

*Reports on Compliance and Internal Control*

**Antonio B. Won Pat International Airport  
Authority, Guam**

(A Component Unit of the Government of Guam)

*Year Ended September 30, 2025*



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Antonio B. Won Pat International Airport Authority, Guam  
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Reports on Compliance and Internal Control

Year Ended September 30, 2025

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## Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management and the Board of Directors  
Antonio B. Won Pat International Airport Authority, Guam

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of Antonio B. Won Pat International Airport Authority, Guam (the Authority), a component unit of the Government of Guam, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements (collectively referred to as the "financial statements"), and have issued our report thereon dated June 18, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified the certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

## **The Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ernst + Young LLP*

June 18, 2026



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## Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Management and the Board of Directors  
Antonio B. Won Pat International Airport Authority, Guam

### **Report of Independent Auditors on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Antonio B. Won Pat International Airport Authority, Guam's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Authority as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We have issued our report thereon dated June 18, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare

the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Ernst + Young LLP*

June 18, 2026

Antonio B. Won Pat International Airport Authority, Guam  
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

Federal Grantor/Pass-Through Entity/Program Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Expenditures
U.S. DEPARTMENT OF THE INTERIOR			
Direct Program:			
Economic, Social, and Political Development of the Territories		15.875	\$ <u>119,520</u>
Total U.S. Department of Interior			\$ 119,520
U.S. DEPARTMENT OF JUSTICE:			
Direct Programs:			
Drug Enforcement Administration - GIAA Task Force Program		16.U01	\$ 30,633
Equitable Sharing Program		16.922	<u>60,484</u>
Total U.S. Department of Justice			\$ 91,117
Passed through from Bureau of Statistics and Plans:			
Edward Byrne Memorial Justice Assistance Grant Program	2020-MU-BX-0044	16.738	\$ <u>25,000</u>
Total U.S. Department of Justice			\$ 116,117
U.S. DEPARTMENT OF TRANSPORTATION:			
Direct Program:			
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs		20.106	\$ 14,684,720
Passed through from Office of Highway Safety:			
National Highway Traffic Safety Administration State and Community Highway Safety - Traffic Enforcement Project -	PT23-03-02APD	20.600	\$ 6,297
State and Community Highway Safety - Seatbelt Enforcement Project -	OP25-03-03APD	20.600	<u>11,866</u>
Subtotal U.S. Department of Transportation passed through grants			<u>18,163</u>
Total U.S. Department of Transportation			\$ 14,702,883
U.S. DEPARTMENT OF THE TREASURY:			
Direct Program:			
Equitable Sharing		21.016	\$ 3,224
Passed through from Government of Guam:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	USPL117-2	21.027	<u>2,310,329</u>
Total U.S. Department of the Treasury			\$ 2,313,553
Total Federal Awards Expended			\$ <u>17,252,073</u>

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

Antonio B. Won Pat International Airport Authority, Guam  
(A Component Unit of the Government of Guam)

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

**1. General**

The Antonio B. Won Pat International Airport Authority, Guam (the Authority), was created by Public Law 13-57 (as amended) as a component unit of the Government of Guam. Only the transactions of the Authority are included within the scope of the Single Audit.

**2. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Authority.

**3. Summary of Significant Accounting Policies**

*Basis of Accounting*

Expenditures reported on the Schedule are reported on the accrual basis of accounting, consistent with the manner in which the Authority maintains its accounting records. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

*Indirect Cost Allocation*

The Authority has elected not to use the 15 percent de minimis indirect cost rate as covered in 2 CFR §200.414 of the Uniform Guidance. The Authority does not receive any indirect cost allocation and no indirect costs were recorded against any federal program for the year ended September 30, 2025.

Antonio B. Won Pat International Airport Authority, Guam  
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs

Year Ended September 30, 2025

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	<u>  X  </u>	<b>Yes</b>	<u>      </u>	<b>No</b>
Significant deficiency(ies) identified?	<u>      </u>	<b>Yes</b>	<u>  X  </u>	<b>None reported</b>
Noncompliance material to financial statements noted?	<u>  X  </u>	<b>Yes</b>	<u>      </u>	<b>No</b>

**Federal Awards**

Internal control over major federal program:

Material weakness(es) identified?	<u>      </u>	<b>Yes</b>	<u>  X  </u>	<b>No</b>
Significant deficiency(ies) identified?	<u>  X  </u>	<b>Yes</b>	<u>      </u>	<b>None reported</b>

Type of auditor's report issued on compliance for the major federal program:

	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>  X  </u>	<b>Yes</b>	<u>      </u>	<b>No</b>

Identification of major federal program:

<u>Assistance Listing Numbers (ALN)</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs

Antonio B. Won Pat International Airport Authority, Guam  
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, continued

**Section I - Summary of Auditor's Results, continued**

Dollar threshold used to distinguish between  
Type A and Type B programs:

	\$1,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>

**Section II - Financial Statement Findings**

<u>Reference Number</u>	<u>Finding</u>
2025-001	Preparation of the schedule of expenditures of federal awards

**Section III - Federal Award Findings and Questioned Costs**

Finding No.	ALN	Compliance Requirement	Questioned Costs
2025-001	20.106	P. Other	\$ ---

Antonio B. Won Pat International Airport Authority, Guam  
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, continued

Finding No.: 2025-001  
 Federal Agency: U.S. Department of Transportation  
 AL No. and Title: 20.106 Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs (ALN 20.106)  
 Federal Award Nos.: 3-66-0001-110-2021, 3-66-0001-116-2022, 3-66-0001-117-2023, 3-66-0001-118-2023, 3-66-0001-119-2023, 3-66-0001-120-2023, 3-66-0001-121-2023, 3-66-0001-122-2024, 3-66-0001-123-2024, 3-66-0001-126-2025, 3-66-0001-127-2025, 3-66-0001-130-2025, 3-66-0001-131-2025, 3-66-0001-132-2025, 3-66-0001-133-2025  
 Area: P. Other; Preparation of the schedule of expenditures of federal awards

Criteria:

The Authority’s accounting policy is to report expenditures of federal awards on the accrual basis of accounting. According to the Uniform Guidance, for grants, the basis for determining when award is expended is when the expenditure or expense transactions occur.

Condition:

In the Schedule of Expenditures of Federal Awards (SEFA) for the year ended September 30, 2025 for ALN 20.106, the Authority improperly included expenditures that occur in prior years amounting to \$3,771,161 and improperly excluded expenditures that occur in the current fiscal year amounting to \$2,732,252. Further, \$81,904 expenditures were improperly excluded in the SEFA for the year ended September 30, 2024. As a result, the federal grants receivable and federal grants as of and for the years ended September 30, 2023, 2024 and 2025 are misstated as follows:

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Federal grants receivable - under (over)	\$2,529,283	\$3,852,255	\$(1,038,909)
Federal grants revenue - under (over)	2,529,283	1,322,972	(3,771,161)

The Authority corrected the error and restated prior year financial statements.

Cause:

The Authority, in effect, used cash basis of accounting in preparing the SEFA.

Effect or potential effect:

The Authority is in non-compliance with its accounting policy of preparing SEFA on the accrual basis of accounting. The SEFA and the financial statements as of and for the years ended September 30, 2023, 2024 and 2025 are materially misstated as a result. The prior year financial statements and SEFA need to be restated to correct the error.

Antonio B. Won Pat International Airport Authority, Guam  
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, continued

Finding No.: 2025-001, continued  
Federal Agency: U.S. Department of Transportation  
AL No. and Title: 20.106 Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs (ALN 20.106)  
Federal Award Nos.: 3-66-0001-110-2021, 3-66-0001-116-2022, 3-66-0001-117-2023, 3-66-0001-118-2023, 3-66-0001-119-2023, 3-66-0001-120-2023, 3-66-0001-121-2023, 3-66-0001-122-2024, 3-66-0001-123-2024, 3-66-0001-126-2025, 3-66-0001-127-2025, 3-66-0001-130-2025, 3-66-0001-131-2025, 3-66-0001-132-2025, 3-66-0001-133-2025  
Area: P. Other; Preparation of the schedule of expenditures of federal awards

Questioned costs:

None

Context:

During the course of testing controls and compliance, audit team noted expenditures reported in the current year SEFA that occurred in prior years. Audit team communicated the observation to management and obtained the updated SEFA that has been subjected to further audit.

Identification as a repeat finding:

Not applicable

Recommendation:

The Authority should ensure compliance with its accounting policy in preparing the SEFA, and formalize steps and internal controls to ensure completeness and accuracy of the SEFA.

Views of responsible officials:

The Authority acknowledges the finding and attributes it to a change made in the later part of FY23 due to guidance provided by the previous auditor to recognize reimbursements as a receivable only after related invoices were paid. Additionally, a project pending vendor resolution was accrued as an estimate in one fiscal year with the actual invoice and payment approved in a subsequent fiscal year causing a significant portion of the misstatement.

Conclusion:

We reported this finding based on the requirements of the Uniform Guidance on when an award is expended, and the Authority's elected accrual basis of accounting.



June 18, 2026

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Included below is the Authority's Corrective Action Plan for findings included in the compliance and internal control report for the year ending September 30, 2025.

**Finding No. 2025-001                      Preparation of the schedule of expenditures of federal awards**  
**Responsible Personnel:                  John M. Quinata, Executive Manager**

During the audit, the Authority reviewed the federally funded airport improvement projects (AIP) to ensure that all applicable items charged to the projects were accounted for. Correcting entries were made to FY25 and FY24 was restated to address the identified misstatements.

To prevent future issues from occurring, the Authority has updated its procedures to enhance the process for identifying federal receivables and controls for reviewing and reconciling the SEFA with financial statement records. Timely reviews will take place at least quarterly. Any future changes to the process must be discussed, agreed upon with management, and documented.



## Summary Schedule of Prior Audit Findings Year Ended September 30, 2025

### Financial Statement Findings

#### **Finding No. 2024-001**

**Requirement:** Proper recording of the funds received from Government of Guam Customs and Quarantine Agency (GCQA)

**Status:** Corrective action has been taken.

#### **Finding No. 2023-001**

**Requirement:** Capitalization of Typhoon Mawar Costs

**Status:** Corrective action has been taken.