

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

**Guam Memorial Hospital Authority  
(A Component Unit of the Government of Guam)**

*Year ended September 30, 2024*



**Shape the future  
with confidence**

October 6, 2025

Board of Trustees  
Guam Memorial Hospital Authority

We have performed an audit of the financial statements of Guam Memorial Hospital Authority (the Authority), a component unit of the Government of Guam, as of and for the year ended September 30, 2024, 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, and have issued our report thereon dated October 6, 2025.

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

## **REQUIRED COMMUNICATIONS**

Professional standards require the auditor to provide the Board with additional information regarding the scope and results of the audit that may assist the Board in overseeing the financial reporting and disclosure processes which the management of the Authority 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 24, 2022 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 Authority'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.

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

Our audit strategy is consistent with the plan communicated during the November 2024 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.

We have provided a discussion of significant accounting policies and our views regarding significant accounting estimates and financial statement disclosures and related matters in Note 1 of the basic financial statements.

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.

**Related party relationships and transactions**

We noted no significant matters regarding the Authority's relationships and transactions with related parties other than disclosed in footnote 14 to the financial statements.

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

None.

**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**

There were no difficult or contentious matters that required consultation outside of the audit team.

**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**

No material weaknesses have been identified. We have identified certain deficiencies in internal control during the course of our audit which have been included in our separately issued management letter dated October 6, 2025.

**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 November 2024 meeting and at 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**

No issues have been identified with regard to management’s planned application of new accounting pronouncements.

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

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

- GASB Statement No. 104

**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 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.

**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**

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, of from independent third-party service providers.

**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.

**Engagement team's involvement with preparation of the financial statements**

Under GAS 2011 Revision, 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 services to be performed. 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 Authority's trial balance with our understanding that the Authority's underlying books and records are maintained by the Authority's accounting department and that the final trial balance prepared by the Authority is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of the Authority.
- The Authority's Accounting Manager has the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

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

Very truly yours,

*Ernst + Young LLP*

## Appendices

A – Management Representations Letter

A – Management Representations Letter



## GUAM MEMORIAL HOSPITAL AUTHORITY

ATURIDĀT ESPETĀT MIMURIĀT GUĀHĀN

850 Governor Carlos Camacho Road, Tamuning, Guam 96913  
Operator: (671) 647-2330 or 2552 | Fax: (671) 649-5508



October 6, 2025

Ernst & Young LLP  
Suite 201, Ernst & Young Building  
231 Ypao Road,  
Tamuning, Guam 96913

In connection with your audits of the basic financial statements of Guam Memorial Hospital Authority (GMHA), a component unit of the Government of Guam, as of September 30, 2024 and for the period 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 financial position of the business-type activities of GMHA and the changes in financial position and cash flows 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 24, 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 period.

In preparing the basic financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GMHA's ability to continue as a going concern for one year after the basic financial statement date.

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:

- 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



A – Management Representations Letter, continued

- Unrestricted access to persons within GMHA 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 basic financial statements.

From October 9, 2024 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, 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 have disclosed to you, and provided you full access to information and any internal investigations relating to, unauthorized access to our information technology systems that has a material effect on the financial statements including disclosures.

***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***

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 September 30, 2024.

***Minutes and contracts***

The dates of meetings of shareholders, directors, committees of directors and important management committees from the beginning of the period covered by the financial statements to the date of this letter are as follows:

<b><u>Date of Meeting</u></b>	<b><u>Type</u></b>
October 25, 2023	Regular
November 29, 2023	Regular

A – Management Representations Letter, continued

December 27, 2023	Regular
January 31, 2024	Regular
February 28, 2024	Regular
March 27, 2024	Regular
April 24, 2024	Regular
May 22, 2024	Regular
June 26, 2024	Regular
July 24, 2024	Regular
August 28, 2024	Regular
September 24, 2024	Regular
October 30, 2024	Regular
November 26, 2024	Regular
January 29, 2025	Regular
February 26, 2025	Regular
March 26, 2025	Regular
April 23, 2025	Regular
May 28, 2025	Regular
June 25, 2025	Regular
July 30, 2025	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 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 financial statements.

We also have 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.

***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.

***Ownership and pledging of assets***

Except for assets accounted for in accordance with GASB Statements No. 87 and 94 - as amended, for which we were provided a right-to-use another entity's nonfinancial asset (the underlying asset), GMHA has satisfactory title to all assets appearing in the statement 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 GMHA has satisfactory title appear in the statement of net position.

A – Management Representations Letter, continued

***Receivables and revenues***

Adequate provision has been made for any receivable as of the 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.

Revenues and other governmental fund financial resources are recognized in the period in which they became both measurable and available to finance expenditures of the fiscal period.

***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, 2024 and none are contemplated.

***Subscription-Based Information and Technology Arrangements (SBITA)***

We have identified and accounted for all contracts that meet the criteria to be accounted for as a SBITA under GASB Statement, 96—as amended. We have appropriately considered any modifications in the contract. There was no new subscription agreements entered into during the current audit period.

To measure the SBITA liability, we used the rate the SBITA vendor charges to us or the rate implicit in the SBITA. When the interest rate could not be readily determined, we then estimated our incremental borrowing rate (IBR). We believe our IBR is a reasonable estimate and represents an estimate of the interest rate that would be charged for borrowing the SBITA payment amounts during the SBITA term.

***Prepayments***

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

***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 (asset groups) to be held and used, including intangible assets that are subject to amortization, may not be recoverable.

***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 or disclosures are made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

A – Management Representations Letter, continued

***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.

***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, nor are there any accruals for loss contingencies included in the statement of net position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62—as amended.

***Oral or written guarantees***

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

***Purchase commitments***

At September 30, 2024, GMHA 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.

***Non-compliance with laws and regulations, including fraud***

We acknowledge that we are responsible to determine that GMHA'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 internal controls 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 and regulations 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 GMHA's internal control over financial reporting. In addition, we

A – Management Representations Letter, continued

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 GMHA.

***Independence***

We have communicated to you the names of GMHA’s affiliates, as described 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 GMHA.

We are not aware of any business relationship between GMHA 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 GMHA has an interest in a company with which GMHA does business that would be considered a “conflict of interest.” Such an interest would be contrary to GMHA policy.

***Effects of new accounting standards***

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) Statements, as enumerated below, as discussed in Note 2:

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*

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

***Pension***

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 postretirement 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.

A – Management Representations Letter, continued

***Recipients of federal financial assistance and/or audits performed in accordance with Government Auditing Standards***

We recognize that we are responsible for GMHA'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.

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 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.

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.

***Required supplementary information***

We acknowledge our responsibility for the required supplementary information on management's discussion and analysis, schedule of proportionate share of net pension liability, the schedule of pension contributions, the schedule of proportionate share of OPEB liability, the schedule of OPEB Employer contributions and note to required supplementary information which have been measured and presented in conformity with the guidelines established by the Government 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.

***Supplementary information***

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

- Schedule 6 – Schedule of Expenses
- Schedule 7 – Schedule of Net Patient Service Revenues by Patient Classification
- Schedule 8 – Schedule of Billings and Collections and Reconciliation of Billings to Gross Patient Revenues
- Schedule 9 – Schedule of Full Time Employees (FTE) count

A – Management Representations Letter, continued

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

***Other matters***

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 basic financial statements.

We have followed all applicable laws and regulations in adopting, approving and amending budgets and deposits and investments, including collateral requirements on depository accounts.

Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

Provisions for uncollectible receivables have been properly identified and recorded.

We acknowledge that we have long-outstanding Construction in Progress (CIP) balances that have not been impaired. We assert that there are no indicators of impairment for these CIP amounts. We have reviewed the status of these CIP projects and believe that they remain viable and are expected to be completed in the foreseeable future.

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.

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.

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.



A – Management Representations Letter, continued

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

***Subsequent events***

Subsequent to September 30, 2024, no events or transactions as outlined in "Subsequent Events" in Appendix C 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 GMHA'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 GMHA.

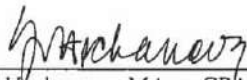
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We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial 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 an opinion on the basic financial statements as a whole, 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,



Joleen Aguon, M.D.  
Hospital Administrator/CEO (Interim)



Yukari Hechanova, MAcc, CPA, CIA, CGFM  
Chief Financial Officer



A – Management Representations Letter, continued

Appendices

A – Schedule of Corrected Misstatements

B – Schedule of Uncorrected Misstatements

C – Subsequent Events Considerations

A – Management Representations Letter, continued

Communication schedule for corrected misstatements

Entity:		Guam Memorial Hospital Authority		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)		
RJE01 P.00		To record current portion of annual leave.									
		Accrued annual leave, net of current portion			(2,494,541)						
		Current portion of accrued annual leave				2,494,541					
RJE02 N.00		To reclassify travel nurses costs reimbursed by FEMA but already paid for by DOA									
		Deferred Revenues			3,500,000						
		Due to the US Federal Government			(3,500,000)						
RJE03 LRE.00		To reclassify current portion of subscription liability.									
		Short-term Subscription Liability			101,612						
		Long-term Subscription Liability				(101,612)					
AJE01 P1.00		To adjust Pension liability									
		Net Pension Liability				7,934,754					
		Pension expense - Nursing							3,880,004	X	
		Pension expense - Professional Support							2,346,008	X	
		Pension expense - Administrative Support							1,090,847	X	
		Pension expense - Fiscal Services							737,847	X	
		Pension expense - Administration							489,542	X	
		Pension expense - Medical Staff							985,418	X	
		Deferred Inflows of Resources - Pension				(2,687,990)					
		Deferred Outflows of Resources - Pension		(14,766,024)							
AJE02 P2.00.1		To adjust OPEB liability									
		Operating Expenses - Retiree Healthcare Costs							11,118,014	X	
		Deferred Inflows of Resources - OPEB				17,642,177					
		Deferred Outflows of Resources - OPEB		8,108,589							
		OPEB Liability				(36,959,300)					
Total of corrected misstatements before income tax			57,913,107	129,264,207	(60,981,506)	(444,919,914)	308,724,106	0	20,637,880		
Financial statement amounts			0.0%	-5.1%	4.6%	2.6%	0.0%		10,325,166		
Effect of corrected misstatements on F/S amounts									199.3%		

### B – Schedule of Uncorrected Misstatements

Entity:Guam Memorial Hospital Authority

Period Ended:30-Sep-2024

Currency:USD

Uncorrected misstatements

No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the prior period
(misstatements are recorded as journal entries with a description.)			Debit(Credit) (Note 2)	Debit(Credit) (Note 2)	Debit(Credit) (Note 2)	Debit(Credit) (Note 2)	Debit(Credit)	Debit(Credit)	Prior period Debit(Credit)
Actual misstatements:									Non taxable
SAD 02	LRE 01	To recognize receivable from GovGuam for appropriations made for FY23							(1,360,140)
		Non-operating revenues - Transfers from Gov-Guam							
		Net position, beginning							
SAD 04	LRE 00	To properly state balances relate to SBTA as a result of difference in discount rates and subscription costs							
		Subscription-based IT asset, net (Accumulated		251,122					
		Subscription liability, net of current portion				501,871			
		Subscription-based IT asset, net		(144,423)					
		Depreciation and amortization						(912,810)	X
PY SAD 07	LRA 01	To recognize receivable and revenue for late charges of patient revenues							
		Net Patient Service Revenue							
		Net position, beginning							
Projected misstatements:									
SAD 03	NO 01.1	To correct misstatement in expense							
		Unrestricted Restricted Earnings, beginning							
		Contractual services expenses							
Judgmental misstatements:									
SAD 01	E 04.1	To adjust Allowance for contractual adjustment based in C/P's estimates							
		Net Patient Service Revenues (Contractual Adjustments							X
		Patient accounts receivable, net	(3,604,579)						
Reclassification misstatements:									
Total of uncorrected misstatements before income tax			(3,604,579)	110,099	0	501,871	0	0	2,962,000
Total of uncorrected misstatements			(3,604,579)	110,099	0	501,871	0	0	2,962,000
Financial statement amounts			\$7,913,107	125,264,207	(50,981,506)	(444,919,914)	308,724,100		10,325,180
Effect of uncorrected misstatements on F&B amounts			-4.2%	0.1%	0.0%	-0.1%	0.0%		29.6%
									5.5%

Uncorrected misstatements

No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the prior period
(misstatements are recorded as journal entries with a description.)			Debit(Credit) (Note 2)	Debit(Credit) (Note 2)	Debit(Credit) (Note 2)	Debit(Credit) (Note 2)	Debit(Credit)	Debit(Credit)	Prior period Debit(Credit)
Actual misstatements:									Non taxable
SAD 02	LRE 01	To recognize receivable from GovGuam for appropriations made for FY23							(1,360,140)
		Non-operating revenues - Transfers from Gov-Guam							
		Net position, beginning							
SAD 04	LRE 00	To properly state balances relate to SBTA as a result of difference in discount rates and subscription costs							
		Subscription-based IT asset, net (Accumulated		251,122					
		Subscription liability, net of current portion				501,871			
		Subscription-based IT asset, net		(144,423)					
		Depreciation and amortization						(912,810)	X
PY SAD 07	LRA 01	To recognize receivable and revenue for late charges of patient revenues							
		Net Patient Service Revenue							
		Net position, beginning							
Projected misstatements:									
SAD 03	NO 01.1	To correct misstatement in expense							
		Unrestricted Restricted Earnings, beginning							
		Contractual services expenses							
Judgmental misstatements:									
SAD 01	E 04.1	To adjust Allowance for contractual adjustment based in C/P's estimates							
		Net Patient Service Revenues (Contractual Adjustments							X
		Patient accounts receivable, net	(3,604,579)						
Reclassification misstatements:									
Total of uncorrected misstatements before income tax			(3,604,579)	110,099	0	501,871	0	0	2,962,000
Total of uncorrected misstatements			(3,604,579)	110,099	0	501,871	0	0	2,962,000
Financial statement amounts			\$7,913,107	125,264,207	(50,981,506)	(444,919,914)	308,724,100		10,325,180
Effect of uncorrected misstatements on F&B amounts			-4.2%	0.1%	0.0%	-0.1%	0.0%		29.6%
									5.5%

A – Management Representations Letter, continued

B – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements									
Entity: Guam Memorial Hospital Authority		Period ended: 30 Sep 2024		Currency: USD					
Uncorrected misstatements			Analysis of misstatements Debit/(Credit)				Income statement effect of the prior period		
No.	W/F ref.	Account (Note 1)  (misstatements are recorded as journal entries with a description)	Assets Current (Note 2) Debit/(Credit)	Assets Non-current (Note 2) Debit/(Credit)	Liabilities Current (Note 2) Debit/(Credit)	Liabilities Non-current (Note 2) Debit/(Credit)	Equity components (Note 2) Debit/(Credit)	Effect on the current period OCI	Income statement effect of the prior period
Memo: Total of non-taxable items (marked 'X' above)									
Uncorrected misstatements before income tax									
Less: Tax effect of misstatements at current year marginal rate									
Uncorrected misstatements in income tax									
Cumulative effect of uncorrected misstatements after tax but before turnaround									
Turnaround effect of prior period uncorrected misstatements									
All factual and projected misstatements: Adjusted misstatements (Note 3):									
Cumulative effect of uncorrected misstatements after turnaround effect									
Current year income before tax									
Current year income after tax									
Income statement effect of the prior period									
Prior period Debit/(Credit)									
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A – Management Representations Letter, continued

Appendix C – Subsequent Events Considerations

**Guam Memorial Hospital Authority**

Subsequent Events Questionnaire

Coverage: For the period from October 1, 2024 to the audit report date

Questions	Response: Yes or No	If yes, please provide additional information
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?		
Have any other significant unusual transactions been entered into?	No	
2. Have any significant contingent liabilities or commitments arisen, except as disclosed in the audited financial statements?	No	
3. 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	
4. 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	
5. 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	
6. Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?	No	
7. Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?	No	
8. Have there been any changes in the entity's related parties?	No	
9. Have any significant new related party transactions occurred?	No	
10. 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	
11. In connection with the preceding inquiries, if any, provide any 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	
12. 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 no minutes are not yet available, please provide us a summary of matters discussed.	No	

A – Management Representations Letter, continued

13. Are you aware of any fraud or suspected fraud affecting Guam Memorial Hospital 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 audited financial statements?	No	
14. 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 Memorial Hospital Authority?	No	
15. 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	
16. Are there any changes in the methods used to prepare the required supplementary and supplementary and other information compared to prior year?	No	
17. 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	
18. Are you aware of any cash receipts records for significant or unusually large amounts that may pertain to proceeds of loans, significant sales of productive assets or other unusual items?	No	
19. Are you aware of any cash disbursement records for that may pertain to unusual payments, payments of liabilities not recorded as of balance sheet date or other unusual items?	No	
20. Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales and returns allowances?	No	
21. Are you aware of any journal entries that would have a material effect on the financial statements as of the balance sheet date?	No	