



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

CONVENIENT CONNECTIONS

"Sharing information with the People of Guam!"

Fiscal Year (FY) 2010

Citizen-Centric Report (P.L. 30-127)

March 2011 Issue

www.guamairport.com

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VISION

The Authority's vision is to advance Guam further as the first-class premier air transportation hub of the region.

MISSION

The Authority strives to ensure the safety and security of the traveling public, is dedicated to maintaining a superior and reliable level of airport services for our island residents and tourists, and is committed to supporting the development of air linkages and facilities which are integral parts of the island's future economic growth.

OBJECTIVES

To deliver improvements in customer service, facilities and access infrastructure, economic development, competitive positioning, community relations and governance and organization.

In January, the A.B. Won Pat International Airport Authority, Guam (GIAA) celebrated Airport Week 2011, commemorating its 35th anniversary as an autonomous GovGuam agency and over 75 years of commercial aviation services on our island. The airport has grown exponentially from a simple Quonset hut servicing 1940's travelers to a world-class 767,553 sq. ft. facility processing up to 2.9 million passengers, as recorded last year. Currently, Guam ranks 6th nationwide, for international arrivals with 93% of Guam's arriving passengers international in origin.



In the immediate future, newly expanded runways will accommodate non-stop, long haul transpacific flight to the continental U.S., strengthening Guam's advantage as an international hub. From a simple hut and sea-planes to an international hub with jet planes, our airport's building milestones include: the \$1.6M first Guam International Air Terminal built in 1967; followed by the \$43M edifice, which opened January of 1982; and finally our present monolithic airport of 1998, funded with \$242M bond financing, the single largest capital improvement project undertaken on Guam.

PROJECT: AIRPORT GUAM - UPDATE 2011

The Guam Airport is closer to the final stages of the extension of its runways. Several projects were completed. The south end of our primary runway (24R) was extended 1,000 linear feet. A parallel taxiway was constructed, allowing for planes to taxi to the takeoff end, and allowing for concurrent use of the runway(s) and optimizing airfield capacity. Ongoing projects include extension of the 6L end of the runway by 1,000 linear feet. Once completed, Guam's runway will be 12,000 linear feet long, up from its original length of 10,000 linear feet. Navigational aids will then have to be installed to service the extended runway. Our extended runways are expected to be open in July of 2012.



Cargo Business - Moving & Growing

Two new developers have completed construction on warehouse/cargo facilities with office space, and are now in full operation at Airport's Tiyan Business Park and the Airport Industrial Park. Consolidated Transportation Services, Inc. (CTS) Logistics provides services in airfreight, logistics, transport,



ocean freight, and warehouse management in 27 stations throughout 12 countries in Asia, Asia-Pacific and North America. Their \$4.5M Airport Freight Facility measures 35,000 sq. ft. and houses offices for their logistics and airfreight operations.

Marianas Steamship Agency (MSA) Logistics



has also completed its \$1.5M

construction and now occupies a 20,000 sq. ft. facility in the Airport Business Park next to the overpass/underpass. This facility, with its million-dollar vista of Tumon Bay, features office space; temperature controlled warehousing space; and is welcome support in the increased capacity of air cargo volume associated with the military buildup.

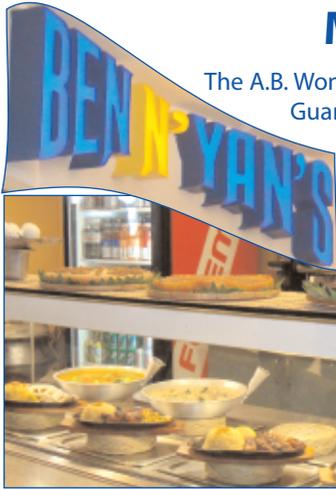
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Airport CONNECTIONS & Successes 2010

p2

Mixin' It Up – New Passenger Options



The A.B. Won Pat International Airport Authority, Guam has added several retail, food and service concessions to engage passengers with quality, popular brands with quality, popular brands and exciting new tastes. The Airport is excited to house a number of local brands with local ownership, such as Ben & Yan's, with delicious indigenous, regional offerings to

passengers. International brands are equally vital to the mix.

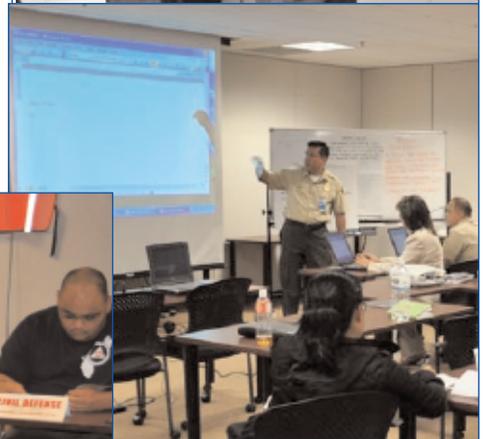
Instant name recognition of high quality leisure goods such as Marc by Marc Jacobs makes the shopping experience that more exciting to our passengers, we want our passengers engaged and satisfied as part of their Airport experience.



Safe and Secure from Every Perspective

Law enforcement units ramped up efforts to keep travelers, employees and users of Airport Facilities safe and secure from every perspective. Within the terminal, on our roadways, throughout activity in and around cargo buildings, parking lots and at every point of the passenger processing experience - the latest in security and safety are employed by qualified and trained personnel. In the modern travel environment, security procedures at

airports are very necessary, and at the A.B. Won Pat International Airport Authority, Guam, we are on par with security measures on local, federal and international levels. We thank our law enforcement agencies consisting of the Airport Police, TSA, Guam Customs and Quarantine and the US Customs and Border Protection who exercise the latest techniques to thwart terrorism and keep our borders and island safe.



NEW & ENHANCED AIR SERVICE IN 2010

CHINA AIRLINES



✧ Operated eight (8) scheduled charters in July

CONTINENTAL AIRLINES



- ✧ Resumed non-stop flights from Guam to Hong Kong 2x weekly effective April 2
- ✧ Launched a 3rd weekly flight to Cairns on April 4
- ✧ Operated 4 round-trip charters from Shanghai and Beijing during Chinese New Year
- ✧ Launched an additional flight to Manila departing on Saturdays - March 27, 2010
- ✧ Launched Guam - Honolulu via Majuro effective June 5, 2010
- ✧ Launched additional flight from Kansai (Osaka) effective Oct 1, 2010; added to the resumption of year round flight service launched December 23, 2009.
- ✧ Unveiled its new aircraft type B737-700 servicing Guam, Japan and Palau
- ✧ Formalized its merger with United Airlines in September 2010

(continued pg. 3)

2010 Financial CONNECTIONS & Statistics

FY 2010 FINANCIAL STATEMENTS

Antonio R. Won Pal International Airport Authority, Guam
Statement of Net Assets

Antonio R. Won Pal International Airport Authority, Guam
Statement of Revenues, Expenses and Changes in Net Assets

Assets	September 30,	
	2010	2009
Current Assets		
University Assets		
Cash (Note 2)	\$ 991,123	\$ 8,056,267
Accounts Receivable, trade, net of allowances for doubtful accounts of \$357,735 at September 30, 2010 (\$345,437 at September 30, 2009) (Notes 2 and 9)	6,906,571	4,392,598
Passenger facility charge receivable (Note 2)	972,982	566,426
Receivables from the United States Government	3,277,661	4,148,871
Notes receivable, net of allowances for doubtful accounts of \$87,659 (Note 3)	---	320,000
Inventory and other	42,530	64,615
Total unrestricted current assets	12,180,267	13,788,685
Restricted assets:		
Customs fees, cash (Note 2)	157,288	17
Customs fees, receivables (Note 2)	1,876,718	1,200,869
Total restricted current assets	2,034,006	1,200,886
Total current assets	14,214,273	14,989,571
General Revenue Bonds (Note 6)		
Investments and cash with trustees, restricted	21,972,719	24,205,868
Investments and cash with trustees, unrestricted	32,415,102	32,043,768
	54,387,821	56,249,636
Capital assets, at cost, less accumulated depreciation (Notes 4 and 26)	445,838,066	406,146,241
Aviation entitlements (Note 3)	13,904,340	15,005,688
Deferred bond issue costs	6,236,369	7,107,208
Total assets	\$ 501,676,807	\$ 498,636,344
Liabilities and Net Assets	2010	2009
Current Liabilities:		
Payable from unrestricted assets:		
Accounts payable - trade	\$ 2,376,083	\$ 2,226,458
Accounts payable - construction	10,701,500	8,540,865
Other liabilities (Note 10)	1,263,143	1,308,565
Security deposits and deferred income	1,294,021	1,089,079
Current portion of annual lease (Note 9)	592,059	277,121
Total payable of unrestricted assets	15,926,806	13,742,088
Payable from restricted assets:		
Customs fees payable to Treasurer of Guam (Note 11)	2,153,570	3,326,147
General revenue bonds:		
Current installments (Notes 5 and 9)	8,623,000	8,233,000
Accrued interest	4,271,634	4,149,209
Total current liabilities	30,975,010	29,796,544
Non-current liabilities:		
Payable from unrestricted assets:		
Accrued sick leave (Notes 2 and 9)	1,318,894	103,462
Long term portion of annual lease (Note 9)	727,455	668,453
Payable from restricted assets:		
Long term bonds payable, less current installments:		
General Revenue Bonds (Notes 5 and 9)	165,023,434	173,773,999
Total non-current liabilities	167,069,783	174,545,914
Total liabilities	198,044,793	204,342,458
Commitments and Contingencies (Notes 5 and 10)		
Net assets:		
Invested in capital assets, net of related debt	260,446,321	246,348,178
Restricted (Notes 4 and 10)	28,025,944	27,428,195
Unrestricted	11,239,785	22,477,850
	305,812,050	296,254,223
Total liabilities and net assets	\$ 501,676,807	\$ 498,636,344

Revenues (Note 5) :	Year ended September 30,	
	2010	2009
Facilities and systems usage charges	\$ 22,987,211	\$ 17,797,083
Construction fees (Notes 2 and 9)	13,887,161	12,943,553
Rental income (Note 9)	9,414,797	9,338,787
Miscellaneous	860,967	1,051,198
Total revenues	47,150,036	41,130,621
Operating costs and expenses:		
Contractual services (Note 10)	17,226,341	16,088,870
Personnel services	12,255,096	12,700,613
Materials and supplies	378,910	684,259
Real debt	112,119	34,889
Total operating costs and expenses	31,072,466	29,518,631
Income from operations before depreciation and amortization	16,077,570	11,611,990
Depreciation and amortization	(22,975,268)	(21,397,415)
Non-operating income (expenses):		
Loss from operations	(6,897,697)	(9,785,421)
Passenger facility charge income	5,666,517	3,064,667
Interest income	1,382,807	1,464,089
Interest expense	(7,947,785)	(8,339,935)
Other expenses, net (Note 5)	(430,821)	(484,979)
Non-recurring expenses	(32,802)	(52,018)
Total non-operating expenses, net	(11,866,154)	(12,446,176)
Loss before capital grants and transfer in	(8,415,984)	(11,924,907)
Capital grants from the United States Government	17,348,269	35,418,595
Operating grants from the United States Government	569,848	842,921
Transfer from Government of Guam - Office of Highway Safety (OHS)	60,231	30,968
Total capital and operating grants	18,076,348	36,292,484
Net assets at beginning of year	296,151,185	271,787,502
Net assets at end of year	\$ 305,812,050	\$ 296,151,185

Reconciliation of Historical Financial Results

Change in net assets:	Year ended September 30,	
	2010	2009
Revenues	\$ 54,081,400	\$ 48,263,381
Expenses	(31,484,038)	(29,518,631)
Depreciation	22,996,762	18,751,340
Interest and other expenses	(7,947,785)	(8,339,935)
Transfer from the Government of Guam - OHS	21,482	(8,378,922)
Grants from the United States Government	60,731	300,895
Increase in net assets	\$ 9,668,864	\$ 21,366,624
Net Revenues (per Bond Resolution):		
Revenues	\$ 54,081,400	\$ 48,263,381
Operation and maintenance expenses	(31,242,043)	(29,844,342)
	\$ 22,839,357	\$ 18,419,039
Reconciliation:		
Change in net assets	\$ 9,668,864	\$ 21,366,624
Add back:		
Depreciation	22,996,762	18,751,340
Interest expense	7,947,785	8,339,935
Miscellaneous	(154,957)	(190,830)
Transfer:		
Capital grants from the United States Government	(17,348,269)	(35,418,595)
Other available monies	22,839,357	18,419,039
Funds available for debt service	4,129,067	4,282,005
	\$ 27,186,822	\$ 22,701,612
Debt Service¹	\$ 17,168,262	\$ 17,131,612

2010 HIGHLIGHTS



2.9 million
PAX MOVEMENTS

88,852
AIRCRAFT MOVEMENTS

11.6%
INCREASE IN ENPLANEMENTS



2010 NEW & ENHANCED AIR SERVICE

(continued from pg. 2)

DELTA AIR LINES DELTA

- ✈ Northwest Airlines and Delta Air Lines merged in December 2009
- ✈ In-house ground handling service initiated with Delta Global Services in September 2010

FREEDOM AIR

- ✈ Filed an application, currently pending, with USDOT to engage in foreign air transportation charters of persons, property and mail within the Asia/Pacific region in July 2010

JAPAN AIRLINES

- ✈ Celebrated 40th Anniversary of Guam service on October 1, 2010

JIN AIR

- ✈ Launched daily service from Incheon to Guam effective April 20, 2010
- ✈ Becomes signatory carrier effective July 1, 2010

KOREAN AIRLINES

- ✈ Operated extra flights in July and August 2010

SKYMARK AIRLINES

- ✈ 8 Charter Flights from Haneda in August 2010

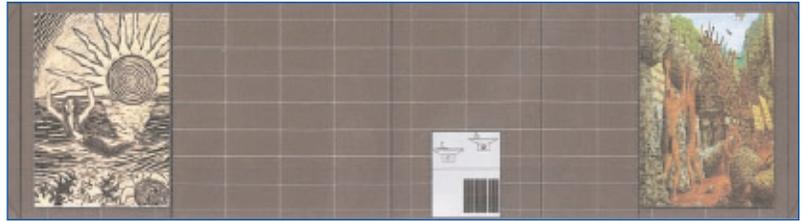
Plans on the Radar: ETDs and ETAs

The A.B. Won Pat International Airport Authority, Guam (GIAA) initiatives and goals for FY2010.



IMPROVED/RENOVATED RESTROOM FACILITIES

Initial model bathroom concept for bathroom renovations.



ENERGY MANAGEMENT PERFORMANCE

Contract in place to generate savings through use of green technology and responsible energy conservation measures.



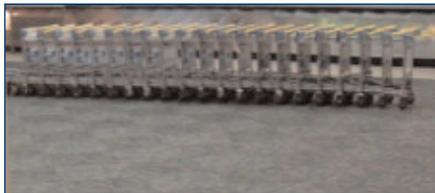
CARPET REPLACEMENT

Carpets being replaced at all gate holding areas and passenger lounges.



NEW LUGGAGE CARTS

Procurement of 450 new carts complete. Shipment en route for delivery May 2011.



FOOD COURT RENOVATIONS

Initial architectural renderings for Food Court renovations to be completed by 2012

