

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

**Guam Economic Development Authority**

*Year ended September 30, 2023*





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July 29, 2024

The Board of Directors  
Guam Economic Development Authority

We have performed an audit of the financial statements of Guam Economic Development Authority, a component unit of the Government of Guam, as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States 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 July 29, 2024.

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

## **REQUIRED COMMUNICATIONS**

Professional standards require the auditor to provide the Board of Directors with additional information regarding the scope and results of the audit that may assist the Board overseeing the financial reporting and disclosure processes which the management of the Company is responsible. We summarize these required communications as follows:

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

Our audit scope and timing is consistent with the plan communicated in our engagement letter dated February 13, 2024 and at our audit planning meeting with management.

### **Auditors' Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)**

The financial statements, required supplementary information and supplementary information are the responsibility of the Company's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Our responsibilities are included in our audit engagement letter.

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

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

### **Matters relevant to our evaluation of the entity's ability to continue as a going concern**

We did not identify any events or conditions that led us to believe there was substantial doubt about the Company's ability to continue as a going concern.

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

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

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

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

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

### **Related party relationships and transactions**

We noted no significant matters regarding the Company's relationships and transactions with related parties other than disclosed in footnote 8 to the financial statements.

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

None.

### **Significant unusual transactions**

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

**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 the “Summary of Corrected Misstatements” in Appendix A.

**Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial**

Refer to the “Management Representations Letter” in Appendix B.

**Significant deficiencies and material weaknesses in internal control over financial reporting**

No material weaknesses have been identified.

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

We are not aware of any matters that require communication.

**Obtain information relevant to the audit**

Inquiries regarding matters relevant to the audit were performed during the February 2024 meeting and at the update status meetings during the audit.

**Independence matters**

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

**New accounting pronouncements**

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

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

We are not aware of any matters that require communication.

**Disagreements with management and significant difficulties encountered in dealing with management when performing the audit**

There were no difficulties encountered in dealing with management in performing the audit.

**Management's consultations with other accountants**

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

**Other material written communications with management**

None.

**Other matters**

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

**AICPA ethics ruling regarding third-party service providers**

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

**Representations we are requesting from management**

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix B.

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

Under GAS 2018 Revision, Chapter 3 Ethics, Independence and Professional Judgment, Paragraph 3.73-74 Provision of Nonaudited Services to Audited Entities 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 individual understands the services to be performed sufficiently to oversee them. The engagement team should document consideration of management’s ability to oversee non-audit services to be performed.

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

- An engagement quality control review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on the Company’s trial balance with our understanding that the Company’s underlying books and records are maintained by the Company’s accounting department and that the final trial balance prepared by the Company is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of the Company.
- The Company’s Accounting Manager has the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

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

Very truly yours,

*Ernst + Young LLP*

## Appendices

A – Management Representations Letter

A – Management Representations Letter

**LOURDES A. LEON GUERRERO**  
*Governor of Guam*  
*I Maga'Haga Cuahan*

**JOSHUA F. TENORIO**  
*Lt. Governor of Guam*  
*I Segundo Na Maga'Lahen Cuahan*



**MELANIE MENDIOLA**  
*Chief Executive Officer/Administrator*  
*Athädi Eksekutibu Ofsiat/Atmenestradora*

**CARLOS P. BORDALLO**  
*Deputy Administrator*  
*Sigundon Atmenestrador*

July 29, 2024

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 Guam Economic Development Authority (the Authority or GEDA) as of September 30, 2023 and 2022 and for the years then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position of the business-type activities information of the Authority and the changes in financial position and cash flows 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 February 19, 2024, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding years.

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

We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:





A – Management Representations Letter, continued

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, data, documentation and other matters
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the Authority from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

From August 31, 2023 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements of any opinion unit that comprises the basic financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

***Restatement***

We acknowledge our responsibility for the fair presentation of the restated financial statements for September 30, 2022 and confirm that we believe the restated financial statements now present fairly, in all material respects, the financial position, results of operations, and cash flows of the company in conformity with U.S. GAAP.

***Corrected misstatements***

We are in agreement with the audit adjustments you have proposed (Appendix A) and have posted the adjusting journal entries to the Authority's books. We also agree with the restatement of FY2022 figures to combine the fiduciary activities into the primary government activities.

***Uncorrected misstatements***

We believe that the uncorrected misstatements in disclosures, summarized in the accompanying schedule (Appendix B), accumulated by you during the current and prior audit period, both individually and in the aggregate, do not materially affect the fair presentation of the financial statements in accordance with US GAAP.



A – Management Representations Letter, continued

***Internal control***

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

We are not aware of any significant deficiencies or material weakness in the design or operation of internal control over financial reporting.

***Minutes and contracts***

The dates of meetings of the Board of Directors and important management committees from October 1, 2022 to audit report date are as follows:

December 16, 2022	September 28, 2023
January 19, 2023	October 26, 2023
February 23, 2023	January 18, 2024
March 23, 2023	February 29, 2024
April 13, 2023	March 21, 2024
July 31, 2023	April 25, 2024
August 31, 2023	May 30, 2024

We have made available to you all minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

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

***Methods, significant assumptions, and data used in making accounting estimates***

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

***Ownership and pledging of assets***

Except for right-to-use another entity's nonfinancial asset (the underlying asset), the Authority has satisfactory title to all assets appearing in the statements of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the Authority has satisfactory title appear in the statements of net position.



A – Management Representations Letter, continued

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

***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 financial statements and believe this information to be reliable and consistent with the requirements of GASB Statement No. 72—as amended.

***Leases***

We have identified and accounted for all contracts that meet the criteria to be accounted for as a lease under GASB 87—as amended. We have appropriately considered any modifications, termination or purchase options in the contract.

***Related party relationships and transactions***

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

The substance of transactions with related parties as defined in GASB Statement No. 56—as amended, has been considered and appropriate adjustments or disclosures are made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.



A – Management Representations Letter, continued

***Side agreements and other arrangements***

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

***Arrangements with financial institutions***

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

***Events of default under debt agreements***

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

***Contingent liabilities***

There are no unasserted claims or assessments, including those our lawyers have advised us of that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62 – as amended.

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

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62 – as amended, nor are there any accruals for loss contingencies included in the statement of net position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62 – as amended.

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

***Purchase commitments***

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

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



A – Management Representations Letter, continued

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

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

We acknowledge our responsibility for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Authority's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Authority.

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

***Independence***

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

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

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

***Conflicts of interest***

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





A – Management Representations Letter, continued

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”):

- Supplemental Schedule of Salaries and Wages
- Supplemental Comparative Divisional Schedules of Net Position
- Supplemental Comparative Divisional Schedules of Revenue, Expenses and Changes in Net Position
- Supplemental Comparative Divisional Schedules of Cash Flows

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.

***Other representations***

- We recognize that we are responsible for the Authority’s compliance with the laws, regulations, provisions of contracts and grant agreements that are applicable to it. We have identified and disclosed to your representatives all laws, regulations, provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have identified to your representatives all previous audits, attestation engagements, and other studies related to the audit objectives and whether the related recommendations have been implemented.
- We have informed you of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.



A – Management Representations Letter, 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.
- We have a process to track the status of audit findings and recommendations.
- We have provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants, deposits and investments, including collateral requirements on depository accounts and investments.
- Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.
- Investments are properly valued.
- 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.
- We have disclosed the names of all governments with which we have a tax abatement agreement, the total gross amount of taxes abated during the period, the specific taxes that were abated, and whether any commitments other than to reduce taxes were made as part of any tax abatement agreement as required by GASB Statement No. 77.
- We have disclosed tax abatements entered into by other governments that affect our revenues, including the names of the governments that entered into the agreements, the specified taxes being abated and the gross dollar amount of taxes abated during the period, as required by GASB Statement No. 77.
- The Authority has obligated, expended, received and used public funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by the 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.





A – Management Representations Letter, continued

- Money or similar assets handled by the Authority on behalf of the 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.
- In 1991, Public Law 21-59 was enacted to establish a bonus system for employees of the Government of Guam, autonomous agencies, public corporations and other public instrumentalities of the Government of Guam who earn a superior performance grade. The bonus is calculated at 3.5% of the employee's base salary beginning 1991. The Authority has determined that is not subject to the law as its employees are not classified and as such, has not paid or recorded any merit bonus through the date of this letter.
- We have determined that any legal settlements related to the Authority's role as a project management office for the Government of Guam (GovGuam) would be recorded by GovGuam.
- We believed that the amount of grant revenues recognized for administering those various programs of GovGuam, such as Guam Small Business Pandemic Assistance Grant, Rent Assistance Program, Local Employers Assistance Program, Prugraman Pinilan, Medical and Public Health Services Action Plan and Guam Military Complex Growth Project, were reasonable and were based on an agreed specific percentage between the Authority and GovGuam which ranges from 1% to 10% of the actual grant award amount.

We also determined that the grant revenues were eligible expenditures to be charged to those programs that we administered on behalf of GovGuam.

Management concluded that grants related to the administration of the programs does not subsidize its existing program and that the assistance of running certain aspects of such programs is part of GEDA's operations.

***Other matters***

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

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

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



A – Management Representations Letter, 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, 2023, 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 the Authority's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and cash flows of the Authority. Please refer to Appendix C.

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We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States as established by the American Institute of Certified Public Accountants and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and was, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of the Authority and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

  
\_\_\_\_\_  
Melanie Mendiola  
Chief Executive Officer/Administrator

  
\_\_\_\_\_  
Ariana Villaverde  
Administrative Services Manager



A – Management Representations Letter, continued

Appendices

A – Schedule of Uncorrected Misstatements

B – Schedule of Corrected Misstatements

C – Subsequent Events



A – Management Representations Letter, continued

Guam Economic Development Authority  
Letter of Representations

A – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity:		Guam Economic Development Authority		Period Ended:		30-Sep-2023		Currency:		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 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)		Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable	
<b>Factual misstatements:</b>														
SAD 02	E04	To remove the impact of GASB 87 lease receivable adjustment on the amounts due from Gov/Guam agencies.												
		Other receivables	142,323											
		Revenue: Rental income								(142,323)				
<b>Judgmental misstatements:</b>														
SAD 01	E02	To record additional provision for doubtful accounts for overdue balances due from other government agencies												
		Provision for doubtful accounts										152,000		
		Allowance for doubtful accounts	(294,000)											
PV SAD03	UA6146	To record allowance for unreimbursed program costs incurred by OEDA												
		Provision for doubtful accounts										230,448		
<b>Total of uncorrected misstatements before income tax</b>			(151,677)	0	0	0	0	0	0	151,677		382,448		
<b>Total of uncorrected misstatements</b>			(151,677)	0	0	0	0	0	0	151,677		382,448		
<b>Financial statement amounts</b>			60,741,736	32,218,304	(2,859,136)	(72,751,453)	(17,449,448)			19,970,230		(2,504,811)		
<b>Effect of uncorrected misstatements on FIS amounts</b>			0.2%	0.0%	0.0%	0.9%	0.0%			0.8%		-15.3%		
<b>Memo: Total of non-taxable items (marked "X" above)</b>												0		
<b>Uncorrected misstatements before income tax</b>									0.8%	151,677		382,448		
<b>Less: Tax effect of misstatements at current year marginal rate</b>									0%	0		0		
<b>Uncorrected misstatements in income tax</b>										0		0		
<b>Cumulative effect of uncorrected misstatements after tax but before turnaround</b>									0.8%	151,677		382,448		
<b>Turnaround effect of prior period uncorrected misstatements</b>														
<b>All factual and projected misstatements:</b>										0	0			
<b>Judgmental misstatements (Note 3):</b>										(282,448)	(282,448)			
<b>Cumulative effect of uncorrected misstatements, after turnaround effect</b>									-1.2%	(230,769)				
<b>Current year income before tax</b>										19,970,230				
<b>Current year income after tax</b>										19,970,230				

A – Management Representations Letter, continued

Guam Economic Development Authority  
Letter of Representations

B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity:  Period ended:  Currency:

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) Non taxable
AJE 1	T.00	To correct PY CAJE that was double recorded. - TSA							
		Dr. Cash and cash equivalent TSA	11,553						
		Dr. Cash and cash equivalent TSA (restricted)	450						
		Cr. Fund Balance					(12,003)		
AJE 2	T.00	To correctly record PY Pension adjustments. - GEDA							
		Dr. Deferred outflows of Resources - Pension		13,047					
		Dr. Deferred inflow of Resources - Pension				182,210			
		Cr. Pension Liability (Net Pension Liab)				(30,907)			
		Cr. Fund Balance					(164,350)		
AJE 3	P1.00	To record the adjustment to pension amounts based on the September 30, 2022 audited pension schedules.							
		Deferred Outflows of Resources - Pension		1,484,094					
		Deferred Inflows of Resources - Pension				400,515			
		Personnel Services: Pension Expense						201,392	X
		Pension Liability (GASB 68)				(2,086,001)			
AJE 4	P2.00	To adjust the OPEB balances based on the audited financial statements of OPEB							
		Total collective OPEB liability			1,350,382				
		Other (Income) expense - OPEB Expense						357,785	X
		Deferred Outflow - OPEB		(949,091)					
		Deferred Inflow - OPEB				(759,056)			
AJE 5	UE1.00	To record an accrual of tobacco settlement revenue in compliance with the requirements of GASB Technical Bulletin 2004-1.							
		TSA Receivables	1,004,000						
		Tobacco Settlement Revenue						(1,004,000)	X

A – Management Representations Letter, continued

Guam Economic Development Authority  
Letter of Representations

B – Schedule of Corrected Misstatements, continued

RJE 1	To reclass receivables from trust funds administered by GEDA to other receivables (GEDA)							
	Due from trust funds administered by GEDA	1,700						
	Other receivables	(1,700)						
RJE 2 E06	To adjust the balance of restricted cash and cash equivalents to reflect the required 20% reserve guaranteed under the Loan Guarantee Program (SSBC)							
	Cash and cash equivalents	359,439						
	Cash and cash equivalents - restricted	(359,439)						
RJE 3 LRO 01	To correct the adjustment made under Right of Use Asset							
	Right-of-use asset		474,415					
	Accumulated amortization - ROU		(474,415)					
RJE 4 LRO 01	To reclass the noncurrent liability to current portion.							
	Lease Liability - noncurrent				117,562			
	Current Portion of Lease Liability			(117,562)				
RJE 5 LRO 01	To reclass the current portion of lease receivable							
	Lease Receivable - Noncurrent		82,107					
	Lease Receivable - Current	(82,107)						
<b>Total of corrected misstatements before income tax</b>		933,896	630,157	1,232,820	(2,175,677)	(176,353)	0	(444,843)
<b>Financial statement amounts</b>		60,741,736	32,318,304	(2,899,138)	(72,751,453)	(17,449,449)		19,970,230
<b>Effect of corrected misstatements on FIS amounts</b>		1.5%	1.9%	-43.1%	3.0%	1.0%		-2.2%

A – Management Representations Letter, continued

Guam Economic Development Authority  
Letter of Representations

C – Subsequent Events

**Guam Economic Development Authority**  
Subsequent Events Questionnaire  
Coverage: For the period from October 1, 2023 to Audit Report Date

Question	
1	Are there any subsequent events that occurred that may affect the financial statements other than those that are already been communicated?
2	Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements? Have any other significant unusual transactions been entered into?
3	Have any significant contingent liabilities or commitments arisen, except as disclosed in the financial statements?
4	Have any significant changes occurred in trends in sales/revenues or costs that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for warranties or employee benefits or unearned income)?
5	Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?
6	Have any significant changes occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?
7	Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?
8	Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?
9	Have there been any changes in the entity's related parties?
10	Have any significant new related party transactions occurred?
11	Have any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements?
12	Are there any significant new contracts or agreements (including amendment) and written communications with any regulatory agencies that could have an effect on the audited financial statements other than those that are already been provided to EY (if any).
13	Did GEDA provide all of minutes of BOT meeting that were held subsequent to the balance sheet date?
14	Are you aware of any fraud or suspected fraud affecting GEDA 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?
15	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 GEDA?
16	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 GEDA?
17	Are you aware of any cash receipt records for significant or unusually large amounts that may pertain to proceeds of loans, significant sales of productive assets or other unusual items?
18	Are you aware of any cash disbursement records for that may pertain to unusual payments, payments of liabilities not recorded as of the balance sheet date or other unusual items?
19	Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales returns and allowances?
20	Are you aware of any journal entries that would have a material effect on the financial statements as of the balance sheet date?