



# FEDERATED STATES OF MICRONESIA

*Office of The National Public Auditor*

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Monday, July 02, 2007

His Excellency Manny Mori, FSM President  
Honorable Johnny David, Governor of Pohnpei State  
Honorable Wesley Simina, Governor of Chuuk State  
Honorable Sebastian Anefal, Governor of Yap State  
Honorable Robert Weilbacher, Governor of Kosrae State

Dear Mr. President and Mr. Governors:

The following is the report on the status of the 2006 Single Audit for FSM as of June 30, 2007, based on information we received from Deloitte & Touche, and only for the unfinished entities. The audits for all other entities not listed below have already been done.

The deadline for the FY-06 single audit was on June 30, 2007. The Acting Secretary for the Department of Finance & Administration has requested the Office of Insular Affairs for a one month extension until July 31, 2007 in order to complete the National Government and Chuuk State's single audits.

## **KOSRAE STATE:**

Micronesian Petroleum Corporation: This audit is basically complete and the numbers agreed. The Management Discussion & Analysis (MD&A) has been pending since May and we received that document late this past week. Other than proofing the MD & A, we are pending only the representation letter and our updates of subsequent events to issuance date.

## **POHNPEI STATE:**

Pohnpei Housing Authority: The draft has been provided and the numbers have been agreed and we are awaiting management responses to the findings and recommendations. Once we receive those responses, we will request for the representation letter and will perform an update of subsequent events.

Pohnpei Fisheries Corporation: The draft has been provided and the numbers have been agreed and we are pending only providing the entity with the final representation letter.

## CHUUK STATE GOVERNMENT

Chuuk State Government: We have provided a draft of the financial statements to State management. On June 14, 2007, the State provided us with a material adjustment that reduced expenditure totals of the Schedule of Expenditures of Federal Awards. That adjustment caused another program to become major. We have provided the State with our request list for this program (Special Education) and an auditor will be on site this week to perform requisite procedures. We are also pending the State's MD & A, their agreement with the financial statements and other closing documents. We are also pending resolution of certain matters associated with various Compact Capital related transactions that occurred during the year.

Chuuk Public Utilities Corporation: We received the trial balance from this entity on or around June 14. We will provide a ~~draft to~~ management this next week and will then be pending their MD & A and the finalization process. We expect that this report will be issued prior to July 31.

Chuuk Health Care Plan: The audit is basically completed and we are going through the finalization process with management; primarily, pending the receipt of their responses to audit findings.

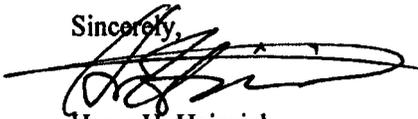
## FSM NATIONAL GOVERNMENT

FSM National Government: We have provided a draft of the audit report and management is proceeding on audit resolution. It is expected that once the Chuuk State Schedule of Expenditures is verified again, we will be able to add that information in with the National Government's and finalization of these reports will occur.

National Fisheries Corporation: The audit is approximately 75% complete and we expect that this report will be ready to be included within the National Government upon its issuance.

The final audit reports for the entities whose FY'06 audits have already been completed are posted on the FSM Public Auditor's website at [www.fsmpublicauditor.fm](http://www.fsmpublicauditor.fm). Should you have any question concerning the above, please contact me at the addresses above.

Sincerely,



Haser H. Hainrick  
National Public Auditor:

xc: FSM Vice President  
Speaker of FSM Congress  
Speaker of Pohnpei Legislature  
Speaker and President of Chuuk Senate & House of Representative  
Speaker of Yap Legislature  
Speaker of Kosrae Legislature  
Director, Office of Compact Management  
All Finance Secretary/Directors (I. Joseph, F. Perman, M. Laaw, W. Bisalen)  
All State Auditors (G. Gootinan, A. Leben, M. Tosie)