



December 17, 2025

The Board of Directors  
Chuuk Public Utility Corporation

Dear Members of the Board of Directors:

We have performed an audit of the financial statements of the Chuuk Public Utility Corporation (CPUC) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated December 17, 2025.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of CPUC is responsible.

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

We wish to thank the staff and management of CPUC for their cooperation and assistance during the course of this engagement.

Very truly yours,

*Shinoda CPA*

cc: Management of Chuuk Public Utility Corporation



The Board of Directors  
Chuuk Public Utility Corporation  
December 17, 2025

Page 2

## **Required Communications**

### **Our responsibility under generally accepted auditing standards and generally accepted government auditing standards**

Our responsibility under generally accepted auditing standards and 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”), have been described in our engagement letter dated March 25, 2025, a copy of which has been provided to you. As described in that letter, the objectives of an audit conducted in accordance with the aforementioned standards are to:

- Express an opinion on whether the statement of net position of CPUC as of September 30, 2024, and the 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 perform specified procedures on the required supplementary information for the year ended September 30, 2024; and
- Report on CPUC’s internal control over financial reporting and on its compliance with and other matters for the year ended September 30, 2024 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 judgment, 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 considered internal control over financial reporting relevant to CPUC’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 CPUC’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CPUC’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 accounting policies**

CPUC’s significant accounting policies, including recently issued and adopted accounting pronouncements, are set forth in Note 2 to CPUC’s 2024 financial statements.

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



### **Accounting estimates**

Accounting estimates are an integral part of the financial statements prepared with the oversight of management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in CPUC's 2024 financial statements include management's estimate of allowance for doubtful accounts, which is determined based on 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 fixed assets. During the year ended September 30, 2024, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

### **Corrected misstatements**

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. Misstatements were brought to the attention of management as a result of our audit procedures and were corrected by management during the current period. These corrected misstatements are listed in Appendix A to Attachment II and are reflected in the 2024 financial statements.

### **Uncorrected misstatements**

We have attached to this letter, as Appendix B to Attachment II, a summary of uncorrected misstatements that we presented to management during the audit engagement that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Matters underlying these misstatements could potentially cause future period financial statements to be materially misstated, even if we concluded that the unrecorded misstatements are immaterial to the financial statements for the year ended September 30, 2024.

### **Significant deficiencies and material weaknesses in internal control over financial reporting**

No material weaknesses have been identified.

### **Related party relationships and transactions**

We noted no significant matters regarding CPUC's relationships and transactions with related parties other than disclosed in Note 8 to the financial statements.

### **Changes to the terms of the audit with no reasonable justification for the change**

None.

### **Significant unusual transactions**

We are not aware of any significant unusual transactions executed by CPUC.



### **Other information in the annual reports**

When audited financial statements are included in documents containing other information such as CPUC's 2024 Annual Report, we will read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. We will read the other information in CPUC's 2024 Annual Report and will inquire as to the methods of measurement and presentation of such information. If we note a material inconsistency or if we obtain any knowledge of a material misstatement of fact in the other information, we will discuss this matter with management and, if appropriate, with the Board of Directors.

### **Disagreements with management**

We have not had any disagreements with management related to matters that are material to CPUC's 2024 financial statements.

### **Our views about significant matters that were the subject of consultation with other accountants**

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2024.

### **Other significant findings or issues arising from the audit discussed, or subject of correspondence, with management**

Throughout the year, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant findings or issues requiring communication to the Board of Directors.

### **Significant difficulties encountered in performing the audit**

In our judgment, we received the full cooperation of CPUC's management and staff and had unrestricted access to CPUC's senior management in the performance of our audit.

### **Fraud and noncompliance with laws and regulations (illegal acts)**

We are not aware of any matters that require communication.

### **Independence matters**

We are not aware of any matters that in our professional judgment would impair our independence.

### **AICPA ethics ruling regarding third-party service providers**

From time to time, and depending on the circumstances, (1) Shinoda CPA may subcontract portions of the Audit Services to others, who may deal with CPUC or its affiliates directly, although Shinoda CPA alone will remain responsible to you for the Audit Services and (2) personnel, including non-certified public accountants from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, third-party service providers may perform services for Shinoda CPA in connection with the Audit Services.



The Board of Directors  
Chuuk Public Utility Corporation  
December 17, 2025

Page 5

### **Management's representations**

We have made specific inquiries of CPUC's management about the representations embodied in the financial statements. In addition, we have requested that management provide to us the written representations CPUC is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Attachment II, a copy of the representation letter we obtained from management.

### **Control-related matters**

We have issued a separate report to you, dated December 17, 2025, on CPUC's internal control over financial reporting and on its compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards. Within that report, we noted certain matter that we considered to be significant deficiencies under standards established by the American Institute of Certified Public Accountants.

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 Attachment I and should be read in conjunction with this report.

## **Definition**

The definition of a deficiency is as follows:

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when (a) a properly designed control does not operate as designed, or (b) the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

## **Management's responsibility for, and the objectives and limitations of, internal control over financial reporting**

The following comments concerning management's responsibility for internal control over financial reporting and the objectives and inherent limitations of internal control over financial reporting are adapted from auditing standards generally accepted in the United States of America.

### **Management's responsibility**

CPUC's management is responsible for the overall accuracy of the financial statements and their conformity with generally accepted accounting principles. In this regard, management is also responsible for establishing and maintaining effective internal control over financial reporting.

### **Objectives of internal control over financial reporting**

Internal control over financial reporting is a process affected by those charged with governance, management, and other personnel and designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control over the safeguarding of assets against unauthorized acquisition, use, or disposition may include controls related to financial reporting and operations objectives. Generally, controls that are relevant to an audit of financial statements are those that pertain to the entity's objective of reliable financial reporting (i.e., the preparation of reliable financial statements that are fairly presented in conformity with generally accepted accounting principles).

### **Inherent limitations of internal control over financial reporting**

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



December 17, 2025

Hiroshi Shinoda  
Shinoda CPA  
P.O. Box 1360 Kolonia Pohnpei  
Federated States of Micronesia FM 96941

We are providing this letter in connection with your audits of the financial statements of the Chuuk Public Utility Corporation ("CPUC"), a component unit of the State of Chuuk, which comprise the statement of net position as of September 30, 2024, and the related statements of revenues, expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of CPUC in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the following:

- a. The preparation and fair presentation in the basic financial statements of the financial position, results of operations, and cash flows in conformity with GAAP.
- b. The design, implementation, and maintenance of internal controls:
  - Relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - To prevent and detect fraud.
- c. The review and approval of the financial statements and related notes and acknowledge your role in the preparation of this information. Specifically, we acknowledge that your role in the preparation of the financial statements was a matter of convenience rather than one of necessity. We have reviewed the financial statement preparation assistance provided by you and acknowledge that the financial statements are prepared in accordance with GAAP. Our review was based on the use of the financial statement disclosure checklist for stand-alone business-type activities obtained from the Government Finance Officers Association. Additionally, we agreed with the adjusting entries included in Appendix A.

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.

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

1. The basic financial statements referred to above are fairly presented in conformity with GAAP. In addition:
  - Net position components (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
  - Deposits and investment securities are properly classified in the category of custodial credit risk.
  - Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
  - Required supplementary information is measured and presented within prescribed guidelines.
  - Applicable laws and regulations are followed in adopting, approving, and amending budgets.
  - CPUC'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 is appropriately disclosed and the related net position is properly recognized under the policy.
  - The financial statements properly classify all funds and activities, including special and extraordinary items.
2. CPUC has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
3. CPUC has made available to you:
  - All minutes of the meetings of the Board of Directors or summaries of actions of recent meetings through September 4, 2025, 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.
  - All financial records and related data for all financial transactions of CPUC and for all funds administered by CPUC. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by CPUC and provide the audit trail to be used in a review of accountability. Information presented



in financial reports is supported by the books and records from which the financial statements have been prepared.

- Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.
4. There have been no:
- Actions taken by CPUC management that contravene the provisions of federal laws and Chuuk State laws and regulations, or of contracts and grants applicable to CPUC.
  - Communications with other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements.
5. We believe the effects of any uncorrected financial statement misstatements aggregated by you during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such uncorrected misstatements has been attached as Appendix B.
6. CPUC 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 CPUC and do not believe that the financial statements are materially misstated as a result of fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the CPUC involving:
- Management.
  - Employees who have significant roles in CPUC's internal control.
  - Others, where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting CPUC's financial statements communicated by employees, former employees, analysts, regulators, or others.
9. 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.
10. The methods, significant assumptions, and the data used by us in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, or disclosure that is in accordance with GAAP.

11. We are responsible for compliance with local, state, and federal laws, rules, and regulations, including compliance with the provisions of grants and contracts relating to CPUC's operations. We are responsible for understanding and complying with the requirements of the federal statutes and regulations. 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. We are responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.
12. We have informed you of all investigations or legal proceedings that have been initiated during the year ended September 30, 2024 or are in process as of September 30, 2024.
13. We are responsible for all nonaudit services performed by you during the year ended September 30, 2024 and through December 17, 2025.
14. We have disclosed to you all deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that are significant deficiencies or material weaknesses in internal control over financial reporting.
15. No changes in internal control over compliance or other factors that might significantly affect internal control over financial reporting, including any corrective actions taken by CPUC with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to September 30, 2024.
16. 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.
17. 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.
18. No organizations were identified that meet the criteria established in GASB Codification Section 2100, Defining the Financial Reporting Entity.
19. Except as listed in Appendix B, there are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
20. CPUC has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
21. Regarding related parties:
  - We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- 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.
22. In preparing the financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
- It is at least 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.
  - The effect of the change would be material to the financial statements.
23. There are no:
- Instances of identified or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
  - Known actual or possible litigation and claims whose effects should be considered when preparing the financial statements that have not been disclosed to you and accounted for and disclosed in accordance with GAAP.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Codification Section C50, Claims and Judgments.
24. Regarding required supplementary information:
- We confirm that we are responsible for the required supplementary information.
  - The required supplementary information is measured and presented in accordance with GASB Codification Section 2200, Comprehensive Annual Financial Report.
  - The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
25. CPUC 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 except as disclosed in the financial statements.
26. CPUC has complied with all aspects of contractual agreements that may have an effect on the financial statements.

27. No department or agency of CPUC has reported a material instance of noncompliance to us.
28. Financial instruments with significant individual or group concentration of credit risk have been appropriately identified, properly recorded, and disclosed in the financial statements.
29. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed in the financial statements.
30. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
31. CPUC is responsible for determining and maintaining the adequacy of the allowance for doubtful accounts receivable, as well as estimates used to determine such amounts. Management believes the allowances are adequate to absorb currently estimated bad debts in the account balances.
32. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value. All inventories are the property of CPUC and do not include any items consigned to it or any items billed to customers.
33. We believe that all expenditures that have been deferred to future periods are recoverable.
34. All additions to CPUC's property accounts consist of replacements or additions that are properly capitalizable.
35. CPUC has determined whether a capital asset has been impaired in accordance with GASB Codification Section 1400.180-1400.200, Impairment of Capital Assets. In making this determination, CPUC considered the following factors:
  - The magnitude of the decline in service utility is significant.
  - The decline in service utility is unexpected.
36. Regarding the future implementation of GASB Statements effective for the years ending September 30, 2025 and after, as detailed in the Note 2 of the financial statements, CPUC does not believe the implementation will have a material effect on its financial statements.
37. CPUC is party to various outstanding court judgments. CPUC has provided for an amount that it believes it will actually be responsible for. The ultimate impact of any remaining judgments is not currently predictable. Therefore, no additional liability has been recorded in the financial statements due to management's inability to predict the ultimate outcome. Any changes in this estimate will be resolved prospectively.

38. No events have occurred after September 30, 2024 but before December 17, 2025, the date the financial statements were available to be issued, that require consideration as adjustments to or disclosures in the financial statements.



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Kembo Mida, Chief Executive Officer



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Leialoha Shirai, Chief Financial Officer

## Attachment II

## Appendix A - List of Corrected Misstatements

## AJE #01

(Dr)	54002-ADM-A	BAD DEBT EXPENSE	106,101.73
(Cr)	31000-000-0	RETAINED EARNINGS - PRIOR	(106,101.73)
(Dr)		Accrued taxes and other liabilities	689.00
(Cr)		Net position	(689.00)

To correct the beginning net position

## AJE #02

(Dr)	62002-000-0	INTEREST ON LONG TERM DEBT	69,049.60
(Dr)		Loss due to change in foreign exchange rate (SDR)	34,928.63
(Dr)	21001-000-0	ACCRUED INTEREST PAYABLE	799.76
(Cr)	21044-000-0	CURRENT PORTION OF LT-ADB	(23,636.07)
(Cr)	23003-000-0	ASIAN DEVELOPMENT BANK LOAN	(81,141.92)

To correct ADB loan transactions

## AJE #03

(Dr)	40006-ELE-0	SALES - ELECTRIC-INTERCOMPANY SALES	199,846.69
(Dr)	40006-WTR-0	SALES - WATER INTERCOMPANY SALES	11,621.01
(Cr)	54024-ADM-A	UTILITIES - ELECTRICITY	(79,044.04)
(Cr)	54025-ADM-A	UTILITY EXPENSE - WATER PUMPING	(59,990.40)
(Cr)	54026-ADM-A	UTILITY EXPENSE - SEWER PUMPING	(72,433.26)

To offset internal revenues with internal expenses

## AJE #04

(Dr)		Right-of-Use (ROU) Lease Assets	1,144,581.29
(Cr)		Accumulated Amortization	(266,392.09)
(Cr)	13001-000-1	PREPAID LEASE-SOLAR PLANT	(0.20)
(Cr)	13004-000-0	PREPAID POWER PLANT LEASE	(18,926.00)
(Dr)	13004-000-1	TONOAS WTP PREPAID LEASE	12,114.46
(Cr)	13005-000-1	NON CURRENT PORTION PREPAID LEASE	(183,511.35)
(Cr)	13001-000-3	Non Current portion prepaid lease - Solar Farm	(266,842.00)
(Cr)	13004-000-2	OTHER ADVANCES:GENRL	(317,263.95)
(Cr)		Lease liability - noncurrent	(51,233.06)
(Cr)		Net position	(52,527.10)

To implement GASB 87 (leases) at the beginning of FY2024

(Dr)		Right-of-Use (ROU) Lease Assets	169,236.99
(Dr)		Amortization Expense	54,236.34
(Cr)	13001-000-1	PREPAID LEASE-SOLAR PLANT	(13,184.20)
(Cr)	13004-000-0	PREPAID POWER PLANT LEASE	(0.01)
(Cr)	13004-000-1	TONOAS WTP PREPAID LEASE	(12,114.46)
(Dr)	13005-000-1	NON CURRENT PORTION PREPAID LEASE	18,927.01
(Dr)	13001-000-3	Non Current portion prepaid lease - Solar Farm	26,368.60
(Cr)	13004-000-2	OTHER ADVANCES:GENRL	(104,505.89)
(Cr)		Accumulated Amortization	(54,236.34)
(Cr)		Lease liability - noncurrent	(169,236.99)
(Dr)		Lease liability - noncurrent	98,964.56
(Cr)	62002-000-0	INTEREST ON LONG TERM DEBT	(16,103.11)
(Dr)		Interest expense	1,647.50

To record current year lease activities

0.00

(Dr)		Lease liability - noncurrent portion	110,212.09
(Cr)		Lease liability - current portion	(110,212.09)

To present lease liability as current and noncurrent

**Appendix A - List of Corrected Misstatements, Continued**

## AJE #05

(Dr)	16409-ADB-3	WIP ADB G0767 - PROCUREMENT OF GOODS	78,251.39	
(Dr)	16409-ADB-1	WIP -ADB PRF PROCUREMENT OF GOODS	2,039.41	
(Cr)	61009-WTR-B	CONTRACTUAL SERVICES - G0767	(80,290.80)	
(Dr)	61009-WTR-B	CONTRACTUAL SERVICES - G0767	3,842.98	
(Cr)	12025-ELE-0	OTHER GRANTS RECEIVABLE - ELE	(3,842.98)	

To capitalize FSM's capital contributions and recognize grant revenues based on grant expenditures

## CAJE #01

(Dr)	40006-ADM-A	17,074.49	
(Cr)	12003-ELE-0		(17,074.49)

To reconcile the variance between the G/L and the subsidiary ledger

## CAJE #02

(Dr)	12020-ELE-0	2,945.48	
(Cr)	12006-ELE-0		(2,945.48)

## CAJE #03

(Dr)	54002-ADM-A	96,000.00	
(Cr)	12050-000-0		(96,000.00)

To record additional bad debt expense for cashpower arrears

## CAJE #04

(Dr)	13001-000-1	26,368.60	
(Cr)	13001-000-3		(26,368.60)

To reclass current versus non-current of prepaid solar farm

## CAJE #05

(Dr)	13004-000-1	17,929.42	
(Cr)	20002-SWG-0		(17,929.42)

To reclass Tonoas water lease obligation from prepaid to payable

## CAJE #06

(Dr)	13004-000-0	18,927.01	
(Cr)	13005-000-1		(18,927.01)

To reclass GL to correct current versus non-current

**Appendix A - List of Corrected Misstatements, Continued****CAJE #07**

(Dr)	13001-000-0	15,406.48	
(Cr)	20001-000-0		(15,406.48)

To record the payment of the fuel belonging to the future period

**CAJE #08**

(Dr)	61002-ELE-0	156,288.60	
(Cr)	61001-ELE-0		(156,288.60)

Reclass

**CAJE #09 - Reclassification of expense to ADB grant expense**

(Dr)	61009-WTR-B	43,260.00	
(Cr)	56054-ADM-A		(43,260.00)

To transfer the audit fees from miscellaneous expenses to the ADB contractual expense

**CAJE #10 - WIP (Pacific Community)**

(Dr)	12021-ELE-0	154,856.00	
(Cr)	61004-ELE-0		(154,856.00)

To recognize capital contribution revenue based on capital expenditures incurred

**CAJE #11 - WIP (World Bank)**

(Dr)	16303-ELE-0	26,579.34	
(Dr)	12021-ELE-0	11,076.41	
(Cr)	61006-ELE-0		(37,655.75)

To recognize capital contribution revenue based on capital expenditures incurred

**CAJE #12 - WIP (ADB CREWS)**

(Dr)	12021-ELE-0	2,150.10	
(Cr)	61006-ELE-0		(2,150.10)

To recognize capital contribution revenue based on capital expenditures incurred

**CAJE #13 - Reclassification from WIP to prepaid expense**

(Dr)	13001-000-0	388,555.32	
(Cr)	16409-ADB-3		(388,555.32)

To record the advance payments for the ADR water meters

**CAJE #14**

(Dr)	12021-ELE-0	3,272.29	
(Cr)	61012-SWG-0		(3,272.29)

To record grant revenue based on grant expenditures



**Appendix B – List of Uncorrected Misstatement****PAJE #01**

(Dr) Bas debt expense	\$ 71,000	
(Cr) Allowance for doubtful accounts		\$ (71,000)
To provide for additional allowance for doubtful accounts		