



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Monday, January 12, 2026

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 December 31, 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	<ul style="list-style-type: none"><i>Audit commencement date to be determined</i>	
2	Caroline Islands Air, Inc	<ul style="list-style-type: none"><i>Management communicated that it will target to provide preliminary trial balance by the end of November/beginning of December.</i><i>Information is pending as of January 5, 2026. Audit commencement date to be determined upon receipt of the information.</i>	
3	College of Micronesia, FSM	<ul style="list-style-type: none"><i>Both financial statements (FS) and Uniform Guidance (UG) audits are progressing to date with completion</i>	<ul style="list-style-type: none"><i>Management discussion and analysis</i><i>Additional samples and requests – revenues and receivables</i>

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<p><i>percentages of 75% (FS) and 85% (UG).</i></p> <ul style="list-style-type: none"> • <i>EY has submitted to COM-FSM management the draft FS and UG report on November 7, 2025 and November 21, 2025.</i> • <i>Conclusion of audit is dependent on COM-FSM's submission of major pending items.</i> 	<ul style="list-style-type: none"> • Journal entries • Corrective action plan
4	FSM Development Bank		Audit completed and issued on May 12, 2025.
5	MiCare Plan	<ul style="list-style-type: none"> • <i>Per follow up made on September 29, 2025, October 28, 2025, December 4, 2025, and January 5, 2026, entity is still working on the audit requests.</i> 	<ul style="list-style-type: none"> • Audit requests
6	National Fisheries Corporation	<ul style="list-style-type: none"> • <i>Audit team is working closely with the entity on the open items to commence the audit.</i> • <i>JEs are necessary to sample transactions for testing.</i> • <i>AR and fixed assets are the accounts usually with issues.</i> • <i>Per follow up made on December 17, 2025, entity is still working on the audit requests.</i> 	<ul style="list-style-type: none"> • Journal entries • Receivable schedules and fixed asset register.
7	FSM Petroleum Corporation (FSMPC) & Vital (VEI)	<ul style="list-style-type: none"> • <i>Preliminary TB was received on August 18, 2025.</i> • <i>Preliminary audit requests submitted on August 25, 2025.</i> • <i>Audit planning procedures commenced, and audit fieldwork will begin when substantial preliminary requests are provided.</i> 	<ul style="list-style-type: none"> • Preliminary audit requests

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<ul style="list-style-type: none"> <i>Client planning meeting is set on December 4, 2025.</i> <i>Audit fieldwork is expected to take place January – March 2026.</i> 	
8	FSM Social Security Administration		Audit completed and issued on December 12, 2025
9	Telecommunication Cable Corporation		Audit completed and issued on November 21, 2025
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	<ul style="list-style-type: none"> <i>Audit commencement date to be determined.</i> 	
2	Chuuk Public Utilities Corporation		Audit completed and issued on December 17, 2025
3	Chuuk State Health Care Plan	<ul style="list-style-type: none"> <i>Financial information for FY2024 have not been received.</i> 	
4	Chuuk State Housing	<ul style="list-style-type: none"> <i>Audit commencement date to be determined.</i> 	
Kosrae State Government and Component Units			
1	Kosrae State Government	<ul style="list-style-type: none"> <i>During the month of December 2025, a team of seven (7) auditors to Kosrae was sent to Kosrae.</i> <i>Samples are already selected and some testing was done on site.</i> <i>Supporting documents were scanned for the remainder of the items that could not be completed during the trip.</i> <i>The comptroller for KSG is targeting a completion date of January 31, 2025 for the FY2024 audit.</i> <i>BCA is optimistic that the KSG portion of the audit</i> 	

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<i>can be done in the time frame, BCA is concerned about completing the component unit audits in a timely manner.</i>	
2	Kosrae Port Authority	<ul style="list-style-type: none"> <i>BCA is yet to receive the trial balance and yet be able to reconcile the beginning retained earnings to the prior year audited financial statements.</i> <i>The most significant asset is capital assets, and BCA has not received a detailed schedule of the assets.</i> 	
3	Kosrae State Housing Authority	<ul style="list-style-type: none"> <i>BCA did not receive an initial balance in December; BCA was informed that it was not final and the BCA would be getting a revised trial balance.</i> <i>BCA has not really received anything.</i> 	
4	Kosrae Utilities Authority	<ul style="list-style-type: none"> <i>BCA did not receive the trial balance, many of the schedules, and many of the sample items.</i> 	
Pohnpei State Government and Component Units			
1	Pohnpei State Government	<ul style="list-style-type: none"> <i>Roll-forward analytics on the trial balance is ongoing</i> <i>Completed the verification that all prior year audit adjustments were posted properly</i> <i>Completed analysis, reconciliation and verification of all due to/due from accounts.</i> <i>Sent confirmation requests on 12/19/2025</i> <i>Fund balances and net position account</i> 	

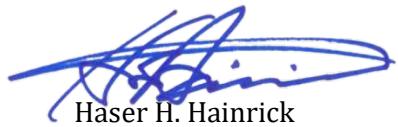
No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<p><i>balances are being reconciled.</i></p> <ul style="list-style-type: none"> • <i>Updated the mapping of the general ledger accounts and started drafting the preliminary financial statements</i> • <i>Overall preliminary listing of schedules and related audit documentation sent 12/23/2025</i> • 	
2	Pohnpei State Housing Authority	<ul style="list-style-type: none"> • <i>Verified that all FY2023 audit adjustments were properly posted to the general ledger</i> • <i>Preliminary schedule requests, analytical review questions, confirmation requests, and substantive test selections sent 12/19/2025</i> • <i>Substantive testing of loans is ongoing</i> • <i>Analysis and valuation of the allowance loan losses is ongoing</i> 	
3	Pohnpei State Port Authority	<ul style="list-style-type: none"> • <i>Verified that all FY2023 audit adjustments were posted properly to the general ledger</i> • <i>Completed preliminary analytical procedures and file roll-forward are still ongoing</i> • <i>Sample selection are ongoing</i> • <i>Sent preliminary documentation request and analytical review inquiries 12/16/2025</i> 	<ul style="list-style-type: none"> • Preliminary documentation request and analytical review inquiries
4	Pohnpei Utilities Corporation	<ul style="list-style-type: none"> • <i>Received the Trial Balance, general ledger 12/23/2025 and</i> 	

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<p><i>analytical procedures ongoing</i></p> <ul style="list-style-type: none"> • The SEFA is still pending • Preparing the preliminary listing of schedules and related audit documentation. <p><i>On-site fieldwork for the Pohnpei State entities has been planned and scheduled to commence January 14, 2026.</i></p>	
Yap State Government and Component Units			
1	Yap State Government	<ul style="list-style-type: none"> • <i>BCA has communicated with the YSG team regarding FY2024 trial balance</i> • <i>BCA expects to receive the trial balance before January 31, 2026.</i> 	
2	Yap Diving Seagull Inc.		Audit completed and issued on January 8, 2026.
3	Yap State Public Service Corporation	<ul style="list-style-type: none"> • <i>Trial balance has been received.</i> • <i>BCA is revisiting the FY2023 financial statements because of YSPSC's inability to make loan payments on three loans issued by ADB.</i> • <i>Since YSG FY2023 just issued on December 31, 2025, BCA can now revise the YSPSC FY2023 financial statements by January 15 and proceed with FY2024 audit work.</i> 	
4	Yap Visitors Bureau	<ul style="list-style-type: none"> • <i>Awaiting the trial balance for FY2024</i> 	

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