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September 9, 2013

Honorable Eddie Baza Calvo  
Governor of Guam

Dear Governor Calvo:

We have performed an audit of the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A (Solid Waste Funds or the Funds), as of and for the years ended September 30, 2012 and 2011, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon date September 9, 2013.

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

#### **OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

Our responsibility under generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described in our engagement letter dated January 2, 2013. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the Funds’ basic financial statements and the accompanying supplementary information, and to disclaim an opinion on the required supplementary information for the years ended September 30, 2012 and 2011 in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), in all material respects;
- To express an opinion on whether the supplementary information that accompanies the basic financial statements is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole; and
- To report on the Funds’ internal control over financial reporting and on their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the years ended September 30, 2012 and 2011 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared with the oversight of management and the Office of the Governor are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Office of the Governor of their responsibilities.

We considered the Funds' 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 Funds' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Funds' internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

### **ACCOUNTING ESTIMATES**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Funds' 2012 and 2011 financial statements include management's estimate of the allowance for uncollectible accounts, which is determined based upon past collection experience. During the years ended September 30, 2012 and 2011, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

### **UNCORRECTED MISSTATEMENTS**

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. We have attached to this letter, as Appendices A and B to Attachment II, a summary of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### **AUDIT ADJUSTMENTS**

As the result of our audit work, we identified matters that resulted in audit adjustments that we believe either individually or in the aggregate with others have had a significant effect on the Funds' financial reporting process. Such adjustments, listed in Attachment I, have been recorded in the accounting records and are reflected in the financial statements.

### **SIGNIFICANT ACCOUNTING POLICIES**

The Funds' significant accounting policies are set forth in Note 1 to the Funds' 2012 and 2011 financial statements. During the years ended September 30, 2012 and 2011, there were no significant changes in previously adopted accounting policies or their application.

### **CRITICAL ACCOUNTING POLICIES AND PRACTICES**

Critical accounting policies are those that are both most important to the portrayal of the Funds' financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

We had no oral discussions with management regarding critical accounting policies and practices related to the years ended September 30, 2012 and 2011.

### **ALTERNATIVE ACCOUNTING TREATMENTS**

We had no discussions with management regarding alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the years ended September 30, 2012 and 2011.

### **DISAGREEMENTS WITH MANAGEMENT**

We have not had any disagreements with management related to matters that are material to the Funds' 2012 and 2011 financial statements.

### **CONSULTATION WITH OTHER ACCOUNTANTS**

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2012 and 2011.

### **MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO OUR RETENTION**

Throughout the year, routine discussions regarding the application of accounting principles or auditing standards were held with management in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions were not held in connection with our retention as auditors.

### **SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

### **MANAGEMENT'S REPRESENTATIONS**

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

### **CONTROL-RELATED MATTERS**

We have issued a separate report to you, also dated September 9, 2013, containing information regarding our consideration of the Funds' internal control over financial reporting and our tests of their compliance with certain provisions of law, regulations, contracts and grant agreements. Although we have included management's written responses to our comments contained in that report, such responses have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

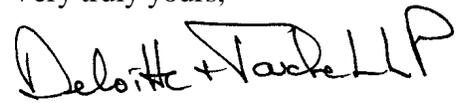
We also noted certain matters that we reported to management of the Funds' in a separate letter dated September 9, 2013.

Solid Waste Funds  
September 9, 2013

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This report is intended solely for the information and use of management, the Office of the Governor and the Office of Public Accountability of Guam and is not intended to be and should not be used by anyone other than these specified parties.

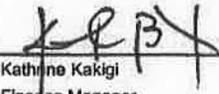
Very truly yours,

A handwritten signature in black ink that reads "Deloitte + Tatchell LLP". The signature is written in a cursive, slightly stylized font. The "D" is large and loops around the "eloitte". The "+" sign is small and positioned between "eloitte" and "Tatchell". The "T" is large and has a prominent vertical stroke. The "LLP" is written in a simpler, more upright cursive style.

GovGuam Solid Waste Operations - Landfill CIP Fund (Fund 254)  
Proposed Audit Adjustments  
September 30, 2012

#	Name	Debit	Credit
	<b>1 AJE To adjust BOG construction acct</b>		
125410701	LANDFILL SEC 30 CONSTRUCTION	183,213.87	-
325454103	GAIN (LOSS) ON INVESTMENT	-	183,213.87
		<u>183,213.87</u>	<u>183,213.87</u>
	To take up unrealized gain on investments on the BOG Construction account.		
	<b>2 AJE To adjust interest on capitalized interest</b>		
325454101	INTEREST ON BANK DEPOSITS	343,852.04	-
125414100	DUE TO/FR GENERAL FUND	-	343,852.04
		<u>343,852.04</u>	<u>343,852.04</u>
	To transfer interest on the capitalized interest account to debt service fund.		
	<b>3 AJE To adjust receiver fees and payable</b>		
125421590	ACCRUED EXPENDITURES	139,036.58	-
5254D0910CDCE201230	LANDFILL CONSTRUCTION	-	139,036.58
		<u>139,036.58</u>	<u>139,036.58</u>
	To adjust receiver fees and receiver fees payable.		
	<b>4 AJE To adjust payables relating to operations</b>		
125421590	ACCRUED EXPENDITURES	1,795,075.86	-
125414416	DUE TO/FR SOLID WASTE OPS FUND	-	1,795,075.86
		<u>1,795,075.86</u>	<u>1,795,075.86</u>
	To transfer operations related payables to Fund 416.		

We have reviewed the adjustments above and agree that they be recorded in the general ledger as of and for the year ended September 30, 2012. The above are not the results of fraud or illegal acts.

  
Kathrine Kakigi  
Finance Manager

GovGuam Solid Waste Fund - Operations Fund (Fund 416/417)  
Proposed Audit Adjustments  
September 30, 2012

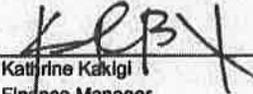
#	Name	Debit	Credit
<b>1 AJE To adjust tipping fee receivables</b>			
141612101	A/R - S.W. TIPPING FEES	-	14,072,442.65
141612109	ALLOWANCE FOR BAD DEBTS - TFS	11,372,141.85	-
141624315	DEFERRED REVENUE	1,537,047.08	-
DTT2	Revenue adjustments	1,163,253.72	-
		<u>14,072,442.65</u>	<u>14,072,442.65</u>
	To adjust receivables and deferred revenue per GL to agree to receivables per subledger.		
<b>2 AJE To record deferred revenue on Lagu's N/R</b>			
141624315	DEFERRED REVENUE	-	644,794.19
DTT2	Revenue adjustments	644,794.19	-
		<u>644,794.19</u>	<u>644,794.19</u>
	To record deferred revenue on remaining notes receivable balance from Lagu.		
<b>3 AJE To take up CY writeoffs</b>			
141612109	ALLOWANCE FOR BAD DEBTS - TFS	498,829.94	-
DTT2	Revenue adjustments	-	498,829.94
		<u>498,829.94</u>	<u>498,829.94</u>
	To adjust allowance for accounts written off during 2012.		
<b>4 AJE To adjust GWA&amp;Lagu beginning allowance</b>			
141612109	ALLOWANCE FOR BAD DEBTS - TFS	807,146.00	-
DTT2	Revenue adjustments	-	807,146.00
		<u>807,146.00</u>	<u>807,146.00</u>
	To adjust beginning allowance on GWA and Lagu receivables.		
<b>5 AJE To record deferred revenues</b>			
141624315	DEFERRED REVENUE	-	57,152.91
DTT2	Revenue adjustments	57,152.91	-
		<u>57,152.91</u>	<u>57,152.91</u>
	To record deferred revenue for collections relating to FY 2012 revenues collected 90 days after year-end.		
<b>6 AJE To record deferred revenue on GWA receivables</b>			
141624315	DEFERRED REVENUE	-	854,497.92
DTT2	Revenue adjustments	854,497.92	-
		<u>854,497.92</u>	<u>854,497.92</u>
	To record corresponding deferred revenue on the receivables from GWA.		
<b>8 AJE To adjust payables</b>			
141614254	DUE TO/FR LANDFILL CIP FUND	1,795,075.86	-
141621110	ACCOUNTS PAYABLE	-	203,932.36
141621110A	CONTRACTS PAYABLE	-	1,287,400.12
141621110B	RECEIVER FEES PAYABLE	-	303,743.38
		<u>1,795,075.86</u>	<u>1,795,075.86</u>
	To transfer operations related payables from Fund 254 to Fund 416.		
<b>9 AJE To adjust allowance at 9/30/12</b>			

GovGuam Solid Waste Fund - Operations Fund (Fund 416/417)  
Proposed Audit Adjustments  
September 30, 2012

#	Name	Debit	Credit
141612109	ALLOWANCE FOR BAD DEBTS - TFS	117,764.01	-
DTT2	Revenue adjustments	-	117,764.01
		<u>117,764.01</u>	<u>117,764.01</u>

To adjust allowance to agree to audited balance at 9/30/12.

We have reviewed the adjustments above and agree that they be recorded in the general ledger as of and for the year ended September 30, 2012. The above are not the results of fraud or illegal acts.

  
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Katherine Kakigi  
Finance Manager

GovGuam Solid Waste Operations - Debt Service Fund (Fund 363)  
 Proposed Adjustments  
 September 30, 2012

#	Name	Debit	Credit
	<b>1 AJE To record investment gain/loss - bond reserve fund</b>		
136310212	LANDFILL SEC 30 09 BOND RES FD	322,780.74	-
336354103	GAIN (LOSS) ON INVESTMENT	-	322,780.74
		<u>322,780.74</u>	<u>322,780.74</u>
	To take up unrealized gain on investments on the BOG Bond Reserve Fund.		
	<b>2 AJE To record investment gain/loss - Cap Int.</b>		
136310703	LANDFILL SEC 30 09 SER CAP INT	381.86	-
336354103	GAIN (LOSS) ON INVESTMENT	-	381.86
		<u>381.86</u>	<u>381.86</u>
	To take up unrealized gain on investments on the BOG Capitalized Interest account.		
	<b>3 AJE To record Interest Income on Cap I account</b>		
136314100	DUE TO/FR GENERAL FUND	343,852.04	-
336354101	INTEREST ON BANK DEPOSITS	-	343,852.04
		<u>343,852.04</u>	<u>343,852.04</u>
	To record interest on the capitalized interest account to debt service fund.		

We have reviewed the adjustments above and agree that they be recorded in the general ledger as of and for the year ended September 30, 2012. The above are not the results of fraud or illegal acts.

  
 Kathrine Makig  
 Finance Manager



**Eddie Baza Calvo**  
Governor  
**Ray Tenorio**  
Lieutenant Governor

**Government of Guam**  
*(Gubethnomention Guahan)*  
**Department of Administration**  
*(Dipattamenton Atmenestration)*  
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**Benita A. Mangiona**  
Director  
**Anthony C. Blaz**  
Deputy Director

September 9, 2013

Deloitte & Touche LLP  
361 South Marine Corps Drive  
Tamuning GU, 96913

We are providing this letter in connection with your audit of the balance sheets of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A (the Funds), as of September 30, 2012 and 2011, and the related statement of revenues, expenditures, and changes in fund balances for the years ended September 30, 2012 and 2011, which collectively comprise the Funds' basic financial statements for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations or changes in fund balances, and cash flows of the Funds' in conformity with accounting principles generally accepted in the United States of America (GAAP).

We confirm that we are responsible for the following:

- a. The fair presentation in the basic financial statements of financial position of the balance sheet and the related statement of revenues, expenditures, and changes in fund balances, in conformity with GAAP.
- b. The fair presentation of the additional information accompanying the basic financial statements that is presented for the purpose of additional analysis of the basic financial statements.
- c. The design, implementation and maintenance of programs and controls to prevent and detect fraud.
- d. Establishing and maintaining effective internal control over financial reporting.
- e. The review and approval of the financial statements and related notes and acknowledge your role in the preparation of this information. Specifically, we acknowledge that your role in the preparation of the financial statements was a matter of convenience rather than one of necessity. We have reviewed the financial statement preparation assistance provided by you and acknowledge that the financial statements are prepared in accordance with GAAP. Our review was based on the use of the financial statement disclosure checklist for a general-purpose government obtained from the Government Finance Officers Association.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

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

1. The basic financial statements referred to above are fairly presented in conformity with GAAP. In addition:
  - a. The financial statements present only the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A. They are not intended to present the financial position and results of operations of the Government of Guam in conformity with GAAP.
  - b. The financial statements properly classify all funds and activities.
  - c. Deposits and investments are properly classified in the category of custodial credit risk.
  - d. Interfund, internal, and intra-government activity and balances have been appropriately classified and reported.
  - e. Required supplementary information is measured and presented within prescribed guidelines.
  - f. Applicable laws and regulations are followed in adopting, approving and amending budgets.
2. Management has provided to you all relevant information and access as agreed in the terms of the audit engagement letter, including:
  - a. Public Laws as enacted by the Guam Legislature.
  - b. Financial records and related data for all financial transactions of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A and for all funds administered by the Government of Guam relating to the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A. The records, books, and accounts, as provided to you, record the financial and fiscal operations of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the financial statements have been prepared.
  - c. Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.

3. There has been no:
  - a. Action taken by the Government of Guam or management of the Funds' that contravenes the provisions of federal laws and local laws and regulations, or of contracts and grants applicable to the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A.
  - b. Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A.
4. We believe the effects of any uncorrected financial statement misstatement aggregated by you during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such uncorrected misstatements have been attached as Appendix A.
5. We believe the effects of the uncorrected financial statement misstatements detected in the current year that relate to the prior year presented, when combined with those misstatements aggregated by you during the prior year audit engagement and pertaining to the prior year presented, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such uncorrected misstatements has been attached as Appendix B.
6. The Government of Guam has not performed a risk assessment, including the assessment of the risk that the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in the Government of Guam and do not believe that the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A are materially misstated as a result of fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the Government of Guam involving:
  - a. Management.
  - b. Employees who have significant roles in internal control over financial reporting.
  - c. Others if the fraud could have a material effect on the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the Funds' received in communications from employees, former employees, analysts, regulators, or others.

9. Except as disclosed in Note 7 of the financial statements, there are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies*.
10. Significant assumptions used by us in making accounting estimates are reasonable.
11. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
12. We are responsible for the fair presentation of the additional information accompanying the basic financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A that is presented for the purpose of additional analysis of the basic financial statements.

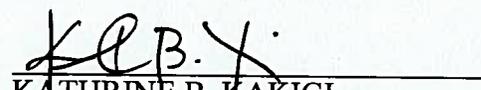
Except where otherwise stated below, matters less than \$93,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A.

13. Except as disclosed in Appendices A and B, there are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
14. Management of the Funds' has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
15. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:
  - a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral).
  - b. Guarantees, whether written or oral, under which management of the Funds' is contingently liable.
16. In preparing the financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
  - a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
  - b. The effect of the change would be material to the financial statements.

17. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:
  - a. The concentration exists at the date of the financial statements.
  - b. The concentration makes the enterprise vulnerable to the risk of a near-term severe impact.
  - c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.
18. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*.
19. The Government of Guam has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
20. The Government of Guam has complied with all aspects of contractual agreements that may have an effect on the financial statements of the Solid Waste Operations Fund and of those funds related to the Government of Guam Limited Obligation (Section 30) Bonds, 2009 Series A in the event of noncompliance.
21. No department or agency of the Government of Guam has reported a material instance of noncompliance to us.
22. No events have occurred after September 30, 2012 but before September 9, 2013, the date the financial statements were available to be issued that require consideration as adjustments to or disclosures in the financial statements.
23. Regarding required supplementary information:
  - a. We confirm that we are responsible for the required supplementary information.
  - b. The required supplementary information is measured and presented in accordance with GASB Codification of Government Accounting and Financial Reporting Standards Section 2200, *Comprehensive Annual Financial Report*.
  - c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.

24. Regarding supplementary information:
- a. We are responsible for the fair presentation of the supplementary information in accordance with GASB Codification of Government Accounting and Financial Reporting Standards Section 2200, *Comprehensive Annual Financial Report*.
  - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with GASB Codification of Government Accounting and Financial Reporting Standards Section 2200, *Comprehensive Annual Financial Report*.
25. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
26. Management has disclosed whether, subsequent to September 30, 2012, any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses, have occurred.
27. With regard to the fair value measurements and disclosures of certain assets, liabilities, and specific components of equity, such as investments, we believe that:
- a. The measurement methods, including the related assumptions, used in determining fair value were appropriate and were consistently applied.
  - b. The completeness and adequacy of the disclosures related to the fair values are in conformity with accounting principles generally accepted in the United States of America.
  - c. No events have occurred subsequent to September 30, 2012 and before September 9, 2013, that requires adjustment to the fair value measurements and disclosures included in the financial statements.
28. We have appropriately identified and properly recorded and disclosed in the financial statements, where applicable, all interfund transactions, including repayment terms
29. As disclosed in Note 9, we have restated the 2011 financial statements to correct a misstatement.
30. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.

  
 BENITA A. MANGLONA  
 DOA Director

  
 KATHRINE B. KAKIGI  
 DOA Financial Manager

GovGuam Solid Waste Operations Fund  
 Summary of Uncorrected Misstatements - Current Year  
 September 30, 2012

Known and Likely Misstatements	Assets	Liabilities	Balance Net	Change in
	Dr (Cr)	Dr (Cr)	Assets Beg of Year	Net Assets
			Dr (Cr)	Dr (Cr)
1. To adjust unreconciled differences in receivable confirmation.				
Dr. Receivables	127,486			
Cr. Revenues				(127,486)
2. To adjust extrapolated invalid encumbrance under Fund 416				
Dr. Reserve for encumbrance			152,208	
Cr. Encumbrance control			(152,208)	
3. To record PayPal cash balance at 9/30/12				
Dr. Cash	74,709			
Cr. Revenues				(74,709)
4. To record BOG cash balance at 9/30/12				
Dr. Cash	45,119			
Cr. Revenues				(45,119)
<b>Total Known and Likely Misstatements</b>	<b>247,314</b>	<b>-</b>	<b>-</b>	<b>(247,314)</b>

We have reviewed the uncorrected misstatements above as of September 30, 2012. The uncorrected misstatements are not material to the current fiscal year financial statements. Further, the above are not the results of fraud or illegal acts.

  
 KATHRINE B. KAKIGI, DOA Financial Manager

09-11-13  
 Date

GovGuam Solid Waste Operations Fund  
 Summary of Uncorrected Misstatements Relating to Prior Year  
 September 30, 2012

Known and Likely Misstatements	Assets	Liabilities	Balance Net	Change in
	Dr (Cr)	Dr (Cr)	Assets Beg of Year Dr (Cr)	Net Assets Dr (Cr)
1. To adjust USPS Expenditures				
Dr. Beginning Fund Balance			30,731	
Cr. Expenditures				(30,731)
2. To adjust receiver fees payable at 9/30/12 and net effect of 9/30/11 receivable fees payable misstatement.				
Dr. Beginning fund balance			19,858	
Cr Receiver fees payable		(19,858)		
3. To take up unrecorded BOG cash account as of 9/30/11				
Dr. Revenues				36,032
Cr. Beginning fund balance			(36,032)	
<b>Total Known and Likely Misstatements</b>	<b>-</b>	<b>(19,858)</b>	<b>14,557</b>	<b>5,301</b>

We have reviewed the uncorrected misstatements above as of September 30, 2012. The uncorrected misstatements are not material to the current fiscal year financial statements. Further, the above are not the results of fraud or illegal acts.

  
 KATHARINE B. KAKIGI DOA Financial Manager

09-11-13  
 Date