

*The Auditor's Communication with Those Charged
with Governance*

**State of Chuuk
Federated States of Micronesia**

Year Ended September 30, 2024



**Shape the future
with confidence**



Shape the future
with confidence

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June 30, 2026

Management and Those Charged with Governance
Governor, State of Chuuk
Federated States of Micronesia

We have performed an audit of the financial statements of the governmental activities, the aggregate discreetly presented component units, each major fund and the aggregate remaining fund information of the State of Chuuk (the State) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated June 30, 2026.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligations to oversee the financial reporting and disclosure process.

REQUIRED COMMUNICATIONS

Professional standards require the auditor to provide those charged with governance with additional information regarding the scope and results of the audit that may assist those charged with governance in overseeing the financial reporting and disclosure processes which the management of State is responsible.

We summarize these required communications as follows:

Overview of the planned scope and timing of the audit

Our audit scope and timing is consistent with the plan communicated in our engagement letter dated October 8, 2025 and at our audit planning meeting with management.

Auditors' Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)

The financial statements, required supplementary information and supplementary information are the responsibility of the State's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Our responsibilities are included in our audit engagement letter.

We have issued the following opinions on the State’s opinion units as of and for the year ended September 30, 2024:

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Qualified
Grants Assistance Fund	Unmodified
Compact Trust Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Changes to the audit strategy, timing of the audit and significant risks identified

Our audit strategy is consistent with the plan communicated during the various audit planning meetings.

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

None.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Matters relevant to our evaluation of the entity’s ability to continue as a going concern

We did not identify any events or conditions that led us to believe there was substantial doubt about the State’s ability to continue as a going concern.

Our views about qualitative aspects of the entity's significant accounting practices, include:

- **Accounting policies**
- **Accounting estimates**
- **Financial statement disclosures**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

A discussion of significant accounting policies and estimates has been included in Note 1 of the basic financial statements.

Related party relationships and transactions

We noted no significant matters regarding the State's relationships and transactions with related parties.

Significant unusual transactions

We are not aware of any significant unusual transactions entered into by the State.

New accounting pronouncements

We have not identified issues regarding management's planned application of new accounting pronouncements.

Independence matters

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

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the February 5, 2026 meeting and in the update status meetings during the audit.

- Fraud and noncompliance with laws and regulations (illegal acts)
- Tips or complaints regarding the State's financial reporting
- Significant unusual transactions
- Subsequent events

Significant findings or issues during the audit that were discussed, or were the subject of correspondence with management

We are not aware of any matters that require communication.

Disagreements with management and significant difficulties encountered in dealing with management when performing the audit

There were no difficulties encountered in dealing with management in performing the audit.

Management’s consultations with other accountants

We are not aware of any consultations made by management with other accountants or specialists.

Difficult or contentious matters subject to consultation outside of the audit team

During the audit, we consulted with our Professional Practice Group on the following matters:

- Delay in issuance of the financial statements
- Engagement team involvement with preparation of the financial statements
- Qualification of auditor’s opinion – land leases
- Prior period adjustment

Material corrected misstatements related to accounts and disclosures

Refer to “Management Representations Letter” in Appendix A.

Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial

Current period uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if they are immaterial to the current period financial statements. Refer to the “Management Representations Letter” in Appendix A.

Deficiencies in internal control over financial reporting

In planning and performing our audit of the financial statements of the State as of and for the year ended September 30, 2024, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State’s internal control. Accordingly, we do not express an opinion on the effectiveness of the State’s internal control. Our consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies might exist that were not identified.

As of and for the year ended September 30, 2024, we have identified significant deficiencies and material weaknesses included in our independent auditor’s report on internal control over financial reporting.

Representations we are requesting from management

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix A.

Other information included in annual report

There was no other information available as of the date of our audit report.

AICPA ethics ruling regarding third-party service providers

From time to time, and depending on the circumstances, (1) we may subcontract portions of the audit services to other EY firms, who may deal with the State or its affiliates directly, although EY alone will remain responsible to you for the audit services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or 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 EY in connection with the audit services

Other matters

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

Engagement team’s involvement with preparation of the financial statements

Under GAS 2018 Revision, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management’s ability to effectively oversee the non-audit services to be provided. The engagement team should determine that the audited entity has designated an individual who possesses suitable skill, knowledge or experience and that the individual understands the services to be performed sufficiently to oversee them. The engagement team should document consideration of management’s ability to oversee non-audit services to be performed.

The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality control review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on the State’s trial balance with our understanding that the State’s underlying books and records are maintained by the State’s accounting department and that the final trial balance prepared by the State is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of the State.
- The State’s Accounting Manager has the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

This communication is intended solely for the information and use of the State, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Ernst + Young LLP

Appendix

A – Management Representations Letter

A – Management Representations Letter



**DEPARTMENT OF ADMINISTRATIVE SERVICES
CHUUK STATE GOVERNMENT
FEDERATED STATES OF MICRONESIA**

Tel. No. (691) 330-2230

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Jonas M. Paul
Director

Restmena S. Nonumwar
Deputy Director

June 30, 2026

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In connection with your audit of the basic financial statements of the State of Chuuk (the State) as of September 30, 2024 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the State and the respective changes in financial position and cash flows, where applicable, thereof and the related notes (collectively referred to hereafter as the “basic financial statements”), in accordance with accounting principles generally accepted in the United States of America (US 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.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management’s responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated October 8, 2025, for the preparation and fair presentation of the financial statements (including disclosures) in conformity with US GAAP applied on a basis consistent with that of the preceding periods except for the effects of adopting new accounting standards.

In preparing the basic financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State’s ability to continue as a going concern for twelve months beyond the financial statement date, including consideration of any currently known information that may raise substantial doubt shortly thereafter.

We acknowledge our responsibility for 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. We have provided you with:

A – Management Representations Letter, continued

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the State from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

From October 1, 2023 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements of any opinion unit that comprises the basic financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

We recognize that we are responsible for the State's compliance with the laws, regulations, provisions of contracts and grant agreements that are applicable to it. We have identified and disclosed to you all laws, regulations, provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

We have provided you all previous audits, attestation engagements, and other studies related to the audit objectives and whether the related recommendations have been implemented.

There has been no noncompliance or possible noncompliance with provisions of contracts or grant agreements in any jurisdiction whose effects should be considered for disclosure in the basic financial statements or as a basis for recording a loss contingency, other than those disclosed or accrued in the basic financial statements.

We have informed you of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.

We have a process to track the status of audit findings and recommendations.

We have provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.

A – Management Representations Letter, continued

We are responsible for the presentation of the Schedule of Expenditures of Federal Awards (“the SEFA”) in accordance with the Uniform Guidance, 2 CFR 200.510(b). We believe the SEFA, including its form and content, is presented in accordance with the Uniform Guidance, 2 CFR 200.510(b). There have been no changes in the methods of measurement or presentation of the SEFA from those used in the prior period. There are no significant assumptions or interpretations underlying the measurement or presentation of the SEFA. We are responsible for the significant assumptions and interpretations underlying the measurement or presentation of the SEFA. We believe that the significant assumptions and interpretations used are reasonable.

Uncorrected misstatements

There are no uncorrected misstatements (including the effects of correcting or reversing prior period uncorrected misstatements), or uncorrected misstatements in disclosures relating to the current period financial statements for each opinion unit.

Corrected misstatements

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements.

Financial reporting entity and net position/fund balance

We have identified and accounted all component units as well as joint ventures with an equity interest, and properly disclosed all other joint ventures and other related organizations.

The basic financial statements include all fiduciary activities as required by Governmental Accounting Standards Board (GASB) Statement No.84.

We have identified and properly classified all funds and activities in accordance with GASB Statement No. 54—as amended. We have identified and disclosed to you, all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

All funds that meet the quantitative criteria in GASB Statement No. 34—as amended and GASB Statement No. 37—as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved. We properly recognized, in accordance with our policy, whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

We apply the provisions of paragraph 18 of GASB Statement No. 54—as amended to determine the fund balance classifications for financial reporting purposes.

A – Management Representations Letter, continued

Internal control

We have communicated to you all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting.

There have been no significant changes in internal control since latest statement of net position date.

Minutes and contracts and internal audit reports

We have not prepared any minutes of the meetings of members, officers or summaries of actions of recent meetings held from October 1, 2023 to the date of this letter.

We also have made available to you all significant agreements and contracts, including amendments, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that have a material effect on the basic financial statements.

We have also made available to you all internal audit reports (or reports from similar functions) that were issued to management during the year that address internal control over financial reporting.

Certain risk disclosures

There are no risks related to vulnerabilities due to material concentrations or constraints.

Ownership and pledging of assets

No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged, except as disclosed in the basic financial statements. All assets to which the State has satisfactory title appear on the statement of net position.

Receivables and revenues

Adequate provision has been made for any receivable as of the latest statement of net position date that may not be collectible, including any losses, costs and expenses that may be incurred related to the collection of those receivables.

We have elected an accounting policy that defines when revenues become both measurable and available and we have consistently applied that policy for recognizing revenues.

Inventories

Inventories, including goods that are defective, slow-moving, obsolete or unusable, are stated at amounts not in excess of their estimated market values.

A – Management Representations Letter, continued

Physical counts and measurements of inventories were made by competent employees under the supervision of management and book records were appropriately adjusted after giving recognition to cut-off for materials received and products shipped.

Adequate provision has been made for losses under firm purchase commitments for goods or inventory. There have been no reductions of the selling prices of finished goods subsequent to the latest statement of net position date and none are contemplated.

Deposit, investment securities, and investment derivative risk disclosures

Information about deposits, investment securities and derivative transactions are presented and disclosed in accordance with the GASB requirements. Those balances with credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk have been properly disclosed in the basic financial statements.

Leases

We have not recorded right-to-use assets and lease liabilities as required under GASB Statement No. 87—as amended.

We represent to you that the State does not have any:

- Public Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA) under GASB Statement No. 94 as amended.
- Subscription-Based Information Technology Arrangements (SBITDA) under GASB Statement No. 96 as amended.

Prepayments

We believe that all material expenditures for which recognition has been deferred to future periods are recoverable.

Capital assets including intangible assets

Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.

Fair value measurements

We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation techniques have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB Statement No. 72—as amended. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72—as amended.

A – Management Representations Letter, continued

We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the basic financial statements and believe this information to be reliable and consistent with the requirements of GASB Statement No. 72—as amended.

Related party relationships and transactions

We have made available to you the names of all related parties and all relationships and transactions with related parties.

The substance of transactions with related parties, as defined in GASB Statement No. 56—as amended, has been considered and appropriate adjustments and disclosures have been made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

Side agreements and other arrangements

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Arrangements with financial institutions

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the basic financial statements.

Debt

We have complied with debt limits and debt related covenants.

We have properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88—as amended.

Events of default under debt agreements

No events of default have occurred with respect to any of the State’s debt agreements.

Contingencies and other liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62—as amended other than those disclosed in the financial statements.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements.

A – Management Representations Letter, continued

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements, other than those disclosed or accrued in the basic financial statements.

There are no other liabilities considered material, individually or in the aggregate, that are required to be accrued or disclosed, other than those accrued or disclosed in the basic financial statements. There are also no other gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62—as amended, other than those accrued or disclosed in the basic financial statements, nor are there any accruals for loss contingencies included in the statement of fund balances or gain contingencies that are not in conformity with the provisions of GASB Statement No. 62—as amended.

There are no oral or written guarantees including guarantees of the debt of others.

We have not consulted legal counsel concerning litigation, claims or assessments.

Oral and written guarantees

There are no oral or written guarantees, including guarantees of the debt of others.

Purchase commitments

As of the statement of net position date, the State had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2024 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Classification and allocation of revenues and expenses

Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.

Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that the State's business activities are conducted in accordance with laws, regulations, and provision of contracts and grant agreements and that we are responsible for identifying and addressing any non-compliance with applicable laws, regulations, and provisions of contracts and grant agreements, including fraud.

A – Management Representations Letter, continued

We acknowledge our responsibility for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all known actual or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered when preparing the financial statements.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the State’s internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by “whistleblowers”) that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the State.

Independence

We have communicated to you the names of the State’s affiliates, as defined in the AICPA Code of Professional Conduct ET section 1.224.020 *State and Local Government Client Affiliates*, officers and directors, or individuals who serve in such capacity for the Entity.

We are not aware of any business relationship between the State and Ernst & Young.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of the State’s audit.

Conflicts of interest

There are no instances where any officer or employee of the State has an interest in an entity with which the State does business that would be considered a “conflict of interest.” Such an interest would be contrary to State policy.

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the management’s discussion and analysis, and budgetary comparison information for the general fund, which have been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement.

There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

There are no significant assumptions or interpretations underlying the measurement or presentation of the information

A – Management Representations Letter, continued

Other information

We confirm that we have not identified any other information as defined in AICPA AU-C 720, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*.

Long-lived assets to be held and used, including amortizable intangible assets

No events or changes in circumstances have occurred that indicate the carrying amounts of long-lived assets to be held and used, including intangible assets that are subject to amortization, may not be recoverable.

Methods, significant assumptions, and data used in making accounting estimates

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

Effects of new accounting principles

As discussed in Note 1 to the financial statements, we have not completed the process of evaluating the effects that will result from adopting the amendments to the codification provided in Governmental Accounting Standards Board (GASB):

- GASB Statement No. 101
- GASB Statement No. 102
- GASB Statement No. 103
- GASB Statement No. 104
- GASB Statement No. 105

The State is therefore unable to disclose the effects that adopting the amendments in the aforementioned GASB Statements will have on its financial position and the changes in its financial position when such statements are adopted.

Supplementary information

We are responsible for the preparation and fair presentation of the following schedules (the "Supplementary Information") and its form and content in conformity with GASB:

- Combining schedule of expenditures by account-Governmental Funds
- Statement of revenues, expenditures by function and changes in fund balance-General Fund
- Statement of revenues, expenditures by function and changes in fund balance-budget and actual-General Fund
- Combining balance sheet-nonmajor governmental funds-special revenues funds
- Combining statement of revenues, expenditures by function and changes in fund balances-nonmajor governmental funds-special revenues funds

A – Management Representations Letter, continued

- Combining statement of revenues, expenditures by account and changes in fund balances-nonmajor governmental funds-special revenues funds
- Combining balance sheet-Grants Revenue Fund
- Combining statement of revenues, expenditures by function and changes in fund balance-Grants Assistance Fund
- Combining statement of revenues, expenditures by account and changes in fund balance-Grants Assistance Fund

We believe the supplementary information, including its form and content, is fairly stated in all material respects in conformity with GASB.

There have been no changes in the methods of measurement or presentation of the supplementary information from those used in the prior period.

There are no significant assumptions or interpretations underlying the measurement or presentation of the information.

Pacific Island Development Bank

We represent that the State owns 502 shares (with a purchase price of \$1,000 per share) in the Pacific Island Development Bank (PIDB). The State also owns 30,000 shares (with a purchase price of \$10 per share) in the FSM Development Bank (FSMDB).

The purpose of our interest in PIDB and FSMDB is to promote economic development through loans provided by PIDB and FSMDB rather than for the purpose of income or profit. Hence, the \$1,051,783 and \$300,000 interest in PIDB and FSMDB do not meet the definition of an investment under GASB72. Accordingly, we recorded the \$1,351,783 as other assets in our financial statements.

Federated States of Micronesia-Early Retirement Program Trust Fund

The Asian Development Bank (ADB) requires the Federated States of Micronesia to have monies available to satisfy repayment terms. As such, the purpose of the Early Retirement Program Trust Fund is to have monies in an investment account whereby withdrawals can be made to repay the ADP.

We confirm to you:

- the ADB loan balance is allocated among the State Governments and the FSM National Government
- We believe the Early Retirement Program Trust Fund d meets the definition of an External Investment Pool as per GASB Statement No. 31 paragraph 22.

A – Management Representations Letter, continued

“An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.”

Trust Fund for the People of the Federated States of Micronesia

In May 2003, an agreement was entered into between the United States of America and the Federated States of Micronesia (FSM). The agreement created a trust known as the “Trust Fund for the People of the Federated States of Micronesia. The purpose of the Fund is to contribute to the economic advancement and long-term self-reliance of the FSM by providing an annual source of revenue after fiscal year 2023.

We confirm to you:

- the Fund meets the definition of a permanent fund as per GASB Statement No. 34 paragraph 65.

“Permanent Funds should be used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government’s programs—that is, for the benefit of the government or its citizenry”
- that annual investment income and annual investment expenses are allocated among the Federated States of Micronesia National Government, the State Governments of Kosrae, Pohnpei, Chuuk and the United States Government (the Participants) based on the percentage of each Participants total principal and earnings at the beginning of the year over the total fund balance at the beginning of the year.
- We believe the Fund meets the definition of an External Investment Pool as per GASB Statement No. 31 paragraph 22.

Investments in subsidiaries and other entities

The equity method is used to account for the State’s investment in the common stock of Bank of the Federated States of Micronesia because the State has the ability to exercise significant influence over the investee’s operating and financial policies.

A – Management Representations Letter, continued

Other representations

- We recognize that we are responsible for the State's compliance with laws, regulations, and provisions of contracts and grant agreements that are applicable to it. We have identified and disclosed to your representatives, all laws and regulations that have direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have identified to your representatives all previous audits, attestation engagements, and other studies related to the audit objectives and whether the related recommendations have been implemented.
- We have informed you of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- We have a process to track the status of audit findings and recommendations.
- We have provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
- We have taken timely and appropriate steps to remedy fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements, that you have reported.
- There has been no noncompliance or possible noncompliance with provisions of contracts or grant agreements in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- We have made available to your representatives all financial records and related data.
- The financial statements properly classify all funds and activities.
- We have identified and disclosed to you, all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds. We have identified and disclosed to you, all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements where the noncompliance could have a direct and material effect on the financial statements.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.
- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

A – Management Representations Letter, continued

- The financial statements include all fiduciary activities as required by GASB Statement No.84.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54—as amended.
- All funds that meet the quantitative criteria in GASB Statement No. 34, as amended and GASB Statement No. 37, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.
- Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
- Special and extraordinary items are appropriately classified and reported.
- Risk disclosures associated with deposits and investment securities and derivatives transactions are presented in accordance with GASB requirements.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.
- Our 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 net position was properly recognized under the policy.
- We are following either our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or are following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.

A – Management Representations Letter, continued

- Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

Assistance with preparation of financial statements

We have received a draft copy of our financial statements as of and for the year ended September 30, 2024. The accuracy and completeness of the financial statements, including footnote disclosures, are our responsibility.

We acknowledge that Ernst & Young LLP assisted in preparation of our financial statements and footnotes based on information in our trial balance and accounting records. We represent that:

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared in complete and,
- All adjusting journal entries posted in the trial balance have been approved by us, and
- We have designated a competent representative 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, including footnote disclosures, and
- We have reviewed the financial statements for accuracy and completeness, and
- We acknowledge that we have taken responsibility for them.

Subsequent events

Subsequent to the latest statement of net position date, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to the State's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and, where applicable, cash flows of the State.

We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and was, therefore, designed primarily for the purpose of expressing opinions on the basic financial statements of the State and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

A – Management Representations Letter, continued

Very truly yours,



Mr. Jonas Paul
Director
Department of Administrative Services
Chuuk State Government

A – Management Representations Letter, continued

Appendices

- A – Schedule of Uncorrected Misstatements
- B – Schedule of Corrected Misstatements
- C – Subsequent Events

A – Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity:		Period Ended:		Currency:						
Chuuk State Government - Government-wide		30-Sep-2024		USD						
No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Income statement effect of the prior period		
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period Debit/(Credit)	Non-taxable
Factual misstatements:										
PY SAD 02.6	G1	To increase accrued leave liability Payroll Expense (Various Funds) Accrued Leave Liability (92-3290-00-00-00000-00)								144,811
PY SAD 02.1	E1	To correct Allowance for General Receivable Receivables, net Bad debt expense								197,059
Judgmental misstatements:										
PY SAD 02.5 (CPUC)		To provide additional allowance for bad debts Bad debts Allowance for Bad debts								227,000
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0	568,870
Total of uncorrected misstatements			0	0	0	0	0	0	0	568,870
Financial statement amounts			40,975,854	72,095,724	(15,423,943)	(5,474,732)	(92,172,903)		(21,800,588)	(7,587,353)
Effect of uncorrected misstatements on FIS amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	7.5%
Memo: Total of non-taxable items (marked 'X' above)										0
Uncorrected misstatements before income tax								0.0%	0	568,870
Less: Tax effect of misstatements at current year marginal rate								0%	0	0
Uncorrected misstatements in income tax									0	0
Cumulative effect of uncorrected misstatements after tax but before turnaround								0.0%	0	568,870
Turnaround effect of prior period uncorrected misstatements										
All factual and projected misstatements:										
Judgmental misstatements (Note 3):										
Cumulative effect of uncorrected misstatements, after turnaround effect								1.6%	(341,870)	0
Current year income before tax										(21,800,588)
Current year income after tax										(21,800,588)

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: Chuuk State Government - General Fund Period Ended: 30-Sep-2024 Currency: USD

No.	W/F ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit(Credit)						Effect on the current period OCI		Income statement effect of the current period		Income statement effect of the prior period		
			Assets Current Debit(Credit) (Note 2)	Assets Non-current Debit(Credit) (Note 2)	Liabilities Current Debit(Credit) (Note 2)	Liabilities Non-current Debit(Credit) (Note 2)	Equity components Debit(Credit)		Debit(Credit)	Non-taxable	Prior period Debit(Credit)	Non-taxable			
Factual misstatements:															
1	E1 (PY)	To correct Allowance for General Receivable													
		Receivables, net													197,050
		Bad debt expense													
Total of uncorrected misstatements before income tax													0	197,050	
Total of uncorrected misstatements													0	197,050	
Financial statement amounts													49,000,182	113,257,251	
Effect of uncorrected misstatements on FIS amounts													0.0%	-1.8%	
Memo: Total of non-taxable items (marked "X" above)													0	0	
Uncorrected misstatements before income tax													0.0%	197,050	
Less: Tax effect of misstatements at current year marginal rate													0%	0	
Uncorrected misstatements in income tax													0	0	
Cumulative effect of uncorrected misstatements after tax but before turnaround													0.0%	197,050	
Turnaround effect of prior period uncorrected misstatements															
All factual and projected misstatements:													197,050	197,050	
Judgmental misstatements (Note 3):													0	0	
Cumulative effect of uncorrected misstatements, after turnaround effect													1.9%	197,050	
Current year income before tax														113,357,351	
Current year income after tax														113,357,351	

A – Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: Chuuk State Government - Grants Assistance Fund Period Ended: 30-Sep-2024 Currency: USD

No.	WP ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit(Credit)						Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit(Credit) (Note 2)	Assets Non-current Debit(Credit) (Note 2)	Liabilities Current Debit(Credit) (Note 2)	Liabilities Non-current Debit(Credit) (Note 2)	Equity components Debit(Credit)	Debit(Credit)		Debit(Credit)	Non taxable	Prior period Debit(Credit)	Non taxable
Factual misstatements:													
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0	0	0	0	
Total of uncorrected misstatements			0	0	0	0	0	0	0	0	0	0	
Financial statement amounts			11,573,074	0	10,691,039	0	10,682,039	0	13,105,347	0	7,941,690	0	
Effect of uncorrected misstatements on FIS amounts			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Memo: Total of non-taxable items (marked 'X' above)													
Uncorrected misstatements before income tax								0.0%	0	0	0	0	
Less: Tax effect of misstatements at current year marginal rate								0%	0	0	0	0	
Uncorrected misstatements in income tax									0	0	0	0	
Cumulative effect of uncorrected misstatements after tax but before turnaround								0.0%	0	0	0	0	
Turnaround effect of prior period uncorrected misstatements													
All factual and projected misstatements:									After tax	Memo: Before tax			
Judgmental misstatements (Note 3):									0	0			
Cumulative effect of uncorrected misstatements, after turnaround effect								0.0%	0	0			
Current year income before tax										(3,105,347)			
Current year income after tax										(3,105,347)			

A – Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity:		Chuuk State Government - Compact Trust Fund		Period Ended:		30-Sep-2024		Currency:		USD				
No.	WP ref	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)						Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period		
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Debit/(Credit)		Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable	
Factual misstatements:														
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0	0	0	0	0	0
Total of uncorrected misstatements			0	0	0	0	0	0	0	0	0	0	0	0
Financial statement amounts			18,286,167	0	0	0	0	(18,286,167)	0	(2,687,307)	0	0	(1,753,027)	0
Effect of uncorrected misstatements on FIS amounts			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Memo: Total of non-taxable items (marked 'X' above)														
Uncorrected misstatements before income tax									0.0%	0	0	0	0	0
Less: Tax effect of misstatements at current year marginal rate									0%	0	0	0	0	0
Uncorrected misstatements in income tax										0	0	0	0	0
Cumulative effect of uncorrected misstatements after tax but before turnaround									0.0%	0	0	0	0	0
Turnaround effect of prior period uncorrected misstatements														
All factual and projected misstatements:										After tax	Memo: Before tax			
Judgmental misstatements (Note 3):										0	0	0	0	0
Cumulative effect of uncorrected misstatements, after turnaround effect									0.0%	0	0	0	0	0
Current year income before tax												(2,687,307)		
Current year income after tax												(2,687,307)		

A – Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity:		Period Ended:		Currency:								
Chuuk State Government - Other Governmental Funds		30-Sep-2024		USD								
No.	WIP ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
Factual misstatements:												
1	N4	To reclassify debit balances in accounts payable subledger to receivable.										
		Accounts Receivable	1,089									
		Accounts Payable		(1,089)								
Total of uncorrected misstatements before income tax			1,089	(1,089)	0	0	0	0	0	0	0	
Total of uncorrected misstatements			1,089	(1,089)	0	0	0	0	0	0	0	
Financial statement amounts			302,758	0	(89,894)	0	(262,894)	107,758		(48,848)		
Effect of uncorrected misstatements on FIS amounts			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		
Memo: Total of non-taxable items (marked "N" above)								0		0		
Uncorrected misstatements before income tax							0.0%	0		0		
Less: Tax effect of misstatements at current year marginal rate							0%	0		0		
Uncorrected misstatements in income tax								0		0		
Cumulative effect of uncorrected misstatements after tax but before turnaround							0.0%	0		0		
Turnaround effect of prior period uncorrected misstatements								0		0		
All factual and projected misstatements:								0		0		
Judgmental misstatements (Note 3):								0		0		
Cumulative effect of uncorrected misstatements, after turnaround effect							0.0%	0		0		
Current year income before tax								107,758				
Current year income after tax								107,758				

A – Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: Chuuk State Government - Discretely Presented Component Units Period Ended: 30-Sep-2024 Currency: USD

No.	W/F ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit/(Credit)						Effect on the current period OCI	Income statement effect of the current period	Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Income statement effect of the current period Debit/(Credit) Non taxable			Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
Judgmental misstatements:												
502.5 (CFE.00)		To provide additional allowance for bad debts.										
		Bad debts									227,000	
		Allowance for bad debts										
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0		227,000	
Total of uncorrected misstatements			0	0	0	0	0	0	0		227,000	
Financial statement amounts			8,302,195	21,958,452	(1,302,714)	(2,439,413)	(28,978,500)		290,231		721,068	
Effect of uncorrected misstatements on FIS amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		31.5%	
Memo: Total of non-taxable items (marked 'X' above)												
Uncorrected misstatements before income tax								0.0%	0		227,000	
Less: Tax effect of misstatements at current year marginal rate								0%	0		0	
Uncorrected misstatements in income tax									0		0	
Cumulative effect of uncorrected misstatements after tax but before turnaround								0.0%	0		227,000	
Turnaround effect of prior period uncorrected misstatements											0	
All factual and projected misstatements:											0	
Judgmental misstatements (Note 3):											227,000	
Cumulative effect of uncorrected misstatements, after turnaround effect								78.2%	227,000		227,000	
Current year income before tax											290,231	
Current year income after tax											286,231	

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Government-wide Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)							
No.	WP ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit) Non taxable
1	IN1	SURL Findings							
		10-8236-60-60-10101-24 - Utilities							50,000 X
		10-8310-60-60-10101-24 - Gen Contractual Services							37,985 X
		15-8310-60-66-15101-23 - Gen Contractual Services							55,000 X
		10-3110-00-00000-00 - Accounts Payable			(87,985)				
		15-3110-00-00000-00 - Accounts Payable			(55,000)				
2	C	To revert voided checks to cash							
		99-1068-00-00-00000-00 - CiB- Chuuk Grnf Sector	1,734,689						
		19-3110-00-00-00000-00 - Accounts Payable			(1,732,252)				
		10-3110-00-00-00000-00 - Accounts Payable			(1,595)				
		11-3110-00-00-00000-00 - Accounts Payable			(723)				
		13-3110-00-00-00000-00 - Accounts Payable			(25)				
		15-3110-00-00-00000-00 - Accounts Payable			(63)				
		16-3110-00-00-00000-00 - Accounts Payable			(30)				
		99-1020-00-00-00000-00 - CiB - Debt Relief Fund	2,184						
		01-3110-00-00-00000-00 - Accounts Payable			(2,184)				
		19-1999-00-00-00000-99 - Due to Treasury Fund			1,732,252				
		99-1999-00-00-00000-19 - Due to Cmpt II Infrstct	(1,732,252)						
		10-1999-00-00-00000-99 - Due to Treasury Fund	1,595						
		99-1999-00-00-00000-10 - Due to Cmpt II Ed Fund			(1,595)				
		11-1999-00-00-00000-99 - Due to Treasury Fund	723						
		99-1999-00-00-00000-11 - Due to Cmpt II Hlth Fund			(723)				
		13-1999-00-00-00000-99 - Due to Treasury Fund	25						
		99-1999-00-00-00000-13 - Due to Cmpt II Priv Sctr Fund			(25)				
		15-1999-00-00-00000-99 - Due to Treasury Fund	63						
		99-1999-00-00-00000-15 - Due to Cmpt II SEG Fund			(63)				
		16-1999-00-00-00000-99 - Due to Treasury Fund	30						
		99-1999-00-00-00000-16 - Due to ERA Fund			(30)				
		01-1999-00-00-00000-99 - Due to Treasury Fund	2,184						
		99-1999-00-00-00000-01 - Due to General Fund			(2,184)				
3	C	To revert unreleased checks to cash							
		99-1030-00-00-00000-00 - CiB-C/A Local Payroll B	56,176						
		99-1025-00-00-00000-00 - CiB-C/A Sector Payroll	34,390						
		96-3110-00-00-00000-00 - Accounts Payable			(90,565)				
		99-1020-00-00-00000-00 - CiB - Debt Relief Fund	5,000						

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Government-wide Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
		01-3110-00-00-00000-00 - Accounts Payable			(5,000)					
		99-1068-00-00-00000-00 - CIB- Chuuk Grnt Sector	13,448							
		11-3110-00-00-00000-00 - Accounts Payable			(13,448)					
		99-1999-00-00-00000-96 - Due to Payroll Fund			(56,176)					
		99-1999-00-00-00000-96 - Due to Payroll Fund			(34,390)					
		96-1999-00-00-00000-99 - Due to Treasury Fund	90,565							
		99-1999-00-00-00000-01 - Due to General Fund			(5,000)					
		01-1999-00-00-00000-99 - Due to Treasury Fund	5,000							
		11-1999-00-00-00000-99 - Due to Treasury Fund	13,448							
		99-1999-00-00-00000-11 - Due to Cmpt II Hlth Fund			(13,448)					
		99-1030-00-00-00000-00 - CIB-C/A Local Payroll B	29,032							
		99-1025-00-00-00000-00 - CIB-C/A Sector Payroll	40,302							
		96-3110-00-00-00000-00 - Accounts Payable			(69,334)					
		99-1999-00-00-00000-96 - Due to Payroll Fund			(29,032)					
		99-1999-00-00-00000-96 - Due to Payroll Fund			(40,302)					
		96-1999-00-00-00000-99 - Due to Treasury Fund	69,334							
4	IN1	To recognize the expense on the remaining balance per invoice								
		01-4236-80-82-08030-00 - Utility			(7,909)				7,909	X
		01-3110-00-00-00000-00 - Accounts Payable								
5	VE1	Prior period adjustment - prior year expenses (GF)					606,425			
		01-4110-00-00-00000-00 - Fund Balance Surplus							(606,425)	X
		01-8250-03-08-00696-00 - Misc Goods & Services								
6	VE4	Prior period adjustment - prior year expenses (OGF)					33,281			
		30-4110-00-00-00000-00 - Fund Balance Surplus								
		30-8110-70-71-11000-00 - Travel							(1,500)	X
		30-8220-70-71-11000-00 - FOOD							(4,026)	X
		30-8236-70-71-11000-00 - Utilities							(23,255)	X
		30-8250-70-71-11000-00 - Misc Goods and Services							(4,500)	X
7	HD3	Prior period adjustment - to correct investment balance (CTF)					4,598,055			
		89-4110-00-00-00000-00 - Fund Balance Surplus								
		89-7820-10-29-01095-00 - Compact Investment							1,185,472	X
		89-1110-00-00-00000-00 - Marketable Securities	(5,783,528)							

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Government-wide

Period ended: 30-Sep-2024

Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	WP ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
8	E1	Direct write-off of receivables								
		01-8812-10-29-01095-00 - Write-off of receivables							170,376	X
		19-1421-00-00-00000-00 - Uncollectible Allowance	233,330							
		19-1420-00-00-00000-00 - A/R Compact	(403,706)							
		01-1999-00-00-00000-99 - Due to Treasury Fund	(170,376)							
		99-1999-00-00-00000-01 - Due to General Fund			170,376					
		99-1999-00-00-00000-19 - Due to Cmpt II Infrstrct	(170,376)							
		19-1999-00-00-00000-99 - Due to Treasury Fund			170,376					
9	HDI1	ERF								
		01-7830-10-29-01095-00 - Investment Income							77,756	X
		01-1115-00-00-00000-00 - Investment-Early Rtrmt	(77,756)							
10	HDI1	To correct investment balance								
		01-7830-10-29-01095-00 - Investment Income							96,670	X
		51-1999-00-00-00000-99 - Due to Treasury Fund	96,670							
		99-1999-00-00-00000-01 - Due to General Fund	(96,670)		96,670					
		01-1999-00-00-00000-99 - Due to Treasury Fund	(96,670)							
		51-1111-00-00-00000-00 - Investment	(96,670)							
		99-1999-00-00-00000-51 - Due to CIP Old Cmpt Fund			(96,670)					
11	G	To correct other assets								
		51-2920-00-00-00000-00 - Other Assets	51,783							
		51-7950-10-29-01095-00 - Contributions							(51,783)	X
12	HDI1	To correct investment balance								
		01-1115-00-00-00000-00 - Investment-Early Rtrmt	15,392							
		01-7830-10-29-01095-00 - Investment Income							(15,392)	X
13	UG	UG Findings (POP)								
		13-3110-00-00-00000-00 - Accounts Payable			1,000					

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Government-wide Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit) Non taxable
		13-8310-90-93-13919-24 - Contractual Services							(1,000) X
		13-3110-00-00-00000-00 - Accounts Payable			3,000				
		13-8310-90-93-13919-24 - Contractual Services				2,500			(3,000) X
		13-3110-00-00-00000-00 - Accounts Payable							
		13-8310-90-93-13919-24 - Contractual Services							(2,500) X
		13-3110-00-00-00000-00 - Accounts Payable				3,700			
		13-8310-90-93-13919-24 - Contractual Services							(3,700) X
		12-3110-00-00-00000-00 - Accounts Payable				2,857			
		12-8310-90-91-12915-23 - Gen. Contractual Services							(2,857) X
14	FS.02	To correct balances							
		01-1811-00-00-00000-00 - Allowance for D/A	(6,416)						
		01-8812-10-29-01095-00 - Write-off of receivables							6,416 X
		93-7999-10-29-01095-00 - Other Miscellaneous Revenue							176,968 X
		93-8722-10-29-01095-00 - Debt Outside Interest							(176,968) X
		99-1068-00-00-00000-00 - ClB- Chuuk Grnt Sector	9,357						
		99-1999-00-00-00000-11 - Due to Cmpt II Hlth Fund				13,448			
		99-1999-00-00-00000-12 - Due to Cmpt II Environ Fund				(2,857)			
		99-1999-00-00-00000-13 - Due to Cmpt II Priv Scr Fund				(6,500)			
		99-3110-00-00-00000-00 - Due to CVB Fund				(13,448)			
		11-1999-00-00-00000-99 - Due to Treasury Fund	(13,448)						
		11-3110-00-00-00000-00 - Accounts Payable				13,448			
		12-1999-00-00-00000-99 - Due to Treasury Fund	2,857						
		12-3110-00-00-00000-00 - Accounts Payable				(2,857)			
		13-1999-00-00-00000-99 - Due to Treasury Fund	6,500						
		13-3110-00-00-00000-00 - Accounts Payable				(6,500)			
		16-3110-00-00-00000-00 - Accounts Payable				2,190			
		16-8110-10-20-16100-24 - Travel & Transportation							(2,190) X
Total of corrected misstatements before income tax			(6,037,121)	0	(166,097)	0	5,237,761	0	965,457
Financial statement amounts			40,975,854	72,095,724	(15,423,943)	(5,474,732)	(92,172,903)		(21,890,588)
Effect of corrected misstatements on FIS amounts			-14.7%	0.0%	1.1%	0.0%	-5.7%		-4.4%

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - General Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	WP ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	Non taxable
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
1	HD1	To correct balance of Investment in Bank of FSM								
		01-7830-10-29-01095-00 - Investment Income							96,670	X
		51-1111-00-00-00000-00 - Investment Bank of the FSM		(96,670)						
2	G1	To correct balance of Other Asset								
		51-2920-00-00-00000-00 - Other Assets		51,783						
		51-7950-10-29-01095-00 - Contributions							(51,783)	X
3	VE1	To align the expense amount with the invoiced amount (sample #28)								
		01-8236-80-82-08030-00 - Utility			(7,909)				7,909	X
		01-3110-00-00-00000-00 - Accounts Payable								
4	VE1	Prior period adjustment - 2023 expenses only recorded in CY								
		01-4110-00-00-00000-00 - Fund Balance Surplus					606,425			
		01-8250-03-08-00696-00 - Misc Goods & Services							(606,425)	X
5	C	To revert voided checks to cash								
		01-3110-00-00-00000-00 - Accounts Payable				(2,184)				
		99-1999-00-00-00000-01 - Due to General Fund				(2,184)				
		99-1999-00-00-00000-10 - Due to Cmpt II Ed Fund				(1,595)				
		99-1999-00-00-00000-11 - Due to Cmpt II Hlth Fund				(723)				
		99-1999-00-00-00000-13 - Due to Cmpt II Priv Sctr Fund				(25)				
		99-1999-00-00-00000-15 - Due to Cmpt II SEG Fund				(63)				
		99-1999-00-00-00000-16 - Due to ERA Fund				(30)				
		99-1020-00-00-00000-00 - CIB - Debt Relief Fund		2,184						
		99-1068-00-00-00000-00 - CIB- Chuuk Grnt Sector	1,734,689							
		01-1999-00-00-00000-99 - Due to Treasury Fund	2,184							
		99-1999-00-00-00000-19 - Due to Cmpt II Infrstrct	(1,732,252)							
6	C	To revert unreleased checks to cash								
		01-3110-00-00-00000-00 - Accounts Payable				(5,000)				
		96-3110-00-00-00000-00 - Accounts Payable				(159,899)				
		99-1999-00-00-00000-01 - Due to General Fund				(5,000)				

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - General Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account <small>(misstatements are recorded as journal entries with a description)</small>	Assets	Assets	Liabilities	Liabilities	Equity	Effect on the	Income statement effect
			Current	Non-current	Current	Non-current	components	current period OCI	of the current period
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)
									Non taxable
		99-1999-00-00-0000-11 - Due to Cmpt II Hlth Fund			(13,448)				
		99-1999-00-00-0000-96 - Due to Payroll Fund			(159,899)				
		99-1020-00-00-0000-00 - CIB - Debt Relief Fund	5,000						
		99-1030-00-00-0000-00 - CIB-C/A Local Payroll B	85,208						
		99-1025-00-00-0000-00 - CIB-C/A Sector Payroll B	74,691						
		99-1068-00-00-0000-00 - CIB- Chuuk Grnf Sector	13,448						
		01-1999-00-00-0000-99 - Due to Treasury Fund	5,000						
		96-1999-00-00-0000-99 - Due to Treasury Fund	159,899						
7	E1	Direct write-off of receivables							
		01-8812-10-29-01095-00 - Write-off of receivables							170,376
		99-1999-00-00-0000-01 - Due to General Fund			170,376				
		01-1999-00-00-0000-99 - Due to Treasury Fund	(170,376)						
		99-1999-00-00-0000-19 - Due to Cmpt II Infractct	(170,376)						
8	HDI	To correct investment balance							
		01-7830-10-29-01095-00 - Investment Income							77,756
		01-1115-00-00-0000-00 - Investment-Early Rtrmt Trust		(77,756)					
9	HDI	To correct investment balance							
		01-1115-00-00-0000-00 - Investment-Early Rtrmt Trust		15,392					
		01-7830-10-29-01095-00 - Investment Income							(15,392)
10	HDI	Automated entry for adjustment #1							
		51-1999-00-00-0000-99 - Due to Treasury Fund	96,670						
		99-1999-00-00-0000-01 - Due to General Fund			96,670				
		01-1999-00-00-0000-99 - Due to Treasury Fund	(96,670)						
		99-1999-00-00-0000-51 - Due to CIP Old Cmpt Fund			(96,670)				
11	FS.02	To correct balances							
		01-1811-00-00-0000-00 - Allowance for D/A	(6,416)						
		01-8812-10-29-01095-00 - Write-off of receivables							6,416
		93-1999-10-29-01095-00 - Other Miscellaneous Revenue							176,968
		93-8722-10-29-01095-00 - Debt Outside Interest							(176,968)
		99-1068-00-00-0000-00 - CIB- Chuuk Grnf Sector	9,357						
		99-1999-00-00-0000-11 - Due to Cmpt II Hlth Fund			13,448				

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - General Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	Non taxable
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
		99-1999-00-00-00000-12 - Due to Cmpt II Environ Fund			(2,857)					
		99-1999-00-00-00000-13 - Due to Cmpt II Priv Sctr Fund			(6,500)					
		99-3110-00-00-00000-00 - Due to CVB Fund			(13,448)					
Total of corrected misstatements before income tax			12,240	(107,251)	(196,942)	0	606,425	0	(314,472)	
Financial statement amounts			46,055,183	0	(20,786,101)	0	(25,269,082)		(13,357,251)	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.9%	0.0%	-2.4%		2.4%	

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD.]

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Grants Assistance Fund

Period ended: 30-Sep-2024

Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit) Non-taxable
1	E2	Direct write-off of receivables				170,376			
		19-1999-00-00-00000-99 - Due to Treasury Fund							
		19-1420-00-00-00000-00 - A/R Compact	(403,796)						
		19-1421-00-00-00000-00 - Uncollectible Allowance	233,330						
2	N2	SURL Findings							
		10-8236-60-60-10101-24			Utilities				50,000
		10-8310-60-60-10101-24			Gen.Contractual Services				37,985
		15-8310-60-66-15101-23			Gen.Contractual Services				55,000
		10-3110-00-00-00000-00			Accounts Payable	(87,985)			
		15-3110-00-00-00000-00			Accounts Payable	(55,000)			
3	C	To revert voided checks to cash							
		10-3110-00-00-00000-00 - Accounts Payable				(1,595)			
		11-3110-00-00-00000-00 - Accounts Payable				(722)			
		13-3110-00-00-00000-00 - Accounts Payable				(25)			
		15-3110-00-00-00000-00 - Accounts Payable				(63)			
		16-3110-00-00-00000-00 - Accounts Payable				(30)			
		19-3110-00-00-00000-00 - Accounts Payable				(1,732,252)			
		19-1999-00-00-00000-99 - Due to Treasury Fund			1,595				
		10-1999-00-00-00000-99 - Due to Treasury Fund				1,732,252			
		11-1999-00-00-00000-99 - Due to Treasury Fund			722				
		13-1999-00-00-00000-99 - Due to Treasury Fund			25				
		15-1999-00-00-00000-99 - Due to Treasury Fund			63				
		16-1999-00-00-00000-99 - Due to Treasury Fund			30				
4	C	To revert unreleased checks to cash							
		11-3110-00-00-00000-00 - Accounts Payable				(13,448)			
		11-1999-00-00-00000-99 - Due to Treasury Fund	13,448						
5	UG	To correct accounts payable							
		12-3110-00-00-00000-00 - Accounts Payable				2,857			
		12-8310-90-91-12915-23 - Gen.Contractual Services						(2,857)	
		13-3110-00-00-00000-00 - Accounts Payable				10,200			
		13-8310-90-93-13919-24 - Contractual Services						(10,200)	

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Grants Assistance Fund

Period ended: 30-Sep-2024

Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							Income statement effect of the current period	
No.	W/P ref.	Account <small>(misstatements are recorded as journal entries with a description)</small>	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Debit/(Credit)	Non-taxable	
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)		
6	FS 02	To correct balances									
		11-1999-00-00-00000-99 - Due to Treasury Fund	(13,448)		13,448						
		11-3110-00-00-00000-00 - Accounts Payable									
		12-1999-00-00-00000-99 - Due to Treasury Fund	2,857								
		12-3110-00-00-00000-00 - Accounts Payable			(2,857)						
		13-1999-00-00-00000-99 - Due to Treasury Fund	6,500								
		13-3110-00-00-00000-00 - Accounts Payable			(6,500)						
		16-3110-00-00-00000-00 - Accounts Payable			2,190					(2,190)	
		16-8110-10-20-16100-24 - Travel & Transportation									
Total of corrected misstatements before income tax			(158,584)	0	30,846	0	0	0	0	127,737	
Financial statement amounts			11,573,074	0	(5,693,039)	0	(5,880,035)			(3,105,347)	
Effect of corrected misstatements on FIS amounts			-1.4%	0.0%	-0.5%	0.0%	0.0%			-4.1%	

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD.]

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Period ended: Currency:

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	WP ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
1	[HD3]	Prior period adjustment - To correct investment balance					4,598,055			
		89-4110-00-00-0000-00 - Fund Balance Surplus							1,185,472	
		89-7820-10-29-01095-00 - Compact Investment								
		89-1110-00-00-0000-00 - Marketable Securities	(5,783,528)							
Total of corrected misstatements before income tax			(5,783,528)	0	0	0	4,598,055	0	1,185,472	
Financial statement amounts			18,286,167	0	0	0	(18,286,167)		(2,667,307)	
Effect of corrected misstatements on F/S amounts			-31.6%	0.0%	0.0%	0.0%	-25.1%		-44.4%	

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD.]

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Other Governmental Funds Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement of the current period	effect of the current period
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
1	VE-4	Prior period adjustment - FY23 expense transactions only recorded in CY					33,281			
		30-4110-00-00000-00 - Fund Balance Surplus								
		30-8110-70-71-11000-00 - Travel								(1,500)
		30-8220-70-71-11000-00 - FOOD								(4,025)
		30-8236-70-71-11000-00 - Utilities								(23,255)
		30-8250-70-71-11000-00 - Misc Goods and Services								(4,500)
Total of corrected misstatements before income tax			0	0	0	0	33,281	0		(33,281)
Financial statement amounts			302,758	0	(39,894)	0	(262,864)			107,758
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	-12.7%			-30.9%

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD.]

A – Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Chuuk State Government - Discretely Presented Component Units Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	Non taxable
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
Total of corrected misstatements before income tax			0	0	0	0	0	0	0	0
Financial statement amounts			8,362,196	21,958,452	(1,302,714)	(2,439,413)	(26,578,520)		290,231	
Effect of corrected misstatements on FIS amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD.]

A – Management Representations Letter, continued

Appendix C – Subsequent Events

Chuuk State Government
September 30, 2024 audit
Subsequent Events Questionnaire

Page 1 of 2

Coverage: For the period from October 01, 2024 to audit report date

Question	Response Yes or No	If yes, please provide additional information
1 Are there any subsequent events that occurred that may effect the financial statements, other than those that have already been communicated?	No	
2 Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements? Have any other significant unusual transactions been entered into?	No	
3 Have any significant contingent liabilities or commitments arisen, except as disclosed in the audited financial statements?	No	
4 Have any significant changes occurred in trends in sales/revenues or costs that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for warranties or employee benefits or unearned income)?	No	
5 Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?	No	
6 Have any significant changes occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	No	
7 Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?	No	
8 Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?	No	
9 Have there been any changes in the entity's related parties?	No	
10 Have any significant new related party transactions occurred?	No	
11 Have any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements? This includes appropriate inquiries regarding subsequent events of material investees accounted for by the equity method.	No	
12 In connection with the preceding inquiries, are there significant new contracts or agreements (including amendments) and written communications with the SEC or other regulatory agencies (if applicable) with which the entity files financial statements, that could have an effect on the audited financial statements. List below or in a separate attachment the documents read.	No	
13 Any meetings held subsequent to the balance sheet date, for which minutes are not yet available? If yes, please provide minutes of the meeting. If minutes are not yet available, please provide us a summary of matters discussed.	No	
14 Are you aware of any significant or large amounts (e.g., proceeds of loans, significant sales of productive assets or other unusual items) in your cash receipts records?	No	
15 Are you aware of any for unusual payments and payments of liabilities in your cash disbursements records not recorded as of the balance sheet date?	No	
16 Are you aware of any significant time lag in issuing credits for collections on accounts receivable and credit memoranda issued for sales returns and allowances?	No	
17 Are you aware of any general journal entries that would have a material effect on the financial statements as of the balance sheet date	No	

A – Management Representations Letter, continued

Appendix C – Subsequent Events

Chuuk State Government
 September 30, 2024 audit
 Subsequent Events Questionnaire

Page 2 of 2

Coverage: For the period from October 01, 2024 to audit report date

Question	Response Yes or No	If yes, please provide additional information
18 Are you aware of any fraud or suspected fraud affecting Chuuk State Government involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the audited financial statements?	No	
19 Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of Chuuk State Government?	No	
20 Are you aware whether conditions or events have occurred, that individually or collectively, may raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?	No	
21 Are you aware of any close relationships, or business, employment or other relationships that could bear on EY's independence (e.g. business/financial relationships, litigation with EY, family relationship, employment, loans, cooperative arrangements, etc.)?	No	



 Jonas Paul
 Director, Department of Administrative Services

6/30/26

 Date



 Makoto Shinoda
 Financial Advisor, Department of Administrative Services

6/30/26

 Date



 Kayvahn Hallers Umwech
 Internal Control, Department of Administrative Services

6/30/26

 Date