

January 15, 2010

The Board of Trustees
Guam Educational Telecommunications Corporation

Dear Members of the Board of Trustees:

We have performed an audit of the financial statements of the governmental activities and the General Fund of the Guam Educational Telecommunications Corporation (the "Corporation") as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States of America and have issued our report thereon dated January 15, 2010.

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

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

Our responsibility under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described in our engagement letter dated August 19, 2009. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the Corporation's basic financial statements and to disclaim an opinion on the required supplementary information for the year ended September 30, 2009 in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects;
- To express an opinion on whether the supplementary information that accompanies the basic financial statements is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole; and
- To report on the Corporation's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2009 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

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

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

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Corporation's 2009 financial statements include management's estimate of the allowance for uncollectible accounts, which is determined based on management's evaluation of the collectability of current accounts and historical trends, and management's estimate of depreciation expense, which is based on estimated useful lives of the respective capital assets. During the year ended September 30, 2009, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

AUDIT ADJUSTMENTS AND UNCORRECTED MISSTATEMENTS

As the result of our audit work, we identified matters that resulted in audit adjustments that we believe, either individually or in the aggregate, would have a significant effect on the Corporation's financial reporting process. Such proposed adjustments, listed in Appendix I, have been recorded in the accounting records and are reflected in the 2009 financial statements. Those proposed adjustments that were not recorded by management are also included in the schedule described in the next paragraph.

In addition, we have attached to this letter, as Appendix II, a summary of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are set forth in Note 2 to the Corporation's 2009 financial statements. During the year ended September 30, 2009, there were no significant changes in previously adopted accounting policies or their application, except for the following pronouncements adopted by the Corporation:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which provides guidance and consistency under which a governmental entity would be required to report a liability related to pollution remediation.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which improves financial reporting by contributing to the GASB's efforts to codify all GAAP for state and local governments so that they derive from a single source.

- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments, and addresses three issues from the AICPA's literature - related party transactions, going concern considerations, and subsequent events.

The implementation of these pronouncements did not have a material effect on the financial statements of the Corporation.

For the year ended September 30, 2010, the following pronouncements will be adopted by the Corporation:

- In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which addresses whether and when intangible assets should be considered capital assets for financial reporting purposes. The provisions of this statement are effective for periods beginning after June 15, 2009.
- In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which is intended to improve how state and local governments report information about derivative instruments - financial arrangements used by governments to manage specific risks or make investments - in their financial statements. The provisions of this statement are effective for periods beginning after June 15, 2009.
- In December 2008, GASB issued Technical Bulletin No. 2008-1, *Determining the Annual Required Contribution Adjustment for Postemployment Benefits*, which clarifies the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for calculating the annual required contribution (ARC) adjustment. The provisions of this statement are effective for periods beginning after December 15, 2008.

For the year ended September 30, 2011, the following pronouncements will be adopted by the Corporation:

- In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The provisions of this statement are effective for periods beginning after June 15, 2010.

Management does not believe that the implementation of these pronouncements will have a material effect on the financial statements of the Corporation.

OTHER INFORMATION IN THE ANNUAL REPORTS OF THE CORPORATION

When audited financial statements are included in documents containing other information, such as Annual Reports, we will read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. In the event that the Corporation issues an Annual Report or other documentation that includes the audited financial statements, we will be required to read the other information in the Corporation's 2009 Annual Report and will inquire as to the methods of measurement and presentation of such information. If we note a material inconsistency or if we obtain any knowledge of a material misstatement of fact in the other information, we will discuss this matter with management and, if appropriate, with the Board of Trustees.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the Corporation's 2009 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2009.

MANAGEMENT'S REPRESENTATIONS

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

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO OUR INITIAL ENGAGEMENT OR RETENTION

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

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CONTROL-RELATED MATTERS

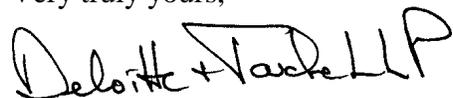
We have issued a separate report to you, dated January 15, 2010, on the Corporation's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, which was based upon the audit performed in accordance with *Government Auditing Standards*.

We have communicated to management, in a separate letter also dated January 15, 2010, control deficiencies and other matters that we identified during our audit.

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

We wish to thank the staff and management of the Corporation for their cooperation and assistance during the course of this engagement.

Very truly yours,

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, stylized font.

APPENDIX I

Journal Entries - AJE

#	Name		Debit	Credit
		AJE(1)		
2000-2002	Accounts Payable - CSG		63,913.00	-
5030-5023	CSG-PBS Membership Assess		-	63,913.00
			<u>63,913.00</u>	<u>63,913.00</u>
	To record GovGuam's portion of the PBS fees for the National Program Assessment, Membership, Copyright and Plus.			
		AJE(2)		
3002	Fund Balance-Plant		-	32,645.04
5020-5081	PF-Equipment		32,645.04	-
			<u>32,645.04</u>	<u>32,645.04</u>
	Reflect current adds of fixed assets as expenditures and investment in capital assets.			
		AJE(3)		
1200-1041	Buildings		2,446,847.80	-
3002	Fund Balance-Plant		-	2,446,847.80
			<u>2,446,847.80</u>	<u>2,446,847.80</u>
	Reflect cost of DDF tower in the investment in fixed assets account.			
		AJE(4)		
1200-1049	Accumulated Depreciation		-	48,936.96
5640-5101	Depreciation Expense		48,936.96	-
			<u>48,936.96</u>	<u>48,936.96</u>
	To record depreciation expense for the DDF tower.			
		AJE(5)		
1100-1011	AVR - GovGuam		-	28,464.00
2000-2001	Accounts Payable - PF		28,464.00	-
			<u>28,464.00</u>	<u>28,464.00</u>
	To reverse FY08 audit AJE9 which records a receivable from GovGuam for the National Program Service Assessment paid directly by GG to PBS in March 2009.			
		AJE(6)		
5999-3880	Retained Earnings		19,757.00	-
4020-4019	PF-Miscellaneous Income		-	19,757.00
			<u>19,757.00</u>	<u>19,757.00</u>
	Correct beginning fund balance.			
		AJE(7)		
1020-1103	Amt to Provide Unfunded Pension		-	23,656.00
2018-2017	Unfunded Pension Liability		23,656.00	-
			<u>23,656.00</u>	<u>23,656.00</u>
	Reverse the unfunded pensions account.			
		AJE(8)		
2200-2021	CSG-Deferred revenue		-	66,250.91
5050-5051	PF-Legal & Prof. Service		66,250.91	-
			<u>66,250.91</u>	<u>66,250.91</u>
	Correct the balance of CSG deferred revenue as of 9/30/09.			

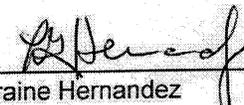
APPENDIX I, CONTINUED

Journal Entries - AJE

#	Name	AJE(9)	Debit	Credit
2010-2013	Accrued Wages Payable		37,998.54	-
5000-5001	CSG-Productions Salaries		-	5,733.66
5000-5002	CSG-Production FICA Expens		-	483.46
5010-5011	CSG-Station Upgrade Salary		-	3,999.20
5010-5012	CSG -Stat pgrade FICA Exp.		-	305.95
5030-5021	CSG-Programming Wages		-	21,799.44
5030-5022	CSG-Programming-FICA Expense		-	446.88
5030-5025	CSG-Medical Insurance		-	932.63
5040-5031	CSG - Development Salaries		-	3,991.93
5040-5032	CSG - Development FICA Expense		-	305.39
			<u>37,998.54</u>	<u>37,998.54</u>

Correct accrued wages payable as of 9/30/09.

Concurrence: I have reviewed the adjustments above and authorize that they be recorded in the General Ledger as of September 30, 2009. The adjustments are the result of errors and are not the result of fraud.



 Lorraine Hernandez

APPENDIX II

Description	Assets	Liabilities	Fund Balance	P&L
<p align="center">PAJE(1)</p> DR A/R CR Revenue Record read-a-thon proceeds received after year end.	16,791			(16,791)
<p align="center">PAJE(2)</p> DR DCSL Expense CR Accrued DCSL Adjust accrued DCSL at 9/30/09		(6,507)		6,507
<p align="center">PAJE(3)</p> DR Accounts Payable CR Expense		33,490		(33,490)
	<u>16,791</u>	<u>26,983</u>	<u>0</u>	<u>(43,774)</u>



Guam Educational Telecommunication Corporation

January 15, 2010

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

Dear Sir or Madam:

We are providing this letter in connection with your audit of the financial statements of the governmental activities and the General Fund of the Guam Educational Telecommunications Corporation (the Corporation) as of and for the year ended September 30, 2009, which collectively comprise the Corporations' basic financial statements for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations or changes in fund balances of the Corporation in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the following:

- A. The fair presentation in the basic financial statements of financial position of the governmental activities and the General Fund, in conformity with GAAP.
- B. The fair presentation of the required supplementary information, including Management's Discussion and Analysis, and additional information accompanying the basic financial statements that are presented for the purpose of additional analysis of the basic financial statements.
- C. The design and implementation of programs and controls to prevent and detect fraud.
- D. Establishing and maintaining effective internal control over financial reporting.
- E. The review and approval of the financial statements and related notes and acknowledge your role in the preparation of this information. Specifically, we acknowledge that your role in the preparation of the financial statements was a matter of convenience rather than one of necessity. We have reviewed the financial statement preparation assistance provided by you and acknowledge that the financial statements are prepared in accordance with GAAP. Our review was based on the use of the financial statement disclosure checklist for a general-purpose government obtained from the Government Finance Officers Association.

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

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

1. The basic financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. In addition:
 - a. The financial statements properly classify all funds and activities.

Phone: (671)734-KGTF (5483) * Fax: (671)734-3476 * P.O. Box 21449 GMF, Guam 96921

Email: kgtf12@teleguam.net Website: <http://www.pbsguam.org>



Guam Educational Telecommunication Corporation

- b. Net assets components (invested in capital assets; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
 - c. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - d. Revenues are appropriately classified in the statement of activities.
 - e. Deposits and investment securities are properly classified in category of custodial credit risk.
 - f. Capital assets are properly capitalized, reported and, if applicable, depreciated.
 - g. Required supplementary information is measured and presented within prescribed guidelines.
2. The Corporation has made available to you all:
- a. Public Laws enacted by the Government of Guam's (GovGuam's) Legislature as well as minutes of meetings of the Corporation's Board of Trustees.
 - b. Financial records and related data for all financial transactions of the Corporation and for all funds administered by the Corporation. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by the Corporation and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the financial statements have been prepared.
 - c. Contracts and grant agreements (including amendments, if any).
3. There has been no:
- a. Action taken by the Corporation's management that contravenes the provision of federal laws and local laws and regulations or of contracts and grants applicable to the Corporation.
 - b. Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements.
4. We believe the effects of any uncorrected financial statement misstatements aggregated by you during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such uncorrected misstatements has been attached as Appendix A.
5. The Corporation has not performed a risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in the Corporation and do not believe that the financial statements are materially misstated as a result of fraud.



Guam Educational Telecommunication Corporation

6. We have no knowledge of any fraud or suspected fraud affecting the Corporation involving:
 - a. Management.
 - b. Employees who have significant roles in internal control over financial reporting.
 - c. Others if the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation received in communications from employees, former employees, regulators, or others.
8. There are no unasserted claims or assessments that the legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
9. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
10. In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement No. 49 provides guidance and consistency under which a governmental entity would be required to report a liability related to pollution remediation. The provisions of this statement are effective for periods beginning after December 15, 2007. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Corporation.
11. In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB Statement No. 51 addresses whether and when intangible assets should be considered capital assets for financial reporting purposes. The provisions of this statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Corporation.
12. In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The provisions of this statement are effective for periods beginning after June 15, 2008. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Corporation.
13. In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement No. 53 is intended to improve how state and local governments report information about derivative instruments - financial arrangements used by governments to manage specific risks or make investments - in their financial statements. The provisions of this statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Corporation.



Guam Educational Telecommunication Corporation

14. In December 2008, GASB issued Technical Bulletin No. 2008-1, *Determining the Annual Required Contribution Adjustment for Postemployment Benefits*, which clarifies the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for calculating the annual required contribution (ARC) adjustment. The provisions of this statement are effective for periods beginning after December 15, 2008. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Corporation.
15. In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The provisions of this statement are effective for periods beginning after June 15, 2010. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Corporation.
16. We adopted the provisions of GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which improves financial reporting by contributing to the GASB's efforts to codify all GAAP for state and local governments so that they derive from a single source. The implementation of this statement did not have a material effect on the financial statements of the Corporation.
17. We adopted the provisions of GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments, and addresses three issues from the AICPA's literature - related party transactions, going concern considerations, and subsequent events. The implementation of this statement did not have a material effect on the financial statements of the Corporation.

Except where otherwise stated below, matters less than \$21,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

18. Except as listed in Appendix A, there are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
19. The Corporation has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
20. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:
 - a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral).
 - b. Guarantees, whether written or oral, under which the Corporation is contingently liable.



Guam Educational Telecommunication Corporation

21. In preparing the financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
 - a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
 - b. The effect of the change would be material to the financial statements.
22. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:
 - a. The concentration exists at the date of the financial statements.
 - b. The concentration makes the Corporation vulnerable to the risk of a near-term severe impact.
 - c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.
23. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No.5, Accounting for Contingencies.
24. The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. The Corporation has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.
26. No department or agency of the Corporation has reported a material instance of noncompliance to us.
27. The Corporation has identified all derivative instruments as defined by GASB Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of net Assets (TB03-1)*, and appropriately disclosed such derivatives in accordance with TB03-1.
28. No events have occurred subsequent to September 30, 2009 that requires consideration as adjustments to or disclosures in the financial statements.
29. Management has disclosed whether, subsequent to September 30, 2009, any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses have occurred.



Guam Educational Telecommunication Corporation

30. The Corporation is responsible for determining and maintaining the adequacy of the allowance for uncollectible receivables, as well as estimates used to determine such amounts.
31. During the year ended September 30, 2009, the Corporation recognized certain on-behalf payments made directly by GovGuam, totaling \$6,285, as contributions representing certain healthcare benefits that GovGuam's general fund paid directly on behalf of the Corporation. We are not aware of any other on-behalf payments made directly by GovGuam that would require to be recognized by the Corporation as contributions during the year ended September 30, 2009.
32. GovGuam's Department of Administration redesignated the Defined Benefits plan as a cost-sharing multiple-employer plan that resulted in the reversal of the accrued unfunded liability, totaling \$23,656, during the year ended September 30, 2009. As this amount is not considered material to the financial statements, no prior period adjustment was considered necessary.

A handwritten signature in cursive script, appearing to read "S. Mabini".

Dr. Shirley A. Mabini, General Manager

A handwritten signature in cursive script, appearing to read "L. Hernandez".

Lorraine Hernandez, Administrative Officer

A handwritten signature in cursive script, appearing to read "E. Dacwag".

Evilla Dacwag, Accountant

APPENDIX III, CONTINUED
APPENDIX A

Description	Assets	Liabilities	Fund Balance	P&L
PAJE(1) DR A/R CR Revenue Record read-a-thon proceeds received after year end.	16,791			(16,791)
PAJE(2) DR DCSL Expense CR Accrued DCSL Adjust accrued DCSL at 9/30/09		(6,507)		6,507
PAJE(3) DR Accounts Payable CR Expense Adjust accounts payable at 9/30/09.		33,490		(33,490)
	<u>16,791</u>	<u>26,983</u>	<u>0</u>	<u>(43,774)</u>