

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

Guam Power Authority
(A Component Unit of the Government of Guam)

Year Ended September 30, 2023





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May 16, 2024

Commissioners
Consolidated Commission on Utilities
P.O Box 297 Hagatna, Guam 96932

We have performed an audit of the financial statements of Guam Power Authority (the Authority), a component unit of the Government of Guam, as of and for the year ended September 30, 2023, 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 May 16, 2024.

Provided below is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *“The Auditor’s Communication With Those Charged With Governance”*, and other applicable auditing standards.

This communication is intended solely for the information and use of the Commissioners, the Authority’s Board of Directors and management 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. However, this report is also a matter of public record.

Very truly yours,

REQUIRED COMMUNICATIONS

Auditors' Responsibilities under GAAS and Generally Accepted Government Auditing Standards (GAGAS), including our discussion of the type of auditor's report we are issuing and the circumstances that affect the form and content of our auditor's report, if applicable

Our responsibilities are included in our audit engagement agreement. A copy of such agreement has previously been provided to you.

We have issued an unmodified opinion on the Authority's financial statements as of and for the year ended September 30, 2023.

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 will express no such opinion.

An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the evaluation of the overall presentation of the financial statements.

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

Our audit strategy is consistent with the plan communicated during the October 2023 meeting.

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 Authority's ability to continue as a going concern.

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

- **Accounting policies**
- **Accounting estimates**

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 sensitive accounting estimates has been included in footnote 1 of the financial statements.

We are not aware of any significant accounting policies used by the Authority in controversial or emerging areas or for which there is a lack of authoritative guidance.

We determined that those charged with governance are informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

Management's judgment is called upon in:

- Preparing budgets that are used to administer and monitor the Authority's operations. These budgets include determining how existing financial resources will be used in the Authority's operations.
- Determining the adequacy of the allowance for accounts receivable.
- Determining the assumptions used in measuring significant accounting estimates for financial accounting purposes.

Related party relationships and transactions

We discussed related party relationships and transactions on footnote 10 of the financial statements. We noted no significant matters regarding the Authority's relationships and transactions with related parties.

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

We are not aware of any matters that require communication.

Significant unusual transactions

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

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

None.

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

Refer to "Management Representations Letter" in Appendix A.

Significant deficiencies and material weaknesses in internal control over financial reporting

Material weakness identified during the course of our audit has been included in our Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated May 16, 2024.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the October 2022 meeting and in the update status meetings during the audit.

Independence matters

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

New accounting pronouncements

Management is still assessing the impact of adopting the following GASB Statements:

- GASB Statement No. 99
- GASB Statement No. 100
- GASB Statement No. 101
- GASB Statement No. 102

Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention

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 material disagreements with the Authority's management on financial accounting and reporting matters during the audit.

Management's consultations with other accountants

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

Other material written communications with management

None.

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.

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 Authority 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.

Representations 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.

Engagement team's involvement with preparation of the financial statements

Under GAS 2011 Revisions, Chapter 3 General Standards, Paragraph 3.34 Requirements for Performing Non-audit Services explains that the audit team should make consideration of management's ability to effectively oversee the non-audit (or non-attest) services to be performed. The engagement team should determine that the audited entity has designated an individual(s) who possesses suitable skill, knowledge or experience and that the individuals understand 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 review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of the Authority.
- The preparation of the financial statements is based on the Authority's trial balance with the understanding that underlying books and records are maintained by the Authority's accounting department and that the final trial balance prepared by the Authority is complete.

The Authority's Chief Financial Officer, Assistant Chief Financial Officer and Controller have the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

Appendix

A – Management Representations Letter

A – Management Representations Letter



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUÅHAN
P.O. BOX 2977 • HAGÁTÑA, GUAM U.S.A. 96932-2977

May 16, 2024

Ernst & Young LLP
Ernst & Young Building
231 Ypao Road, Suite 201
Tamuning, Guam 96931

In connection with your audits of the basic financial statements of the Guam Power Authority (the Authority), a component unit of the Government of Guam, as of September 30, 2023 and 2022 and for the years 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 business-type activities and fiduciary activities of the Authority and the respective changes in financial position and cash flows thereof in accordance with accounting principles generally accepted in the United States of America.

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 November 17, 2022, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding years. In preparing the financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued (or available to be issued, if applicable), and to provide appropriate financial statement disclosure, when applicable, related to going concern and using the going concern basis of accounting unless we prepared the financial statements in accordance with the liquidation basis of accounting.

We acknowledge our responsibility for the design, implementation and maintenance of internal control 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

GPA Management Representation Letter
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- 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, data, documentation and other matters
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the Authority 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.

From August 16, 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.

Corrected misstatements

We are in agreement with the audit adjustments you have proposed (Appendix A) and have posted the adjusting journal entries to the Authority's books.

Uncorrected misstatements

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. In addition, to the extent that uncorrected misstatements have been subsequently identified in the current period that affect prior period financial statements, we have evaluated the effect of correcting prior period financial statements and believe that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to both the current and prior period financial statements for each opinion unit.

Internal control

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

A – Management Representations Letter, continued

GPA Management Representation Letter
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We have communicated to you all significant deficiencies in the design or operation of internal control over financial reporting. There have been no significant changes in internal control since September 30, 2023.

Minutes and contracts and internal audit reports

The dates of meetings of shareholders, directors, committees of directors and important management committees from October 1, 2022 to May 16, 2024 are as follows:

<u>Date Meeting</u>	<u>Type</u>
October 25, 2022	Regular
November 29, 2022	Regular
January 12, 2023	Special
January 24, 2023	Regular
February 21, 2023	Regular
March 30, 2023	Regular
April 3, 2023	Regular
April 25, 2023	Regular
May 30, 2023	Special
July 3, 2023	Special
July 25, 2023	Regular
August 29, 2023	Regular
September 1, 2023	Special
September 27, 2023	Regular
October 24, 2023	Special
October 31, 2023	Regular
November 1, 2023	Special
November 28, 2023	Regular
January 23, 2024	Regular
February 27, 2024	Regular

We have made available to you all minutes of the meetings of shareholders, directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

We also have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

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.

A – Management Representations Letter, continued

GPA Management Representation Letter
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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.

Environmental liabilities

We have disclosed to you all significant pollution remediation matters and have made available to you all significant relevant information related to them. The pollution remediation obligations included in the statements of net position represent our best estimate of the potential losses in accordance with GASB Statement No. 49 – as amended. The disclosures of pollution remediation matter in the financial statements are in accordance with GASB Statement No. 49 – as amended.

Ownership and pledging of assets

Except for right-to-use another entity's nonfinancial asset (the underlying asset), the Authority has satisfactory title to all assets appearing in the statements of net position. 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. All assets to which the Authority has satisfactory title appear in the statements of net position.

Receivables and revenues

Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62—as amended.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of net position dates in respect of any sales and services rendered prior to those dates and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at those date.

Inventories

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 September 30, 2023 and none are contemplated.

A – Management Representations Letter, continued

GPA Management Representation Letter
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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.

Leases

We have identified and accounted for all contracts that meet the criteria to be accounted for as a lease under GASB Statement No. 87—as amended. We have appropriately considered any modifications, termination or purchase options in the contract.

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 methodologies 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.

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 or disclosures are 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 financial statements.

Events of default under debt agreements

No events of default have occurred with respect to any of the Authority's debt agreements.

A – Management Representations Letter, continued

GPA Management Representation Letter
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Contingent 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.

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.

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.

There are no other liabilities or 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, *Contingencies*, nor are there any accruals for loss contingencies included in the statements of net position or gain contingencies reflected in earnings 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.

Purchase commitments

At September 30, 2023 and 2022 the Authority had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at those dates.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2023 and 2022 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that the Authority's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

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.

A – Management Representations Letter, continued

GPA Management Representation Letter
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We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Authority'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") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Authority.

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

Independence

We have communicated to you the names of all the Authority's affiliates, as defined in the AICPA Code of Professional Conduct, officers and directors.

We are not aware of any business relationship between the Authority and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services.

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

Conflicts of interest

There are no instances where any officer or employee of the Authority has an interest in a company with which the Authority does business that would be considered a "conflict of interest." Such an interest would be contrary to the Authority's policy.

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the Management's Discussion and Analysis, the Schedules of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in the Proportionate Share of the Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Total OPEB Liability, and the Schedule of OPEB Contributions, 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. We are responsible for the significant assumptions and interpretations underlying the measurement and presentation of the required supplementary information. We believe that the significant assumptions and interpretations used are reasonable.

A – Management Representations Letter, continued

GPA Management Representation Letter
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We believe that the separate presentation of the schedule of changes in total pension liability and related ratios related to GASB statement No. 73 is not significant. The required information is combined with schedules required under GASB Statement No. 68.

We have omitted the Schedule of Funding Progress and Actuarial Accrued Liability – Post Employment Benefits Other Than Pension that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. We understand the missing information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

Supplementary information

We are responsible for the preparation and fair presentation of the following schedules (the “supplementary information”):

- Schedule of Sales of Electricity
- Schedule of Operating and Maintenance Expenses
- Schedule of Salaries and Wages

We believe the supplementary information, including its form and content, is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

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 following codification provided in Governmental Accounting Standards Board (GASB):

- GASB Statement No. 99, *Omnibus 2022*
- GASB Statement No. 100, *Accounting Changes and Errors Correction – An Amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*

The Authority 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.

A – Management Representations Letter, continued

GPA Management Representation Letter
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Pension benefits

We have disclosed to you all significant pension benefits promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes that constitute the plan.

Postemployment benefits other than pensions

We have disclosed to you all significant postemployment benefits other than pensions (OPEBs) promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes, that constitute the plan.

Other Representations

- 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 violations (and possible violations) of laws, regulations and provisions of contracts and grant agreements with effects that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- We have followed applicable laws and regulations in adopting, approving and amending budgets, debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54—as amended.
- Components of net position (net investments in capital assets, restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.
- Investments are properly valued.
- Capital assets, including infrastructure assets, are properly capitalized, reported and, if applicable, depreciated.
- The financial statements include all fiduciary activities as required by GASB Statement No.84.

A – Management Representations Letter, continued

GPA Management Representation Letter
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Other matters

We have received a draft copy of our financial statements as of and for the years ended September 30, 2023 and 2022. The accuracy and completeness of the financial statements, including footnote disclosures, are our responsibility.

You have assisted in the preparation of our financial statements based on information in our trial balance and accounting records. It is our understanding that:

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- All adjusting journal entries posted to 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.

We have reviewed the draft financial statements for accuracy and completeness.

We acknowledge that we have reviewed them and taken responsibility for them.

Subsequent events

Subsequent to September 30, 2023, no events or transactions other than the following 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 Authority'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 Authority:

* * * * *

A – Management Representations Letter, continued

GPA Management Representation Letter
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We understand that your audits were 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 were, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of the Authority and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,



Joseph Duenas
Chairman, Consolidated Commission on Utilities



for _____
John Benavente
General Manager



for _____
John J.E. Kim
Chief Financial Officer



Maripaz Perez
Assistant CFO



Lenora Sanz
Controller

A – Management Representations Letter, continued

Summary of corrected misstatements

Entity: Guam Power Authority

Period ended: 30-Sep-2023

Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account (misstatements are recorded as journal entries with a description)	Assets	Assets	Liabilities	Liabilities	Equity	Effect on the	Income statement effect	
			Current	Non-current	Current	Non-current	components	current period OCI	Debit/(Credit)	Non-taxable
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
AJE01		To recognize FEMA grant out of capital portion								
	201100.3	Grant by FEMA					19,413,009			
	EY99300	Grants Revenue - capital							(19,413,009)	
AJE02		To reverse FEMA grant revenue relating to Typhoon Mawar								
	EY99300	Grants Revenue - capital								16,842,501
	143000.5	AR- Typhoon	(16,842,501)							
AJE03		OPEB adjustment per actuarial valuation								
	186.000	Deferred outflow of resources		(14,814,019)						
	253.000	Deferred inflow of resources				(28,376,702)				
	263.000	OPEB liability				44,218,358				
	926200.0	Pension Unfunded							(1,027,637)	
AJE04		Pension adjustment per actuarial valuation								
	186000.1	Deferred outflow-Pension ret		17,683,966						
	253000.1	Deferred inflow-Pension ret				4,399,957				
	926100.0	Pension Retirement								4,005,034
	926200.0	Pension Unfunded								(1,400,822)
	263000.2	FY15-Net pension liability				(24,688,135)				
AJE05		To recognize additional federal grant revenues & receivables related to FY2023 expenditures to federal awards (CFDA#15.875 & 97.036)								
	143000	Receivable from Federal Govt	1,041,217							
	EY99300	Grants Revenue - capital								(1,041,217)
R/E01		To reclassify current portion of lease liabilities for proper FS presentation								
	227,200	Lease Liability - Noncurrent				4,922,204				
	EY-5	Current portion of lease liabilities			(4,922,204)					

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Communication schedule for uncorrected misstatements

Entity:		Guam Power Authority		Period Ended:		30-Sep-2023		Currency:		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	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
			Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
Factual misstatements:												
PYSAD	IQ0100	Misstatement of Bonds Premium and Loss on Defeasance as of FY2022.										(376,107)
SAD01	EY993000 02 216000	To restate FEMA grant revenues related to Typhoon Mangkhut that should be recognized in prior years Grants Revenue - capital Retained Earnings						(2,196,551)		2,196,551		
SAD02	421200 501000 83	To properly recognize lease assets amortization of fuel tanks against fuel handling costs, instead of lease expenses Lease expense Fuel handling								623,610 (623,610)		
Projected misstatements:												
Total of uncorrected misstatements before income tax			0	0	0	0	(2,196,551)	0	2,196,551			(376,107)
Total of uncorrected misstatements			0	0	0	0	(2,196,551)	0	2,196,551			(376,107)
Financial statement amounts			326,212,538	598,427,101	(100,184,744)	(794,161,666)	(30,293,229)		(7,125,897)			(13,372,673)
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	7.3%		-30.8%			2.8%
Memo: Total of non-taxable items (marked "X" above)												
Uncorrected misstatements before income tax								-30.8%	2,196,551			(376,107)
Less: Tax effect of misstatements at current year marginal rate							0%	0	0			0
Uncorrected misstatements in income tax									0			0
Cumulative effect of uncorrected misstatements after tax but before turnaround								-30.8%	2,196,551			(376,107)
Turnaround effect of prior period uncorrected misstatements												
All factual and projected misstatements:										After tax	Memo: Before tax	
Judgmental misstatements (Note 3):										376,107	376,107	
Cumulative effect of uncorrected misstatements, after turnaround effect								-36.1%	2,572,658			0
Current year income before tax									(7,125,897)			
Current year income after tax									(7,125,897)			

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Guam Power Authority
Subsequent Events Questionnaire
Coverage: For the period from 1 October 2023 to auditor’s report date

Question
1 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?
2 Have there been any new significant contingent liabilities or commitments arisen, except as disclosed in the financial statements?
3 Have there been any significant changes that occurred in trends of grant revenue or expense that could affect accounting estimates (e.g., valuation of receivables, provisions for liabilities or unearned income)?
4 Have there been 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?
5 Have there been any significant changes that occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?
6 Were there any significant unusual or non-recurring adjustments been recorded (or are necessary)?
7 Were there any communications, written or oral, occurred with the regulatory agencies (including Federal granting agencies and the Government of Guam or any of its agencies) with which the entity files financial statements or seeks federal assistance/grants form?
8 Were there 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?
9 Are you aware of any fraud or suspected fraud affecting Guam Power Authority 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 financial statements?
10 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 Guam Power Authority ?