

Compliance and Internal Control

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

*Year ended September 30, 2007*

Antonio B. Won Pat International Airport Authority, Guam

Reports on Compliance and Internal Control

Year ended September 30, 2007

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## Report 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*

The Board of Directors  
Antonio B. Won Pat International Airport Authority, Guam

We have audited the financial statements of the Antonio B. Won Pat International Airport Authority, Guam (the “Authority” also formerly known as the Guam International Airport Authority), as of and for the year ended September 30, 2007, and have issued our report thereon dated January 12, 2008. We conducted our audit 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.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Authority’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 the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’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 the entity’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 the entity’s financial statements that is more than inconsequential will not be prevented or detected by the entity’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 the entity’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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be 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 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*.

This report is intended solely for the information and use of the Board of Directors and Management of the Authority, the Office of the Public Auditor, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

January 12, 2008

## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133

The Board of Directors  
Antonio B. Won Pat International Airport Authority, Guam

### **Compliance**

We have audited the compliance of the Antonio B. Won Pat International Airport Authority, Guam (the “Authority”, also formerly known as the Guam International Airport Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2007. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority’s management. Our responsibility is to express an opinion on the Authority’s compliance based on our audit.

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. Our audit does not provide a legal determination of the Authority’s compliance with those requirements.

As described in item 2007-1 in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements of the Davis Bacon Act that are applicable to its Airport Improvement Program. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

### ***Internal Control Over Compliance***

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007 - 1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

***Schedule of Expenditures of Federal Awards***

We have audited the financial statements of the Authority as of and for the year ended September 30, 2007, and have issued our report thereon dated January 12, 2008. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the Board of Directors and Management of the Authority, the Office of the Public Auditor, federal awarding agencies, pass-through entities, the cognizant audit and other federal agencies, and is not intended to be, and should not be, used by anyone other than those specified parties.

*Ernst + Young LLP*

January 12, 2008

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2007

Federal Program/ Project Title	CFDA No.	Project No.	Program or Award Amount	Receivable from Grantor at 10/01/06	Cash Receipts FY 2007	Allowable Expenditures FY 2007	Receivable from Grantor at 9/30/07
<b>U.S. Department of Transportation</b>							
Direct Programs:							
Airport Improvement Program:							
Construct Loop Taxiway	20.106	3-66-0001-28	\$ 5,958,210	\$ 243,289	\$ 3,512,526	\$ 3,269,237	\$ -
Extend & Rehab Runway 6L/24R - Phase 1	20.106	3-66-0001-29	7,155,000	252,935	5,001,784	4,748,849	-
Update Airport Master Plan Study	20.106	3-66-0001-30	540,000	-	-	-	-
Acquire Land/Relocation	20.106	3-66-0001-31	1,296,226	12,777	137,676	124,899	-
Security Enhancements - Phase 1	20.106	3-66-0001-35	5,454,744	68,360	3,080,219	3,011,859	-
Improve Airport Utility Infrastructure (Water System) - Phase 1	20.106	3-66-0001-37	4,187,450	-	2,830,148	2,830,148	-
Replace Airfield Signage & Lighting; Procure/Install 2 LB; Repair 14 LB; Rehab ARFF Bldg; Replace/Install Perimeter fence (typhoon damages)	20.106	3-66-0001-38	16,900,000	492,814	12,601,223	12,108,409	-
Improve Airport Utility Infrastructure (Water System) - Phase 2	20.106	3-66-0001-40	2,155,152	-	1,708,842	1,708,842	-
Conduct Noise Compatibility Plan Study - Phase 1	20.106	3-66-0001-41	119,354	-	-	-	-
Acquire Land for Noise Compatibility	20.106	3-66-0001-42	2,000,000	68,701	149,299	80,597	(1)
Improve Airport Utility Infrastructure (Water System) - Phase 2	20.106	3-66-0001-43	1,400,000	22,247	84,749	289,392	226,890
Conduct Airport Security/Perimeter Road	20.106	3-66-0001-44	7,703,767	14,115	1,427,960	1,581,054	167,209
Acquire Passenger Lift Device	20.106	3-66-0001-45	100,000	2,371	2,608	238	1
Conduct General Aviation Site Selection Study	20.106	3-66-0001-46	250,000	1,186	72,624	71,438	-
Improve TB (Seismic Zone 4 Upgrades, Outbound Baggage System Impr., Design of a Sterile Arrival Corridor)	20.106	3-66-0001-47	3,867,500	113,491	3,152,457	3,141,674	102,708
Noise Mitigation Measures for Residences w/in 65-69 DNL - Phase 1	20.106	3-66-0001-48	1,900,000	478,537	1,586,430	1,183,382	75,489
Acquire Runway Sweeper, Rubber Removal Eqpt, Friction Measuring Eqpt.	20.106	3-66-0001-49	375,120	4,742	158,907	154,439	274
Improve Airport Utility Infrastructure (Water System) - Phase 4	20.106	3-66-0001-50	1,757,000	-	-	-	-
Misc. Airport Improvements (Demolish Former Naval Housing Units)	20.106	3-66-0001-51	2,282,589	-	746,265	1,025,239	278,974
Noise Mitigation Measures for Residences w/in 65-69 DNL - Phase 2	20.106	3-66-0001-52	5,000,000	-	-	357,037	357,037
Improve Terminal Building (Seismic Zone 4 Upgrades) - Phase 2	20.106	3-66-0001-54	1,400,000	-	-	-	-
Extend Runway 6L/24R - Phase 2	20.106	3-66-0001-55	3,093,137	-	49,794	793,214	743,420
Noise Mitigation Measures for Residences w/in 65-69 DNL - Phase 3	20.106	3-66-0001-56	3,500,000	-	-	-	-
Extend Runway 6L/24R - Phase 3	20.106	3-66-0001-57	4,536,213	-	-	-	-
Improve Airport Utility Infrastructure (Water System) - Phase 5	20.106	3-66-0001-58	6,800,000	-	-	-	-
<b>Airport Improvement Program Total</b>	20.106		89,731,462	1,775,565	36,303,511	36,479,947	1,952,001
Extend Runway 6R/24L - Phase 1 (Earthwork/Grading)	20.205	GU-AP66(001)	5,743,624	-	-	-	-
Extend Runway 6R/24L - Phase 2	20.205	GU-AP66(002)	10,200,336	526,391	440,600	(85,791)	-
<b>Highway Improvement Program Total</b>	20.205		15,943,960	526,391	440,600	(85,791)	-
<b>U.S. Department of Transportation Total, carried forward</b>			105,675,422	2,301,956	36,744,111	36,394,156	1,952,001

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Expenditures of Federal Awards, continued  
Year Ended September 30, 2007

<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 10/01/06</u>	<u>Cash Receipts FY 2007</u>	<u>Allowable Expenditures FY 2007</u>	<u>Receivable from Grantor at 9/30/07</u>
U.S. Department of Transportation Total, brought forward			105,675,422	2,301,956	36,744,111	36,394,156	1,952,001
<b>Economic Development Administration:</b>							
Public Works and Economic Development Facilities Program	11.300	07-01-05790	1,250,000	-	-	-	-
<b>Federal Emergency Management Agency:</b>							
Pass-Through Government of Guam:							
Hazard Mitigation Grant Program:							
Exterior Automatic & Manual Glass Panel Door Hardening	97.039	FEMA-1446-DR-GU2	118,238	118,238	118,238	-	-
Utility Power Hardening for Critical Airport Facilities	97.039	FEMA-1446-DR-GU21	<u>5,850,000</u>	<u>333,083</u>	<u>-</u>	<u>71,800</u>	<u>404,883</u>
Federal Emergency Management Agency Total	97.039		5,968,238	451,321	118,238	71,800	404,883
<b>U.S. Environmental Protection Agency:</b>							
Brownfields Cleanup Cooperative Agreement	66.818	BF-96984801-0	600,000	16,476	-	-	16,476
<b>Transportation Security Administration:</b>							
National Explosive Detection Canine Team (NEDCT) Program	97.072	HSTS04-05-H-CAN103	<u>421,500</u>	<u>94,466</u>	<u>197,465</u>	<u>151,000</u>	<u>48,001</u>
<b>Total Federal Awards Expended</b>			<u><b>113,915,160</b></u>	<u><b>2,864,219</b></u>	<u><b>37,059,814</b></u>	<u><b>36,616,956</b></u>	<u><b>2,421,361</b></u>
<b>Other Transaction Agreement (OTA):</b>							
Transportation Security Administration		HSTS04-06-A-APO060	<u>1,921,500</u>	<u>-</u>	<u>36,225</u>	<u>240,692</u>	<u>204,467</u>
<b>Total Grants from the United States Government</b>			<u><b>\$ 115,836,660</b></u>	<u><b>\$ 2,864,219</b></u>	<u><b>\$ 37,096,039</b></u>	<u><b>\$ 36,857,648</b></u>	<u><b>\$ 2,625,828</b></u>

Antonio B. Won Pat International Airport Authority, Guam

Notes to the Schedule of Expenditures of Federal Awards

September 30, 2007

**1. Source of Funding**

The Authority's Airport Improvement Program and Highway Planning and Construction Program are funded primarily through grants from the U.S. Department of Transportation under Catalog of Federal Domestic Assistance (CFDA) numbers 20.106 and 20.205, respectively. The Authority's Economic Development Administration program is funded through grants from the Department of Commerce under CFDA number 11.300.

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2006 *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, 2007. 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. Cost Allocation**

Grant numbers 33-66-0001-28, 29 and 55 are commingled to fund repairs and rehabilitation of the runway and instrument landing system. Qualifying expenditures are allocated among these three grants.

Grant numbers 33-66-0001-37, 40, 43, 50 and 58 are commingled to fund improvements to the water system. Qualifying expenditures are allocated among these five grants.

Grant numbers 33-66-0001-48, 52 and 56 are commingled to fund noise mitigations measures for residences within the approved range of the airport. Qualifying expenditures are allocated among these three grants.

#### **4. Federal Emergency Management Agency (FEMA)**

The Authority is a subrecipient of a Hazard Mitigation Grant Program administered by the Guam Homeland Security/Office of Civil Defense and funded by the U.S. Federal Emergency Management Administration under CFDA number 97.039.

#### **5. U.S. Environmental Protection Agency (U.S. EPA)**

The U.S. EPA grants for the Brownsfields Cleanup Cooperative Agreement were received to reimburse related operating expenses.

#### **6. Transportation Security Administration (TSA)**

The TSA grants were received to reimburse operating expenses related to the National Explosives Detection Canine Team Program and the International Transfer Facility. TSA also entered an Other Transaction Agreement (OTA) with the Authority where they reimburse the Authority for certain administrative, design, management and construction costs relating to the relocation of the International Transfer Facility.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

**Part I—Summary of Auditor’s Results**

**Financial Statements Section**

Type of auditor’s report issued (unqualified, qualified, adverse, or disclaimer):

The independent auditor’s report expressed an unqualified opinion.

Internal control over financial reporting:

Material weakness(es) identified?

           **Yes**        X   **No**

Significant deficiencies identified that are not considered to be material weaknesses?

           **Yes**        X   **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 that are not considered to be material weaknesses?

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

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

The independent auditor’s report on compliance for major programs expressed a qualified opinion.

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

  X   **Yes**                 **No**

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

**Part I—Summary of Auditor’s Results (continued)**

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

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

\$ 300,000

Auditee qualified as low-risk auditee?

       **Yes**        X   **No**

No significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse related to the September 30, 2007 financial statements were noted.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

**Part II—Financial Statement Findings Section**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

No significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse related to the September 30, 2007 financial statements were noted.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

**Part III—Federal Award Findings and Questioned Costs Section**

This section identifies the audit findings required to be reported by Circular A-133 section .510(a) (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program. Where practical, findings should be organized by federal agency or pass-through entity.

**Finding No.:** 2007-01

Federal program information:

CFDA No:	20.106
Program Name:	Airport Improvement Program
Grantor Agency:	U.S. Department of Transportation
Area:	Davis-Bacon Act

Criteria or specific requirement  
(including statutory, regulatory, or other  
citation):

The Davis-Bacon Act requires that construction projects over \$2,000 need to include a provision for compliance with prevailing wage requirements. It states that a Contractor shall place a copy of the current prevailing wage determination in each solicitation, and award of the contract shall be conditioned upon the acceptance of the wage determination. Under this Act, Contractors and Sub-contractors are required to pay wages to laborers and mechanics at a rate not less than minimum wages specified in the wage determination established by the Department of Labor.
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Condition:

We noted one contractor with differences between the actual hourly wage rates paid versus the prevailing wage rate.
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Questioned costs:

No questioned costs were noted.
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Context:

Of the six projects tested, three projects were not in compliance, all of which pertain to the same contractor. We summarized the differences as follows:
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Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

**Finding No.:** 2007-01, continued

Context, continued:

Vendor No./ Project No.	Pay Period	Position	Actual Wage Rate	Prevailing Wage Rate	Actual Rate Under Prevailing Rate
4187	04/21/07	Welder	12.00	13.85	1.85
GIAA-FY98-08-2	05/26/07	Heavy Equipment Mechanic	13.27	13.60	0.33
	05/26/07	Welder	12.00	13.85	1.85
4187	08/04/07	Ironworker	10.38	10.80	0.42
GIAA-FY05-11-1	08/11/07	Ironworker	9.92	10.80	0.88
4187	07/14/07	Refrigeration Mechanic	11.50	16.24	4.74
GIAA-FY05-12-1					

Effect:

The specific contractor/subcontractor selected for testing is not in compliance with the Davis-Bacon Act.

Cause:

Although the Authority performs random investigations of its contractors for compliance with the Davis-Bacon Act, the certified payrolls selected may not have been investigated by the Authority.

Recommendation:

The Authority should specifically select the contractors/subcontractors identified for further investigation. In addition, the Authority should be more diligent in reviewing the submitted certified payrolls.

For classes of workers not identified in the wage determinations, the Authority should submit a SF-308 request for a project wage determination for application to that particular project to ensure that the Department of Labor approves the wage rates used.

Antonio B. Won Pat International Airport Authority, Guam

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

**Finding No.:** 2007-01, continued

Views of Responsible Officials and  
Planned Corrective Actions:  
Conclusion

The Authority remains diligent for contractors and subcontractors to be in full compliance with the requirements of the Davis-Bacon Act. The Authority continues to utilize pre-bid and pre-construction conferences and reviews by external construction managers to reinforce the requirements and ensure compliance. If a position is not listed in the labor classification schedule, a project wage determination will be requested from the Department of Labor. For those positions listed in the finding, the contractor, upon inquiry, cited in their written response, compliance with certain positions and clerical errors for specific position titles. The Authority, however, will still conduct a complete review of certified payrolls to ensure or cause contractor compliance.

Antonio B. Won Pat International Airport Authority, Guam

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2007

Findings in the prior year Audit Report dated January 9, 2007 are as follows:

**Financial Statement Findings**

**Finding No.:** 2006-1  
**Bond Indenture**

Status

Corrective action was taken.

**Federal Award Findings and Questioned Costs**

**Finding No.:** 2006-2  
**Grantor Agency:** U.S. Department of Transportation  
**Program Name:** Airport Improvement Program  
**CFDA No.:** 20.106  
**Area:** Capital Grants from the U.S. Government  
**Questioned Costs:** \$-0-

Status

Corrective action was taken.

**Finding Number:** 2006-3  
**Grantor Agency:** U.S. Department of Transportation  
**Program Name:** Airport Improvement Program  
**CFDA No.:** 20.106  
**Area:** Activities Allowed or Unallowed  
**Questioned Costs:** \$-0-

Status

Corrective action was taken.

Antonio B. Won Pat International Airport Authority, Guam

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2007

**Finding Number:** 2006-4  
**CFDA No:** 20.106 and 20.205  
**Program Name:** Airport Improvement Program and Highway Planning and Construction  
**Area:** Davis-Bacon Act  
**Questioned Costs:** \$-0-

Status

The Authority requires that construction managers implement a 100% test on the initial payroll of contractors to ensure that the prevailing wage rates are being complied with. Random tests will be done on succeeding payroll.

One of the two contractors has made adjustments to compensate the differences to employees and has provided supporting documentation. This contractor is now compliant. The second contractor has submitted job descriptions to support the positions in their payroll that are not listed with the Department of Labor. The Authority will continue to review this matter for full compliance.