. Ducas, Director, BBMR Dir: MAR 20 2009

Footnotes: 1/ Bill 71 proposes to re-appropriate unexpended balances authorized by Section 25(a), Part II, Chapter V of P.L. 29-19 (FY2008 General Appropriations Act) and Section 18, Part II, Chapter IV of P.L. 28-150 (FY2007 General Appropriations Act) to the Guam Visitors Bureau from the Tourist Attraction Fund (TAF). The Bureau would like to note an unexpended balance of \$1.2M for FY2007 (Attachment 1) and a negative balance of \$975k for FY2008 (Attachment 2). According to the attached unaudited financial statements as of 3/18/09, the TAF currently reflects a negative unreserved fund balance of \$5M based on total allotments released to-date (Attachment 3). The TAF revenue tracking for FY2009, referenced as Attachment 4, projects a shortfall of roughly \$999k relative to the adopted revenues of \$21.5M (P.L. 29-113). Should Bill 71 pass into law, the Bureau anticipates an increase to the unreserved fund balance by \$1.2M. The Bureau would like to note that information was requested from the Guam Visitors Bureau in accordance with 2GCA, Chapter 9 (Fiscal Accountability Act of 1999); however, information was not received as of these comments.

## Attachment 3 - Bill 71(LS)

Bureau of Budget and Management Research Fiscal Allocation (Fund 204)						
Balance Sheet	September 30, 2004 (Audited)	September 30, 2005 (Audited)	September 30, 2006 (Audited)	September 30, 2007 (Audited)	September 30, 2008 (Unaudited)	March 18, 2009 (Unaudited)
Total						
<b>Assets</b>						
Cash & equivalents	-	-	-	-	-	-
Receivables net	1,449,777	1,468,810	1,322,155	1,518,769	1,518,769	1,518,769
Interfund receivables	0	0	1,700,456	1,411,733	1,184,327	0
<b>Total assets</b>	<b>1,449,777</b>	<b>1,468,810</b>	<b>1,022,611</b>	<b>2,930,502</b>	<b>2,703,146</b>	<b>1,518,769</b>
<b>Liabilities</b>						
Interfund payable	13,399,469	3,875,782	0	1,715,360	57,408	1,370,650
Accounts payable	0	0	66,217	0	0	0
Accrued payroll and other	10,413	0	0	18,750	0	0
Provision for tax refunds	0	0	0	0	0	0
Deferred revenues	0	0	0	0	0	0
<b>Total liabilities</b>	<b>13,409,882</b>	<b>3,875,782</b>	<b>66,217</b>	<b>1,734,110</b>	<b>57,408</b>	<b>1,370,650</b>
<b>Fund Equity</b>						
Reserve for:						
Related assets	0	0	1,700,456	1,411,733	0	0
Encumbrances	42,398	23,327	49,462	47,527	17,374	462,511
Appropriations	99,751	30,403	104,699	325,790	132,877	4,485,607
Unreserved fund balance (deficit)	(12,122,254)	(2,466,702)	1,101,752	(585,456)	2,494,482	(4,939,892)
<b>Total fund equity</b>	<b>(11,980,105)</b>	<b>(2,406,972)</b>	<b>2,956,374</b>	<b>1,196,392</b>	<b>2,645,236</b>	<b>168,119</b>
<b>Total liabilities and fund equity</b>	<b>1,449,777</b>	<b>1,468,810</b>	<b>1,022,611</b>	<b>2,930,502</b>	<b>2,703,146</b>	<b>1,518,769</b>
<b>Statement of Revenues, Expenditures and Changes in Fund Balance For Fiscal Years Ended</b>						
<b>Revenues</b>						
Taxes:						
Hotel	17,674,859	18,946,881	19,787,802	21,233,396	22,148,167	6,178,105
Sales, licenses, fees and permits	0	0	0	0	0	0
Use of money and property	0	0	0	0	0	0
Federal Contributions	0	0	0	0	0	0
<b>Total revenues</b>	<b>17,674,859</b>	<b>18,946,881</b>	<b>19,787,802</b>	<b>21,233,396</b>	<b>22,148,167</b>	<b>6,178,105</b>
<b>Expenditures</b>						
General government	37,386	0	1,261,578	667,358	26,778	21,843
Payments to Guam Vision Bureau	10,009,438	10,741,052	12,144,578	14,987,727	13,428,692	3,718,905
Transfers in/out	(2,420,000)	847,304	(4,370,662)	(7,328,313)	(7,241,351)	(3,284,926)
<b>Total expenditures</b>	<b>18,416,824</b>	<b>9,397,748</b>	<b>19,276,638</b>	<b>22,993,398</b>	<b>20,698,821</b>	<b>8,675,224</b>
<b>Special Item:</b>						
Gain from tax drawback settlement	0	0	0	0	0	0
<b>Current year surplus (deficit)</b>	<b>(741,965)</b>	<b>9,553,133</b>	<b>10,964</b>	<b>(1,760,002)</b>	<b>1,449,346</b>	<b>(2,497,019)</b>
<b>Beginning fund balance (deficit)</b>	<b>(11,235,138)</b>	<b>(1,765,102)</b>	<b>2,945,430</b>	<b>2,956,394</b>	<b>1,196,292</b>	<b>2,645,236</b>
<b>Ending fund balance (deficit)</b>	<b>(11,980,105)</b>	<b>(2,406,972)</b>	<b>2,956,374</b>	<b>1,196,392</b>	<b>2,645,236</b>	<b>168,119</b>
<b>Footnotes</b>						
1/ Based on allotment release to date.						

Bureau of Budget & Management Research  
FY 2009 Special Revenue Fund Tracking

Attachment 4 - BW 71(S)

*30 years*

Description	Fund Code	A Actual	B Actual	C Actual	D Actual	E Forecast	F Forecast	G Forecast	H Forecast	I Forecast	J Forecast	K Forecast	L Forecast	M FY 2009	N	O
		October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	Tracking	PL 25-113	Overage/(Shortage)
Forest Attrition	206	1,387,377.05	1,338,893.55	1,501,822.81	1,007,803.50	2,035,187.25	1,780,268.48	1,852,413.02	1,514,944.92	1,371,787.71	1,420,987.74	1,850,157.62	2,558,222.52	20,500,725.96	21,500,000.00	(999,274.02)

**GUAM VISITORS BUREAU  
(A COMPONENT UNIT OF THE  
GOVERNMENT OF GUAM)**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES AND  
INDEPENDENT AUDITORS' REPORT**

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**SEPTEMBER 30, 2007 AND 2006**

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Guam Visitors Bureau:

We have audited the accompanying statements of net assets and balance sheets of Guam Visitors Bureau (GVB) (a component of the Government of Guam) and its Special Tourist Attraction Fund Projects as of September 30, 2007 and 2006, and the related statements of revenue, expenses, and changes in net assets, operations and fund balance, and cash flows for the years then ended. These financial statements are the responsibility of GVB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

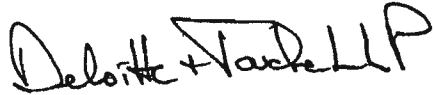
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GVB's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of GVB and its Special Tourist Attraction Fund Projects as of September 30, 2007 and 2006, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information is the responsibility of the management of GVB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 21 and 22 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of GVB's management. Such information has been subjected to the tests and other auditing procedures applied in our audit of the basic financial statements of GVB for the year ended September 30, 2007, and in our opinion, such information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2008, on our consideration of the GVB's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, stylized font.

May 14, 2008

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis  
Year Ended September 30, 2007

The Guam Visitors Bureau is a public, non-stock and non-profit corporation. The Bureau is a unique organization where its members and the people of Guam share an interest in the island's tourist industry. We will overview our financial statements for the fiscal year ending September 30, 2007 in the following discussion.

The following table summarizes the financial condition and operations of the Bureau for the fiscal years ended 2007, 2006 and 2005:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Assets</b>			
Current assets	\$ 5,711,335	\$ 4,496,620	\$ 3,460,382
Other assets	133,125	133,125	133,125
Property and equipment, at cost, net	<u>7,415,384</u>	<u>7,509,503</u>	<u>7,713,266</u>
Total assets	<u>\$ 13,259,844</u>	<u>\$ 12,139,248</u>	<u>\$ 11,306,773</u>
<b>Liabilities:</b>			
Current liabilities	\$ 2,718,233	\$ 2,541,737	\$ 1,797,194
Unfunded pension cost	348,032	301,827	204,822
Accrued annual and sick leave	<u>176,119</u>	<u>157,364</u>	<u>165,021</u>
Total liabilities	<u>3,242,384</u>	<u>3,000,928</u>	<u>2,167,037</u>
<b>Net assets:</b>			
Invested in capital assets	7,415,384	7,509,503	7,713,266
Unrestricted	<u>2,602,076</u>	<u>1,628,817</u>	<u>1,426,470</u>
Total net assets	<u>10,017,460</u>	<u>9,138,320</u>	<u>9,139,736</u>
	<u>\$ 13,259,844</u>	<u>\$ 12,139,248</u>	<u>\$ 11,306,773</u>
<b>Other revenues:</b>			
In-kind contributions from members and others	\$ 336,566	\$ 291,928	\$ 112,128
Consumption tax refund	229,941	232,823	310,354
Memberships	<u>69,756</u>	<u>53,025</u>	<u>71,850</u>
Total revenues	<u>636,263</u>	<u>577,776</u>	<u>494,332</u>
Operating expenses	<u>11,868,414</u>	<u>11,610,666</u>	<u>10,627,738</u>
Operating revenues net of operating expenses	(11,232,151)	(11,032,890)	(10,133,406)
Nonoperating revenues, net	<u>12,111,291</u>	<u>11,031,474</u>	<u>7,916,589</u>
Change in net assets	<u>\$ 879,140</u>	<u>\$ (1,416)</u>	<u>\$ (2,216,817)</u>



**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis  
Year Ended September 30, 2007

**FINANCIAL HIGHLIGHTS**

Guam's 11% hotel occupancy tax funds the Bureau's operations as authorized through the Legislature's annual budget appropriations. In fiscal year 2007, Public Law 28-150 appropriated \$13.6 million for GVB operations and \$1.4 million for special projects. However, the Bureau received a total allotment of \$11.9 million for operations and \$1.3 million for special projects. These receipts were short of the authorized levels (PL 28-150) for operations and special projects by 12.5% and 7.1%, respectively. Membership dues, in-kind contributions and foreign exchange transactions represent other sources of revenue; their combined total accounting for 5% or \$636,263 of total income.

The overall increase in expenditures of 2% is attributed to an increase in contractual marketing expenses. Although there was an increase in expenditures, the result of operation was a positive change in net assets of \$879,140 for fiscal year 2007.

The increase in current assets of 27% is due primarily to the timing and subsequent payment of liabilities, receipt of consumption tax rebated by the government of Japan, and an increase in allotments from the Government of Guam. The increase in liabilities of 8% is attributed to the timing of subsequent vendor payments as well as required accruals for payroll, unfunded pension liabilities, and annual and sick leave.

The Bureau is not capital intensive and therefore, significant capital asset activity did not occur in 2007, 2006 and 2005. For additional information regarding capital assets, please refer to note 4 to the financial statements.

Additionally, the Bureau has no long-term borrowings. However, additional information concerning its pension and other long-term liabilities can be found in notes 3 and 7 to the financial statements.

**ANALYSIS**

The Bureau continues to live within its means, and has been financially responsible in managing its expenditures. In doing so, however, drastic measures had to be taken in 2007 to ensure budgetary compliance with cash allotments as required by law. And while cuts were made in all areas of operation, austerity measures affected our variable Japan and Korea budgets the most with a 20% pullback needed to stay within cash receipts. Significant reductions were made in community development (-87%), research (-11%) and cultural heritage (-19%) programs.

The Bureau's cash allotments in 2007 were 12.5% below the authorized budget and seriously hampered our overseas marketing and advertising initiatives. This necessitated an emphasis in P.R. activities to generate maximum free publicity and ad value exposure. In Japan alone, for instance, this effort was tripled and generated \$19,061,994 in advertising exposure value. In total, the Bureau averaged nearly \$6.5 million per month worth of free advertising exposure per \$150,000 in monthly expenditures for all markets, 60% of which was in Japan, 30% in Korea, and 10% in all other markets. For the year, the Bureau invested \$1.8 million in about 70 public relations events, which generated \$77.6 million in publicity coverage for the island, an amount more than the entire combined GVB budgets for the five year period 2003 to 2007.

The Bureau's Five Year Strategic Plan was developed during fiscal year 2007. It was shared with the island's political leadership, village mayors, GVB members, various civic and educational groups, and island media. The plan is a framework for acting on the strategic initiatives needed to sustain and grow Guam's \$1.3 billion tourism industry. Key elements of the plan focus on:

**GUAM VISITORS BUREAU**  
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Management's Discussion and Analysis  
Year Ended September 30, 2007

- Increasing visitor arrivals and their spending;
- Creating a unique brand identity differentiating Guam from other destinations;
- Maximizing use of the island's tourism plant and infrastructure;
- Strengthening strategic alliances;
- Facilitating the development and/or restoration of Guam's cultural, historical natural and man-made attractions; and
- Making institutional and organizational changes to improve destination management and marketing effectiveness.

This past year was a difficult challenge in attracting our core customer base and focusing on destination improvement projects because of budgetary limitations. This impediment is recognized in the strategic plan and several initiatives will be pursued in 2008 to stimulate broad community support and ameliorate funding restrictions.

Additionally, the Chairman's Strategic Advisory Council was established in the second quarter of fiscal year 2008. The Council immediately focused on the following major initiatives which are currently in various stages of progress:

- Branding and Community support;
- Zoning legislation to mitigate or eliminate offensive adult entertainment;
- China market opportunity;
- Private funding support to augment GVB's limited budget for marketing and destination improvements; and
- Proposed tax surcharge to fund the restoration and development of our cultural, historical, and natural assets; and to fund a comprehensive signage program that identifies island villages, attractions and scenic routes as well as interpretive signs.

Funding will always be an issue fulfilling our mission. However, meeting the goals and objectives outlined in our five year strategic plan is our priority.

Management's Discussion and Analysis for the year ended September 30, 2006 is set forth in the Bureau's report on the audit of the financial statements, which is dated April 17, 2007, and that Discussion and Analysis explains the major factors impacting the 2006 financial statements and can be viewed at the Office of the Public Auditor's website at [www.guamopa.com](http://www.guamopa.com).

## **OUTLOOK**

Rising energy costs, the lingering credit crunch, and consumer driven restructuring of the travel industry infrastructure make it difficult for Guam to expect significant near term growth in arrivals. This situation is exacerbated by the anemic number of outbound Japanese travelers and the proliferation of competitive regional destinations such as Thailand, Bali, Malaysia, Vietnam, and the Philippines.

Longer term, however, we believe that the outlook for tourism is fundamentally optimistic. Recent developments in federal immigration, trade, and defense policies will enable Guam to tap into China and other new markets, enhance the growth of business travel, and generate more military related travelers.

Current efforts to define and strengthen the Guam brand should also diversify our customer base, improve visitor spending, and extend the duration of visits. Guam's proximity to the world's fastest growing regional economies is advantageous in attracting more and more Asian consumers who have improving disposable incomes for leisure travel.

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Management's Discussion and Analysis  
Year Ended September 30, 2007

Finally, the rapid growth of low cost carriers will continue to impact regional air travel and expand or deepen the island's leisure and business travel. All of these factors also play into the underdeveloped cruise market opportunity that Guam has yet to develop.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Statements of Net Assets  
September 30, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
<b>Current assets:</b>		
Cash	\$ 3,769,310	\$ 3,143,891
Accounts receivable - Government of Guam	1,668,200	1,309,846
Accounts receivable - other	267,373	36,431
Prepaid expenses	6,452	6,452
Total current assets	5,711,335	4,496,620
<b>Other assets</b>		
Property and equipment, at cost, net	133,125	133,125
	7,415,384	7,509,503
	\$ 13,259,844	\$ 12,139,248
<u>LIABILITIES AND NET ASSETS</u>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,693,233	\$ 2,516,737
Accounts payable - TAF special projects	25,000	25,000
Total current liabilities	2,718,233	2,541,737
Unfunded pension cost	348,032	301,827
Accrued annual leave	100,878	94,707
Accrued sick leave	75,241	62,657
Total liabilities	3,242,384	3,000,928
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Invested in capital assets	7,415,384	7,509,503
Unrestricted	2,602,076	1,628,817
Total net assets	10,017,460	9,138,320
	\$ 13,259,844	\$ 12,139,248

See accompanying notes to financial statements.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Statements of Revenue, Expenses, and Changes in Net Assets  
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>		
In-kind contributions from members and others	\$ 336,566	\$ 291,928
Consumption tax refund	229,941	232,823
Memberships	69,756	53,025
Total revenues	<u>636,263</u>	<u>577,776</u>
<b>Expenses: Guam operations</b>		
Contractual, promotional	2,223,874	1,875,183
Personnel	1,133,394	1,103,530
Contractual, developmental	1,022,668	1,320,633
Contractual, administrative	773,896	644,570
Benefits	411,839	413,034
Travel	289,192	316,232
Promotional in-kind contributions	261,688	120,289
Depreciation	94,119	94,119
Miscellaneous	-	36,656
Total Guam operations	<u>6,210,670</u>	<u>5,924,246</u>
<b>Expenses: Japan operations</b>		
Contractual, promotional	4,343,495	4,585,511
Contractual, administrative	888,646	764,468
Travel	350,725	164,802
Promotional in-kind contributions	74,878	171,639
Total Japan operations	<u>5,657,744</u>	<u>5,686,420</u>
Total operating expenses	<u>11,868,414</u>	<u>11,610,666</u>
Operating revenues net of operating expenses	<u>(11,232,151)</u>	<u>(11,032,890)</u>
<b>Nonoperating revenues (expenses):</b>		
Government of Guam appropriations	11,956,367	10,786,245
Other nonoperating income (expense), net	127,578	125,793
Interest income	27,346	19,436
Collection of TAF special projects	-	100,000
Total nonoperating revenues, net	<u>12,111,291</u>	<u>11,031,474</u>
Change in net assets	879,140	(1,416)
Net assets at beginning of year	<u>9,138,320</u>	<u>9,139,736</u>
Net assets at end of year	<u>\$ 10,017,460</u>	<u>\$ 9,138,320</u>

See accompanying notes to financial statements.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Statements of Cash Flows  
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities:</b>		
Cash received from members	\$ 69,756	\$ 53,025
Cash (paid) received from other sources	(1,001)	432,201
Cash paid to employees	(1,114,639)	(1,111,187)
Cash paid to suppliers	<u>(9,954,056)</u>	<u>(8,915,054)</u>
Net cash used for operating activities	<u>(10,999,940)</u>	<u>(9,541,015)</u>
<b>Cash flows from noncapital financing activities:</b>		
Government of Guam appropriations	11,598,013	10,709,021
Repayments of notes payable	<u>-</u>	<u>(100,000)</u>
Net cash provided by noncapital financing activities	<u>11,598,013</u>	<u>10,609,021</u>
<b>Cash flows from capital and related financing activities:</b>		
Additions to property and equipment	<u>-</u>	<u>(9,502)</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>(9,502)</u>
<b>Cash flows from investing activities:</b>		
Interest income	<u>27,346</u>	<u>19,436</u>
Net cash provided by investing activities	<u>27,346</u>	<u>19,436</u>
Net change in cash	625,419	1,077,940
Cash at beginning of year	<u>3,143,891</u>	<u>2,065,951</u>
Cash at end of year	<u>\$ 3,769,310</u>	<u>\$ 3,143,891</u>
<b>Reconciliation of operating revenues net of operating expenses to net cash used for operating activities:</b>		
Operating revenues net of operating expenses	\$ (11,232,151)	\$ (11,032,890)
Other nonoperating expense, net	127,578	125,793
Collection of TAF special projects	-	100,000
Adjustments to reconcile loss from operations to net cash provided by (used for) operating activities:		
In-kind contribution from members and others	(336,566)	(291,928)
Promotional in-kind contributions	336,566	291,928
Fixed asset capitalization expense	-	119,146
Depreciation	94,119	94,119
Decrease (increase) in assets:		
Accounts receivable	(230,942)	74,378
Prepaid expenses	-	44,548
Increase (decrease) in liabilities:		
Accounts payable	176,496	844,543
Accrued annual and sick leave	18,755	(7,657)
Unfunded pension cost	<u>46,205</u>	<u>97,005</u>
Net cash used for operating activities	<u>\$ (10,999,940)</u>	<u>\$ (9,541,015)</u>

See accompanying notes to financial statements.

## SPECIAL TOURIST ATTRACTION FUND PROJECTS

### Balance Sheets September 30, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Restricted cash	\$ 224,712	\$ 254,559
Interfund receivable - GVB operations	25,000	25,000
Accounts receivable - Government of Guam	<u>314,340</u>	<u>125,000</u>
	<u>\$ 564,052</u>	<u>\$ 404,559</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Current liabilities:		
Accounts payable	\$ 195,611	\$ 106,823
Fund balance:		
Appropriated retained earnings	<u>368,441</u>	<u>297,736</u>
	<u>\$ 564,052</u>	<u>\$ 404,559</u>

See accompanying notes to financial statements.

## SPECIAL TOURIST ATTRACTION FUND PROJECTS

### Statements of Operations and Fund Balance Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>		
Interest	\$ 1,249	\$ 331
Others	<u>1,697</u>	<u>-</u>
Total revenues	<u>2,946</u>	<u>331</u>
<b>Expenses:</b>		
Tumon and Hagatna Beach Cleaning and Maintenance	262,140	202,119
Tumon Landscaping Maintenance	351,227	396,818
Islandwide Roadway and Beautification	297,724	301,330
Gef Pago	100,000	100,000
Pa'a Taotao Tano	100,000	100,000
Tumon Illumination	96,150	89,641
Guam Museum Design	41,000	14,200
Miscellaneous	<u>-</u>	<u>3,524</u>
Total expenses	<u>1,248,241</u>	<u>1,207,632</u>
Loss from operations	(1,245,295)	(1,207,301)
Government of Guam contribution	1,316,000	1,358,333
Payment of interfund balance	<u>-</u>	<u>(100,000)</u>
Change in fund balance	70,705	51,032
Fund balance at beginning of year	<u>297,736</u>	<u>246,704</u>
Fund balance at end of year	<u>\$ 368,441</u>	<u>\$ 297,736</u>

See accompanying notes to financial statements.



## SPECIAL TOURIST ATTRACTION FUND PROJECTS

### Statements of Cash Flows Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from interest	\$ 1,249	\$ 331
Cash received from other sources	1,697	-
Cash paid to suppliers	<u>(1,159,453)</u>	<u>(1,299,238)</u>
Net cash used for operating activities	<u>(1,156,507)</u>	<u>(1,298,907)</u>
Cash flows from noncapital financing activities:		
Government of Guam contribution	<u>1,126,660</u>	<u>1,533,333</u>
Net cash provided by noncapital financing activities	<u>1,126,660</u>	<u>1,533,333</u>
Net change in cash	(29,847)	234,426
Cash at beginning of year	<u>254,559</u>	<u>20,133</u>
Cash at end of year	<u>\$ 224,712</u>	<u>\$ 254,559</u>
Reconciliation of loss from operations to net cash used for operating activities:		
Loss from operations	\$ (1,245,295)	\$ (1,207,301)
Payment of interfund	-	(100,000)
Increase in assets:		
Interfund receivable - GVB operations	-	(25,000)
Increase in liabilities:		
Accounts payable	<u>88,788</u>	<u>33,394</u>
Net cash used for operating activities	<u>\$ (1,156,507)</u>	<u>\$ (1,298,907)</u>

See accompanying notes to financial statements.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(1) Organization and Summary of Significant Accounting Policies

Organization

The Guam Visitors Bureau (GVB) is a Public Corporation established for the purpose of promoting the visitor industry in Guam. As a result of the application of Government Accounting Standards Board Statement No. 14 (GASB), the GVB is a component unit of the Government of Guam. GVB receives operating appropriations that derive from the Tourist Attraction Fund, as appropriated by the Guam Legislature.

Tourist Attraction Fund Projects

GVB is a trustee of funds, as provided for under Public Law 23-45, for landscaping and beautification of Tumon Bay and for other Tourist Attraction projects. GVB is responsible for the receipt, disbursement, and accounting of these funds and accordingly, maintains a separate cash account for these funds.

In-Kind Contributions

GVB receives in-kind contributions from its members and records such as of the date of receipt of the attendant goods or services. Title 12 of the Government Code Annotated states that the Legislature may condition payment of grants-in-aid to a matching requirement of in-kind contributions at a rate of no more than 20 cents for every 80 cents appropriated. However, this requirement was not imposed during the years ended September 30, 2007 and 2006.

GVB records in-kind contributions in the period received based on the value assigned by the grantor.

Cash

For purposes of the statements of net assets, balance sheets and the statements of cash flows, cash is defined as cash on hand, cash deposits in banks and time certificates of deposit with initial maturities of three months or less.

Property and Equipment

Property and equipment with a cost that equals or exceeds \$5,000 are capitalized. Such assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 20 years.

Foreign Currency Translation

The financial transactions of the Japan office are translated in accordance with Statement of Financial Accounting Standards No. 52 at the year end exchange rate for statement of net assets and balance sheet accounts, and at an average exchange rate for the year for statement of operations accounts.

Compensated Absences

Earned unpaid employee vacation leave is accrued at year end for financial statement purposes. Included in liabilities at September 30, 2007 and 2006 are amounts related to compensated absences earned but unused. The amounts are also included as a component of operating expense in the Statement of Revenues, Expenses and Changes in Net Assets.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(1) Organization and Summary of Significant Accounting Policies, Continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments which potentially subject GVB to concentrations of credit risk consist principally of cash demand deposits and accounts receivable.

At September 30, 2007 and 2006, GVB has cash deposits in bank accounts that exceed federal depository insurance limits. GVB has not experienced any losses as a result of this practice.

Substantially all of GVB's accounts receivable are due from companies and government agencies based in Guam. GVB establishes an allowance for doubtful accounts based on management's evaluation of potential uncollectibility.

Risk Management

GVB is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters and employee health, dental and accident benefits. Commercial insurance coverage is provided for claims arising from such matters. No losses as a result of this practice have occurred during the past three years.

Accounting Standards

Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", requires that proprietary activities apply all applicable GASB pronouncements as well as Statements and Interpretations issued by the Financial Accounting Standards Board (FASB), Accounting Principle Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989. GVB has implemented GASB 20 and elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

GVB has adopted GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (GASB 34) as amended by GASB Statement Nos. 37 and 38. GASB 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following net asset categories:

- Invested in capital assets, net of related debt:

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(1) Summary of Significant Accounting Policies, Continued

Accounting Standards, Continued

- Restricted:
  - Nonexpendable – Net assets subject to externally imposed stipulations that require GVB to maintain them permanently.
  - Expendable – Net assets whose use by GVB is subject to externally imposed stipulations that can be fulfilled by actions of GVB pursuant to those stipulations or that expire through the passage of time.
- Unrestricted:

Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action by management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

GVB has no nonexpendable restricted net assets at September 30, 2007 and 2006.

New Accounting Standards

During fiscal year 2007, GVB implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 43 establishes uniform financial reporting for other postemployment benefit plans by state and local governments. The implementation of this Statement did not have a material effect on the financial statements of GVB.

In July 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefit expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The provisions of this Statement are effective for periods beginning after December 15, 2006. The effect, if any, of the implementation of this Statement on the financial statements of GVB has not been determined.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*. GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. The Statement also includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components. The provisions of this Statement are effective for periods beginning after December 15, 2006. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of GVB.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(1) Organization and Summary of Significant Accounting Policies, Continued

New Accounting Standards, Continued

In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement No. 49 provides guidance and consistency under which a governmental entity would be required to report a liability related to pollution remediation. The provisions of this Statement are effective for periods beginning after December 15, 2007. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of GVB.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures an Amendment of GASB Statements No. 25 and 27*. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The provisions of this Statement are effective for periods beginning after June 15, 2007. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of GVB.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB Statement No. 51 addresses whether and when intangible assets should be considered capital assets for financial reporting purposes. The provisions of this Statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of GVB.

(2) Cash

Deposits

GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, disclosure is required of investments that have fair values that are highly sensitive to changes in interest rates. GASB Statement No. 40 also requires disclosure of formal policies related to deposit and investment risks.

GASB Statement No. 3 previously required government entities to present deposit risks in terms of whether the deposits fell into the following categories:

- Category 1 Deposits that are federally insured or collateralized with securities held by GVB or its agent in GVB's name;
- Category 2 Deposits that are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in GVB's name; or
- Category 3 Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent but not in GVB's name and non-collateralized deposits.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(2) Cash, Continued

Deposits, Continued

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 but retained disclosures for deposits falling under category 3. Category 3 deposits are those deposits that have exposure to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, GVB's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. GVB does not have a deposit policy for custodial credit risk.

As of September 30, 2007 and 2006, the carrying amount of GVB's total cash was \$3,769,310 and \$3,143,891, respectively, and \$224,712 and \$254,559, respectively, for the Special Tourist Attraction Fund projects. The corresponding bank balances were \$4,624,237 and \$3,537,044, respectively. Of the bank balances, \$4,228,691 and \$3,302,460, respectively, are maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2007 and 2006, bank deposits in the amount of \$154,678 and \$160,888, respectively, were FDIC insured. GVB does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

(3) Employees' Retirement Plan

Employees of GVB hired before September 30, 1995 are under the Government of Guam Employees' Retirement System (a defined benefit, contributory pension plan). Employees hired after September 30, 1995, are members of the new Defined Contribution Retirement System (DCRS). Until December 31, 1999, and for several limited periods after December 31, 1999, those employees who are members of the defined benefit plan with less than 20 years of service at September 30, 1995, had the option to switch to the Defined Contribution Retirement System. Otherwise, they remained under the old plan.

The Defined Benefit Plan (DB Plan) and the DCRS are administered by the Government of Guam Retirement Fund, to which GVB contributes based upon a fixed percentage of the payroll for those employees who are members of the Plan. Statutory contribution rates are established by the Guam Legislature annually.

Defined Benefit Plan

As a result of an actuarial valuations performed as of September 30, 2005, 2004 and 2003, contribution rates required to fully fund the Retirement Fund liability as required by Guam law, for the years ended September 30, 2007, 2006 and 2005, respectively, have been determined as follows:

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(3) Employees' Retirement Plan, Continued

Defined Benefit Plan, Continued

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Normal costs (% of DB Plan payroll)	18.21%	17.83%	18.30%
Employee contributions (DB Plan employees)	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>8.71%</u>	<u>8.33%</u>	<u>8.80%</u>
Employer portion of normal costs (% of total payroll)	4.26%	4.64%	4.96%
Unfunded liability cost (% of total payroll)	<u>20.66%</u>	<u>21.36%</u>	<u>19.93%</u>
Government contribution as a % of total payroll	<u>24.92%</u>	<u>26.00%</u>	<u>24.89%</u>
Statutory contribution rates as a % of DB Plan payroll			
Employer	<u>22.94%</u>	<u>21.81%</u>	<u>20.81%</u>
Employee	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>

The plan utilized the actuarial cost method termed "entry age normal". Significant actuarial assumptions for 2005, 2004 and 2003 actuarial valuations were:

Interest rate and rate of return	7.0%
Payroll growth	3.5%
Salary increases	4.0% - 8.5%

The unfunded liability is being amortized as a level percentage of total payroll through May 1, 2031.

The actuarial valuations performed as of September 30, 2005, 2004 and 2003, did not provide a breakdown of actuarial present value of vested and non-vested accumulated plan benefits by sponsor or net assets available for benefits by sponsor. If the actuarial valuation were performed for GVB as a separate sponsor, the accrued unfunded liability at September 30, 2007 and 2006 may be materially different than that recorded in the accompanying financial statements.

The actuarial valuations and contribution rates are based on estimates and assumptions. Changes in estimates and actuarial assumptions may result in revisions in actuarial valuations and contribution rates. The effects of such revisions are recognized in the period in which the revisions are determined.

Defined Contribution Plan

Contributions into the DCRS by members are based on an automatic deduction of 5% of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(3) Employees' Retirement Plan, Continued

Defined Contribution Plan, Continued

Statutory employer contributions into the DCRS for the years ended September 30, 2007 and 2006 are determined using the same rates as the DB plan. Of the amount contributed by the employer, only 5% of the member's regular base pay is deposited into the member's individual annuity account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

Members of the DCRS who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

Public Law 26-86 allows members of the DCRS to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GVB has accrued an estimated liability of \$75,241 and \$62,657 at September 30, 2007 and 2006, respectively, for potential future sick leave payments as a result of this law. However, this amount is an estimate and actual payout may be materially different than estimated.

Retirement Expenses

Retirement expense for the years ended September 30, 2007, 2006 and 2005 is as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash contributions and accruals	\$ 365,634	\$ 239,754	\$ 223,019
Increase in accrued unfunded liability to the retirement fund	<u>46,205</u>	<u>97,005</u>	<u>132,046</u>
	\$ <u>411,839</u>	\$ <u>336,759</u>	\$ <u>355,065</u>

For additional information on the Government of Guam Retirement Fund, inquiries may be addressed to the Director of the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910.

(4) Property and Equipment

Public Law 20-221, passed in December of 1990, authorized the Governor to transfer all title, right and interest in Lot No. 5174-C-3, containing an area of 3757+ square meters, to the Bureau. The Governor transferred the property in April of 1991 through a Grant Deed filed with the Department of Land Management. The value of the land is based on estimated fair value at the date of transfer. Public Law 20-221 states that should the Bureau be dissolved or no longer need the property, then the property, inclusive of any and all improvements, shall revert to the Government of Guam.



**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

**(4) Property and Equipment, Continued**

A summary of building, improvements and equipment at September 30, 2007 and 2006 is as follows:

	<u>Beginning Balance</u> <u>October 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u> <u>September 30, 2007</u>
Building	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Leasehold improvements	140,846	-	-	140,846
Furniture and fixtures	83,023	-	-	83,023
Equipment	<u>53,181</u>	<u>-</u>	<u>-</u>	<u>53,181</u>
	2,777,050	-	-	2,777,050
Less accumulated depreciation	<u>(1,259,962)</u>	<u>(94,119)</u>	<u>-</u>	<u>(1,354,081)</u>
	1,517,088	(94,119)	-	1,422,969
Land	<u>5,992,415</u>	<u>-</u>	<u>-</u>	<u>5,992,415</u>
	<u>\$ 7,509,503</u>	<u>\$ (94,119)</u>	<u>\$ -</u>	<u>\$ 7,415,384</u>

	<u>Beginning Balance</u> <u>October 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u> <u>September 30, 2006</u>
Building	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Leasehold improvements	140,846	-	-	140,846
Furniture and fixtures	99,333	-	(16,310)	83,023
Equipment	<u>171,674</u>	<u>9,502</u>	<u>(127,995)</u>	<u>53,181</u>
	2,911,853	9,502	(144,305)	2,777,050
Less accumulated depreciation	<u>(1,191,002)</u>	<u>(94,119)</u>	<u>25,159</u>	<u>(1,259,962)</u>
	1,720,851	(84,617)	(119,146)	1,517,088
Land	<u>5,992,415</u>	<u>-</u>	<u>-</u>	<u>5,992,415</u>
	<u>\$ 7,713,266</u>	<u>\$ (84,617)</u>	<u>\$ (119,146)</u>	<u>\$ 7,509,503</u>

**(5) Commitments**

GVB leases commercial space for its Japan office. A summary of minimum future rental commitments for the Japan office follows:

<u>Year ending September 30,</u>	<u>Total</u>
2008	\$ 123,140
2009	105,160
2010	<u>91,165</u>
	<u>\$ 319,465</u>

The Japan lease requires a refundable security deposit in the amount of \$133,125, which is presented as other assets in the accompanying statements of net assets.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Notes to Financial Statements  
September 30, 2007 and 2006

(6) Notes Payable

Notes payable to a bank of \$100,000 at September 30, 2005 were collateralized by a time certificate of deposit and were payable in monthly installments of \$25,000 plus interest at 2% below the stated prime rate (4.75% at September 30, 2005). The notes matured in January 2006. The note was obtained to fund temporary cash flows needs.

A summary of changes in short-term notes payable during fiscal year 2006 follows:

<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
\$ 100,000	\$ -	\$ 100,000	\$ -

(7) Long-Term Liabilities

A summary of changes in long-term liabilities during fiscal years 2007 and 2006 follows:

	<u>Outstanding September 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding September 30, 2007</u>
Unfunded pension cost	\$ 301,827	\$ 46,205	\$ -	\$ 348,032
Accrued annual leave	94,707	78,582	72,411	100,878
Accrued sick leave	<u>62,657</u>	<u>46,767</u>	<u>34,183</u>	<u>75,241</u>
	\$ <u>459,191</u>	\$ <u>171,554</u>	\$ <u>106,594</u>	\$ <u>524,151</u>
	<u>Outstanding September 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding September 30, 2006</u>
Unfunded pension cost	\$ 204,822	\$ 97,005	\$ -	\$ 301,827
Accrued annual leave	105,803	80,025	91,121	94,707
Accrued sick leave	<u>59,218</u>	<u>52,066</u>	<u>48,627</u>	<u>62,657</u>
	\$ <u>369,843</u>	\$ <u>229,096</u>	\$ <u>139,748</u>	\$ <u>459,191</u>

(8) Reclassifications

Certain 2006 balances have been reclassified to conform to the 2007 financial statement presentation.

(9) Contingencies

GVB is involved in various litigation inherent to its operations. Management is of the opinion that liabilities of a material nature will not be realized.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Supplementary Schedule of Operating Expenses  
Year Ended September 30, 2007

Advertising and public relations	\$ 7,283,973
Personnel and benefits	1,545,233
Contractual	744,730
Travel	639,917
Grants	470,645
In-Kind	336,566
Supplies	149,607
Utilities	120,668
Depreciation	94,119
Repairs and maintenance	70,467
Equipment	27,708
Consumption tax	27,171
Miscellaneous	<u>357,610</u>
	<u>\$ 11,868,414</u>

See accompanying independent auditors' report.

**GUAM VISITORS BUREAU**  
(A Component Unit of the Government of Guam)

Supplementary Schedule of Contractual Promotions and Development  
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Korea Promotions	\$ 1,071,134	\$ 885,838
Taiwan Promotions	358,824	197,711
North America	204,388	177,526
Hong Kong Promotions	199,361	151,278
China	99,487	-
Philippines Promotion	89,795	77,644
Pacific/Australia	30,342	90,932
Other	<u>170,543</u>	<u>294,254</u>
Total Guam contractual promotions	<u>\$ 2,223,874</u>	<u>\$ 1,875,183</u>
Grants in aid and others	\$ 464,069	\$ 372,760
Tourist Industry Relations	203,939	356,355
Research and Evaluation	219,260	275,975
Cultural and Heritage	76,910	180,964
Community Development	<u>58,490</u>	<u>134,579</u>
Total Guam contractual development	<u>\$ 1,022,668</u>	<u>\$ 1,320,633</u>

Supplementary Schedule of Employees and Salaries  
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Guam office:		
Number of employees	<u>29</u>	<u>29</u>
Annual payroll	<u>\$ 1,133,394</u>	<u>\$ 1,103,530</u>

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Guam Visitors Bureau:

We have audited the financial statements of the Guam Visitors Bureau (GVB), as of and for the year ended September 30, 2007, and have issued our report thereon dated May 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered GVB's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GVB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GVB's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects GVB's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of GVB's financial statements that is more than inconsequential will not be prevented or detected by GVB's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by GVB's internal control.

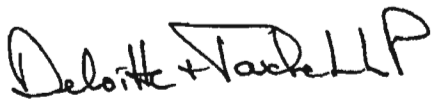
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether GVB's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management of GVB in a separate letter dated May 14, 2008.

This report is intended solely for the information and use of the Board of Directors and management of GVB, the Office of the Public Auditor of Guam, the cognizant audit and other federal agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

A handwritten signature in black ink that reads "Deloitte + Tatchell LLP". The signature is written in a cursive, slightly stylized font.

May 14, 2008



March 5, 2009

**MEMORANDUM**

3/05/09  
12:15  
*[Signature]*

**To:** All Senators

**From:** Senator Judith P. Guthertz, DPA  
Acting Chairperson  
*Committee on Tourism, Cultural Affairs, Youth and Public  
Broadcasting*

**Subject:** Public Hearing Notice: March 16, 2009 at 9 a.m. and 3 p.m.  
Agenda: Resolution 41; Bills 18, 45, 57, 71, 75

Please be advised that the Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting is holding a public hearing at 9 a.m. and 3 p.m. on March 16, 2009. This meeting will take place in the Public Hearing Room of *I Liheslatura*.

Public Hearing Agenda:

9:00 a.m.

**Resolution No. 41 (COR): Judith T. Won Pat, Ed.D.** - Relative to the appointment of Mr. Norbert "Bert" R. Unpingco to serve as the alternate Director to the Guam Visitors Bureau Board of Directors.

**Bill No. 71 (LS): B.J.F. Cruz / F.B. Aguon, Jr. / T.R. Muna-Barnes** - An act to amend Section 25(a) of Part II, Chapter 5 of Public Law 29-113; to add a new Section 25(j) to Part 11, Chapter 5 of Public Law 29-113; to reappropriate unexpended sums, as previously authorized in Section 25(a) of Part 11, Chapter 5 of Public Law 29-19; and to reappropriate unexpended sums, as previously authorized in Section 18 of Part 11, Chapter IV of Public Law 28- 150; relative to providing greater flexibility to the Guam Visitors Bureau in its use of appropriations authorized by *I Liheslaturan Guahan*.

**Bill No. 18 (LS): J.V. Espaldon** - An act to *add* a new Article 3 to Chapter 9, Title 12, Guam Code Annotated, creating a Guam Visitors Bureau "Rainy Day Fund".

**Bill No. 45 (COR): T. R. Muña Barnes** - An act to construct a *Guahan* Performing Arts /Cultural Center and a Guam National Museum, and to assist in furthering the preservation and presentation of Guam's Culture, Heritage and History by creating the *Guahan* Heritage Facilities Board, the *Guahan* Heritage Facilities Hotel Room Surcharge, and the *Guahan* Heritage Facilities Fund by adding a new Subitem (y) to §87104 of Chapter 87, Division 8, Title 5 Guam Code Annotated; adding a new Chapter 89 to Division 8, Title 5 Guam Code Annotated; and adding a new Chapter 29 to Title 11 Guam Code Annotated.

**3:00 p.m.**

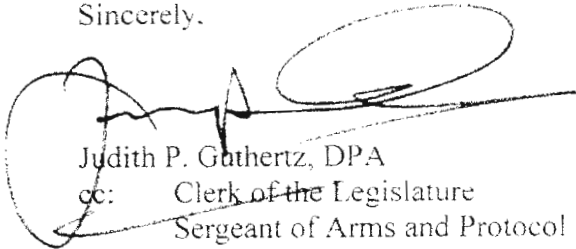
**Bill No. 75 (LS): J.T. Won Pat, Ed.D. / T.R. Muña Barnes** - An act to refer KGTF or KGTF TV-12 as PBS Guam in any laws of Guam.

**Bill No. 57: (COR) - Ray Tenorio** - An act to add a new Article 3 is added to Chapter 70, 9GCA relative to the unlawful release of a minor's identifying information.

Copies of these items listed on the agenda may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Please feel free to contact our office if you have any questions or concerns.

*Si Yu'os Ma'ase'!*

Sincerely,



Judith P. Gathertz, DPA  
cc: Clerk of the Legislature  
Sergeant of Arms and Protocol





VICE SPEAKER BENJAMIN J.F. CRUZ  
*I Mina 'Trenta Na Liheslaturan Guåhan*  
30<sup>th</sup> Guam Legislature

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## *FACSIMILE TRANSMITTAL SHEET*

# **\*\*REVISION\*\***

DATE: MARCH 5, 2009  
RE: PUBLIC HEARING NOTICE  
FROM: OFFICE OF VICE SPEAKER BJ CRUZ

TOTAL NO. OF PAGES: (INCLUDING THIS ONE) : 1

PHONE NO: 477-2520/1

/X / URGENT                      // FOR REVIEW

// PLEASE COMMENT              / X / FYI

### *NOTES/COMMENTS:*

*Dear Sir/Madam:*

*Please be advised the previous fax you have received earlier this morning did not contain a (cc) copy of the bills pertaining to your particular agency/department; however, all bills can be viewed online at [www.guamlegislature.com](http://www.guamlegislature.com).*

*Should you need any further assistance, please contact our office at 477-2520/1.*

*The Office of Vice Speaker Benjamin J.F. Cruz*

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March 6, 2009

Ms. Catriona Melyan  
Newsroom  
Pacific Daily News  
P.O. Box DN  
Hagatna, Guam 96910

Dear Ms. Melyan:

Please insert the following in the Pacific Daily News Government Meetings section at the earliest convenience:

- **Committee on Tourism, Cultural Affairs, Youth, and Public Broadcasting:** Public hearing, Legislature's public hearing room, Hagåtña. 9 a.m. to 12 p.m.: Resolution 41, relative to the appointment of Mr. Norbert "Bert" Unpingco as alternate Director to the Guam Visitors Bureau (GVB); Bill 71, relative to providing greater flexibility to GVB in its use of appropriations; Bill 18, relative to the creation of a GVB "Rainy Day Fund"; Bill 45, an act to construct a *Guåhan* Performing Arts/Cultural Center and a Guam National Museum and to create the *Guåhan* Heritage Facilities Board, the *Guåhan* Heritage Facilities Hotel Room Surcharge, and the *Guåhan* Heritage Facilities Fund. 3 to 5 p.m.: Bill 75, reference of KGTF TV-12 as PBS Guam; Bill 57, relative to the unlawful release of minors identifying information. For special accommodations or additional information, call Mike at 477-2520.

Thank you for your time and kind consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "B. Cruz".

Benjamin J.F. Cruz

RECEIVED  
3/6/09



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## COMMITTEE ON TOURISM, CULTURAL AFFAIRS, YOUTH, AND PUBLIC BROADCASTING: PUBLIC HEARING NOTICE

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(March 9, 2009 – Hagåtña, Guam) The Committee on Tourism, Cultural Affairs, Youth, and Public Broadcasting, overseen by Vice-Speaker Cruz, is conducting a Public Hearing on **Monday, March 16, 2009.**

Items on the agenda from 9 a.m. – 12 p.m. are Resolution 41, relative to the appointment of Mr. Norbert “Bert” Unpingco as alternate Director to the Guam Visitors Bureau; Bill 71, an act to provide greater flexibility to GVB in its use of appropriations; Bill 18, an act to create a GVB “Rainy Day Fund”; Bill 45, an act to construct a *Guåhan* Performing Arts/Cultural Center and a Guam National Museum and to create the *Guåhan* Heritage Facilities Board, the *Guåhan* Heritage Facilities Hotel Room Surcharge, and the *Guåhan* Heritage Facilities Fund. Then from 3 to 5 p.m.: Bill 75, an act to reference KGTF TV-12 as PBS Guam; Bill 57, an act making it unlawful to release of minors identifying information.

Residents are encouraged to attend the Public Hearing and voice opinions pertaining to the items on the agenda. For special accommodations, please Mike at the Office of Vice-Speaker Benjamin J.F. Cruz at 477-2520/21 or email at [senadotbjcruz@aol.com](mailto:senadotbjcruz@aol.com).

For copies of bills, please log onto [www.guamlegislature.com](http://www.guamlegislature.com).



March 11, 2009

Ms. Catriona Malyan  
Newsroom  
Pacific Daily News  
P.O. Box DN  
Hagatna, Guam 96910

Dear Ms. Malyan:

Please insert the following in the Pacific Daily News Government Meetings section at the earliest convenience:

- **Committee on Tourism, Cultural Affairs, Youth, and Public Broadcasting:** Public hearing March 16, 2009, Legislature's public hearing room, Hagatna. 9 a.m. to 12 p.m.: Resolution 41, relative to the appointment of Mr. Norbert "Bert" Unpingco as alternate Director to the Guam Visitors Bureau (GVB); Bill 71, relative to providing greater flexibility to GVB in its use of appropriations; Bill 18, relative to the creation of a GVB "Rainy Day Fund"; Bill 45, an act to construct a *Guahan* Performing Arts/Cultural Center and a Guam National Museum and to create the *Guahan* Heritage Facilities Board, the *Guahan* Heritage Facilities Hotel Room Surcharge, and the *Guahan* Heritage Facilities Fund. 3 to 5 p.m.: Bill 75, reference of KGTF TV-12 as PBS Guam; Bill 57, relative to the unlawful release of minors identifying information. For special accommodations or additional information, call Mike at 477 - 2520.

Thank you for your time and kind consideration.

Sincerely,

Benjamin J.F. Cruz

Received by  
Catriona Malyan - -  
[Catriona Malyan] 3/11/09  
11:30 am



## COMMITTEE ON TOURISM, CULTURAL AFFAIRS, YOUTH, AND PUBLIC BROADCASTING: PUBLIC HEARING NOTICE

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(March 13, 2009 – Hagåtña, Guam) The Committee on Tourism, Cultural Affairs, Youth, and Public Broadcasting, overseen by Vice-Speaker Cruz, is conducting a Public Hearing on **Monday, March 16, 2009.**

Items on the agenda from 9 a.m. – 12 p.m. are Resolution 41, relative to the appointment of Mr. Norbert “Bert” Unpingco as alternate Director to the Guam Visitors Bureau; Bill 71, an act to provide greater flexibility to GVB in its use of appropriations; Bill 18, an act to create a GVB “Rainy Day Fund”; Bill 45, an act to construct a *Guåhan* Performing Arts/Cultural Center and a Guam National Museum and to create the *Guåhan* Heritage Facilities Board, the *Guåhan* Heritage Facilities Hotel Room Surcharge, and the *Guåhan* Heritage Facilities Fund. Then from 3 to 5 p.m.: Bill 75, an act to reference KGTF TV-12 as PBS Guam; Bill 57, an act making it unlawful to release of minors identifying information.

Residents are encouraged to attend the Public Hearing and voice opinions pertaining to the items on the agenda. For special accommodations, please Mike at the Office of Vice-Speaker Benjamin J.F. Cruz at 477-2520/21 or email at [senadotbjcruz@aol.com](mailto:senadotbjcruz@aol.com).

For copies of bills, please log onto [www.guamlegislature.com](http://www.guamlegislature.com).

HP Officejet 6100 Series 6110  
Personal Printer/Fax/Copier/Scanner

Log for

477-2522

Mar 13 2009 10:51am

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Last Transaction

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Mar 13	10:46am	Fax Sent	477-3079 <i>PN</i>	0:40	1	OK
Mar 13	10:47am	Fax Sent	477-3982	0:24	1	OK
Mar 13	10:48am	Fax Sent	637-8819 <i>PN</i>	0:21	1	OK
Mar 13	10:49am	Fax Sent	637-9865 <i>KUAM</i>	0:27	1	OK
Mar 13	10:50am	Fax Sent	648-2007 <i>Marvay</i>	0:24	1	Error 442

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# events YOUR CALENDAR

Daily News, Thursday, March 12, 2009 [guampdn.com](http://guampdn.com)

▲ Learn about the events going on in your village, your children's school or elsewhere in the community online with the Pacific Daily News' Your Calendar. You can also share your community event via our Web site. Log on to [www.guampdn.com](http://www.guampdn.com) and click on the calendar located on the right side of the site.

## March 17

**Civil Service Commission:** Board meeting 5:30 p.m., seventh floor conference room, ITC Building, Tamuning. Motion hearings in Karen E. Guerrero vs. Guam Police Department, Mary Ellen Tyquiang-co vs. Department of Mental Health and Substance Abuse, Roque V. Castro vs. Department of Corrections; bills and laws relating to CSC. For special accommodations, call Bianca at 647-1855/7 or TDD 647-1872.

**Commission for Educator Certification:** Meeting 6:15 p.m., University of Guam School of Education faculty lounge, second floor. Committee reports; SP review update; reading specialist — certificate requirements; Chamorro language and culture requirement review. For special accommodations, call Fran Camacho, 735-2447.

**Committee on Economic Development, Health and Human Services and Judiciary:** Public hearing at 9 a.m., Legislature's public hearing room, Hagåtña. Bill 1, authorizing tax credits to lessors of temporary location of John F. Kennedy High School campus; Bill 6, relative to parental accountability; Bill 7, relative to Mechanic's Lien Law; Bill 10, authorizing granting of qualifying certificates for physicians practicing in specialties of critical need; Bill 40, seeking to preclude from civil and criminal liability any person involved with donation and distribution of food delivered in good faith for sharing with the needy: The Good Samaritan Food Donation Act of Guam; Bill 50, relative to construction of the Guam museum; Bill 54, relative to the Woman's Informed Consent for Abortion; Bill 56, relative to enforcement of fire protection laws; Bill 61, relative to recommendations on medicating students; Bill 77, to merge DISID into DMHSA to ensure a more fully functional and comprehensive service to those in need. Call 969-1495/6.

**Civil Service Commission:** Board meeting 5:30 p.m., seventh floor conference room, ITC Building, Tamuning. Grievance hearing: Charles Hardy vs. Guam Public School System; bills and laws relating to CSC. For special accommodations, call Bianca at 647-1855/7 or TDD 647-1872.

**Guam Board of Nurse Examiners:** Regular meeting 4 p.m., Health Professional Licensing Office, Suite 9, Legacy Square Commercial Complex, Route 13, Mangilao. For special accommodations, call 735-7408/1.

**Guam Visitors Bureau:** Regular meeting 4 p.m., GVB main conference room, Tamuning. For special accommodations, call 646-5278.

**University of Guam Regent Nominating Council:** Regular meeting in president's office conference room, second floor of the Jesus S. and Eugenia A. Leon Guerrero School of Business and Public Administration building. For special accommodations, call Elaine Faculy-Gogue, 735-2244 or TTY 735-2240.

## Tomorrow

**Committee on Public Safety, Law Enforcement and Senior Citizens:** Public hearings, Legislature's public hearing room, Hagåtña. 9:30 a.m.: Bill 72, to establish minimum qualifications for Chief Medical Examiner; Bill 68, instituting a Good Time Allowance Program within the Department of Corrections — "The Good Time Behavior Allowance Act of 2009." 1:30 p.m.: Bill 64, to increase the social and recreational activities of senior citizens to include card and mahjong games. For special accommodations, call 472-5047/5048.

## March 16

**Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting:** Public hearings, Legislature's public hearing room, Hagåtña. 9 a.m. - noon. Resolution 41, relative to appointment of Norbert "Bert" Unpingco as alternate director of Guam Visitors Bureau; Bill 72, relative to providing greater flexibility to GVB in its use of appropriations; Bill 18, relative to creation of GVB rainy day fund; Bill 45, to construct a Guahan performing arts/cultural center and Guam national museum and to create the Guahan Heritage Facilities Board, Guahan Heritage Facilities Hotel Room Surcharge and Guahan Heritage Facilities Fund. 2:15 p.m.: Bill 75 — KGTF TV-12 as PBS Guam; Bill 57, relative to unlawful release of minors identifying information. For special accommodations, call Mike, 472-2520.

**Civil Service Commission:** Board meeting 5:30 p.m. (date), second floor, Hakubutan Building, Tamuning. (agenda): bills and laws relating to CSC. For special accommodations, call Bianca, 647-1855/7 or TDD 647-1872.



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**MINA' TRENTA NA LIHESLATURAN GUÅHAN**  
2009 (First) Regular Session

Bill No. 71 ( 45 )

Introduced by:

B.J.F. Cruz  
F.B. Aguon  
Tina Rose Muña Barnes  
Judith P. Guthertz, DPA  
R.J. Respicio

2009 FEB 19 PM 4:14

**AN ACT TO AMEND SECTION 25(a) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO ADD A NEW SECTION 25(j) TO PART II, CHAPTER 5 OF PUBLIC LAW 29-113; TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 25(a) OF PART II, CHAPTER 5 OF PUBLIC LAW 29-19; AND TO REAPPROPRIATE UNEXPENDED SUMS, AS PREVIOUSLY AUTHORIZED IN SECTION 18 OF PART II, CHAPTER IV OF PUBLIC LAW 28-150; RELATIVE TO PROVIDING GREATER FLEXIBILITY TO THE GUAM VISITORS BUREAU IN ITS USE OF APPROPRIATIONS AUTHORIZED BY *I LIHESLATURAN GUÅHAN*.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Statement.** In recent years, *I Liheslaturan Guåhan* has for various reasons placed restrictions on sums appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau. While these restrictions are intended to preserve the integrity and proper use of tourism marketing dollars obtained through receipts from the Monthly Excise Tax of Occupancy of Hotel and Similar Lodging House Facilities, recent economic events including the global financial market meltdown has negatively impacted visitor arrivals. The Bureau's dependence on volatile collections deposited into the Tourist Attraction Fund and the infrequency of cash allotments for appropriations *approved* by *I Liheslatura* to



1 the Bureau has severely impacted the bureau’s ability to carry out its purpose  
2 outlined in § 9104, Chapter 9, Title 12, Guam Code Annotated.

3 It is the intent of *I Liheslatura* to assist the Guam Visitors Bureau in its  
4 ability to procure necessary services related to its marketing mission by providing  
5 greater flexibility in the statutes governing its current and previous appropriations  
6 from the Tourist Attraction Fund.

7 **Section 2. Fiscal Year 2009 Appropriation to the Guam Visitors Bureau.**

8 Section 25 (a) of Part II, Chapter 5 of Public Law 29-113 is *amended* to read:

9 “**Section 25. (a) Appropriations to the Guam Visitors Bureau.** The  
10 sum of Twelve Million One Hundred Ninety-six Thousand Five Hundred  
11 Ninety-five Dollars (\$12,196,595) is appropriated from the Tourist  
12 Attraction Fund (TAF) to the Guam Visitors Bureau (GVB) for the items  
13 and the indicated sums listed ~~for the period of October 1, 2008, through~~  
14 ~~September 30, 2009~~ as follows:

15	(1) General Administration	\$2,137,197
16	(2) Marketing	\$8,095,133
17	(3) Printing, Promotional	\$238,875
18	(4) Research	\$375,000
19	(5) Destination Development	\$1,350,390

20 Notwithstanding the general provisions of 11 CGA § 30107.1 and this  
21 Act, these appropriations shall continue to be available until expended.”

22 **Section 3. Guam Visitors Bureau Transfer Authority for Fiscal Year**

23 **2009.** A new Section 25(j) is *added* to Part II, Chapter 5 of Public Law 29-113 to  
24 read:

25 “**(j) Guam Visitors Bureau Transfer Authority.** The Guam Visitors  
26 Bureau Board of Directors may exercise limited transfer authority over the  
27 appropriation in Subsection (a) in that transfers may be made between items

1 of appropriation listed in Subsection (a), except that *no* transfers shall be  
2 made into or out of the General Administration item.”

3 **Section 4. Re-appropriation of Fiscal Year 2008 Funds.** Notwithstanding  
4 the general provisions of 11 CGA § 30107.1 and this Act, such unexpended sums,  
5 as previously authorized in Section 25 (a) of Part II, Chapter 5 of Public Law 29-  
6 19, are hereby re-appropriated from the Tourist Attraction Fund to the Guam  
7 Visitors Bureau for the purposes of the Guam Visitors Bureau’s operations. The  
8 funds authorized herein *shall* be specifically used for purposes determined by the  
9 Guam Visitors Bureau Board of Directors, except that such sums shall *not* be used  
10 for personnel services *or* for any other project of the government of Guam that is  
11 *not* initiated *or* administered by the Guam Visitors Bureau. This appropriation  
12 *shall* not validate any agreement entered into by officers of the government of  
13 Guam prior to the enactment of this Act.

14 **Section 5. Re-appropriation of Fiscal Year 2007 Funds.** Notwithstanding  
15 the general provisions of 11 CGA § 30107.1 and this Act, such unexpended sums,  
16 as previously authorized in Section 18 of Part II, Chapter IV of Public Law 28-150,  
17 are hereby re-appropriated from the Tourist Attraction Fund to the Guam Visitors  
18 Bureau for the purposes of the Guam Visitors Bureau’s operations. The funds  
19 authorized herein *shall* be reprogrammed and specifically used for purposes  
20 determined by the Guam Visitors Bureau Board of Directors, except that such  
21 sums shall *not* be used for personnel services *or* for any project of the government  
22 of Guam that is *not* initiated *or* administered by the Guam Visitors Bureau. This  
23 appropriation *shall* not validate any agreement entered into by officers of the  
24 government of Guam prior to the enactment of this Act.