



BURGER · COMER · & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

September 14, 2026

The Board of Directors
Pohnpei Utilities Corporation:

We have audited the financial statements of Pohnpei Utilities Corporation (PUC), a component unit of the Pohnpei State Government, as of and for the year ended September 30, 2024, and have issued our report thereon dated September 14, 2026. Professional standards require that we communicate certain matters related to the conduct of the audit to those charged with governance. This letter presents those required communications and other matters that we believe will assist the Board of Directors in fulfilling its oversight responsibilities for PUC's financial reporting process.

We appreciate the cooperation and assistance provided by PUC's management and staff during the audit.

Respectfully,

Tamuning, Guam

cc: Management of Pohnpei Utilities Corporation

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Our Responsibilities Under Generally Accepted Auditing Standards and Government Auditing Standards

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The objectives of our audit were:

- To express an opinion on whether PUC's statement of net position as of September 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- To apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America; and
- To report on PUC's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

Our responsibilities include forming and expressing an opinion about whether the financial statements, which have been prepared by management with the oversight of the Board of Directors, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The audit 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 professional judgment, including our assessment of the risks of material misstatement, whether caused by fraud or error. In making those risk assessments, we considered internal control over financial reporting relevant to PUC'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 PUC's internal control over financial reporting. Accordingly, we do not express such an opinion. Our consideration of internal control was not designed to identify all deficiencies that might be material weaknesses or significant deficiencies.

We previously communicated to the Board of Directors the planned scope and timing of the audit, including the significant risks identified during audit planning, in our engagement letter dated November 20, 2025. There were no significant changes to the planned scope or timing of the audit, except as otherwise communicated to the Board during the audit.

We issued an unmodified opinion on PUC's financial statements. We also issued a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*. There were no circumstances that significantly affected the planned form or content of our auditors' reports.

Independence

We are required to communicate any relationships between our firm and PUC that, in our professional judgment, may reasonably be thought to bear on our independence. We are not aware of any such relationships that have not been previously communicated. We have complied with the applicable ethical requirements regarding independence and with the independence requirements of *Government Auditing Standards*. As permitted by professional standards, we assisted management in preparing the financial statements and related notes based on information provided by management. Management accepted responsibility for the financial statements, designated an individual with suitable skill, knowledge, or experience to oversee the service, evaluated the adequacy and results of the service, and accepted responsibility for the results. We applied appropriate safeguards to reduce any threats to independence to an acceptable level.

Significant Audit Matters

Qualitative Aspects of Significant Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PUC are described in Note 2 to the financial statements. Except for the implementation of the GASB pronouncements described below, no new significant accounting policies were adopted and the application of existing significant accounting policies was not changed during 2024. We noted no significant unusual transactions or transactions for which authoritative guidance or consensus was lacking.

During the year ended September 30, 2024, PUC implemented the applicable provisions of GASB Statement No. 99, *Omnibus 2022*, and GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of these statements did not have a material effect on PUC's financial statements.

Management is evaluating the effects of the following pronouncements that were not yet effective for PUC's fiscal year ended September 30, 2024:

- GASB Statement No. 101, Compensated Absences;
- GASB Statement No. 102, Certain Risk Disclosures;
- GASB Statement No. 103, Financial Reporting Model Improvements;
- GASB Statement No. 104, Disclosure of Certain Capital Assets; and
- GASB Statement No. 105, Subsequent Events.

We evaluated the significant qualitative aspects of PUC's accounting practices, including accounting policies, accounting estimates, and financial statement disclosures. We concluded that the significant accounting policies are appropriate, adequately disclosed, and consistently applied.

Management Judgment and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's judgments. Those judgments ordinarily are based on knowledge and experience about past and current events and assumptions about future events.

Significant accounting estimates reflected in PUC's financial statements include:

- Management's estimate of the allowance for uncollectible accounts, based on historical collection experience and the aging of accounts.
- Management's estimate of depreciation expense, based on the estimated useful lives of capital assets.
- Management's estimate of back-billing receivables and related revenue, which is based on available customer usage and billing information, corrected meter data and multipliers, applicable utility rates, affected billing periods, and customer payment agreements.

We identified no significant changes in accounting estimates or in management's judgments relating to those estimates during the year ended September 30, 2024. We evaluated the key factors and assumptions used to develop the estimates and determined that they were reasonable in relation to the financial statements taken as a whole.

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

Corrected Misstatements and Reclassification Adjustments

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. As a result of our audit procedures, we identified certain misstatements that were brought to management's attention and corrected in the 2024 financial statements. The corrected misstatements and reclassifications are summarized in **Appendices A** and **B** to Attachment II.

Uncorrected Misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate uncorrected misstatements to those charged with governance. The uncorrected misstatements summarized in **Appendix C** were presented to management. Management concluded that their effects are immaterial, individually and in the aggregate, to the financial statements taken as a whole. In our judgment, the effects of the uncorrected misstatements are immaterial, individually and in the aggregate, to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

For purposes of this communication, 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. No such disagreements arose during our audit.

Management Representations

We requested certain representations from management that are included in the management representation letter dated September 14, 2026.

Management Consultations with Other Independent Accountants

To our knowledge, management did not consult with other independent accountants regarding the application of an accounting principle to PUC's financial statements or the type of auditor's opinion that might be expressed on the financial statements.

Other Significant Findings or Issues

Except for the matters communicated elsewhere in this letter, there were no other significant financial reporting or audit matters discussed, or subject to significant correspondence, with management during the audit. The matters discussed with management in the normal course of the audit were not conditions of our retention.

Internal Control and Compliance Matters

We issued a separate report dated September 14, 2026, on PUC's internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

During our audit, we identified certain deficiencies in internal control over financial reporting and other matters that are presented in **Attachment I** for the consideration of the Board of Directors and management.

Management's responsibility for establishing and maintaining internal control over financial reporting and the objectives and inherent limitations of internal control are described in **Attachment II**, which should be read in conjunction with this communication.

Restriction on Use

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

Attachment I—Deficiencies in Internal Control and Other Matters

During our audit, we identified certain deficiencies in internal control and other matters that are presented below for the consideration of the Board of Directors and management. These matters provide opportunities to strengthen internal controls, improve financial reporting processes, and enhance operational practices.

Our audit was not designed to identify all deficiencies in internal control or other matters that may exist. Accordingly, additional deficiencies or other matters may exist that were not identified during our audit.

1. Allowance for Uncollectible Accounts

Comment: PUC's allowance for uncollectible accounts at September 30, 2024, did not adequately reflect available customer payment history, aging information, and collection trends. Management recorded an audit adjustment of \$208,528, to increase the allowance.

Recommendation: PUC should implement a policy requiring at least an annual review of customer payment history and collection trends. Adjustments to the allowance should be made in a timely manner to ensure receivables are stated at net realizable value throughout the year.

2. Accounts Receivable

Comment: The subsidiary ledger contains significant inactive receivable balances totaling approximately \$2.80 million as of September 30, 2024, for which an adequate allowance has been recorded..

Recommendation: PUC should formally review these inactive receivable accounts with the Board of Directors and determine which balances are uncollectible. A policy for periodic write-off of accounts deemed uncollectible should be adopted to maintain an accurate accounts receivable ledger.

3. Bank Reconciliations

Comments:

a. Untimely Preparation and Submission of Bank Reconciliations

Bank reconciliation schedules were provided to the auditors on a delayed and piecemeal basis between April and June 2026. The significant delay indicates that bank reconciliations were not prepared and reviewed on a timely basis. The lack of timely reconciliation and review reduces the effectiveness of bank reconciliations as a key control over cash and increases the risk that errors, unauthorized transactions, or other discrepancies may not be identified and resolved promptly.

3. Bank Reconciliations, continued

Comments: (continued)

b. Lack of Bank Reconciliations and Supporting Documentation

PUC did not prepare bank reconciliations for certain cash accounts. Management indicated that the servicing bank does not issue periodic bank statements for these accounts and that personnel obtain account balance information by contacting the bank directly. However, the general ledger balances for these accounts were not updated at year-end, and no documented reconciliations were prepared to identify, investigate, and resolve the resulting differences. The aggregate bank balance for these accounts was \$649,077, with an aggregate unreconciled difference of \$6,351.

Consequently, differences between the bank-reported balances and the general ledger remained unreconciled at year-end. The absence of documented reconciliations and independent supporting documentation increases the risk that errors or differences in recorded cash balances may not be identified, investigated, and corrected on a timely basis.

c. Inaccurate and Unclear Reconciling Items

Our review of the bank reconciliations disclosed that certain items included in the reconciliation had already been recorded in the general ledger as of September 30, 2024, while other items could not be readily traced to the general ledger. Management indicated that certain previously recorded items were intentionally retained on the reconciliation for tracking purposes.

The inclusion of previously recorded transactions, unresolved items, and memorandum information within the reconciliation reduces the clarity and reliability of the reconciliation process. Reconciling items should represent valid differences between the bank balance and the general ledger balance as of the reconciliation date and should be supported, investigated, and cleared when resolved. Items maintained solely for tracking purposes should be separately identified and should not affect the reconciliation calculation.

This condition indicates that controls over the preparation and review of bank reconciliations were not sufficient to ensure that reconciling items were valid, properly classified, supported, and timely cleared. As a result, errors or unresolved differences in cash balances may not be readily identified and corrected.

d. Lack of Monitoring Over Stale-Dated Checks

Audit procedures identified outstanding and stale-dated checks. Inquiry with management confirmed that PUC has not established formal procedures for the periodic review, cancellation, reissuance, or other appropriate disposition of stale-dated checks.

As a result, long-outstanding checks are not routinely evaluated to determine whether they remain valid or whether further action is required. The absence of a formal review and monitoring process increases the risk that stale-dated checks and the related outstanding liabilities may remain on PUC's records without timely investigation and resolution.

3. Bank Reconciliations, continued

Recommendations:

- a. Timely Preparation and Review of Bank Reconciliations
Require bank reconciliations for all cash accounts to be prepared monthly, preferably within 30 days after month-end. Each reconciliation should be independently reviewed, approved, and dated by an authorized employee. Management should monitor compliance and promptly investigate delays.
- b. Preparation and Documentation of Bank Reconciliations
Obtain periodic bank statements or other official account-balance documentation directly from the servicing banks for every cash account. When regular statements are unavailable, PUC should arrange for written bank confirmations, transaction histories, or other reliable documentation. All recorded cash balances should be reconciled to independent bank records, and identified variances should be investigated, documented, and resolved promptly.
- c. Review and Resolution of Reconciling Items
We recommend that PUC strengthen its bank reconciliation procedures by requiring all reconciling items to be supported, properly classified, and reviewed for validity. Items that have already been recorded in the general ledger should be removed from the reconciliation, and unresolved items should be investigated and cleared on a timely basis. Information retained solely for tracking purposes should be separately identified and excluded from the reconciliation calculation.
- d. Monitoring of Stale-Dated Checks
We recommend that PUC establish Board-approved procedures for monitoring and resolving stale-dated disbursement checks. The procedures should require periodic review, documented follow-up with payees, proper cancellation or reissuance, and restoration of the related liability when the obligation remains valid. All actions taken should be properly approved and documented.

4. Cash Disbursements

Comment: Based on the procedures performed over the cash disbursements sampled, the transactions were generally supported by appropriate documentation, properly authorized, and accurately recorded in the accounting records. However, we noted that PUC does not maintain a controlled, sequential purchase order numbering process. Purchase order numbers are generated using an Excel-based process that does not include controls to ensure that each purchase order is assigned a unique sequential number or to identify duplicate or missing numbers. As a result, we identified two separate transactions that were assigned the same purchase order number.

4. Cash Disbursements, continued

Comment, (continued): Although the duplication did not result in an identified misstatement, the absence of a controlled, sequential numbering process represents a deficiency in internal control over purchase order issuance and tracking. This condition increases the risk that duplicate or missing purchase orders may not be timely identified, transactions may be processed or referenced incorrectly, and the completeness and reliability of the purchase order audit trail may be compromised.

Recommendation: We recommend that PUC establish a controlled, sequential purchase order numbering process to ensure that each purchase order is assigned a unique number. Management should periodically review the purchase order sequence for duplicate or missing numbers and investigate any exceptions identified.

5. Revenue

Comment: Based on the procedures performed, postpaid utility revenue was generally supported by appropriate documentation, properly classified, and recorded in the accounting records. However, we identified one exception involving postpaid water billing.

The customer's meter was buried and inaccessible, so PUC carried forward the prior meter reading as the current reading. Although PUC continued issuing recurring monthly bills using the \$5 minimum charge, updated actual readings were not obtained for an extended period. Consequently, the customer was billed only the minimum amount rather than the applicable usage-based charges through June 2025. The meter was later uncovered, determined to be defective, and replaced in August 2025.

Although this exception was identified in only one account tested, it indicates a control deficiency in PUC's process for identifying, documenting, escalating, and resolving inaccessible or defective water meters. Without timely and reliable meter readings, actual consumption and related revenue may not be accurately measured and billed.

Recommendation: We recommend that PUC establish and enforce procedures for meters that are inaccessible or defective. Meter readers should document the condition and promptly notify the appropriate supervisor, while operations personnel should initiate and track work orders for access, repair, or replacement. Billing personnel should review accounts receiving repeated \$5 minimum charges and apply an approved billing or estimation method, consistent with PUC's tariff, when reliable meter readings are unavailable. PUC should also evaluate any resulting underbilling for appropriate collection or adjustment.

6. Subsequent Cash Disbursements

Comment: During subsequent cash disbursement testing, two instances were identified where payments processed after year-end indicated that related liabilities existed as of September 30, 2024, but were not recorded in the general ledger.

a. Contract Execution Payment

We reviewed a subsequent payment representing a 50% down payment on a contract valued at \$799,344. The contract agreement was fully executed in August 2024, and under the terms of the agreement, a 50% down payment of \$399,672 became due upon execution of the contract.

The payment obligation arose before September 30, 2024; however, the related liability was not identified and recorded as part of PUC's year-end closing process. Management subsequently recorded an adjusting journal entry to recognize the liability.

b. Progress Billing

We also reviewed a subsequent payment supported by an internal payment request dated December 20, 2024, and a vendor invoice dated September 3, 2024. Under the contract terms, 80% of the contract price was payable upon progress billing.

Based on our review of the supporting documentation and inquiry with management, the related contract services were fully performed before September 30, 2024. Accordingly, the related liability existed at year-end but was not identified and accrued in the general ledger. Management subsequently recorded an adjusting journal entry to recognize the liability.

These exceptions indicate that PUC's year-end accounts payable and cutoff procedures were not sufficient to ensure that liabilities arising from executed contracts, vendor invoices, and services received before year-end were completely identified and recorded in the proper reporting period. This deficiency increases the risk that accounts payable and related expenses or assets may be understated at year-end.

Recommendation: We recommend that PUC strengthen its year-end accounts payable and cutoff procedures by reviewing outstanding contracts, progress billings, purchase orders, vendor invoices, and subsequent payments to identify unrecorded liabilities. All necessary accruals should be recorded in the proper reporting period, supported by appropriate documentation, and independently reviewed.

7. General Journal Entry Documentation

Comment: PUC does not have established policies requiring the retention of documentation for adjusting journal entries. As a result, there is limited evidence of review, approval, or the underlying support for such entries. The absence of documented preparation, support, review, and approval increases the risk that unauthorized, inaccurate, or unsupported journal entries may be recorded without timely detection.

7. General Journal Entry Documentation, continued

Recommendation: To strengthen internal controls and facilitate future audits, PUC should implement policies requiring:

1. Retention of signed and dated copies (physical or electronic) of all adjusting journal entries by both the preparer and reviewer.
2. Retention of supporting documentation for each journal entry, including narrative explanations for non-recurring or corrective adjustments.

Narrative explanations beyond the entry description in the accounting system (SAGE) are not necessary for recurring operational adjustments (e.g., revenue or depreciation). However, they should be documented for corrections or unusual transactions. In addition, management should compile an annual report of all adjusting entries, organized by date or entry number to verify that postings are complete and properly supported. This report should be retained for year-end audit purposes.

8. Advances from Pohnpei State

Comment: Under the memorandum of agreement dated November 16, 2021, PUC was required to remit a \$150,000 down payment to the State of Pohnpei upon signing, followed by four annual installment payments of \$150,000 each. As of September 30, 2024, no payments had been made. Management indicated that insufficient cash flows during the fiscal year prevented compliance with the payment terms.

Recommendation: PUC should develop a repayment plan and, when cash flows allow, ensure compliance with the terms of the agreement. Establishing a structured schedule and monitoring mechanism will help PUC meet its obligations in a timely manner and maintain good standing with the State.

9. Internal Policies and Procedures

Comment: PUC's accounting policies and procedures manual has not been updated since fiscal year 1993. As a result, the manual does not reflect current accounting standards, regulatory requirements, or PUC's present operating practices.

Recommendation: PUC should update its accounting policies and procedures manual to align with current accounting standards, internal control requirements, and organizational practices. The updated manual should be formally adopted by management and communicated to staff to ensure consistency and compliance across all financial operations.

10. Donated Inventory

Comment: Audit procedures identified inventory received through donations in prior years for which no amount was recorded in PUC's accounting system. Management did not retain sufficient documentation to establish the receipt dates and the amounts required under the applicable accounting requirements. Management is working to establish the receipt dates, quantities, condition, classification, and appropriate measurement of these items.

Recommendation: PUC should establish procedures to document donated inventory upon receipt, including the donor, receipt date, description, quantity, condition, applicable measurement basis, and supporting valuation evidence. For previously unrecorded donations, management should determine the amounts and periods affected, evaluate materiality, and record any required corrections. Donor cost and procurement records may provide supporting information but do not necessarily establish the appropriate amount for recognition by PUC.

11. Inventory Count

Comment: During PUC's annual FY24 inventory count, eight items observed during PUC's generation department had count differences. **Recounts were performed, and revised quantities were communicated to management.** In PUC's final inventory listing, one difference was corrected and seven remained uncorrected. The remaining differences were immaterial to PUC's inventory as a whole.

Recommendation: PUC should consider enhancing count support personnel for the generation department. PUC should require documented investigation and resolution of all count differences, approved adjustments to the inventory records, and independent verification that approved adjustments have been posted to the final inventory listing.

Attachment II—Management’s Responsibility for Internal Control

Management is responsible for establishing and maintaining effective internal control over financial reporting. In fulfilling this responsibility, management must make estimates and judgments to assess the expected benefits and related costs of internal control policies and procedures.

The objectives of internal control over financial reporting are to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Internal control includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of PUC’s assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures are made only in accordance with authorizations of management and the Board of Directors; and
- provide reasonable assurance regarding prevention, or timely detection, of unauthorized acquisition, use, or disposition of PUC’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with established policies and procedures may deteriorate.



POHNPEI UTILITIES CORPORATION

“Dedicated to Improving the Quality of Life on Pohnpei”

BOARD OF DIRECTORS

September 14, 2026

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

Joseph Felix, Jr.
Chairman

William Hawley
Vice-Chairman

Gardner Edgar
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Cindy Henry-Ehmes
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Member

Anthony John
Member

Nixon Anson
General Manager/CEO

This representation letter is provided in connection with your audit of the financial statements of the Pohnpei Utilities Corporation (PUC) which comprise the statements of net position, statements of revenue, expenses, and changes in net position and statements of cash flows for the years ended September 30, 2024 and 2023, 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 PUC 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. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 20, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include the properly classified funds as follows:

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- a. Components of net position—net investment in capital assets; restricted; and unrestricted.
 - b. 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.
 - c. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.
 - d. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position.
 - e. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
 - f. Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
 - g. Inventory quantities at the financial statement dates were determined from physical counts, which have been adjusted on the basis of physical inventories taken by competent employees during the year. Provisions have been made for losses to be sustained as a result of obsolescence.
 - h. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated, or amortized.
 - i. If applicable, financial instruments with significant individual or group concentration of credit risk have been appropriately identified, properly recorded, and disclosed in the financial statements.
 - j. We acknowledge our responsibility for the required supplementary information accompanying the basic financial statements. The required supplementary information, including management's discussion and analysis, has been prepared and fairly presented in accordance with applicable requirements of the Governmental Accounting Standards Board.
2. 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.
 3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
 4. The methods, significant assumptions, and data used in developing accounting estimates and related disclosures are appropriate and have been applied consistently. Significant judgments reflect all relevant information known to management, and the assumptions used appropriately reflect management's intent and ability to carry out specific courses of action. Related disclosures, including disclosures concerning estimation uncertainty, are complete and appropriate in accordance with U.S. GAAP. When necessary, management uses individuals with appropriate specialized skills or expertise.

5. 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.
6. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
7. Guarantees, whether written or oral, under which PUC is contingently liable, if any, have been properly recorded or disclosed.
8. We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements.
 - b) Unrestricted access to persons within PUC from whom you determined it necessary to obtain audit evidence.
 - c) All minutes of the meetings of the Board of Directors and its committees through the date of this letter, or summaries of actions of recent meetings up to date of this letter, for which minutes of meetings have not been prepared but did not contain significant matters of audit concern.
 - d) Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.
 - e) Additional information that you have requested from us for the purpose of the audit.
9. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
10. PUC has not performed a formal documented risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has communicated to you their understanding of the risks of fraud affecting PUC and is not aware of any fraud risk that has resulted, is likely to result, in a material misstatement of the financial statement.
11. We have no knowledge of any fraud or suspected fraud that affects PUC and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
12. We have no knowledge of any allegations of fraud or suspected fraud affecting PUC's financial statements communicated by employees, former employees, regulators, or others.
13. 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.
14. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

15. We have disclosed to you the identity of PUC'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.

Government-specific:

16. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
17. PUC has a process to track the status of audit findings and recommendations.
18. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
19. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
20. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
21. PUC 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.
22. 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 PUC'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 PUC is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.
23. As applicable, we have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement No. 87, *Leases*.
24. As applicable, we have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91, *Conduit Debt Obligations*.
25. We have appropriately identified, recorded, and disclosed all public-private and public-public partnerships and availability payment arrangements in accordance with GASB Statement No. 94.
26. As applicable, we have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASB Statement No. 96, *Subscription-Based Information Arrangements*.

27. As applicable, we have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
28. 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.
29. PUC 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.
30. PUC has complied, in all material respects, with all provisions of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. The financial statements properly classify all funds and activities in accordance with [GASB Statement No. 34](#), as amended.
32. Components of net position - net investment in capital assets; restricted; and unrestricted have been properly classified and presented.
33. We have appropriately disclosed the PUC'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 classified and reported under the policy.
34. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Entity specific:

35. Management has disclosed all accounting estimates for which it is reasonably possible that the estimate will change in the near term because of one or more future confirming events and that the effect of such change would be material to the financial statements.
36. Management is aware of its responsibility to disclose whether, subsequent to September 30, 2024, 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 have occurred.
37. 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 Judgments*.

38. There has been no action taken by the PUC management that contravenes the provisions of Federal laws and Federated States of Micronesia's (FSM) laws and regulations or of contracts and grants applicable to the PUC.
39. 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.
40. 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.
41. No organizations were identified that meet the criteria established in GASB codification section 2100, *Defining the Financial Reporting Entity*.
42. Regarding related third parties:
- a. We have disclosed to you the identity of PUC's related parties and all the related-party relationships and transactions of which we are aware.
 - b. To the extent applicable, related parties and all the related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
43. During the year ended September 30, 2024, PUC implemented the following pronouncements:
- a. Certain effective provisions of GASB Statement No. 99, *Omnibus 2022* relating to GASB Statement No. 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees* and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. PUC implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. PUC has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.
 - b. GASB Statement No. 100, *Accounting Changes and Error Corrections*. The PUC implemented the GASB pronouncement with the applicable transition guidance prescribed in the Statement. PUC has sufficient and appropriate documentation supporting the conclusion that the implementation of this standard had no material impact on the financial statements.
44. PUC is still in the process of evaluating the impact that upcoming GASB pronouncements may have on the financial statements of PUC:
- a. GASB Statement No. 101, *Compensated Absences*.
 - b. GASB Statement No. 102, *Certain Risk Disclosures*.
 - c. GASB Statement No. 103, *Financial Reporting Model Improvements*.
 - d. GASB Statement No. 104, *Disclosures about Capital Assets*.
 - e. GASB Statement No. 105, *Subsequent Events*.
45. PUC'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 PUC.

46. Management believes that PUC's commercial insurance coverage satisfies the insurance requirements of its enabling legislation. However, we acknowledge that PUC's enabling legislation has not been formally amended or otherwise clarified regarding the disposition or permitted use of the existing self-insurance reserve once adequate insurance in line with PUC's enabling legislation has been acquired. Accordingly, management believes that in substance the formal restriction is lifted but for financial reporting purposes, the classification of the remaining account balance as restricted cash is appropriate as of September 30, 2024.
47. We have provided you with all relevant legislation, Board resolutions and approvals, bank records, insurance policies, and other documentation relating to the establishment, maintenance, and purpose of PUC's self-insurance fund.
48. 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.
49. We acknowledge that Burger Comer Associates, LLC assisted in the preparation of the PUC's financial statements and the related footnote disclosures on information in our trial balance and accounting records. We represent that:
- Our underlying books and records are maintained by our accounting department and the final trial balance prepared was complete;
 - We agree to the audit adjustments and reclassifications as listed in **Appendices A and B**, all adjusting journal entries posted in the trial balance have been approved by us;
 - We have designated an individual with suitable skill, knowledge and experience to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements and related footnote disclosures;
 - We have reviewed the financial statements and related footnote disclosures for accuracy and completeness; and
 - We acknowledge our responsibility for the financial statements and related disclosures.
 - The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter under: **Appendix C**. Except as listed in **Appendix C**, there are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
50. PUC acknowledges its responsibility for the accuracy of information and assumptions underlying the adjustments that resulted in the restatement of its 2023 financial statements. Specifically, with respect to that restatement which results from previously unbilled and underbilled utility services:
- We acknowledge management's responsibility for determining, recording, and disclosing the correction. We have provided you with all relevant customer billing histories, meter and consumption records, supporting calculations, collection activity, and related actions taken by the Board of Directors. Where the unbilled or underbilled utility amount is based on estimations, we represent that such estimates are reasonable, appropriate, and accurate for each circumstance.
 - We acknowledge management's responsibility for ensuring that the underlying payment plan agreements whether written or unwritten remain enforceable and that the terms of

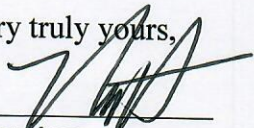
which are compliant with the provisions of all applicable laws that the PUC may be subject to including but not limited to – Federal law, Federated States of Micronesia's (FSM) law, Pohnpei State law, and the regulations or conditions of contracts and grants applicable to the PUC. In all cases, the PUC's right to bill was enforceable for each period assessed which comprised the basis of the amounts assessed as unbilled or underbilled.

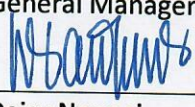
- We believe the restatement is complete and accurate and that the related adjustment properly increases accounts receivable by \$1,802,270.45, commercial and industrial sales by \$183,796.56, government sales by \$242,440.42, and beginning unrestricted net position by \$1,376,033.47. The allocation of the adjustment among customer classifications and between fiscal year 2023 and earlier periods is based on reasonable and supportable information.
- We have disclosed all known billing errors of this nature and are not aware of any additional billing errors requiring material adjustment to the financial statements. Management has evaluated the validity, enforceability, and collectability of the related receivables, including subsequent collections, customer disputes, and any proposed or approved waivers or concessions. Any amounts not expected to be collected have been appropriately reflected in the allowance for uncollectible accounts or otherwise properly accounted for and disclosed. We believe the retrospective correction and related financial statement disclosures are appropriate and conform with accounting principles generally accepted in the United States of America.

Federal award programs

51. PUC expended \$104,297 in federal awards during the year ended September 30, 2024, which was below the applicable \$750,000 threshold. Accordingly, PUC was not required to obtain a Single Audit under the Uniform Guidance for that fiscal year.
52. We have received no requests from a federal agency to audit one or more specific programs as a major program.
53. We have made available to you all federal award and grant agreements, including amendments, and all relevant correspondence with federal agencies and pass-through entities supporting our determination that PUC was not subject to the Single Audit requirements for the year ended September 30, 2024.

Very truly yours,


Nixon Anson
General Manager


Daisy Nanpei
Comptroller

Appendix A
Adjusting Journal Entries

AJE #	Account Number	Account Name	Debit	Credit
#1	223-00-00	ADB SEWER LOAN		324,353.55
	224-01-00	RUS LOAN		13,103.02
	224-01-01	ASIAN DEV. BANK LOAN		91,532.80
	226-01-00	BANK OF GUAM LOAN		44,071.00
	231-01-00	NOTES PAYABLE CURRENT PORTION	473,060.37	
			<u>473,060.37</u>	<u>473,060.37</u>
<i>To reverse the prior year entry for current portion of LTD.</i>				
#2	223-00-00	ADB SEWER LOAN	354,895.05	
	224-01-01	ASIAN DEV. BANK LOAN	92,439.33	
	223-00-00	ADB SEWER LOAN		73,914.87
	224-01-01	ASIAN DEV. BANK LOAN		34,418.81
	431-00-00	OTHER INTEREST EXPENSE	124,232.36	
	431-00-00	OTHER INTEREST EXPENSE	108,333.68	
	232-00-00	ACCOUNTS PAYABLE		235,236.69
	232-02-00	ACCOUNTS PAYABLE - PNI State Gov't ADB		336,330.05
			<u>679,900.42</u>	<u>679,900.42</u>
<i>To recognize recorded changes for the ADB loans.</i>				
#3	904-00-06	UNCOLLECTIBLE ACCOUNTS	208,528.05	
	144-00-00	ACCUM PROV-UNCOLLECTIBLE ACCTS		173,829.94
	144-00-01	ACCUM PROV-UNCOLLECTIBLE-WATER	46,886.72	
	144-00-02	ACCUM-PROV-UNCOLLECT OTHER A/R		81,584.83
			<u>255,414.77</u>	<u>255,414.77</u>
<i>FY24 allowance adjustments based on managements review of receivable collectibility.</i>				
#4	165-00-00	PREPAYMENTS	399,672.00	
	232-00-00	ACCOUNTS PAYABLE		399,672.00
			<u>399,672.00</u>	<u>399,672.00</u>
<i>To recognize the \$399,672 mobilization payment due under the generator purchase agreement as of 09/30/2024.</i>				
#5	170-00-00	CONSTRUCTION WORK-IN-PROCESS	135,665.00	
	232-00-00	ACCOUNTS PAYABLE		135,665.00
			<u>135,665.00</u>	<u>135,665.00</u>
<i>To recognize unrecorded construction costs and related accounts payable for solar inverters supply and installation work performed as of 9/30/2024.</i>				

Appendix A
Adjusting Journal Entries, Continued

AJE #	Account Number	Account Name	Debit	Credit
#6	232-01-00	ACCOUNTS PAYABLE - FSM PETRO CORP		69,579.66
	232-00-00	ACCOUNTS PAYABLE		16,001.70
	547-00-01	KWH	4,130.09	
	547-01-03	POL - FUEL		59,527.57
	547-00-03	FUEL		8,651.04
	921-15-07	MISC. - OTHER	149,629.88	
			<u>153,759.97</u>	<u>153,759.97</u>

Adjustment to (1) reconcile A/P SL to GL before CAJE's and AJE's and (2) to correct differences raised in FY24 FSMPC confirmation.

#7	142-02-00	A/R COMMERCIAL	62,389.63	
	442-00-00	COMMERCIAL & INDUSTRIAL SALES		62,389.63
			<u>62,389.63</u>	<u>62,389.63</u>

To recognize FY 2024 commercial and industrial sales revenue and related accounts receivable attributable to customer meter no. 02170499 billing error for FY2024.

#8	142-02-00	A/R COMMERCIAL	240,343.40	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		240,343.40
			<u>240,343.40</u>	<u>240,343.40</u>

To recognize the portion of past-due accounts receivables attributable to prior fiscal years resulting from customer meter no. 02170499 billing error for the period FY2018 through FY2023 with the corresponding adjustment recorded to unrestricted retained earnings.

#9	142-02-00	A/R COMMERCIAL	8,378.48	
	442-00-00	COMMERCIAL & INDUSTRIAL SALES		8,378.48
			<u>8,378.48</u>	<u>8,378.48</u>

To recognize FY2024 commercial & industrial sales revenue and related accounts receivable resulting from the customer meter no. 0703282299 billing error identified for FY24.

Appendix A
Adjusting Journal Entries, Continued

AJE #	Account Number	Account Name	Debit	Credit
#10	142-02-00	A/R COMMERCIAL	242,975.77	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		242,975.77
			<u>242,975.77</u>	<u>242,975.77</u>

To recognize the prior-period portion of accounts receivable resulting from customer meter no. 0703282299 billing error and record the corresponding correction to unrestricted retained earnings.

#11	227-00-00	LEASE LIABILITY - NON-CURRENT		7,819.68
	243-00-00	CAPITAL LEASES - CURRENT		11,029.95
	101-10-00	RIGHT-TO-USE ASSETS	18,849.63	
	932-01-10	OPERATING LEASE EXPENSE	42,000.00	
	931-00-07	RENTS		42,000.00
			<u>60,849.63</u>	<u>60,849.63</u>

To recorded net lease adjustments.

#12	130-03-00	CASH AT BANK, PAYROLL	65,239.48	
	232-00-00	ACCOUNTS PAYABLE		65,239.48
			<u>65,239.48</u>	<u>65,239.48</u>

To record adjustment for unreleased payroll checks.

#13	142-03-00	A/R - GOVERNMENT	93,405.61	
	444-00-00	GOVERNMENT SALES		93,405.61
			<u>93,405.61</u>	<u>93,405.61</u>

To recognize FY 2024 government sales revenue and related accounts receivable attributable to customer meter no. 5005330000 billing error for FY2024.

#14	142-03-00	A/R - GOVERNMENT	134,919.15	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		134,919.15
			<u>134,919.15</u>	<u>134,919.15</u>

To recognize the portion of past-due accounts receivable attributable to prior fiscal years resulting from customer meter no. 5005330000 billing error with the corresponding adjustment recorded to unrestricted retained earnings.

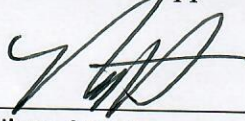
Appendix A
Adjusting Journal Entries, Continued

AJE #	Account Number	Account Name	Debit	Credit
#15	142-02-00	A/R COMMERCIAL & INDUSTRIAL	67,875.10	
	442-00-00	COMMERCIAL & INDUSTRIAL SALES		67,875.10
			<u>67,875.10</u>	<u>67,875.10</u>
<i>To recognize FY 2024 commercial and industrial sales revenue and related accounts receivable attributable to customer meter no. 200712819 billing error for FY2024.</i>				
#16	142-02-00	A/R COMMERCIAL & INDUSTRIAL	28,355.35	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		28,355.35
			<u>28,355.35</u>	<u>28,355.35</u>
<i>To recognize the portion of past-due accounts receivable attributable to prior fiscal years resulting from customer meter no. 20097390 billing error with the corresponding adjustment recorded to unrestricted retained earnings.</i>				
#17	142-02-00	A/R COMMERCIAL & INDUSTRIAL	37,820.36	
	442-00-00	COMMERCIAL & INDUSTRIAL SALES		37,820.36
			<u>37,820.36</u>	<u>37,820.36</u>
<i>To recognize FY 2024 commercial and industrial sales revenue and related accounts receivable attributable to customer meter no. 03873796 billing error for FY2024.</i>				
#18	142-02-00	A/R COMMERCIAL & INDUSTRIAL	179,759.38	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		179,759.38
			<u>179,759.38</u>	<u>179,759.38</u>
<i>To recognize the portion of past-due accounts receivables attributable to prior fiscal years resulting from customer meter no. 03873796 billing error with the corresponding adjustment recorded to unrestricted retained earnings.</i>				
#19	904-00-06	UNCOLLECTIBLE ACCOUNTS	196,499.16	
	142-03-00	A/R - GOVERNMENT		196,499.16
	142-03-00	A/R - GOVERNMENT	78,600.00	
	444-00-00	GOVERNMENT SALES		78,600.00
			<u>275,099.16</u>	<u>275,099.16</u>
<i>To recognize FY 2024 government sales revenue and related accounts receivable attributable to the Customer FCC billing error for FY2024.</i>				

Appendix A
Adjusting Journal Entries, Continued

AJE #	Account Number	Account Name	Debit	Credit
#20	142-03-00	A/R - GOVERNMENT	432,298.00	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		432,298.00
			<u>432,298.00</u>	<u>432,298.00</u>
<i>To recognize the portion of past-due accounts receivable attributable to prior fiscal years resulting from Customer FCC billing error with the corresponding adjustment recorded to unrestricted retained earnings.</i>				
#21	904-00-06	UNCOLLECTIBLE ACCOUNTS	355,990.90	
	142-02-00	A/R COMMERCIAL & INDUSTRIAL		355,990.90
	142-02-00	A/R COMMERCIAL & INDUSTRIAL	57,415.60	
	442-00-00	COMMERCIAL & INDUSTRIAL SALES		57,415.60
			<u>413,406.50</u>	<u>413,406.50</u>
<i>To recognize FY 2024 commercial and industrial sales revenue and the related accounts receivable attributable to customer meter no. 1511861000 billing error for FY2024.</i>				
#22	142-02-00	A/R COMMERCIAL & INDUSTRIAL	543,619.06	
	215-00-00	UNRESTRICTED RETAINED EARNINGS		543,619.06
			<u>543,619.06</u>	<u>543,619.06</u>
<i>To recognize the portion of past-due accounts receivable attributable to prior fiscal years resulting from customer meter no. 1511861000 billing error with the corresponding adjustment recorded to unrestricted retained earnings.</i>				
			<u>4,984,206.59</u>	<u>4,984,206.59</u>

Management has evaluated the nature and cause of the adjustments and has concluded that they resulted from accounting or bookkeeping errors and were not the result of fraud. Management agrees with and has approved the adjustments for recording.

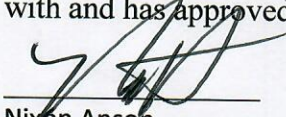

 Nixon Anson
 General Manager

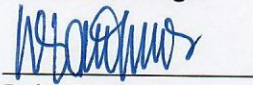

 Daisy Nanpei
 Comptroller

Appendix B**Reclassification Adjusting Journal Entries**

RAJE #	Account Number	Account Name	Debit	Credit
#1	223-00-00	ADB SEWER LOAN	215,278.00	
	223-00-00	ADB SEWER LOAN	116,420.00	
	224-01-00	RUS LOAN	49,132.00	
	224-01-01	ASIAN DEV. BANK LOAN	136,726.00	
	226-01-00	BANK OF GUAM LOAN	13,757.00	
	231-01-00	NOTES PAYABLE CURRENT PORTION		531,313.00
			531,313.00	531,313.00
	<i>Reclassification adjustment for current portion of LTD</i>			
#2	142-02-01	A/R - COMMERCIAL /WATER	3,500.47	
	142-03-01	A/R - GOVERNMENT/WATER	134,173.76	
	142-01-01	A/R - RESIDENTIAL /WATER	50,495.69	
	235-00-00	DEPOSIT		188,169.92
			188,169.92	188,169.92
	<i>Reclassification for FY24 OPAY</i>			
			719,482.92	719,482.92

Management has evaluated the nature and cause of the adjustment and has concluded that they resulted from accounting or bookkeeping errors and were not the result of fraud. Management agrees with and has approved the adjustment for recording.


Nixon Anson
General Manager


Daisy Nanpei
Comptroller

Appendix C

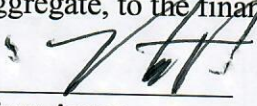
Schedule of Uncorrected Misstatements

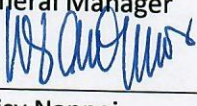
PAJE #	Account Name	Ending Statement of Net Position Effect—Increase (Decrease)			Current-Year Effect—Increase (Decrease)		
		Total Assets	Total Liabilities	Ending Net Position	Revenues	Expenses	Change in Net Position
		Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
PAJE-24-001	CASH AT BANK - PAYROLL STALE DATED CHECKS	1,159.68	1,159.68	1,159.68 (1,159.68)			- -
	<i>Passed adjustment to records payroll stale dated checks as of 9/30/2024.</i>						
PAJE-24-002	CASH AT BANK - BFSM STALE DATED CHECKS	36,053.38	36,053.38	36,053.38 (36,053.38)			- -
	<i>Passed adjustment to record BFSM stale dated checks as of 9/30/2024.</i>						
PAJE-24-003	BOG R/P CHECKING ACCT. STALE DATED CHECKS	846.02	846.02	846.02 (846.02)			- -
	<i>Passed adjustment to record BOG R/P stale dated checks as of 9/30/2024.</i>						
PAJE-24-004	RUS LOAN BANK OF GUAM LOAN OTHER INTEREST EXPENSE		1,018.82 16,131.82	(1,018.82) (16,131.82)		17,150.64	- - (17,150.64)
	<i>Passed adjustment to record adjustments to BOG and RUS loan as of 09/30/2024.</i>						
PAJE-24-005	ACCUM PROV-UNCOLLECTIBLE ACCTS UNCOLLECTIBLE ACCOUNTS A/R - COMMERCIAL & INDUSTRIAL A/R - GOVERNMENT	34,030.86 (9,412.10) (35,331.50)		34,030.86 (9,412.10) (35,331.50)		10,712.74	- (10,712.74) -
	<i>Passed adjustment to reverse provision on account 4615708100 and reclassify to inactive.</i>						
PAJE-24-006	CASH POWER SALES A/R - RESIDENTIAL	(6,919.10)		(6,919.10)	(6,919.10)		(6,919.10) -
	<i>Passed adjustment to correct difference noted in cash power sales.</i>						
PAJE-24-007	CUSTOMER DEPOSITS MISCELLANEOUS INCOME		(59,869.67)	59,869.67	59,869.67		- 59,869.67
	<i>Adjustment to correct potentially aged/invalid items.</i>						
PAJE-24-008	A/R - RESIDENTIAL /WATER RESIDENTIAL SALES/WATER A/R - COMMERCIAL /WATER COMERCIAL SALES/WATER A/R - GOVERNMENT/WATER GOVERNMENT SALES/WATER UTILITY EXPENSE/WATER ELECTRICITY EXPENSE INTERCOMPANY SALES	2,354.15 380.99 679.12		2,354.15 380.99 679.12	2,354.15 380.99 679.12	245.88 1,121.18	- 2,354.15 - 380.99 - 679.12 (245.88) (1,121.18)
	<i>Passed correcting adjustment to unbilled.</i>				1,367.06		1,367.06

Appendix C
Schedule of Uncorrected Misstatements, Continued

PAJE #	Account Name	Ending Statement of Net Position Effect—Increase (Decrease)			Current-Year Effect—Increase (Decrease)		
		Total Assets	Total Liabilities	Ending Net Position	Revenues	Expenses	Change in Net Position
		Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
PAJE-24-009	PARTS INVENTORY - GENERATION REPAIRS & MAINT. - PARTS	39,181.95		39,181.95		(39,181.95)	- 39,181.95
	<i>Passed correction to inventory for factual misstatements.</i>						
PAJE-24-010	CONTRACTUAL SERVICES ACCOUNTS PAYABLE		8,535.04	(8,535.04)		8,535.04	- (8,535.04)
	<i>To recognize the liability and related expense for services performed prior to September 30, 2024 that were not recorded in FY2024.</i>						
Grand Total		63,023.45	3,875.09	59,148.36	57,731.89	(1,416.47)	59,148.36

We have evaluated the nature and amount of each uncorrected misstatement, including relevant qualitative considerations, and believe that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.


 Nixon Anson
 General Manager


 Daisy Nanpei
 Comptroller