



**BURGER · COMER · & ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANTS**

February 16, 2024

The Board of Directors  
Pohnpei Port Authority

Dear Members of the Board of Directors,

We have audited the financial statements of the Pohnpei Port Authority (the Authority), a component unit of the Pohnpei State Government, for the year ended September 30, 2022, in accordance with the auditing standards generally accepted in the United States of America (generally accepted auditing standards) and have issued our report thereon dated February 16, 2024.

The comments in this letter will assist you in fulfilling your obligations in providing oversight of financial reporting and disclosure processes for which the management of the Authority is responsible.

This letter is intended solely for the information and use of the Board of Directors, management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

We extend our gratitude to the staff and management of the Authority for their cooperation and assistance during this engagement.

Respectfully,

A handwritten signature in cursive script that reads "Burger Comer &amp; Associates".

Tamuning, Guam

cc: Management of the Pohnpei Port Authority

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## **Our Responsibility Under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards**

Our responsibilities under (1) generally accepted auditing standards, (2) the standards applicable to financial audits, contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“generally accepted government auditing standards”), the objectives of an audit conducted in accordance with the auditing standards are:

- To express an opinion on whether the Statement of Net Position of the Authority as of September 30, 2022 and related statements of revenues, expenses, and changes in net position and of cash flows for the year then ended (the “financial statements”), are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), and performed specified procedures on the required supplementary information for the year ended September 30, 2022.
- To report on the Authority’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2022, based on an audit of financial statements performed in accordance with generally accepted government auditing standards.

Our responsibilities under generally accepted auditing standards and generally accepted government auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared with the oversight of management and the Board of Directors are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Board of Directors of their responsibilities.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether caused by fraud or error. In making those risk assessments, we consider internal control over the financial reporting relevant to the Authority’s preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances 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. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management of the Authority is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. Apart from the implementation of new GASB Statements highlighted below, no new accounting policies were adopted, and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices, Continued*

During the year ended September 30, 2022, the Authority implemented the following pronouncements:

- GASB Statement No. 87, *Leases*, which increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Limited exceptions to the single approach guidance are provided for short-term leases, financed purchases, leases of assets that are classified as investments, and certain regulated leases. At October 1, 2021, the Authority recorded lease receivable and related deferred inflow of resources of \$2,407,628 for its lease agreements as a lessor. The adoption of GASB Statement No. 87 had an effect of \$297,525 on the beginning net position.
- GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.
- GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.
- GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are (1) to enhance comparability in accounting and financial reporting and (2) to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, *Leases*, and implementation Guide No. 2019-3, *Leases*, for interim financial reports, the terminology used to refer to derivative instruments and the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefits. The requirements related to the effective date of GASB Statement No. 87 and implementation Guide 2019-3, reissuance recoveries and terminology used to refer to derivative instruments are effective upon issuance.
- GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement.

## **Significant Audit Matters**

### ***Qualitative Aspects of Accounting Practices, Continued***

- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.

With the exception of GASB Statement No. 87, *Leases*, implementation of these statements did not have a material effect on the financial statements.

Management of the Authority is currently evaluating the future impact of adopting the following upcoming GASB statements:

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*.
- GASB Statement No. 99, *Omnibus 2022*.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*.
- GASB Statement No. 101, *Compensated Absences*.

We have evaluated the significant qualitative aspects of the Authority's accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and constantly applied by management.

## **Management Judgement and Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgements are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Authority's financial statements include management's estimates of the allowance for uncollectible accounts, which is determined based upon past collection experience and aging of the accounts, and management's estimate of depreciation expense, which is based on estimated useful lives of the respective capital assets. During the year ended September 30, 2022, we are not aware of any significant changes in accounting estimates or in management's judgements relating to such estimates.

The financial statement disclosures are neutral, consistent, and clear.

## **Audit Adjustments and Reclassifications**

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. As a result of our audit work, we identified matters that resulted in audit adjustments that we believe, either individually or in the aggregate, would have a significant effect on the Authority's financial reporting process. Such adjustments and reclassifications, listed in **Appendix A** and **B** to **Attachment II**, were brought to the attention of management as a result of our audit procedures and were corrected by management during the current period and are reflected in the 2022 financial statements.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level. **Appendix C to Attachment II** includes a listing of uncorrected misstatements that were presented to management during our audit. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated February 16, 2024.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We discussed a variety of matters, including certain application of accounting principles and auditing standards, with management; however, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Control Related Matters**

We have issued as a separate report to you, also dated February 16, 2024, on the Authority's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, which was based on the audit performed in accordance with Government Auditing Standards.

We have identified, and included in **Attachment I**, certain deficiencies related to the Authority's internal control over financial reporting as of September 30, 2022, that we wish to bring to your attention.

**Control Related Matters, Continued**

A description of the responsibility of management for establishing and maintaining internal control over financial reporting and of the objectives of and inherent limitations of internal control over financial reporting, is set forth in the attached **Attachment II** and should be read in conjunction with this report.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of Pohnpei Port Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

## Attachment I—DEFICIENCIES

We identified the following deficiencies involving the Authority's internal control over financial reporting as of September 30, 2022:

(1) Travel Advances

Comment: As of September 30, 2022 the Authority has \$21,917 in unliquidated travel advances carried over from the prior year that have remained uncollected. The Authority's policy is to liquidate travel advances within 10 days.

Recommendation: The Authority should monitor and follow up on advances for strict compliance with its policy.

(2) Cash Receipts

Comment: Based on our tests of cash receipts, 5 of 40 daily cash collection reports either lack signature authorization evidencing review and approval or have a deficiency that we believe warrants comment. Specifically:

- For 3 out of the 40 daily cash collection reports, we noted that the comptrollers review signature has no date. Based on our understanding of the Authority's rules and procedures in effect for the audit year, the comptroller must sign and date the report prior to the deposit of cash. Without a date, we cannot determine whether signature authorization occurred in a timely manner prior to the deposit of cash.
- For 2 out of the 40 daily cash collection reports, we noted that there was no review signature or date from the comptroller.

Recommendation: Based on our understanding of the Authority's rules and procedures over cash collection, the comptroller should review and sign-off on daily cash collection reports prior to deposits of cash. The above-mentioned deficiencies occurred during the transition period of hiring a new comptroller. The Authority should continue to maintain and exercise due care in processing daily cash collections and strengthen controls over review and approval.



# POHNPEI PORT AUTHORITY

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BOARD OF DIRECTORS February 16, 2024

Joseph Saimon  
Chairman

Sihna Lawrence  
Vice-Chairperson

MaryAnn Eperiam  
Secretary

Vacant  
Member

Vacant  
Member

Vacant  
Member

Vacant  
Member

Grilly Jack  
General Manager

Burger Comer Magliari, LLC  
333 South Marine Corps Drive  
Tamuning, GU 96913

This representation letter is provided in connection with your audit of the financial statements of the Pohnpei Port Authority (the Authority) which comprise the statement of net position, statement of revenue, expenses, and changes in net position and statement of cash flows for the year then ended September 30, 2022, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

## Financial statements:

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds as follows:
  - a. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
  - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
  - c. Provisions for uncollectible receivables have been properly identified and recorded.
  - d. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
  - e. Revenues are appropriately classified in the statement of activities.
  - f. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  - g. Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
  - h. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.



- i. Applicable laws and regulations are followed in adopting, approving and amending budgets.
2. As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures. Additionally, we agree with the adjusting and reclassification journal entries of as listed in: **Appendix A and B**, respectively, to this letter.
3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
4. Receivables recorded in the financial statements represent valid claims or other charges arising on or before the date of the statements of net position and have been appropriately reduced to their estimated net realizable value.
5. The Authority is responsible for determining and maintaining the adequacy of the allowance for doubtful accounts receivable, as well as estimates used to determine such accounts. Management believes the allowances are adequate to absorb currently estimated bad debts in the account balances.
6. Quantitative and qualitative information regarding the allowance of doubtful accounts has been properly disclosed in the financial statements.
7. Significant assumptions the Authority used in making accounting estimates, including those measured at fair value, are reasonable. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that:
  - a. It is reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
  - b. The effect of the change would be material to the financial statements.
8. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
9. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
10. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter under **Appendix C**.
11. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
12. Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

13. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
14. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
15. Management is aware of its responsibility to disclose whether, subsequent to September 30, 2022, any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses, have occurred. We represent to you that no such changes or corrective actions has occurred.

**Information provided:**

16. The Authority has provided to you all relevant information and access.
17. The Authority has made available to you:
  - a. All minutes of the meetings of the Board of Directors or summaries of actions of recent meetings up to date of this letter, for which minutes of meetings after that date until the date of this letter have not been prepared but did not contain significant matters of audit concern.
  - b. All financial records and related data for all financial transactions of the Authority and for all funds administered by the Authority. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by the Authority. Information presented in financial reports is supported by the books and records from which the financial statements have been prepared.
  - c. Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.
  - d. Additional information that you have requested from us for the purpose of the audit.
18. The Authority has not performed a formal risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in the Authority and do not believe that the financial statements are materially misstated as a result of fraud.
19. We have no knowledge of any fraud or suspected fraud that affects the Authority and involves—
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where fraud could have a material effect on the financial statements.
20. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
21. There are no unasserted claims or assessments that we are aware of or that legal counsel has advised us are probable of assertion and must be disclosed in accordance with GASB Codification Section C50, *Claims and Judgements*.

22. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
23. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

**Entity specific:**

24. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
25. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
26. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware that includes sales, purchases, loans, transfers, lease agreements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
27. We are responsible for taking corrective action on audit findings and have developed a corrective action plan. We have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you report.
28. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
29. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
30. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
31. We are responsible for compliance with State, FSM and federal laws, rules, and regulations, including compliance with the provisions of grants and contracts relating to the Authority's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. The Authority is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.
32. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
33. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

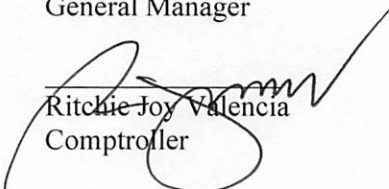
34. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
35. The financial statements include all fiduciary funds and activities required by GASBS No.84, as amended.
36. The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.
37. All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
38. We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
39. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
40. Regarding required supplementary information:
  - a. We confirm that we are responsible for the required supplementary information.
  - b. The required supplementary information is measured and presented in accordance with GASB Statement No. 98, *Annual Comprehensive Financial Report*.
  - c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
41. During the year ended September 30, 2022, the Authority implemented the following GASB pronouncements:
  - a. GASB Statement No. 87, *Leases*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting all estimates and judgements underlying the amounts recorded and disclosed in the financial statements.
  - b. GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.
  - c. GASB Statement No. 91, *Conduit Debt Obligations*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.
  - d. GASB Statement No. 92, *Omnibus 2020*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.

- e. GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.
  - f. GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The Authority implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. The Authority has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.
42. The Authority is still in the process of evaluating the impact which upcoming GASB pronouncements may have on the financial statements of the Authority:
- a. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
  - b. GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*.
  - c. GASB Statement No. 99, *Omnibus 2020*.
  - d. GASB Statement No. 100, *Accounting Changes and Error Corrections*.
  - e. GASB Statement No. 101, *Compensated Absences*.
43. The Authority has sufficient and appropriate evidence to support the underlying adjustments that have been made to restate beginning net position.
44. The Authority's retirement plan (the Plan) is a self-administered program established to pay retirement, disability and survivor income to employees and their survivors to supplement similar benefits that employees receive from the FSM Social Security System. Management is of the opinion that the Plan does not represent an asset or a liability of the Authority.
45. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Very truly yours,



Grilly Jack  
General Manager



Ritchie Joy Valencia  
Comptroller

## Appendix A

### ADJUSTING JOURNAL ENTRIES

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-01 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	15,867.98		
2600	Deferred Inflow of Resources		15,867.98	
Journal Entry Totals		15,867.98	15,867.98	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-02 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	1,133.43		
4011	Lease Revenue-Land		1,133.43	-1,133.43
Journal Entry Totals		1,133.43	1,133.43	-1,133.43

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-03 - To reverse land lease income, reduce lease receivable, record interest revenue (09/30/2022)</b>				
4001	Land Leases	1,199.97		1,199.97
1011	Leases Receivable		1,077.79	
4411	Interest Revenue-Land		122.18	-122.18
Journal Entry Totals		1,199.97	1,199.97	1,077.79

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-04 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	531,457.90		
2600	Deferred Inflow of Resources		529,884.06	
3001	Retained Earnings, unappropriated		1,573.84	
Journal Entry Totals		531,457.90	531,457.90	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-05 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	21,266.25		
4011	Lease Revenue-Land		21,266.25	-21,266.25
Journal Entry Totals		21,266.25	21,266.25	-21,266.25

**ADJUSTING JOURNAL ENTRIES**

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-06 - To reverse land lease income, reduce lease receivable, record interest revenue (09/30/2022)</b>				
4011	Lease Revenue-Land	51,505.20		51,505.20
1011	Leases Receivable		2,502.72	
4411	Interest Revenue-Land		49,002.48	-49,002.48
	Journal Entry Totals	51,505.20	51,505.20	2,502.72

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-07 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	1,287,103.86		
2600	Deferred Inflow of Resources		1,150,851.09	
3001	Retained Earnings, unappropriated		136,252.77	
	Journal Entry Totals	1,287,103.86	1,287,103.86	0.00

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-08 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	51,339.08		
4011	Lease Revenue-Land		51,339.08	-51,339.08
	Journal Entry Totals	51,339.08	51,339.08	-51,339.08

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-09 - To reverse land lease income, lease receivable, record interest revenue, record advance payment (09/30/2022)</b>				
1011	Leases Receivable	144.68		
1011	Leases Receivable	1,652.33		
1101	Trade receivable	9,778.74		
4001	Land Leases	117,344.88		117,344.88
4411	Interest Revenue-Land		118,997.21	-118,997.21
4411	Interest Revenue-Land		9,923.42	-9,923.42
	Journal Entry Totals	128,920.63	128,920.63	-11,575.75

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-10 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	192,625.90		
2600	Deferred Inflow of Resources		54,278.24	
3001	Retained Earnings, unappropriated		138,347.66	
	Journal Entry Totals	192,625.90	192,625.90	0.00

**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-11 - To reduce deferred inflow of resources and recognize lease revenue. (09/30/2022).</b>				
2600	Deferred Inflow of Resources	31,016.14		
4011	Lease Revenue-Land		31,016.14	-31,016.14
	Journal Entry Totals	31,016.14	31,016.14	-31,016.14

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-12 - To reverse land lease income, lease receivable, record interest revenue, record advance payment (09/30/2022)</b>				
1101	Trade receivable	30,329.93		
4001	Land Leases	118,562.45		118,562.45
1011	Leases Receivable		105,042.56	
1011	Leases Receivable		28,525.28	
4411	Interest Revenue-Land		13,519.89	-13,519.89
4411	Interest Revenue-Land		1,804.65	-1,804.65
	Journal Entry Totals	148,892.38	148,892.38	103,237.91

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-13 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	138,771.81		
2600	Deferred Inflow of Resources		136,814.18	
3001	Retained Earnings, unappropriated		1,957.63	
	Journal Entry Totals	138,771.81	138,771.81	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-14 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	29,317.33		
4011	Lease Revenue-Land		29,317.33	-29,317.33
	Journal Entry Totals	29,317.33	29,317.33	-29,317.33

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-15 - To reverse land lease income, lease receivable, record interest revenue, record advance payment (09/30/2022)</b>				
1101	Trade receivable	9,180.00		
4001	Land Leases	36,720.00		36,720.00
1011	Leases Receivable		24,368.71	
1011	Leases Receivable		6,600.96	
4411	Interest Revenue-Land		12,351.29	-12,351.29
4411	Interest Revenue-Land		2,579.04	-2,579.04
	Journal Entry Totals	45,900.00	45,900.00	21,789.67



**ADJUSTING JOURNAL ENTRIES****AJE-2022-16 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)**

1011	Leases Receivable	60,858.26		
2600	Deferred Inflow of Resources		60,858.26	
	Journal Entry Totals	60,858.26	60,858.26	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
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**AJE-2022-17 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)**

2600	Deferred Inflow of Resources	27,893.37		
4011	Lease Revenue-Land		27,893.37	-27,893.37
	Journal Entry Totals	27,893.37	27,893.37	-27,893.37

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
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**AJE-2022-18 - To reverse land lease income, lease receivable, record interest revenue, record outstanding (09/30/2022)**

1011	Leases Receivable	2,503.22		
4001	Land Leases	30,657.00		30,657.00
4411	Interest Revenue-Land	283.78		283.78
1011	Leases Receivable		26,507.18	
1101	Trade receivable		2,787.00	
4411	Interest Revenue-Land		4,149.82	-4,149.82
	Journal Entry Totals	33,444.00	33,444.00	26,790.96

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
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**AJE-2022-19 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)**

1011	Leases Receivable	90,377.34		
2600	Deferred Inflow of Resources		83,911.40	
3001	Retained Earnings, unappropriated		6,465.94	
	Journal Entry Totals	90,377.34	90,377.34	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
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**AJE-2022-20 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022).**

2600	Deferred Inflow of Resources	19,743.86		
4011	Lease Revenue-Land		19,743.86	-19,743.86
	Journal Entry Totals	19,743.86	19,743.86	-19,743.86

**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-21 - To reverse land lease income, lease receivable, record interest revenue, record outstanding (09/30/2022)</b>				
1011	Leases Receivable	3,151.05		
4001	Land Leases	25,794.00		25,794.00
4411	Interest Revenue-Land	1,147.95		1,147.95
1011	Leases Receivable		18,201.14	
1101	Trade receivable		4,299.00	
4411	Interest Revenue-Land		7,592.86	-7,592.86
Journal Entry Totals		30,093.00	30,093.00	19,349.09

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-22 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	25,227.45		
2600	Deferred Inflow of Resources		25,227.45	
Journal Entry Totals		25,227.45	25,227.45	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-23 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	4,451.90		
4011	Lease Revenue-Land		4,451.90	-4,451.90
Journal Entry Totals		4,451.90	4,451.90	-4,451.90

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-24 - To reverse land lease income, lease receivable, record interest revenue, record advance payment (09/30/2022)</b>				
1101	Trade receivable	1,800.00		
4001	Land Leases	5,400.00		5,400.00
1011	Leases Receivable		3,766.26	
1011	Leases Receivable		1,314.31	
4411	Interest Revenue-Land		1,633.74	-1,633.74
4411	Interest Revenue-Land		485.69	-485.69
Journal Entry Totals		7,200.00	7,200.00	3,280.57

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-25 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	52,940.07		
2600	Deferred Inflow of Resources		52,940.07	
Journal Entry Totals		52,940.07	52,940.07	0.00

**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-26 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	1,928.28		
4011	Lease Revenue-Land		1,928.28	-1,928.28
	Journal Entry Totals	1,928.28	1,928.28	-1,928.28

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-27 - To reverse land lease income, lease receivable, record interest revenue (09/30/2022)</b>				
4001	Land Leases	4,978.00		4,978.00
1011	Leases Receivable		83.80	
4411	Interest Revenue-Land		4,894.20	-4,894.20
	Journal Entry Totals	4,978.00	4,978.00	83.80

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-28 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	196,082.47		
2600	Deferred Inflow of Resources		195,501.80	
3001	Retained Earnings, unappropriated		580.67	
	Journal Entry Totals	196,082.47	196,082.47	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-29 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022).</b>				
2600	Deferred Inflow of Resources	7,846.23		
4011	Lease Revenue-Land		7,846.23	-7,846.23
	Journal Entry Totals	7,846.23	7,846.23	-7,846.23

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-30 - To reverse land lease income, lease receivable, record interest revenue (09/30/2022)</b>				
4001	Land Leases	19,002.96		19,002.96
1011	Leases Receivable		923.40	
4411	Interest Revenue-Land		18,079.56	-18,079.56
	Journal Entry Totals	19,002.96	19,002.96	923.40

**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-31 - To record lease receivable and deferred inflow of resources at implementation date (09/30/2022)</b>				
1011	Leases Receivable	8,521.90		
2600	Deferred Inflow of Resources		7,207.63	
3001	Retained Earnings, unappropriated		1,314.27	
	Journal Entry Totals	8,521.90	8,521.90	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-32 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	1,153.22		
4012	Lease Revenue-Space		1,153.22	-1,153.22
	Journal Entry Totals	1,153.22	1,153.22	-1,153.22

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-33 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
4002	Space Rental	1,800.00		1,800.00
1011	Leases Receivable		1,056.58	
4412	Interest Revenue-Space		743.42	-743.42
	Journal Entry Totals	1,800.00	1,800.00	1,056.58

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-34 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	27,029.53		
2600	Deferred Inflow of Resources		24,251.46	
3001	Retained Earnings, unappropriated		2,778.07	
	Journal Entry Totals	27,029.53	27,029.53	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-35 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	9,700.59		
4012	Lease Revenue-Space		9,700.59	-9,700.59
	Journal Entry Totals	9,700.59	9,700.59	-9,700.59

## ADJUSTING JOURNAL ENTRIES

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-36 - To reverse space rental income, lease receivable, record interest revenue, record outstanding (09/30/2022)</b>				
1011	Leases Receivable	875.19		
4002	Space Rental	12,150.00		12,150.00
4412	Interest Revenue-Space	137.31		137.31
1011	Leases Receivable		10,071.93	
1101	Trade receivable		1,012.50	
4412	Interest Revenue-Space		2,078.07	-2,078.07
Journal Entry Totals		13,162.50	13,162.50	10,209.24

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-37 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	8,343.36		
2600	Deferred Inflow of Resources		8,343.36	
Journal Entry Totals		8,343.36	8,343.36	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-38 - To reduce deferred inflow of resources and recognize lease revenue. (09/30/2022).</b>				
2600	Deferred Inflow of Resources	575.40		
4012	Lease Revenue-Space		575.40	-575.40
Journal Entry Totals		575.40	575.40	-575.40

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-39 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
4002	Space Rental	644.24		644.24
1011	Leases Receivable		517.74	
4412	Interest Revenue-Space		126.50	-126.50
Journal Entry Totals		644.24	644.24	517.74

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-40 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	28,916.16		
2600	Deferred Inflow of Resources		25,753.26	
3001	Retained Earnings, unappropriated		3,162.90	
Journal Entry Totals		28,916.16	28,916.16	0.00

**ADJUSTING JOURNAL ENTRIES**

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-41 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	11,037.11		
4012	Lease Revenue-Space		11,037.11	-11,037.11
	Journal Entry Totals	11,037.11	11,037.11	-11,037.11

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-42 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
4002	Space Rental	13,824.00		13,824.00
1011	Leases Receivable		11,636.78	
4411	Interest Revenue-Land		2,187.22	-2,187.22
	Journal Entry Totals	13,824.00	13,824.00	11,636.78

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-43 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	23,159.58		
2600	Deferred Inflow of Resources		20,895.72	
3001	Retained Earnings, unappropriated		2,263.86	
	Journal Entry Totals	23,159.58	23,159.58	0.00

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-44 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	8,358.29		
4012	Lease Revenue-Space		8,358.29	-8,358.29
	Journal Entry Totals	8,358.29	8,358.29	-8,358.29

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-45 - To reverse space rental income, lease receivable, record interest revenue, record advance payment (09/30/2022)</b>				
1101	Trade receivable	11.70		
4002	Space Rental	10,456.62		10,456.62
1011	Leases Receivable		8,679.72	
1011	Leases Receivable		6.07	
4412	Interest Revenue-Space		1,776.90	-1,776.90
4412	Interest Revenue-Space		5.63	-5.63
	Journal Entry Totals	10,468.32	10,468.32	8,674.09

**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-46 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	15,962.46		
2600	Deferred Inflow of Resources		15,962.46	
	Journal Entry Totals	15,962.46	15,962.46	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-47 - To reduce deferred inflow of resources and recognize lease revenue. (09/30/2022).</b>				
2600	Deferred Inflow of Resources	7,981.23		
4012	Lease Revenue-Space		7,981.23	-7,981.23
	Journal Entry Totals	7,981.23	7,981.23	-7,981.23

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-48 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
4002	Space Rental	8,772.00		8,772.00
1011	Leases Receivable		7,614.17	
4412	Interest Revenue-Space		1,157.83	-1,157.83
	Journal Entry Totals	8,772.00	8,772.00	7,614.17

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-49 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	24,003.61		
2600	Deferred Inflow of Resources		22,178.01	
3001	Retained Earnings, unappropriated		1,825.60	
	Journal Entry Totals	24,003.61	24,003.61	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-50 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	7,003.58		
4012	Lease Revenue-Space		7,003.58	-7,003.58
	Journal Entry Totals	7,003.58	7,003.58	-7,003.58

**ADJUSTING JOURNAL ENTRIES**

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-51 - To reverse space rental income, lease receivable, record interest revenue, record outstanding and reclass allowances (09/30/2022)</b>				
1011	Leases Receivable	2,926.22		
1102	Allow. D/A - trade rec.	1,462.00		
4002	Space Rental	8,772.00		8,772.00
4412	Interest Revenue-Space	728.78		728.78
1011	Leases Receivable		6,838.88	
1012	ADA-Lease Receivables		1,462.00	
1101	Trade receivable		3,655.00	
4412	Interest Revenue-Space		1,933.12	-1,933.12
	Journal Entry Totals	13,889.00	13,889.00	7,567.66

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-52 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	21,732.03		
2600	Deferred Inflow of Resources		21,732.03	
	Journal Entry Totals	21,732.03	21,732.03	0.00

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-53 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	7,107.34		
4012	Lease Revenue-Space		7,107.34	-7,107.34
	Journal Entry Totals	7,107.34	7,107.34	-7,107.34

<u>Account Number</u>	<u>Account Name</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>P (-) &amp; L (+) Effect</u>
<b>AJE-2022-54 - To reverse space rental income, lease receivable, record interest revenue, record outstanding (09/30/2022)</b>				
1011	Leases Receivable	1,177.90		
4002	Space Rental	8,528.52		8,528.52
4412	Interest Revenue-Space	243.52		243.52
1011	Leases Receivable		6,803.84	
1101	Trade receivable		1,421.42	
4412	Interest Revenue-Space		1,724.68	-1,724.68
	Journal Entry Totals	9,949.94	9,949.94	7,047.36



**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-55 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	9,957.43		
2600	Deferred Inflow of Resources		9,957.43	
	Journal Entry Totals	9,957.43	9,957.43	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-56 - To reduce deferred inflow of resources and recognize lease revenue. (09/30/2022).</b>				
2600	Deferred Inflow of Resources	4,563.82		
4012	Lease Revenue-Space		4,563.82	-4,563.82
	Journal Entry Totals	4,563.82	4,563.82	-4,563.82

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-57 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
1011	Leases Receivable	397.19		
1102	Allow. D/A - trade rec.	456.00		
4002	Space Rental	5,016.00		5,016.00
4412	Interest Revenue-Space	58.81		58.81
1011	Leases Receivable		4,337.02	
1012	ADA-Lease Receivables		456.00	
1101	Trade receivable		456.00	
4412	Interest Revenue-Space		678.98	-678.98
	Journal Entry Totals	5,928.00	5,928.00	4,395.83

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-58 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	65,465.75		
2600	Deferred Inflow of Resources		65,465.75	
	Journal Entry Totals	65,465.75	65,465.75	0.00

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-59 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	32,732.88		
4012	Lease Revenue-Space		32,732.88	-32,732.88
	Journal Entry Totals	32,732.88	32,732.88	-32,732.88

**ADJUSTING JOURNAL ENTRIES**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-60 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
4002	Space Rental	35,976.00		35,976.00
1011	Leases Receivable		31,227.47	
4412	Interest Revenue-Space		4,748.53	-4,748.53
Journal Entry Totals		35,976.00	35,976.00	31,227.47

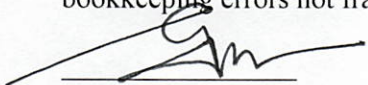
Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-61 - To record lease receivable and deferred inflow of resources at implementation date (10/01/2021)</b>				
1011	Leases Receivable	229,744.95		
2600	Deferred Inflow of Resources		229,744.95	
Journal Entry Totals		229,744.95	229,744.95	0.00

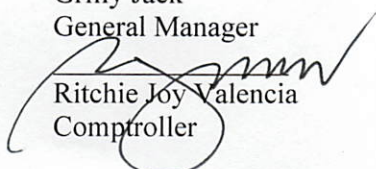
Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-62 - To reduce deferred inflow of resources and recognize lease revenue (09/30/2022)</b>				
2600	Deferred Inflow of Resources	62,846.92		
4012	Lease Revenue-Space		62,846.92	-62,846.92
Journal Entry Totals		62,846.92	62,846.92	-62,846.92

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-63 - To reverse space rental income, lease receivable, record interest revenue (09/30/2022)</b>				
4002	Space Rental	82,105.20		82,105.20
1011	Leases Receivable		63,522.23	
4412	Interest Revenue-Space		18,582.97	-18,582.97
Journal Entry Totals		82,105.20	82,105.20	63,522.23

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
<b>AJE-2022-64 - To correct beginning retained earnings. (09/30/2022)</b>				
1411	Acc. Dep. - Airport Improvements	2,679.30		
3001	Retained Earnings, unappropriated		2,679.30	
Journal Entry Totals		2,679.30	2,679.30	0.00

The above adjustments were discussed with management of the authority and were the result of bookkeeping errors not fraud. Based on our discussions with the auditor we agree to record them.

  
Grilly Jack  
General Manager

  
Ritchie Joy Valencia  
Comptroller

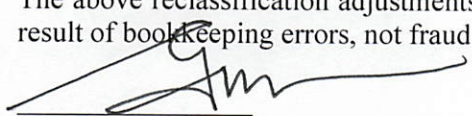
Appendix B

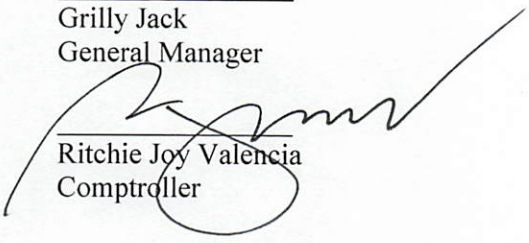
**RECLASSIFICATION ADJUSTING JOURNAL ENTRIES**

**RJE-2022-01 – To reclassify the current portion of long-term lease receivables. (09/30/2022).**

<b>Account Number</b>	<b>Account Name</b>	<b>Debit Amount</b>	<b>Credit Amount</b>	<b>P (-) &amp; L (+) Effect</b>
1104	Lease Receivables, Current	332,482.44		
1011	Leases Receivable, Non-Current		332,482.44	
	Journal Entry Totals	332,482.44	332,482.44	

The above reclassification adjustments were discussed with the management of the authority and were the result of bookkeeping errors, not fraud. Based on our discussions with the auditor we agree to record them.

  
Grilly Jack  
General Manager

  
Ritchie Joy Valencia  
Comptroller

Appendix C

**PASSED ADJUSTING JOURNAL ENTRIES**

**PAJE 001 - To correct FY22 depreciation expense based on recalculation.**

Account Number	Account Name	Debit Amount	Credit Amount	P (-) & L (+) Effect
5601	Depreciation	5851.00		
1403	Acc. Dep. - Runway		591.00	
1409	Acc. Dep. - Airport Terminal	74.00		
1411	Acc. Dep. - Airport Improvements	115.00		
1413	Acc. Dep. - Buildings and Improvements		1629.00	
1417	Acc. Dep. - Dock and Harbor	29.00		
1423	Acc. Dep. - Machinery and Equipment		674.00	
1425	Acc. Dep. - Computer Units/Softwares	53.00		
1429	Acc. Dep. - Heavy Machinery		2486.00	
1431	Acc. Dep. - Service Vehicles	95.00		
1435	Acc. Dep. - Furnitures & Fixtures		406.00	
1439	Acc. Dep'n.- Road Improvement	28.00		
1444	Acc. dep'n.- Other Assets		414.00	
1446	Acc. dep. - Airport Runway Marking Project		201.00	
1448	Acc. Dep. - Office Vehicle	156.00		
Journal Entry Totals		6,401.00	6,401.00	

**PAJE 002 - To correct the cost basis of funded assets**

1428	Heavy Machinery	2,179.79		
1428	Heavy Machinery	5,290.12		
1428	Heavy Machinery	9,664.27		
1428	Heavy Machinery	9,664.27		
1428	Heavy Machinery	2,179.79		
1428	Heavy Machinery	2,179.79		
5601	Depreciation	2,235.45		
1429	Acc. Dep. - Heavy Machinery		2,235.45	
4352	OIA Grants		31,158.03	
Journal Entry Totals		33,393.48	33,393.48	

**Total:**

**39,794.48      39,794.48**