**Federated States of Micronesia**
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Tuesday, October 14, 2025

Excellency Wesley W. Simina
President
Office of the President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Excellency President Simina:

This is our status report for the 2024 single audits as of September 30, 2025. This report is based on information received from our contracted auditors, Ernst & Young LLP, Burger Comer Magliari CPAs (BCM), and Shinoda CPA. It covers the progress of audits for the FSM National Government, States of Chuuk, Kosrae, Pohnpei, and Yap, including their respective component units.

| No. | Entity | Audit Phase & Percentage Completed | Outstanding Items to be provided by Entities |
|---|---|---|---|
| FSM National Government and Component Units | | | |
| 1 | FSM National Government | • *EY will prepare and submit engagement letter for review and approval. Audit commencement date to be determined after completion of the FY23 audit.* | |
| 2 | Caroline Islands Air, Inc | • *signed engagement letter received on July 24, 2025. Audit commencement date to be determined.* | |
| 3 | College of Micronesia, FSM | • *entity submitted the updated trial balance and SEFA on August 18, 2025.*<br>• *Planning meeting with management was held on September 15, 2025.* | |

| No. | Entity | Audit Phase & Percentage Completed | Outstanding Items to be provided by Entities |
|---|---|---|---|
| | | • *Audit team planning commenced on September 2, 2025.*<br>• *Audit fieldwork began on September 29, 2025.*<br>• *The audit is planned to conclude on the first week of December 2025.* | |
| **4** | **FSM Development Bank** | | **Audit completed and issued on May 12, 2025.** |
| 5 | MiCare Plan | • Signed engagement letter received on April 28, 2025.<br>• Preliminary TB and GL report received on June 17, 2025.<br>• Preliminary audit request submitted on July 2, 2025.<br>• Entrance meeting was held on August 13, 2025.<br>• Per follow up on audit requests on September 29, 2025, MiCare is still working on the audit request. | • Preliminary audit requests |
| 6 | National Fisheries Corporation | • *Signed engagement letter received March 28, 2025.*<br>• *Preliminary audit request submitted on September 22, 2025.*<br>• *Audit procedures to be commenced when substantial preliminary requests are provided.* | • Preliminary audit requests |
| 7 | FSM Petroleum Corporation (FSMPC) & Vital (VEI) | • *Signed engagement letter received on June 10, 2025.*<br>• *Preliminary TB was received on August 18, 2025.*<br>• *Preliminary audit requests submitted on August 25, 2025.*<br>• *Audit planning procedures commenced, and audit fieldwork will* | • Preliminary audit requests |

| No. | Entity | Audit Phase & Percentage Completed | Outstanding Items to be provided by Entities |
|---|---|---|---|
| | | *begin when substantial preliminary requests are provided.* | |
| 8 | FSM Social Security Administration | • *Signed engagement letter received March 28, 2025.*<br>• *Preliminary TB was received on April 15, 2025.*<br>• *Audit commenced in May 2025 and is currently in progress.*<br>• *Entrance meeting was held on August 13, 2025.*<br>• *Audit samples were requested on September 9, 2025 and fieldwork shall commence when substantial samples support are provided.* | • Audit samples |
| 9 | Telecommunication Cable Corporation | • *Audit has been substantially completed and awaiting comment/approval on proposed audit adjustments and MD&A.*<br>• *EY hopes to finalize and issue by October 31, 2025* | • Comment/approval on proposed audit adjustments and MD&A |
| **10** | **FSM Telecommunication Corporation** | | **Audit completed and issued on January 8, 2025** |
| **11** | **Telecommunication Regulation Authority** | | **Audit completed and issued on September 30, 2025** |
| Chuuk State Government and Component Units | | | |
| 1 | Chuuk State Government | • *EY will prepare and submit engagement letter for review and approval audit commencement date to be determined upon receipt of FY24 TB and SEFA* | |
| 2 | Chuuk Public Utilities Corporation | • *CPUC is booking some final adjustments related to ADB grant expenditures* | • ADB adjustments |

| No. | Entity | Audit Phase & Percentage Completed | Outstanding Items to be provided by Entities |
|---|---|---|---|
| 3 | Chuuk State Health Care Plan | • *CSHCP has not booked the prior year audit adjustments in the FY23 books. FY2024 books will start closing afterwards*<br>• *Shinoda CPA requested that CSHCP inform them about the expected completion of FY2024 closing*<br>• *Shinoda CPA has not received any FY2024 financial information from CSHCP* | |
| 4 | Chuuk State Housing | • *Audit commencement date to be determined* | |
| Kosrae State Government and Component Units | | | |
| 1 | Kosrae State Government | • *Audit information is yet to be provided* | |
| 2 | Kosrae Port Authority | • *Audit information is yet to be provided* | |
| 3 | Kosrae State Housing Authority | • *Audit information is yet to be provided* | |
| 4 | Kosrae Utilities Authority | • *Audit information is yet to be provided* | |
| Pohnpei State Government and Component Units | | | |
| 1 | Pohnpei State Government | • *TB and SEFA are yet to be provided*<br>• *BCM is in the process of compiling a comprehensive listing of the standard required schedules and supporting audit documentation for subsequent submission* | |
| 2 | Pohnpei State Housing Authority | • *TB is yet to be provided*<br>• *PSHA's financial consultant is scheduled to assist in the preparation of the TB and financial statements during the week of October 13, 2025.*<br>• *Preliminary audit planning has* | |

| No. | Entity | Audit Phase & Percentage Completed | Outstanding Items to be provided by Entities |
|---|---|---|---|
| | | *commenced, and BCM will be issuing the initial request for audit documentation and confirmations accordingly* | |
| 3 | Pohnpei State Port Authority | • *TB and related GL detail were received on October 1 and October 6, 2025.*<br>• *TB accounts have been uploaded into the audit software and verification of all FY2023 audit adjustments were properly posted to the general ledger*<br>• *A comprehensive listing of required schedules and related audit documentation is being compiled for submission* | |
| 4 | Pohnpei Utilities Corporation | • *TB and SEFA are yet to be provided*<br>• *Preliminary planning has begun and initial request for audit documentation and confirmations will be submitted* | |
| Yap State Government and Component Units | | | |
| 1 | Yap State Government | • *Audit information is yet to be provided* | |
| 2 | Yap Diving Seagull Inc. | • *Audit information is yet to be provided* | |
| 3 | Yap State Public Service Corporation | • *Audit information is yet to be provided* | |
| 4 | Yap Visitors Bureau | • *Audit information is yet to be provided* | |

A copy of this status report will be uploaded to the FSM Public Auditor's website at www.fsmopa.fm.

Let me know if you have questions about this report.

Sincerely,

Haser H. Hainrick
National Public Auditor

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cc: FSM Vice President
Speaker, FSM Congress
All State Governors
Heads of all FSM & States Audit Entities
State Public Auditors