



**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE  
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

**Monday, March 25, 2019, 3:00 p.m.  
GIAA TERMINAL CONFERENCE ROOM #3**

**1. CALL TO ORDER AND ATTENDANCE**

The March 25, 2019 special meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairman Sobti at 3:03 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

**Directors Present:**

Gurvinder Sobti  
Lucy M. Alcorn  
Rosalinda A. Tolan  
Deedee S. Camacho  
Zenon E. Belanger  
Donald I. Weakley

**Offices or positions:**

Acting Chairman

**Directors Absent:**

None

**GIAA Officials:**

Thomas C. Ada  
John A. Rios  
Jean M. Arriola  
Gerard Bautista  
Rolenda Faasuumalie  
Victor Cruz

Executive Manager  
Comptroller  
Airport Services Manager  
Air Terminal Manager  
GIAA Marketing  
Engineering Supervisor

Janalynn C. Damian, Esq.  
Frank R. Santos

GIAA Legal Counsel  
GIAA Consultant

Chairman Sobti welcomed two new Board members to the GIAA Board, Director Belanger and Director Weakley as well as the Airport tenants, stakeholders, and members of the public who are noted in a sign-in sheet attached to these minutes.

**2. APPROVAL OF AGENDA**

Motion to approve the agenda as presented duly made by Director Alcorn, seconded by Director Tolan; motion unanimously passed.

### 3. NEW BUSINESS

#### A. Approval of FY2018 Financial Audit Report

Executive Manager Ada announced that the Airport's FY2018 audit has been completed and introduced Mr. James Whitt of Ernst & Young, LLP (E&Y), who, with the help of Mr. Rizalito Paglingayan and the E&Y team have put together a presentation of the results of the audit.

Mr. Paglingayan proceeded to conduct the presentation of the audit results via PowerPoint. Mr. Paglingayan announced that the Airport will continue to remain a Low Risk Auditee for the year 2018, however will not be considered low risk for 2019 due to deficiencies in internal controls over financial reporting that were identified as material weaknesses. Average accounts receivables collection period has increased slightly to 34.18 days in FY2018 from 31.78 days in FY2017, although better than previous years. After the brief presentation, Mr. Whitt thanked the Board, Management and Accounting staff for the cooperation extended to the E&Y team throughout the audit process. Brief discussion followed.

After further discussion, on motion duly made by Director Camacho, seconded by Director Tolan, the following resolution was unanimously approved:

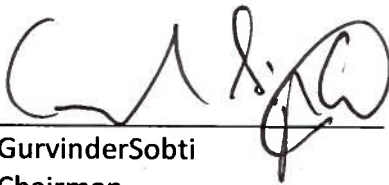
#### Resolution No. 19-32

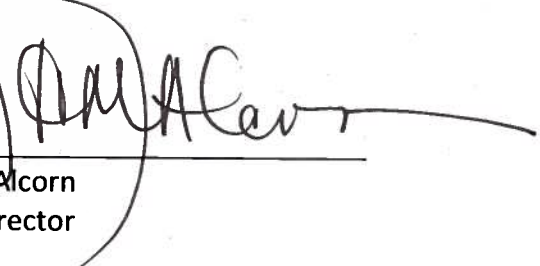
The Board hereby approves the FY2018 Financial Audit Report as presented by Ernst & Young, LLP, subject to any corrections.

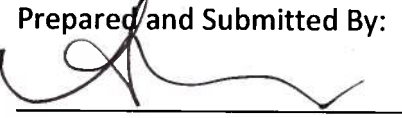
### 11. ADJOURNMENT

Motion to adjourn duly made by Director Weakley, seconded by Director Camacho; motion unanimously passed. The meeting was adjourned at 3:24p.m.

Dated this 30th, day of April, 2019

  
\_\_\_\_\_  
Gurvinder Sobti  
Chairman

Attest:   
\_\_\_\_\_  
Lucy M. Alcorn  
Board Director

Prepared and Submitted By:  
  
\_\_\_\_\_  
Amanda O'Brien-Rios  
Corresponding Secretary

**BOARD OF DIRECTORS SPECIAL MEETING**  
**3:00 p.m., Monday, March 25, 2019**  
**GIAA TERMINAL CONFERENCE ROOM #3**

Public Notice

First Notice:

Guam Daily Post – March 18, 2019

Notice to Media – March 18, 2019

Second Notice:

Guam Daily Post – March 21, 2019

Notice to Media – March 21, 2019

**AGENDA**

1. Call to Order and Attendance
2. Approval of Agenda
3. New Business
  - A. Approval of FY2018 Financial Audit Report
4. Adjournment



**A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**  
**Board of Directors Special Meeting**  
**3:00 p.m., Monday, March 25, 2019**  
**GIAA Terminal Conference Room #3**

**SIGN-IN SHEET**

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	MILHELE DUCANIA	OFFICE OF VICE SPEAKER NELSON
2.	RIZALITO PAGLINGAYEN	EBY
3.	DEBBIE NGATA	EBY
4.	Gerard BAUTISTA	ATM-GIAA
5.	John Onedera	EY
6.	James White	EY
7.	Kyle On Face Miller	PH
8.	TRICIA GRANITO	AM INSURANCE
9.	VICTOR J. CRUZ	GIAA
10.	JERRY MORGENTHAU	GIAA
11.	Ron DeLaRosa	GIAA
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		

# Antonio B. Won Pat International Airport Authority, Guam

September 30, 2018 Audit

March 25, 2019 Presentation to the Board



# Audit Reports and Opinions Issued

# Audit Reports and Opinions To Be Issued for FY2018

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## **Auditor's report on the Authority's basic financial statements**

- ▶ Unqualified opinion in accordance with US generally accepted accounting principles

## **Report on compliance for each major federal program; report on internal control over compliance and report on schedule of expenditures of federal awards required by the Uniform Guidance**

- ▶ Unmodified opinion in accordance with the Uniform Guidance
  - ▶ One major program:
    - ▶ Airport Improvement Program
  - ▶ Not a Low-Risk Auditee for FY19

## **Report on internal control over financial reporting and on compliance and other matters**

- ▶ Unmodified opinion in accordance with government auditing standards
  - ▶ Two findings:
    - ▶ Work-in-progress project tracking
    - ▶ Passenger Facility Charge receipts

## **Report on Compliance and Internal Control and Schedule of Passenger Facility Charges Collected and Expended**

- ▶ Unmodified opinion
  - ▶ Two findings:
    - ▶ Remittance of PFCs from Air Carriers
    - ▶ Air Carrier Quarterly Reports

# Low-Risk Auditee Criteria (Uniform Guidance) for FY19

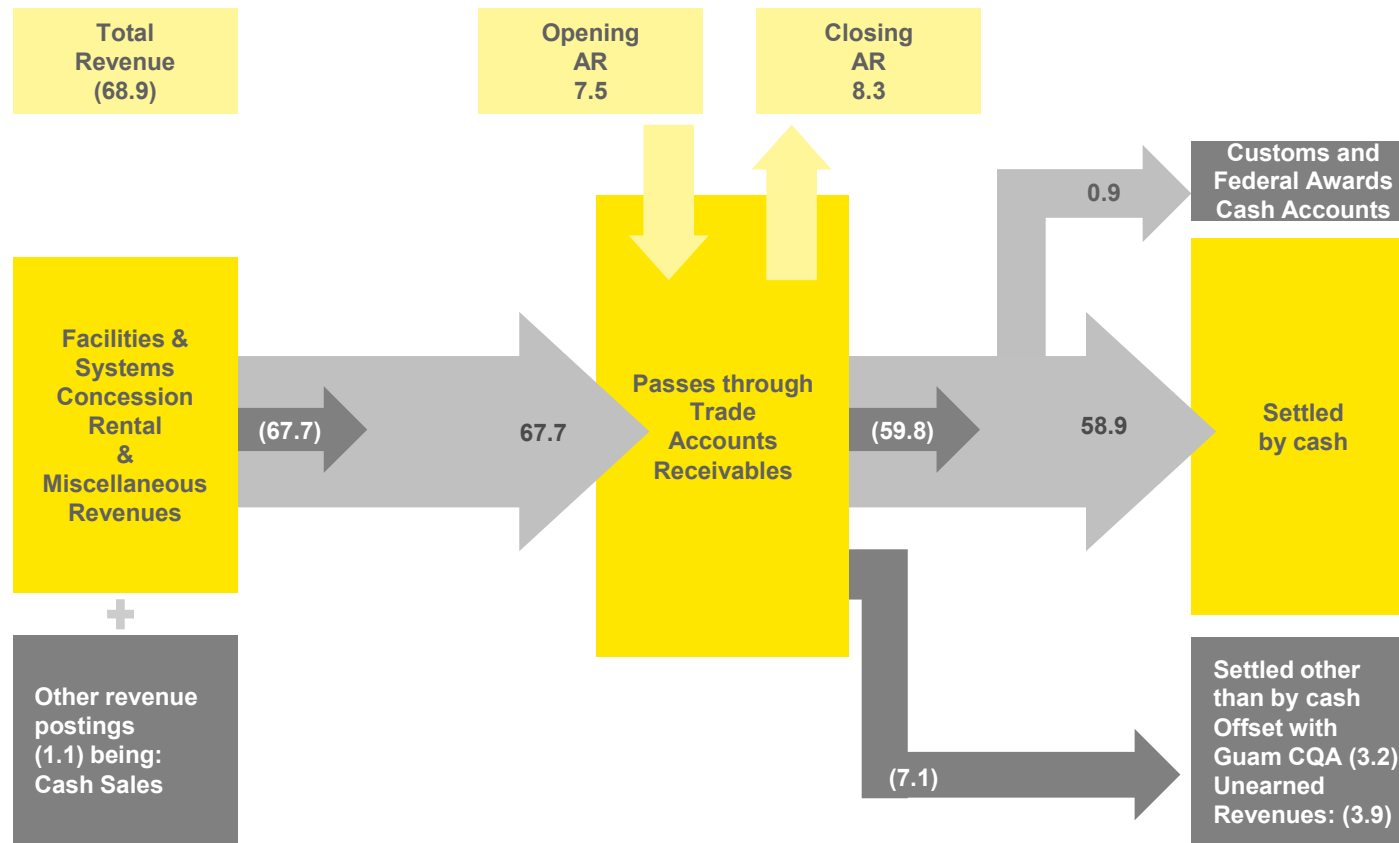
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- ▶ The following conditions for each of the preceding two years (FY18 and FY17) are considered:
  - ▶ Met: Single audits were performed on an annual basis in accordance with Uniform Guidance
  - ▶ Met: The auditor's opinions on the financial statements and the schedule of expenditures of federal awards were unmodified
  - ▶ Did not meet: There were deficiencies in internal control over financial reporting that were identified as material weaknesses under the requirements of Government Auditing Standards
  - ▶ For federal programs tested as a major program in the preceding two years:
    - ▶ Met: No material weaknesses in internal control over compliance
    - ▶ Met: No identified noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the type A program
    - ▶ Met: No known or likely questioned costs that exceed five percent of the total federal awards expended for a type A program during the year
  - ▶ Additionally, the entity must have submitted the Data Collection Form within nine-months from the fiscal year-end.



# Financial Analysis

# The Authority's relationship between revenue, receivables and cash (in millions)



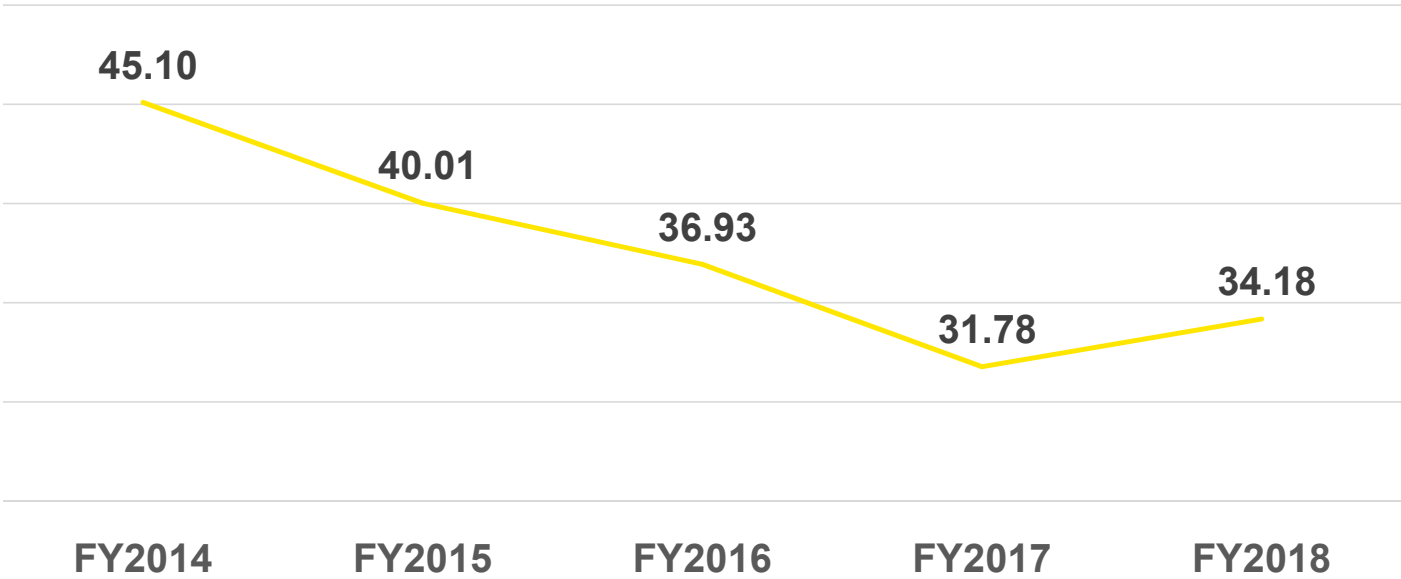
## Accounts receivable analysis

	Analysis date 9/30/2018	%	Prior year date 9/30/2017	%
0-30 days	\$6,228,000	74.87%	\$5,363,000	71.11%
31-60 days	29,000	0.35%	71,000	0.94%
61-90 days	497,000	5.97%	213,000	2.83%
91-120 days	36,000	0.44%	55,000	0.72%
121-180 days	46,000	0.56%	58,000	0.77%
181-365 days	138,000	1.66%	261,000	3.46%
>365 days	1,345,000	16.16%	1,521,000	20.17%
Total	<u>\$8,319,000</u>		<u>\$7,542,000</u>	
Allowance for doubtful accounts	\$1,447,000		\$1,447,000	
>90 days	\$1,565,000		\$1,895,000	

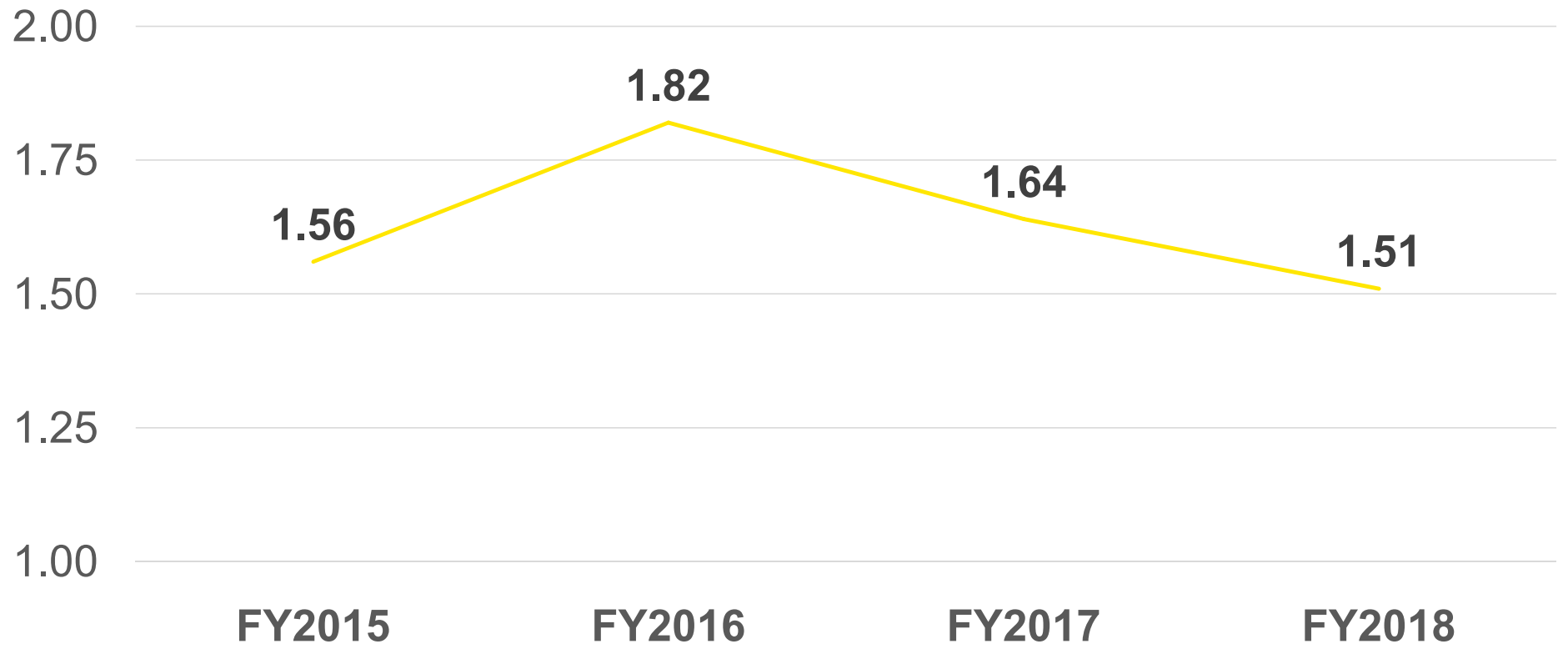
# Accounts receivable analysis

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## Average Collection Period



# Debt Service Ratio



**Thank you for all your kind  
cooperation throughout the audit.**