

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

**Government of Guam**

*Year ended September 30, 2024*



**Shape the future  
with confidence**



Shape the future  
with confidence

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April 23, 2026

Management and Those Charged with Governance  
Government of Guam

We have performed an audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Government of Guam (GovGuam) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements, in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated April 23, 2026.

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 those charged with governance with additional information regarding the scope and results of the audit that may assist those charged with governance in overseeing the financial reporting and disclosure processes which the management of GovGuam is responsible. We summarize these required communications as follows:

### **Overview of the planned scope and timing of the audit**

Our audit scope and timing are consistent with the plan communicated in our engagement letter dated April 2, 2024 and at our various audit planning meetings 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 and other information are the responsibility of GovGuam'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 statement is 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 will 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 various audit planning meetings.

### **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 GovGuam'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.

Management's judgment is called upon in:

- Preparing budgets that are used to administer and monitor GovGuam's operations. These budgets include determining how existing financial resources will be used in GovGuam'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 noted no significant matters regarding GovGuam’s relationships and transactions with related parties.

**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 GovGuam.

**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**

We have issued 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 April 23, 2026. In that report, we identified certain deficiencies in internal control that we consider to be significant deficiencies and material weaknesses.

**Fraud and noncompliance with laws and regulations (illegal acts)**

We are not aware of any matters that require communication.

**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. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

### **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 GovGuam'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 GovGuam 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 provide 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 2018 Revisions, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management’s ability to effectively oversee the non-audit services to be provided. The engagement team should determine that the audited entity has designated an individual who possesses suitable skill, knowledge or experience and that the 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.

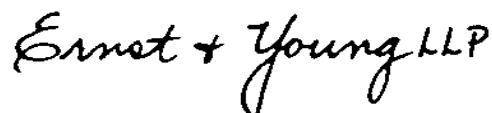
The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on GovGuam’s trial balance with the understanding that GovGuam’s underlying books and records are maintained by GovGuam’s accounting department and that the final trial balance prepared by GovGuam is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of GovGuam.
- GovGuam’s Director and Chief Financial Officer have the skill set 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 those charged with governance, management, and the Office of Public Accountability - Guam and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



## Appendix

A - Management Representations Letter

A - Management Representations Letter



April 23, 2026

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

In connection with your audit of the basic financial statements of the Government of Guam (GovGuam) as of September 30, 2024 and for the year then ended, and the related notes to the financial statements, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form opinions whether the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of GovGuam and the respective changes in financial position and cash flows, where applicable, thereof 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 April 2, 2024, for the preparation and fair presentation of the basic financial statements in accordance with US GAAP applied on a basis consistent with that of the preceding years.

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

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***Management's responsibilities, continued***

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:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within GovGuam 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 February 7, 2025 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.

***Uncorrected misstatements***

We believe that the effects of any uncorrected, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. Refer to the "Schedule of Uncorrected Misstatements" in Appendix A.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***Corrected misstatements***

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements. Refer to the “Schedule of Corrected Misstatements” in Appendix B.

***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, contracts and internal audit reports***

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

We also have made available to you all public laws and 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 have a material effect on the financial statements.

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

***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 fair value measurements, are reasonable and supportable.

***Ownership and pledging of assets***

Except for assets accounted for in accordance with GASB Statements No. 87, 94 and 96—as amended, for which we were provided a right-to-use another entity’s nonfinancial asset (the underlying asset), GovGuam has satisfactory title to all assets appearing in the statement of net position. No security agreements have been carried out 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 GovGuam has satisfactory title appear in the statement of net position.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***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 date in respect of any sales and services rendered prior to that date and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

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.

***Leases***

We have identified and accounted for all contracts (including any modifications thereto) that meet the criteria to be accounted for as a lease under GASB Statement No. 87 - as amended. We have appropriately considered any renewal, termination or purchase options in those contracts. We also believe other relevant assumptions (e.g., economic life, fair value, and residual value) made for purposes of accounting for lease arrangements are reasonable and supportable estimates.

To measure the lease liability, we used the rate the lessor charges to us or the rate implicit in the lease. 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 lease payment amounts during the lease term.

***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 or terminations in the contract.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

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

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.

***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.

***Fair value measurements***

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

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

***Related party relationships and transactions***

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

The substance of transactions with related parties as defined in GASB Statement No. 56 - as amended, has been considered and appropriate adjustments 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.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***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 GovGuam's debt agreements.

***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 other than those disclosed in the financial statements.

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

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements other than those disclosed or accrued in the 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 other than those accrued or disclosed in the financial statements, 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, GovGuam had no purchase commitments for inventories more than normal requirements or at prices that were more than market at those dates.

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

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

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

We acknowledge that we are responsible to determine that GovGuam'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.

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 GovGuam'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 GovGuam.

***Independence***

We have communicated to you the names of GovGuam'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 GovGuam.

We are not aware of any business relationship between GovGuam 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 GovGuam's audit.

***Conflicts of interest***

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

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***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. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosure*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

GovGuam 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.

***Going concern***

In preparing the financial statements, we evaluated the entity's ability to continue as a going concern for twelve months after the date that the financial statements are issued, and provide appropriate financial statement disclosure, as necessary under GASB requirements.

***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.

***Required supplementary information***

We acknowledge our responsibility for the required supplementary information on the Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Contributions and the Schedule of Proportionate Share of the Total OPEB Liability and Related Ratios, 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.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***Required supplementary information, continued***

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.

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.

***Supplementary information***

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

- Supplementary Combining Schedule of Balance Sheet Accounts
- Supplementary Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit) Accounts
- Supplementary Combining Statement of Fiduciary Net Position (as presented by other auditors)
- Supplementary Combining Statement of Changes in Fiduciary Net Position (as presented by other auditors)
- Supplementary Schedule of Personnel Count - Primary Government
- Supplementary Schedule of Continuing Appropriations

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

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.

***Additional 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, 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.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

*Additional representations, continued*

- The basic financial statements include all component units as well as joint ventures with an equity interest and properly disclose all other joint ventures and other related organizations.
- The basic financial statements include all fiduciary activities as required by GASB Statement No.84.
- The basic financial statements properly classify all funds and activities in accordance with GASB Statement No. 54 - as amended.
- All funds that meet the quantitative criteria in GASB Statement No. 34, as amended and GASB Statement No. 37, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.
- Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
- Special and extraordinary items are appropriately classified and reported.
- We have informed you of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, deposits and investments, including collateral requirements on depository accounts and investments.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

*Additional representations, continued*

- There have been no instances of abuse that have occurred or are likely to have occurred that could be quantitatively or qualitatively material to the financial statements.
- Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.
- Capital assets are properly capitalized, reported and, if applicable, depreciated.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position was properly recognized under the policy.
- GovGuam has obligated, expended, received and used public funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by Guam or federal law. Such obligation, expenditure, receipt or use of public funds was in accordance with any limitations, conditions or mandatory directions imposed by Guam or federal law.
- Money or similar assets handled by Government of Guam or Federal Government have been properly and legally administered and the accounting and recordkeeping related thereto is proper, accurate and in accordance with law.
- Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

*Other matters*

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

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

***Other matters, continued***

- 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, 2024, and as listed on Appendix C, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to GovGuam'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 cash flows of GovGuam, except those listed below, which have been disclosed as Note 16 to the financial statements:

- On April 12, 2025, Public Law 38-8 was enacted whereby \$5,750,984 was appropriated from the 2025 General Fund surplus to provide funding to the University of Guam for the purpose of repairs, maintenance, capital improvement projects and accreditation related priorities.
- On September 17, 2025, Public Law 38-59 was enacted whereby \$40,000,000 was appropriated from the General Fund to fund the operational costs and capital projects for the Guam Memorial Hospital Authority.
- On October 27, 2025, Public Law 38-75 was enacted whereby \$13,100,000 was appropriated from 2025 net unobligated excess revenues to fund Supplemental Nutritional Assistance Program (SNAP) and Woman, Infants, and Children (WIC) Program for the month of November.
- On December 16, 2025, Public Law 38-80 was enacted whereby \$19,745,714 was appropriated from the General Fund realized from Bond Refunding Savings, which was not factored into the 2026 budget to fund the capital improvement projects and lifesaving supplies and materials for the Guam Memorial Hospital Authority.
- On April 8, 2026, Public Law 38-119 was enacted whereby \$890,000 was appropriated from excess accumulated General Fund revenues for Fiscal Year 2026, to *I Liheslaturan Guåhan* for its cybersecurity and Information Technology (IT) needs.

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

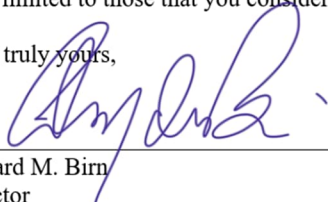
April 23, 2026

- On April 8, 2026, Public Law 38-115 was enacted establishing statutory authority for the Department of Revenue and Taxation to establish a Tax Amnesty Program.
- On April 14, 2026, the island of Guam experienced damages caused by typhoon Sinlaku. As of the date of issuance of the financial statements, GovGuam is unable to reasonably estimate the full financial impact of typhoon Sinlaku on its future financial statements.

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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 opinions on the basic financial statements of GovGuam 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,



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Edward M. Birn  
Director



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Theresa Rivers  
Chief Financial Officer

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

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Appendices

A – Schedule of Uncorrected Misstatements

B – Schedule of Corrected Misstatements

C – Subsequent Events

A - Management Representations Letter, continued

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Appendix A – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity: GovGuam - Government Wide Period Ended: 30-Sep-2024 Currency: USD

No.	WP ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description.)</small>	Analysis of misstatements Debit/Credit					Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)
<b>Factual misstatements:</b>												
SAD #01	GW OPSW1.02	To correct overstatement due to duplicate inactive members.										
FY SAD #01	Tab 4.1	OPEB Liability					5,495,933					
		Deferred outflows from OPEB		(4,886,114)								
		Amount to be provided for OPEB							(779,719)	X		(779,719) X
FY SAD #02	GW PFK.01	To record GovGuam's proportionate share in the difference in net pension liability due to assumptions outside the reasonable range.										
	Tab 11	Deferred outflows from pension										
		Pension expense										8,076,261 X
		Net pension liability										
SAD #03	GW LRE.03	To record the difference on SBITA assets and liabilities computation as of 09/30/2024.										
FY SAD #03	Tab 00	SBITA assets		(1,185,829)								
		SBITA amortization										
		SBITA liability					(3,782,735)					
		SBITA investment							4,948,566			(10,318) X
SAD #02	GW XG	To transfer COP with contracts closed as of 08/30/2024.										
	Tab 01.2	Depreciable assets - Infrastructure		22,870,362								
		Construction in Progress		(22,870,362)								
		Depreciation expense										650,262 X
		Accumulated Depreciation							914,814	X		
SAD 01 - SAD 04		Effect from Governmental and Proprietary Fund's Factual Uncorrected Misstatements.										
	Uncorrected tab	General Fund	(4,886,317)		13,590,342			3,216,794		(11,920,790)	X	(8,538,563) X
		Proprietary Funds			(2,515,358)					2,515,358	X	
		Aggregate remaining fund information	3,371,210		(2,874,535)			621,427		(1,118,106)	X	(872,102) X
SAD 05	GW LRE.02	To record an unrecorded adjustment related to GASB 87										
		Right of use assets, net	4,296,484									
		Lease liabilities				(4,875,447)						
		Amount to be provided for GASB 87 leases							318,963			

Communication schedule for uncorrected misstatements

Entity: GovGuam - Government Wide Period Ended: 30-Sep-2024 Currency: USD

No.	WP ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description.)</small>	Analysis of misstatements Debit/Credit					Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)
<b>Projected misstatements:</b>												
SAD 01		Effect from Governmental Fund's Projected Uncorrected Misstatements.										
	Uncorrected tab	General Fund			(14,858,741)			1,539,816		13,119,125	X	(3,968,264) X
<b>Judgmental misstatements:</b>												
SAD 01		Effect from Governmental Fund's Judgmental Uncorrected Misstatements.										
	Uncorrected tab	General Fund			1,540,240					(1,540,240)	X	(8,888,019) X
<b>Total of uncorrected misstatements before income tax</b>												
			2,741,983	(8,789,181)	(8,481,480)		1,703,103	6,898,770	0	6,138,997		(11,618,859) X
<b>Total of uncorrected misstatements</b>												
			2,741,983	(8,789,181)	(8,481,480)		1,703,103	6,898,770	0	6,138,997		(11,618,859) X
<b>Financial statement amounts</b>												
			1,188,148,193	2,789,189,650	(788,803,491)		(4,708,505,050)	2,136,428,634		(1,248,914,292)		(78,818,193) X
			8,351	(9,351)	1,251		8,876	9,351		(4,125)		(4,125) X
		Memo: Total of non-taxable items (marked 'X' above)								7,192,462		(77,628,832) X
<b>Effect of uncorrected misstatements on FIS amounts</b>												
		Uncorrected misstatements before income tax						0.0%	6,138,997			(11,618,859) X
		Less: Tax effect of misstatements at current year marginal rate						25%	0			0
		Uncorrected misstatements in income tax							0			0
		Cumulative effect of uncorrected misstatements after tax but before turnaround							(4.8%)	6,138,997		(11,618,859) X
<b>Turnaround effect of prior period uncorrected misstatements</b>												
		Other tax										
		Memo: Before tax								6,140,317		0
		All factual and projected misstatements:										
		Judgmental misstatements (Note 3):								(8.8%)		0
		Cumulative effect of uncorrected misstatements, after turnaround effect										0
		Current year income before tax										0
		Current year income after tax										(218,912,803) X

A - Management Representations Letter, continued

Government of Guam  
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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - General Fund Period Ended: 30-Sep-2024 Currency: USD

Uncorrected misstatements No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description.)	Analysis of misstatements Debit/(Credit)							Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period		
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Debit/(Credit)	Debit/(Credit)		Non-taxable	Prior period Debit/(Credit)	Non-taxable		
<b>Factual misstatements:</b>															
SAD #11	FG E	To recognize uncollectible receivable balances from Homeland Security related expired grants and transfer 8 from federal grants to General Fund.													
PY	Tab 05.1	Expenditures								6,464,579	X		6,540,077	X	
SAD #01		Due to Federal Grants Fund (Interfund)			(6,464,579)										
SAD #05	GF N	To write-off long outstanding liabilities. (OL 2322000-100)													
PY	Tab N.01	Accounts payable				3,077,029									
SAD #05		Revenue-Other							(3,077,029)		X		(2,334,743)	X	
SAD #02	RISK 03.2	To record expenditures for those lease payments that were paid in advance but already incurred													
PY	Tab 3	Expenditures								4,888,317	X		4,726,817	X	
SAD #06	Note 30	Prepayments	(4,888,317)												
SAD #04	GF P	To recognize revenues for those deposits that were collected in advance but already earned													
PY	Tab P.00	Deposits and other liabilities				3,378,862									
SAD #07	TM D	Revenue-Other							(3,378,862)		X		(2,918,332)	X	
SAD #08	GF C	To record bank reconciling items													
PY	C.02 tab	Cash and cash equivalents											4,337	X	
SAD #09		Expenditures-bank fees													
SAD #09		Revenues-Taxes													
SAD #01	GF N.01.1	To account unclaimed shares (OL#313027-100, 2313028-100, 2313029-100, 2313030-100)													
PY	Escheat tab	Accounts payable				9,299,573									
SAD #09		Revenue							(9,299,573)		X		(7,733,252)	X	
PY	GF N.01	To adjust accrued liabilities no longer valid. (OL#110021590)													
SAD #10	Tab05	Accrued Other Expenditures													
SAD #10		Expenditures												(1,228,763)	X

Communication schedule for uncorrected misstatements

Entity: GovGuam - General Fund Period Ended: 30-Sep-2024 Currency: USD

Uncorrected misstatements No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description.)	Analysis of misstatements Debit/(Credit)							Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Debit/(Credit)	Debit/(Credit)		Non-taxable	Prior period Debit/(Credit)	Non-taxable	
PY	OO IA	To record permanent transfers to Special Revenues to cover fund deficits (Fund 317 and Fund 202)												
SAD #11	Tab 01	Transfer out											804,580	X
SAD #11	tm N4	Interfund												
PY	FG E	To record uncollected federal agency receivables related to various expired ALN grants in General Fund.												
SAD #14	Tab 02.1	Expenditures											3,530,042	X
SAD #14		Due to Federal Grants Fund (Interfund)												
SAD #03	GF N	To record liability and expenditures incurred in FY2024 (UE0062518 and UE0061383)												
PY	Tab N.04	Expenditures								4,290,460	X		5,801,050	X
SAD #15	TM 7	Accrual			(4,290,460)									
SAD #12	GF PB	To adjust amounts due to federal agencies for EITC and ACTC/CTC Claims												
PY		Payable to federal agencies - Reserve for EITC (3713011)-				5,817,580								
SAD #16		Payable to federal agencies - Reserve for EITC (2315001)-				6,143,190								
SAD #16		Payable to federal agencies - Reserve for CTC (3713012)-				4,680,280								
SAD #16		Tax provision - Tax revenue							(16,821,050)		X		(11,778,875)	X
SAD #13	FG N.04.1	To record MP/Medicaid accrual for local portion.												
PY	Tab 5	Expenditures - Transfers out								2,589,413	X		10,254,356	X
SAD #19		Due to federal grants			(2,589,413)									
SAD #08	PGAP 03a	To record total 2018 claims liability with final settlement or payment pending the availability of funds.												
PY		Expenditures								1,874,308	X		1,874,308	X
SAD #20		Accounts payable			(1,874,308)									
SAD #07	GF VE	To adjust FY23 expenditures recorded in FY24 related to medical claims.												
PY	Tab VE.02	Net Position								3,218,794				
SAD #07	TM F & G	Expenditures							(3,218,794)		X			

A - Management Representations Letter, continued

Government of Guam  
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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity:		Period Ended:		Currency:								
Gov:Guam - General Fund		30-Sep-2024		USD								
No.	W/P ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
SAD #09	GF PC	To adjust the difference between balance per GL and SL for the provision for tax refund.							3,535,421	X		
	TM N1	Provision for tax refund										
		Tax refund			(3,535,421)							
<b>Projected misstatements:</b>												
SAD #06	GF VE	To adjust FY23 expenditures recorded in FY24 related to medical claims.						1,539,616				
	Tab VE.02	Net Position										
	TM 3	Expenditures							(1,539,616)	X		
SAD #14	FG E	To record uncollected federal agency receivables related to various expired ALN grants in General Fund.							14,658,741	X		
	Tab 02.1	Transfers out										
		Due to Federal Grants Fund (Interfund)			(14,658,741)							
<b>Judgmental misstatements:</b>												
P7 SAD #04	GF N	To accrue DDC liabilities for GMHA.										
	Tab	Expenditures										
	N.05.01	Accounts payable									2,469,379	X
P7 SAD# 18	GF PC	To adjust tax provision for individual and corporate returns FY2022 and prior.										
	Tab 1.1	Tax refund provision										
		Tax revenue									(9,357,394)	X

Communication schedule for uncorrected misstatements

Entity:		Period Ended:		Currency:								
Gov:Guam - General Fund		30-Sep-2024		USD								
No.	W/P ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
SAD #10	GF PC	To adjust reserve for EIP and RRC.										
	Tab 5.1	Revenue for economic stimulus payments.			1,540,240							
		2024 RRC Revenue Return							(1,540,240)	X		
SAD #17												
<b>Reclassification misstatements:</b>												
<b>Total of uncorrected misstatements before income tax</b>			(4,648,117)	0	471,841	0	4,756,980	0	(461,904)		(4,639,488)	
<b>Total of uncorrected misstatements</b>			(4,648,117)	0	471,841	0	4,756,980	0	(461,904)		(4,639,488)	
<b>Financial statement amounts</b>			758,791,897	0	(489,070,181)	0	(193,831,734)	0	(88,408,193)		(89,787,911)	
<b>Effect of uncorrected misstatements on FS amounts</b>			-0.6%	0.0%	-0.1%	0.0%	-1.6%	0.0%	0.3%		0.4%	
<b>Memo: Total of non-taxable items (marked 'X' above)</b>												
Uncorrected misstatements before income tax									0.0%	(461,904)		(4,639,488)
Less: Tax effect of misstatements at current year marginal rate									26%	0		0
Uncorrected misstatements in income tax									0	0		0
Cumulative effect of uncorrected misstatements after tax but before turnaround									0.3%	(461,904)		(4,639,488)
Turnaround effect of prior period uncorrected misstatements												
All factual and projected misstatements: Judgmental misstatements (Note 3):												
Cumulative effect of uncorrected misstatements, after turnaround effect									3.8%	(18,713,482)		
Current year income before tax											0	
Current year income after tax											(18,404,132)	



A - Management Representations Letter, continued

Government of Guam  
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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - ARPA Fund Period Ended: 30 Sep 2024 Currency: USD

No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
<b>Factual misstatements:</b>												
PY SAD #01	ARPA.N Tab N.04	To record expenditures incurred in FY2023 that were not accrued. (ACH400005682)										
		Expenditures									390,876	X
		Intergovernmental revenue									(390,876)	X
		Accounts payable and other										
		Due from federal agency										
<b>Projected misstatements:</b>												
<b>Judgmental misstatements:</b>												
SAD01	ARPA.N Tab N.04	To record liability and expenditures incurred in FY2024 related to ARPA Funds.							167,539			
		Expenditures										
		Accounts payable and other			(167,539)							
		Intergovernmental revenue								(167,539)		X
		Payable to federal agencies				167,539						
<b>Total of uncorrected misstatements before income tax</b>												
<b>Total of uncorrected misstatements</b>												
<b>Financial statement amounts</b>												
<b>Effect of uncorrected misstatements on F/S amounts</b>												
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												
Cumulative effect of uncorrected misstatements, after turnaround effect												
Current year income before tax												
Current year income after tax												

Communication schedule for uncorrected misstatements

Entity: GovGuam - GDGC Federal Grants Assistance Fund Period Ended: 30 Sep 2024 Currency: USD

No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
<b>Factual misstatements:</b>												
SAD 01 - FG	GDGC GF UE 01, Tab 01	To record federal revenues in FY2023 which was collected and recorded only in FY2024.										
		Revenues - Federal grants and contributions										(1,873,876)
		Transfers out										1,873,876
<b>Total of uncorrected misstatements before income tax</b>												
<b>Total of uncorrected misstatements</b>												
<b>Financial statement amounts</b>												
<b>Effect of uncorrected misstatements on F/S amounts</b>												
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												
Cumulative effect of uncorrected misstatements, after turnaround effect												
Current year income before tax												
Current year income after tax												

Communication schedule for uncorrected misstatements

Entity: GovGuam - Chamorro Lands (Permanent Funds) Period Ended: 30 Sep 2023 Currency: USD

No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
<b>Factual misstatements:</b>												
<b>Total of uncorrected misstatements before income tax</b>												
<b>Total of uncorrected misstatements</b>												
<b>Financial statement amounts</b>												
<b>Effect of uncorrected misstatements on F/S amounts</b>												
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												
Cumulative effect of uncorrected misstatements, after turnaround effect												
Current year income before tax												
Current year income after tax												



A - Management Representations Letter, continued

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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - 202 and 503 (Fiscal Year) Entity Period Ended: 30-Sep-2024 Currency: USD

No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/Credit					Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period		
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
<b>Factual misstatements:</b>													
SAD #01	PF N	To accrue reported medical claims with FY2024 service dates								2,515,360	X		
	Tab N 04.3	Expenditures											
		Accounts Payable			(2,515,358)								
<b>Total of uncorrected misstatements before income tax</b>					(2,515,358)					2,515,360	X		
<b>Total of uncorrected misstatements</b>					(2,515,358)					2,515,360	X		
Financial statement amounts			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	
Effect of uncorrected misstatements on F/S amounts													
Memo: Total of non-taxable items marked 'X' above										2,515,360	X		
Uncorrected misstatements before income tax										2,515,360	X		
Less: Tax effect of misstatements at current year marginal rate									0%				
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: Judgmental misstatements (Note 3):													
Cumulative effect of uncorrected misstatements, after turnaround effect													
Current year income before tax													
Current year income after tax													

Communication schedule for uncorrected misstatements

Entity: GovGuam - Component Units Period Ended: 30-Sep-2024 Currency: USD

No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/Credit					Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period		
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)		Debit/(Credit)	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
<b>Factual misstatements:</b>													
<b>Projected misstatements:</b>													
1	UGG	To record the reversal of internal revenues and expenditures								(5,933,000)	X		
	WE1 01.2	Expenditures											
	Projected 3	Revenues								5,933,000	X		
<b>Total of uncorrected misstatements before income tax</b>													
<b>Total of uncorrected misstatements</b>													
Financial statement amounts			1,984,696,811	2,563,029,322	(174,969,476)	(3,239,483,292)	(261,171,600)			10,017,580		12,518,218	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	
Memo: Total of non-taxable items (marked 'X' above)													
Uncorrected misstatements before income tax													
Less: Tax effect of misstatements at current year marginal rate									0%				
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: Judgmental misstatements (Note 3):													
Cumulative effect of uncorrected misstatements, after turnaround effect													
Current year income before tax													
Current year income after tax													

A - Management Representations Letter, continued

Government of Guam  
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Appendix B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity:		GovGuam - Government Wide		Period ended:	30-Sep-2024		Currency:	USD				
No.	WIP ref.	Account <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit/(Credit)							Income statement effect of the current period		
			Assets Current Debit/(Credit)	Assets Non-current Debit/(Credit)	Liabilities Current Debit/(Credit)	Liabilities Non-current Debit/(Credit)	Equity components Debit/(Credit)	Effect on the current period OCI Debit/(Credit)	Debit/(Credit)	Non taxable		
AJE #01	GW OPGN1.01 Tab 2 FS.01 - A/E	To adjust the OPEB related amounts based on the audited OPEB Schedules for the measurement period ended September 30, 2023. OPEB liability Deferred outflows from OPEB Deferred inflows from OPEB Amount to be provided for OPEB		78,004,780			(293,338,523)				54,542,815	X
AJE #02	GW PFX1.01 Tab 2 FS.01 - A/E	To adjust the pension related amounts based on the audited Pension Schedules for the measurement period ended September 30, 2023. Pension liability Deferred outflows from Pension Deferred inflows from Pension Amount to be provided for Pension		(87,741,317)			21,657,210				73,994,137	X
AJE #03	GW Q.02 Tab 1 FS.01 - A/E	To adjust GASB 18 accrual for landfill. Long term debt Amount to be provided for GASB 18					(5,174,615)				5,174,615	X
AJE #04	GW LRE.01 Tab 01 FS.01 - A/E	To adjust school financed purchase obligations and related accounts to reflect the amount as of September 30, 2024. Reserve for maintenance and insurance School financed purchase obligations Amount to be provided for school financed purchase obligations		(125,000)			9,562,828				(9,467,828)	X
AJE #05	GW Q Tab 0, 01, Q.01.4, Q.01.8 FS.01 - A/E	To adjust bonds payable and related accounts to reflect the amount as of September 30, 2024. Notes and Bonds Payable Amount to be provided for bonds Deferred loss on refunding					42,109,716				(35,383,104)	X
AJE #06	GW KG Tab 01 FS.01 - A/E	To reconcile capital assets to reflect the updated balances as of September 30, 2024. Capital assets Accumulated Depreciation Amount to be provided for capital assets		42,780,480		(19,272,242)					(23,488,438)	X
AJE #07	GW LRE.02 Tab LRE.00 FS.01 - A/E	To adjust the leases balances - GASB 87 as of September 30, 2024. GASB 87 assets Lease liability Amount to be provided for GASB 87 leases		(1,802,887)			(1,879,678)				3,779,542	X
AJE #08	GW LRE.03 Tab LRE.03.00 FS.01 - A/E	To adjust the subscription asset balances - GASB 96 as of September 30, 2024. GASB 96 assets Lease liability Amount to be provided for GASB 96 leases		20,120,726			(33,853,893)				13,732,867	X
SAD.01 - SAD.05	Corrected tab	Effect from Governmental Fund's Corrected Misstatements		(6,791,919)		(2,574,422)		(267,600)			9,633,501	X
		General Fund		16,35,382		(5,718,050)					4,082,658	X
		Federal Grants Fund									16,35,382	X
		ARPA Fund		3,021,234		7,463,722		(1,380,122)			(9,806,934)	X
		Other NonMajor Governmental Funds		1,287,312		(1,701,328)		434,096				
		GDOE Federal Grants Assistance Fund										
<b>Total of corrected misstatements before income tax</b>				(867,891)	25,08,148	(4,91,460)	(108,002,794)	(1,213,285)	0		89,027,323	
<b>Financial statement amounts</b>				1,198,148,167	2,159,189,650	(788,670,461)	(4,705,036,040)	2,138,428,634			(125,312,463)	
<b>Effect of corrected misstatements on FIS amounts</b>				-0.1%	1.2%	0.5%	2.3%	-0.1%			-70.2%	

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: GovGuam - General Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements No.	WP ref.	Account (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI	Income statement effect of the current period	
			Assets Current Debit/(Credit)	Assets Non-current Debit/(Credit)	Liabilities Current Debit/(Credit)	Liabilities Non-current Debit/(Credit)	Equity components Debit/(Credit)		Debit/(Credit)	Non taxable
AJE #01	GF E Tab E-01.6 FS-01 - AJE	To adjust delinquent receivables per DIRT tax receivable summary. Income tax receivable - Delinquent GRT receivable - Delinquent Income tax receivable Deferred Rev - Income tax	33,611,790 10,624,508 (33,611,790) (10,624,508)							
AJE #02	GG IA Tab IA.01 FS-01 - PC51, PC52	To record permanent transfers to Special Revenues to cover fund deficits (Funds 214, 329, 673, 602, 317, 208, 297 and 684) Transfer out Interfund Transfer in		(6,791,919)					7,446,046 (653,127)	X X
AJE #03	FS-01 AJE Tab AJE 15 and 16	To record an adjustment to correct the beginning net position amount of Fund 100. Net Position Expenditures Accounts payable				(2,068,250)	(267,180)		2,335,410	X
AJE #04	FS-01 AJE Tab AJE 19	To record an adjustment to correct the interfund transfer of Fund 208. Revenue Interfund			(409,075)				409,075	X
AJE #05	FS-01 AJE Tab AJE 12	To record an adjustment to correct Funds 518, 581 and 205 for FS presentation purposes. Transfer in Revenue							3,138,576 (3,138,576)	X X
AJE #06	FS-01 AJE Tab AJE 13	To record an adjustment to match Fund 206 and 416 to the separately audited FS. Revenue Interfund			(97,097)				97,097	X
<b>Total of corrected misstatements before income tax</b>			<b>(6,791,919)</b>	<b>0</b>	<b>(2,574,427)</b>	<b>0</b>	<b>(267,180)</b>	<b>0</b>	<b>9,633,501</b>	
Financial statement amounts			758,701,897	0	(465,070,163)	0	(293,631,734)		(98,406,193)	
Effect of corrected misstatements on F/S amounts			-0.9%	0.0%	0.6%	0.0%	0.1%		-9.8%	

Communication schedule for corrected misstatements

Entity: GovGuam - Federal Grants Assistance Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements No.	WP ref.	Account (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI	Income statement effect of the current period	
			Assets Current Debit/(Credit)	Assets Non-current Debit/(Credit)	Liabilities Current Debit/(Credit)	Liabilities Non-current Debit/(Credit)	Equity components Debit/(Credit)		Debit/(Credit)	Non taxable
AJE #01	FG N Tab N.02	To correct the unusual AP balance noted on the federal grants (2322001-101) Interfund Expenditure	1,635,382						(1,635,382)	X
AJE #02	FS-01 AJE Tab AJE 17	To record an adjustment to correct the fund balances related to Fund 101. Revenue Expenditure Payable to Federal Agencies				(5,718,050)			(195,934) (46,738) (5,376,768)	X X X
<b>Total of corrected misstatements before income tax</b>			<b>1,635,382</b>	<b>0</b>	<b>(5,718,050)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,082,658</b>	
Financial statement amounts			111,609,793	0	(110,868,367)	0	(253,426)		(163,436)	
Effect of corrected misstatements on F/S amounts			1.2%	0.0%	5.2%	0.0%	0.0%		-249.0%	

Communication schedule for corrected misstatements

Entity: GovGuam - ARPA Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements No.	WP ref.	Account (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)					Effect on the current period OCI	Income statement effect of the current period	
			Assets Current Debit/(Credit)	Assets Non-current Debit/(Credit)	Liabilities Current Debit/(Credit)	Liabilities Non-current Debit/(Credit)	Equity components Debit/(Credit)		Debit/(Credit)	Non taxable
AJE #01	FG N Tab N.02	To correct the unusual AP balance noted on the federal grants (2322001-101) Expenditure Interfund			(1,635,382)				1,635,382	X
<b>Total of corrected misstatements before income tax</b>			<b>0</b>	<b>0</b>	<b>(1,635,382)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,635,382</b>	
Financial statement amounts			228,986,066	0	(205,015,387)	0	(23,970,679)		(11,941,427)	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.8%	0.0%	0.0%		-13.7%	

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: GovGuam - GDOE Federal Grants Assistance Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
	FG.01	To correct opening fund balance.						434,016			
		Fund Balance								(1)	X
		Revenue - Federal grants and contributions									
		Due to other funds			(434,015)						
FG.N.01, Tab N.04	FG.02	To record vendor invoices for services rendered in FY2024								1,267,312	X
		Expenditure - General Administration									
		Other liabilities and accruals			(1,267,312)						
		Receivables from federal agencies	1,267,312								
		Federal grants and contributions								(1,267,312)	X
<b>Total of corrected misstatements before income tax</b>			1,267,312	0	(1,701,328)	0	434,016	0		(1)	
Financial statement amounts			102,526,802	0	(102,526,802)	0	0	0		0	
Effect of corrected misstatements on F/S amounts			1.2%	0.0%	1.7%	0.0%	0.0%			0.0%	

Communication schedule for corrected misstatements

Entity: GovGuam - Chamorro Lands (Permanent Funds) Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
<b>Total of corrected misstatements before income tax</b>			0	0	0	0	0	0	0	0	
Financial statement amounts			0	459,050,489	0	0	(459,050,489)			0	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	

Communication schedule for corrected misstatements

Entity: GovGuam - 502 and 503 (Proprietary Funds) Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
<b>Total of corrected misstatements before income tax</b>			0	0	0	0	0	0	0	0	
Financial statement amounts			33,655,565	0	(27,636,648)	0	(6,018,917)			(6,018,917)	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: GovGuam - Other Govt Funds Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account <small>(misstatements are recorded as journal entries with a description)</small>	Assets	Assets	Liabilities	Liabilities	Equity components	Effect on the	Income statement effect	
			Current	Non-current	Current	Non-current		current period OCI	Debit/(Credit)	of the current period
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
AJE #01	GG IA	To record permanent transfers to Special Revenues to cover fund deficits (Funds 673, 602, 317, 208, 297 and 684)								
	Tab IA.01	Interfund			6,791,919					
	FS.01 - PCS1, PCS2	Transfer in							(6,791,919)	X
AJE #02	FS.01	To record an adjustment to correct the beginning net position amount of Fund 673.						(392,148)		
	AJE Tab	Net Position							392,148	X
	AJE 14	Expenditures								
AJE #03	FS.01	To record an adjustment to correct the interfund transfer of Fund 208.								
	AJE Tab	Interfund	409,075							
	AJE 19	Transfer In							(409,075)	X
AJE #04	FS.01	To record an adjustment to correct Funds 618, 681 and 205 for FS presentation purposes.								
	AJE Tab	Payable to federal agencies			655,766					
	AJE 16	Accounts payable			(675)					
		Revenues							(655,110)	X
AJE #05	FS.01	To record an adjustment to match Fund 206 and 416 to the separately audited FS.								
	AJE Tab	Cash and cash equivalents - Unrestricted	1,658,752							
	AJE 13	Receivable - Taxes	856,310							
		Interfund	97,097							
		Accounts payable			20,693					
		Net Position					(987,974)			
		Revenue							(759,897)	X
		Expenditure							18,634,845	X
		Transfer In							(385,624)	X
		Transfer Out							(19,134,212)	X
<b>Total of corrected misstatements before income tax</b>			<b>3,021,234</b>	<b>0</b>	<b>7,487,722</b>	<b>0</b>	<b>(1,380,122)</b>	<b>0</b>	<b>(9,108,834)</b>	
Financial statement amounts			3,392,511,630	0	(161,921,357)	0	(3,230,590,273)		(595,354,816)	
Effect of corrected misstatements on F/S amounts			0.1%	0.0%	-4.6%	0.0%	0.0%		1.5%	

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

Appendix C – Subsequent Events

Government of Guam  
Subsequent Events Questionnaire  
Coverage: For the period from October 1, 2024 to auditor's report

Question	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?	No	
2 Have there been any new significant contingent liabilities or commitments arisen, except as disclosed in the financial statements?	No	
3 Have there been any significant changes that occurred in trends of revenue or expenditures that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for liabilities or unearned income)?	No	
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?	No	
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?	No	
6 Were there any significant unusual or non-recurring adjustments been recorded (or are necessary)?	No	
7 Were there any communications, written or oral, occurred with the regulatory agencies (including Federal granting agencies or any of its agencies) with which the entity files financial statements or seeks federal assistance/grants form?	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 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?	No	
11 Are you aware of any fraud or suspected fraud affecting <b>Government of Guam</b> 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?	No	
12 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 <b>Government of Guam</b> ?	No	

A - Management Representations Letter, continued

Government of Guam  
Letter of Representations

April 23, 2026

**Government of Guam**  
Subsequent Events Questionnaire  
Coverage: For the period from October 1, 2024 to auditor's report

Question	Response Yes or No	If yes, please provide additional information
13 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	

  
Edward Birn, Department of Administration - Director  
Name and Title

  
Theresa Rivers, Department of Administration - CFO  
Name and Title