

August 10, 2006

The Board of Directors  
Guam Visitor's Bureau:

In planning and performing our audit of the financial statements of Guam Visitor's Bureau (GVB) for the year ended September 30, 2005 (on which we have issued our report dated August 10, 2006), we considered its internal control in order to determine our audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on GVB's internal control. Such consideration would not necessarily disclose all matters in GVB's internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the GVB's internal control and its operations that we consider to be material weaknesses as defined above.

We did note other matters related to GVB's internal control. Our comments on the matters are summarized below.

#### Foreign Exchange Gain(Loss)

##### Comment:

An arbitrary rate of 105 is used to calculate the value of yen disbursements. The difference between the rate and the actual disbursement is recorded as non-operating income/loss.

##### Recommendation:

The entity should reconsider its procedures and record operating expenses based on average monthly yen exchange rates.

#### Accrued Expenses

##### Comment:

The preliminary accrued expense balance included several expenses that were only supported by purchase orders.

##### Recommendation:

The entity should strengthen the review process prior to information being posted to the general ledger and should only record expenses when goods or services have been received.

Posting information to the general ledger

Comment:

Accounts receivable from FEMA and returned checks reflected credit balances in the membership fund general ledger. A corresponding debit balance is recorded in the operating general ledger.

Recommendation:

The entity should strengthen the review process prior to information being posted to the general ledger and should verify that the information is properly recorded.

Board minutes

Comment:

Board of director meeting minutes are not prepared and finalized in a timely manner. Minutes for the months of January and February 2006 were not finalized until June 2006.

Recommendation:

All board of director minutes should be documented and filed upon approval of the board in a timely manner.

Employee Contract

Comment:

One of six employees in the Japan office does not have an updated employment contract on file.

Recommendation:

Personnel files should be maintained and updated.

Alcoholic Beverage Purchases

Comment:

Two of one hundred fifteen items tested (check numbers 6760 and 1474) included the purchase of alcoholic beverages. Although, Public Law 28-68 allows GVB to purchase alcoholic beverages, the law came into effect in fiscal year 2006. In fiscal year 2005, Public Law 27-152 prohibited GVB from purchasing alcoholic beverages.

Recommendation:

Management should ensure GVB is in compliance with all contracts and regulations.

The Board of Directors  
Guam Visitors Bureau  
August 10, 2006

Page 3

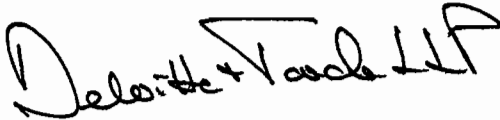
\* \* \* \* \*

This report is intended solely for the information and use of Board of Directors and management of GVB and the Office of the Public Auditor of Guam.

We will be pleased to discuss the above comment with you and, if desired, to assist you in implementing any of the suggestions.

We wish to wish to thank the staff and management of GVB for their cooperation and assistance during the course of this engagement.

Very truly yours,

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