



Financial Highlights
Port Authority of Guam Financial Audit
Fiscal Year 2025

June 24, 2026

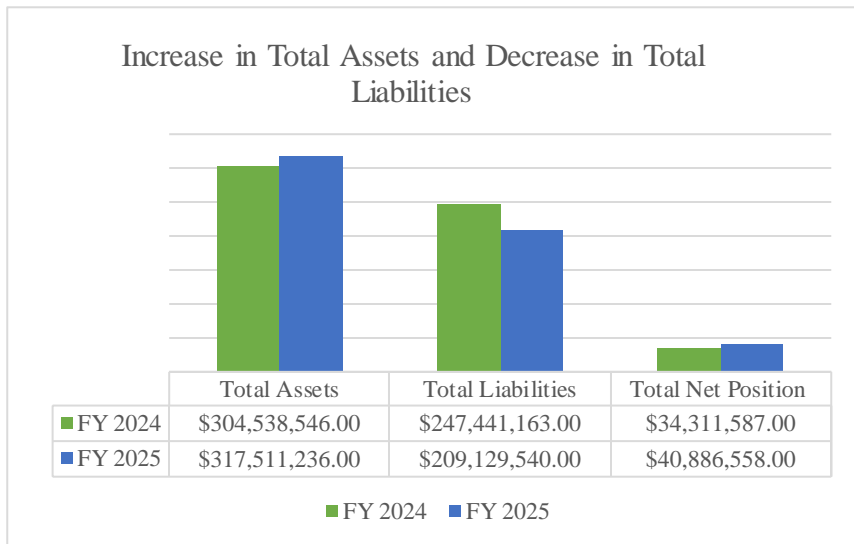
The Port Authority of Guam (PAG) received an unmodified (clean) opinion on its fiscal year (FY) 2025 financial statements and its report on compliance over major federal programs. Independent auditors, Ernst & Young, LLP (EY) did not identify material weaknesses or significant deficiencies in both PAG’s internal control over financial reporting and major federal programs. No Management Letter was issued by EY for PAG.

PAG closed FY 2025 with a Net Position of \$40.9 million (M), which increased by \$6.6M from FY 2024’s net position of \$34.3M.

Increase in Total Assets by \$13.0M and Decrease in Total Liabilities by \$38.3M

As of FY 2025, total current assets rose by \$1.8M, primarily due to increases in accounts receivable (\$2.7M), which was due to the collection of insurance settlement payments, and lease receivables current portion by (\$2.4M). Overall, total assets increased by \$13.0M, mainly due to increases in lease receivables (net current portion) by \$8.0M, and in property, plant and equipment, net by \$5.0M. The increase in lease receivables was due to new five-year lease agreements with Black Construction.

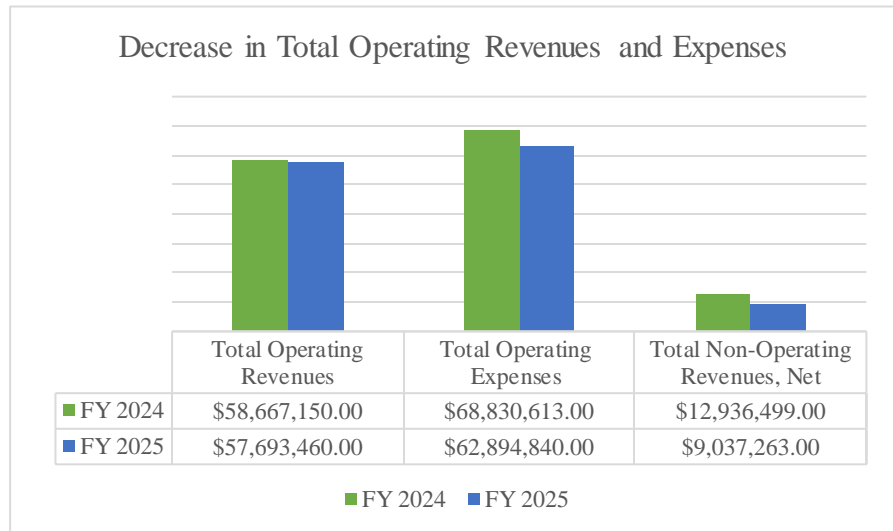
As of FY 2025, the total liabilities of \$209.1M decreased by \$38.3M, from \$247.4M in FY 2024. This resulted mainly from the decreases in total collective other post-employment benefits liability (\$21.7M), net pension liability (\$12.9M), and in long-term debt, net of current position (\$3.3M), which includes a \$3.0M deposit to an escrow account for cash defeasance.



Decreases in Operating and Non-Operating Revenues and Decrease in Operating Expenses Resulting to Overall Net Income by \$6.6M

During FY 2025, PAG’s total operating revenues slightly decreased by \$974 thousand (K), from \$58.7M in FY 2024 to \$57.7M in FY 2025. This was mainly attributed to the \$1.1M decrease in cargo throughput charges, due to decreases in total containers handled and breakbulk. For the year ended September 2025, the Port has two major shipping agency customers that collectively accounted for 61% of its total operating revenues.

The total non-operating revenues (net) significantly decreased by \$3.9M, from \$12.9M in FY 2024 to \$9.0M in FY 2025. The decrease was primarily due to decreases in U.S. Government operating grants by \$3.1M and interest income, net by \$735K. The U.S. Government operating grants are due to the ending of older Port Security Grant Program grants and Owners Agent Engineers (OAE) decreasing task orders in FY 2025.



Total operating expenses decreased by \$5.9M, from \$68.8M in FY 2024 to \$62.9M in FY 2025. The decrease was mainly due to the decreases in retiree healthcare and other benefits (\$2.1M), management and administration (\$1.7M), equipment maintenance (\$1.6M), and transportation services (\$708K).

Overall, the decrease in operating expenses during FY 2025 helped PAG generate a net income of \$6.6M (an increase of \$3.2M from the prior FY), thereby increasing its net position by the same amount for the current FY.

Long-Term Debt-Revenue Bonds and Bond Covenants

As of September 30, 2025, PAG had outstanding revenue bonds amounting to \$57.9M, a decrease of \$3.1M from its prior year balance of \$61.0M due to payments against principal debts. All gross revenues of PAG, except for crane surcharge, facility maintenance fee, and public marina revenues, have been pledged to secure the payment of the bond principal and interest. For FY 2025, debt service was \$ 33.1M. Management believes PAG was in compliance with all bond covenants as of and for the years ended September 30, 2025 and 2024.

As of October 2025, Standard & Poor maintained its outlook of PAG as stable and its long-term rating on the 2018 Revenue Bonds as “A”. As of December 2025, Moody Investors Service maintained its outlook as stable and the rating as “Baa2”. The stable outlook reflects Moody’s

expectation that the planned rate increases will bolster revenues starting FY 2026, which will strengthen PAG’s debt service coverage and support liquidity levels.

Port Modernization Plan

The Port Modernization Plan (the Plan) spans a 30-year planning horizon with an estimated project cost of \$260M. The Plan consists of Phases I-A and I-B, where Phase I-A is focused on critical maintenance and repair of waterfront activities, while Phase II is focused on the expansion needed to address long-term cargo growth demands of Guam and neighboring islands over the next twenty years. The Plan was conditionally approved in 2008 through Public Law 29-125. All three phases have been completed and capitalized in 2015. The appropriation from the U.S. Department of Defense has a remaining \$2.6M, which has been reprogrammed for the maintenance of the capital assets and for the acquisition of equipment.

PAG’s 2023 Improvement Program was designed to meet the island’s growth, including military realignment and expansion, and the growing tourism market. The following are updates to PAG’s improvement initiatives:

Type of Improvement	Purpose
1. Replacement of Gantry Cranes	Acquire three new ship-to-shore gantry cranes to replace the 43-year-old currently in operations.
2. Area A Fuel Storage Facility Rehabilitation/Upgrade:	Replacement or rehabilitation of the existing fuel tanks and related infrastructure.
3. Welding Shop Repairs (Phases I and II)	Repair the welding shop’s exterior concrete spalling and cracks, and acquire specialized welding equipment to support the maintenance of gantry cranes and other heavy-duty equipment.
4. Small Unmanned Aircraft System (SUAS)	Acquire and deploy a SUAS, i.e., drones, to allow the PAG Police division to effectively identify any potential threats to critical assets and human life.

As the primary gateway to the Indo-Pacific the PAG remains vital to the U.S. military power projection, regional commerce, and contingency response capabilities.

PAG’s Master Plan Update and Sustainability

In July 2025, the PAG 2023 Master Plan was renamed the 2025 Master Plan and integrated with the zero-emission and zero-waste sustainability goals. The Master Plan remains focused on ensuring the future readiness and resiliency of a modernized facility. This includes addressing environmental initiatives to reduce PAG’s carbon footprint and reduce greenhouse effects and strategic goals toward zero waste improvements.

All ports produce carbon dioxide and other air pollutants from cargo-handling equipment, related facilities, and berthing vessels. The PAG Board formally adopted the zero-emission and zero-waste (ZEZW) resiliency and sustainability goals, developed by our OAE, and integrated them into the 2023 Master Plan. PAG is dedicated to fostering a culture of environmental responsibility through community engagement and reinforcing a shared vision for a cleaner and more sustainable Guam. PAG has received and will continue to pursue grants to fund its various sustainability initiatives. According to PAG, their dedication to environmental stewardship strengthens their qualifications for funding for the U.S. Environmental Protection Agency's Inflation Reduction Act and other grant programs, which are crucial to accessing funds that will modernize PAG operations.

For more details, refer to PAG's FY 2025 Financial Statements, Reports on Internal Control and Compliance, and The Auditor's Communication With Those Charged With Governance at www.opaguam.org or www.portofguam.com.