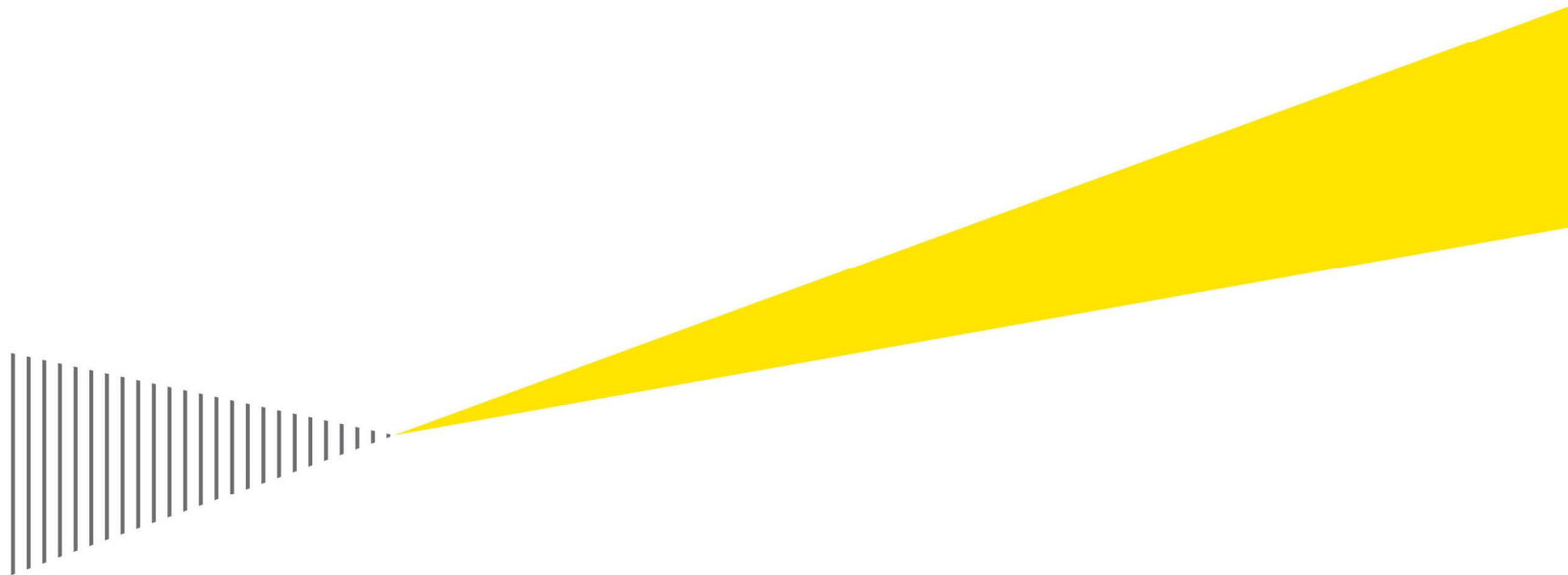


Compliance and Internal Control

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

Year ended September 30, 2014



**Building a better
working world**

Antonio B. Won Pat International Airport Authority, Guam

Reports on Compliance and Internal Control

Year ended September 30, 2014

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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 auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Antonio B. Won Pat International Airport Authority, Guam (the Authority), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2015.

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) to determine the 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the Part II - Financial Statement Findings Section of the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies. This finding is listed as 2014-1.

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 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 or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Finding

The Authority's response to the finding identified in our audit are described in the accompanying Part II – Financial Statement Finding. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on 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

January 29, 2015



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Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the Antonio B. Won Pat International Airport Authority, Guam's (the Authority) compliance with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Authority as of and for the year ended September 30, 2014, and have issued our report thereon dated January 29, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst + Young LLP

January 29, 2015

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Expenditures of Federal Awards

Year ended September 30, 2014

Federal Program/ Project Title	CFDA No.	Project No.	Program or Award Amount	Receivable from Grantor at 09/30/13	Cash Receipts FY 2014	Allowable Expenditures FY 2014	Receivable from Grantor at 9/30/14	Total Receipts as of 09/30/14	Grant Balance
U.S. Department of Transportation									
Direct Programs:									
Airport Improvement Program:									
Improve Airport Utility Infrastructure (Electrical System) - Phase 1	20.106	3-66-0001-65	\$ 7,000,000	\$ 3,367	\$ 53,315	\$ 49,948	\$ -	\$ 6,961,017	\$ 38,983
Conduct Airport Master Plan Study Update Noise Mitigation Measures for Residences w/in 65-69 DNL - Phase 5	20.106	3-66-0001-66	700,000	51,577	51,578	-	(1)	700,000	-
Rehabilitate Runway 6L/24R - Phase 1 (Design Only)	20.106	3-66-0001-69	2,000,000	380,853	646,654	265,801	-	2,000,000	-
Install Instrument Landing System (ILS) Runway 6L - Phase 1	20.106	3-66-0001-73	1,500,000	219	73,377	73,158	-	1,454,272	45,728
Noise Mitigation Measures for Residences w/in 65-69 DNL - Phase 6	20.106	3-66-0001-75	2,000,000	13,058	775,037	761,980	1	891,001	1,108,999
Improve Airport Utility Infrastructure (Sewer & Storm Water Drainage) - Phase 1	20.106	3-66-0001-76	1,550,000	124,957	1,156,867	1,031,910	-	1,550,000	-
Install Instrument Landing System (ILS) Runway 6L - Phase 2	20.106	3-66-0001-78	4,827,638	879,620	879,620	-	-	4,827,638	-
Conduct Environmental Assessment for Sewer and Stormwater Drainage	20.106	3-66-0001-79	700,000	6,731	66,594	59,864	1	344,410	355,590
Misc. Airport Improvements - Phase 3 (Demolish Former Naval Housing Units)	20.106	3-66-0001-81	2,304,801	-	602,044	711,738	109,694	684,716	1,620,085
Misc. Airport Improvements - Phase 4 (Demolish Former Naval Housing Units)	20.106	3-66-0001-82	1,400,000	2,604	569,828	581,878	14,654	647,219	752,781
Rehabilitate Runway 6L/24R - Phase 2	20.106	3-66-0001-84	5,441,024	141,072	3,675,972	4,331,929	797,029	4,643,995	797,029
Extend Runway 6L/24R - Phase 10	20.106	3-66-0001-85	2,005,605	2,005,605	2,005,605	-	-	2,005,605	-
Rehabilitate Runway 6L/24R - Phase 3	20.106	3-66-0001-86	1,876,981	-	915,417	1,404,732	489,315	915,417	961,564
Acquire One (1) 3,000-gallon Aircraft Rescue and Fire Fighting (ARFF) Vehicle	20.106	3-66-0001-87	1,017,000	-	280,729	280,992	263	280,729	736,271
Update Airport Master Plan Study	20.106	3-66-0001-88	500,000	265,927	387,385	123,182	1,724	387,385	112,615
Install Instrument Landing System (ILS) Runway 6L - Phase 3	20.106	3-66-0001-89	2,950,939	-	-	149,909	149,909	-	2,950,939
	20.106	3-66-0001-90	1,556,987	-	1,249,973	1,255,237	5,264	1,249,974	307,013
Total U.S. Department of Transportation Programs, carried forward			<u>41,829,191</u>	<u>3,875,590</u>	<u>13,715,849</u>	<u>11,408,112</u>	<u>1,567,853</u>	<u>32,041,594</u>	<u>9,787,597</u>

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Expenditures of Federal Awards, continued

Year ended September 30, 2014

Federal Program/ Project Title	CFDA No.	Project No.	Program or Award Amount	Receivable from Grantor at 09/30/13	Cash Receipts FY 2014	Allowable Expenditures FY 2014	Receivable from Grantor at 9/30/14	Total Receipts as of 09/30/14	Grant Balance
Total U.S. Department of Transportation Programs, brought forward			41,829,191	3,875,590	13,715,849	11,408,112	1,567,853	32,041,594	9,787,597
Department of Interior									
GIAA Pipeline and Hydrant System - Architectural/Engineering (A/E)	15.875	GUAM-CIP-2010-1	430,000	-	-	235,252	235,252	-	430,000
Economic Development Administration									
Site Grading and Utility Infrastructure Hookups to Develop North Tiyan Aviation Industrial Park	11.300	07-01-06272	1,200,000	-	347,338	347,338	-	1,190,476	9,524
Federal Emergency Management Agency:									
Pass-Through Government of Guam: Hazard Mitigation Grant Program: Utility Power Hardening for Critical Airport Facilities	97.039	HMGP DR-1446	5,850,000	-	-	-	-	4,134,855	1,715,145
U.S. Environmental Protection Agency:									
Ground Support Equipment Maintenance Facility; Interceptor Drainage; Former Aircraft Graveyard Site Clean-up	66.818	BF-96984801-0	600,000	-	-	-	-	502,667	97,333
Sub-total awards from the United States Government, carried forward			49,909,191	3,875,590	14,063,187	11,990,702	1,803,105	37,869,592	12,039,599

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Expenditures of Federal Awards, continued

Year ended September 30, 2014

<u>Federal Program/ Project Title</u>	<u>CFDA No.</u>	<u>Project No.</u>	<u>Program or Award Amount</u>	<u>Receivable from Grantor at 09/30/13</u>	<u>Cash Receipts FY 2014</u>	<u>Allowable Expenditures FY 2014</u>	<u>Receivable from Grantor at 9/30/14</u>	<u>Total Receipts as of 09/30/14</u>	<u>Grant Balance</u>
Sub-total awards from the United States Government, brought forward			49,909,191	3,875,590	14,063,187	11,990,702	1,803,105	37,869,592	12,039,599
Transportation Security Administration:									
National Explosive Detection Canine Team (NEDCT) Program	97.072	HSTS02-10-H-CAN629	1,158,827	131,562	401,060	312,412	42,914	1,072,998	85,829
Law Enforcement Officer (LEO) Reimbursement Agreement Program	97.090	HSTS02-13-H-SLR096	292,000	14,560	160,480	146,000	80	291,920	80
Transportation Security Administration			1,450,827	146,122	561,540	458,412	42,994	1,364,918	85,909
Other Transaction Agreement:									
Transportation Security Administration -									
Checked Baggage Recapitalization Screening Design Services Project	---	HSTS04-13-H-CT1045	444,000	257,700	406,740	186,300	37,260	406,740	37,260
Checked Baggage Recapitalization Screening Construction Services Project	---	HSTS04-13-H-CT1145	24,899,330	292,574	-	-	292,574	-	24,899,330
Other Transaction Agreement			25,343,330	550,274	406,740	186,300	329,834	406,740	24,936,590
Total Awards from the United States Government before non-cash award			\$ 76,703,348	\$ 4,571,986	\$ 15,031,467	\$ 12,635,414	\$ 2,175,933	\$ 39,641,250	\$ 37,062,098
Non-cash award									
U.S. Department of Agriculture									
Loan guarantee	10.xxx		11,900,000	-	-	971,772	-	11,900,000	-
Total Awards from the United States Government after non-cash award			\$ 88,603,348	\$ 4,571,986	\$ 15,031,467	\$ 13,607,186	\$ 2,175,933	\$ 51,541,250	\$ 37,062,098

Antonio B. Won Pat International Airport Authority, Guam

Notes to the Schedule of Expenditures of Federal Awards

September 30, 2014

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 federal expenditures of the Authority are included within the scope of the audit. The Authority receives federal awards directly from federal agencies as well as federal awards that are passed through from other governmental agencies.

The federal award program titles and Catalog of Federal Domestic Assistance (CFDA) numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*.

2. Summary of Significant Accounting Policies

Basis of Accounting

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

For the purpose of this report, certain accounting procedures were followed which facilitate the presentation of the federal cumulative amount of the grant award and federal funds received and disbursed. Cash receipts relate to all cash received from the cognizant federal agency within the CFDA. Cash receipts do not include matching funds from the Authority. All expenses and capital outlays which represent the federal share of each project are reported as expenditures.

The Authority recognizes contributions from the federal government when qualifying expenditures are incurred and expenditures are recognized on the accrual basis of accounting.

Qualifying funds expended in excess of federal funds received are recorded as receivables from the grantor agency.

Matching Requirements

In allocating project expenditures between the federal and local share, a percentage is used based upon local matching requirements unless funds are specifically identified for a certain phase of the project.

Indirect Cost Allocation

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, 2014. The Federal Aviation Administration programs do allow, upon prior grantor approval, certain administrative expenses to be charged against the grants.

Antonio B. Won Pat International Airport Authority, Guam

Notes to the Schedule of Expenditures of Federal Awards, continued

3. Department of Transportation (DOT)

The Authority's Airport Improvement Program (AIP) is funded primarily through grants from the U.S. DOT, through the Federal Aviation Administration (FAA) under CFDA number 20.106.

Cost Allocation

Certain AIP grants have been combined to fund improvements for similar projects. The grants may fund a specific contract for the project or the cost of the contracts may be split between separate grants.

<u>Project Description</u>	<u>AIP Project No. (3-66-0001-xx)</u>
Airport Master Plan Update	66 and 88
Noise Mitigation Measures for Residences w/in 65-69 DNL	69 and 75
Install ILS from Runway 6L	74, 78, and 89
Demolish Former Navy Housing Units in Tiyán	81 and 82
Rehabilitate Runway 6L/24R	84 and 86

4. Department of Interior (DOI)

The DOI Operations and Maintenance Improvement Program (OMIP) funds a training program for airport and aviation operations and procedures for airports in the Pacific region. The grant is funded under CFDA 15.875, Economic, Social, and Political Development of Territories.

5. Economic Development Administration (EDA)

The Authority's EDA program is funded through grants from the Department of Commerce under CFDA number 11.300.

6. Federal Emergency Management Agency (FEMA)

The Authority is a sub-recipient of a Hazard Mitigation Grant Program administered by the Guam Homeland Security Office of Civil Defense and is funded through grants from the Department of Homeland Security under CFDA number 97.039.

7. Environmental Protection Agency (U.S. EPA)

The U.S. EPA, through the Office of Solid Waste and Emergency Response, funded the Brownfields Cleanup Cooperative Agreement to reimburse related operating expenses for the clean-up of approved sites. These grants are funded under CFDA number 66.818.

Antonio B. Won Pat International Airport Authority, Guam

Notes to the Schedule of Expenditures of Federal Awards, continued

8. Transportation Security Administration (TSA)

The TSA grants were received to reimburse operating expenses related to the National Explosives Detection Canine Team Program (NEDCT) and the Law Enforcement Officer (LEO) Program, under CFDA number 97.072 and 97.090, respectively.

9. Other Transaction Agreement (OTA)

TSA entered into an OTA with the Authority where TSA reimburses the Authority for certain administrative, design, management and construction costs relating to the relocation of the International Transfer Facility. As this is an OTA, no CFDA number is associated.

10. United States Department of Agriculture (USDA)

In June 2012, the USDA provided the Authority with a conditional commitment for guarantee, Case No. 62-001-893862377, which allowed the Authority to obtain a loan from a financial institution with a preferred interest rate. The loan, which was approved for \$11,900,000, will be used to finance energy efficient upgrades identified in the Authority's recent energy audit. As of September 30, 2014, \$11,900,000 of the loan proceeds were disbursed and \$11,301,193 remain as an outstanding obligation. The guaranteed loan is for a term of ten years on \$11,900,000, with a fixed rate of 5.75%. The amount of monthly payment of principal and interest is \$130,625. The USDA has issued the loan guarantee on March 10, 2014.

11. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditure is disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Authority. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and local laws and regulations.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs

Year ended September 30, 2014

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued (unmodified, qualified, adverse or disclaimer):

The independent auditor's report expressed an unmodified opinion.

Internal control over financial reporting:

Material weakness(es) identified?

 Yes X **No**

Significant deficiency(ies) identified that are not considered to be material weaknesses?

 X **Yes** **None reported**

Noncompliance material to financial statements noted?

 Yes X **No**

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified?

 Yes X **No**

Significant deficiency(ies) identified?

 Yes X **None reported**

Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse or disclaimer):

The independent auditor's report on compliance for major programs expressed an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?

 Yes X **No**

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs, continued

Part I - Summary of Auditor's Results, continued

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
10.xxx*	Community Facility Guaranteed Loan

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

\$ 408,216

Auditee qualified as low risk auditee?

 Yes X **No**

*CFDA number has not yet been assigned.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs, continued

Part II - Financial Statement Findings Section

Finding No. 2014-1

Criteria or specific requirement:

Internal controls over work-in-progress (WIP) should exist to ensure that as of the reporting period, WIP close-outs are done timely so that (1) reclassification to the appropriate fixed asset category is done and (2) depreciation is properly calculated based on the useful lives and correct dates the assets are placed in service.

Condition:

We determined that two out of nineteen completed projects were not timely reclassified out of the work-in-progress general ledger account into the respective capital asset category. We noted a post-closing reclassification journal entry to transfer approximately \$46 million completed projects from the work-in-progress account to capitalized assets. Furthermore, during our audit testing of the \$46 million, we determined that the placed-in-service date for approximately \$19 million was incorrect and, accordingly, depreciation expense had been miscalculated. As a result, an audit adjustment to increase depreciation expense by approximately \$657 thousand was recorded.

Context:

Pertinent information over work-in-progress is compiled by the accounting department. Such information includes description of the project, cost and date placed in service. The accuracy of the information is highly dependent on details provided by the engineering department.

Effect:

The Authority's internal control over the financial statement close process did not appropriately identify a reasonable start date based on the status of the project. As a result, the Authority's depreciation was incorrect.

Cause:

The Authority relies heavily on its engineering department to provide the dates when assets are placed in service.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs, continued

Recommendation:

We recommend that the Authority maintain a work-in-progress control log that would be used to track the various projects and their progress. Additionally, the accounting department should consider reviewing the percentage of completion of projects, as noted in the invoices received from contractors, and inquire with the engineering department on the status to ensure all completed projects are properly accounted. Review of completed projects should, at the least, be done semi-annually.

Views of responsible officials and planned corrective actions:

The Authority did transfer the work-in-progress projects to fixed assets in the correct fiscal year but as a result of miscommunication, the reclassification did not occur on a timely basis to reflect the dates when the assets were placed into service. The Authority has corrected the condition in a final determination of the dates of service and calculation of the proper depreciation of the assets with a subsequent post-closing entry to correct the depreciation.

The Authority will further improve its internal controls by providing the engineering division written clarification with regards to beneficial use or occupancy, release of the contractor on asset liability, dates of service and project close-outs. Documentation for phased completion that meet the clarifying parameters and final close-out will be submitted to the accounting division in a timely manner.

Conclusion:

The Authority has corrected the finding.

Part III - Federal Award Findings and Questioned Costs Section

There are no material weaknesses, significant deficiencies, material instances of noncompliance, including questioned costs, as well as any abuse findings involving federal awards related to the September 30, 2014 major programs.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Prior Audit Findings

Year ended September 30, 2014

Findings in the prior year Audit Report dated January 30, 2014 are as follows:

There are no material weaknesses, significant deficiencies, material instances of noncompliance, including questioned costs, as well as any abuse findings involving federal awards related to the September 30, 2013 major programs.