

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

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

Year ended September 30, 2023





October 9, 2024

The Board of Trustees
Guam Memorial Hospital Authority

We have performed an audit of the financial statements of Guam Memorial Hospital Authority (the Authority), a component unit of the Government of Guam, as of and for the year ended September 30, 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 October 9, 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 or those charged with governance with additional information regarding the scope and results of the audit that may assist the Board or those charged with governance in 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 October 24, 2022 and at our audit planning meeting with management.

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

The financial statements, required supplementary information and supplementary information are the responsibility of the 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 2 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 11 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 “Summary of Corrected Misstatements” in Appendix A.

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

Refer to “Management Representations Letter” in Appendix A.

Significant deficiencies and material weaknesses in internal control over financial reporting

Material weaknesses identified during the course of our audit have been included in our Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 9, 2024.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the 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.

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

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

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

We are not aware of any matters that require communication.

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

There were no 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

From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY firms, who may deal with the Company or its affiliates directly, although EY alone will remain responsible to you for the Audit Services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, third-party service providers may perform services for EY in connection with the Audit Services.

Representations we are requesting from management

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

Engagement team’s involvement with preparation of the financial statements

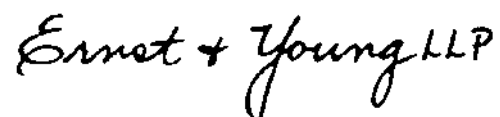
Under GAS 2018 Revision, Chapter 3 Ethics, Independence and Professional Judgment, Paragraph 3.73-74 Provision of Nonaudited Services to Audited Entities explains that the audit team should make consideration of management’s ability to effectively oversee the non-audit services to be provided. The engagement 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.

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

Very truly yours,



Appendices

A – Management Representations Letter

A – Management Representations Letter



GUAM MEMORIAL HOSPITAL AUTHORITY

ATURIDĀT ESPETĀT MIMURIĀT GUĀHĀN

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



October 9, 2024

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

In connection with your audit of the basic financial statements of Guam Memorial Hospital Authority (GMHA) as of September 30, 2023 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of GMHA and the respective changes in financial position and cash flows, where applicable, thereof in conformity with US generally accepted accounting principles (US GAAP).

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

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management's responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated October 24, 2022, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding period except for the effects of adopting new accounting standards.

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

- 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 GMHA from whom you determined it necessary to obtain evidence

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

From September 29, 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.

We have disclosed to you, and provided you full access to information and any internal investigations relating to, unauthorized access to our information technology systems that has a material effect on the financial statements on any opinion unit that comprises the basic financial statements, including disclosures.

Uncorrected misstatements

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

Internal control

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

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, 2023.

Minutes and contracts

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

A – Management Representations Letter, continued

<u>Date of Meeting</u>	<u>Type</u>
October 5, 2022	Regular
October 26, 2022	Regular
November 23, 2022	Regular
January 26, 2023	Regular
March 29, 2023	Regular
April 26, 2023	Regular
June 14, 2023	Regular
July 5, 2023	Regular
July 26, 2023	Regular
August 30, 2023	Regular
September 27, 2023	Regular
October 25, 2023	Regular
November 29, 2023	Regular
December 27, 2023	Regular
January 31, 2024	Regular
February 28, 2024	Regular
March 27, 2024	Regular
April 24, 2024	Regular
May 22, 2024	Regular
June 26, 2024	Regular
July 24, 2024	Regular
August 28, 2024	Regular

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

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

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

GMHA has satisfactory title to all assets appearing in the statement of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the GMHA has satisfactory title appear in the statement(s) 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 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.

Inventories

Physical counts and measurements of inventories were made by competent employees under the supervision of management and book records were appropriately adjusted after giving recognition to cut-off for materials received and products shipped.

Adequate provision has been made for losses under firm purchase commitments for goods or inventory. There have been no reductions of the selling prices of finished goods subsequent to September 30, 2023 and none are contemplated.

Deferred charges

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

Long-lived assets to be held and used, including amortizable intangible assets

No events or changes in circumstances have occurred that indicate the carrying amounts of long-lived assets to be held and used, including intangible assets that are subject to amortization, may not be recoverable.

Related party relationships and transactions

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

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

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

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.

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 balance sheet 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, GMHA had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

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

Non-compliance with laws and regulations, including fraud

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

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

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

A – Management Representations Letter, continued

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

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

Independence

We have communicated to you the names of GMHA's affiliates, officers and directors, or individuals who serve in such capacity for GMHA.

We are not aware of any business relationship between GMHA and Ernst & Young LLP or any other member firm of the global Ernst & Young organization.

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

Conflicts of interest

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

Effects of new accounting principles

We have not completed the process of evaluating the effects that will result from adopting the amendments to the codification provided in Governmental Accounting Standards Board (GASB) Statements, as enumerated below, as discussed in Note 2:

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

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

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 (or available to be issued, if applicable), and provide appropriate financial statement disclosure, as necessary under GASB requirements.

A – Management Representations Letter, continued

Pension

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

Postemployment benefits other than pensions

We have disclosed to you all significant 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.

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

We recognize that we are responsible for GMHA's compliance with the laws, regulations, provisions of contracts and grant agreements that are applicable to it. We have identified and disclosed to your representatives all laws and regulations, provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts.

If the financial statement audit is also performed in accordance with *Government Auditing Standards*, the following additional representations are added under "Management's responsibilities":

We have identified to your representatives all previous audits, attestation engagements, and other studies related to the audit objectives and whether the related recommendations have been implemented.

We have a process to track the status of audit findings and recommendations.

We have provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.

We have taken timely and appropriate steps to remedy fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements, that you have reported.

We are responsible for the presentation of the Schedule of Expenditures of Federal Awards ("the SEFA") in accordance with the Uniform Guidance, 2 CFR 200.510(b). We believe the SEFA, including its form and content, is presented in accordance with the Uniform Guidance, 2 CFR 200.510(b). There have been no changes in the methods of measurement or presentation of the SEFA from those used in the prior period.

A – Management Representations Letter, continued

Required supplementary information

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

There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

We are responsible for the significant assumptions and interpretations underlying the measurement and presentation of the required supplementary information. We believe that the significant assumptions and interpretations used are reasonable.

Supplementary information

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

- Schedule 7 – Schedule of Expenses
- Schedule 8 – Schedule of Patient Service Revenues by Patient Classification
- Schedule 9 – Schedule of Billings and Collections and Reconciliation of Billings to Gross Patient Revenues
- Schedule 10 – Schedule of Full Time Employee (FTE) count

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

There have been no changes in the methods of measurement or presentation of the supplementary information from those used in the prior period.

There are no significant assumptions or interpretations underlying the measurement or presentation of the information.

Other matters

We have identified and disclosed to you, all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds. We have identified and disclosed to you, all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements where the noncompliance could have a direct and material effect on the financial statements.

A – Management Representations Letter, continued

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

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

Provisions for uncollectible receivables have been properly identified and recorded.

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

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

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- All adjusting journal entries posted to the trial balance have been approved by us, and
- We have designated a competent representative to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements, including footnote disclosures.

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

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

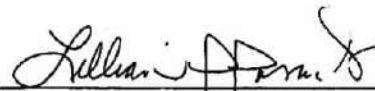
Subsequent events

Subsequent to September 30, 2023, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to GMHA's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and, where applicable, cash flows of the GMHA.


A – Management Representations Letter, continued

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

Very truly yours,



Lillian Perez-Posadas, MN, RN
Hospital Administrator / Chief Executive Officer



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

A – Management Representations Letter, continued

Appendices

A - Schedule of Corrected Misstatements

B - Schedule of Uncorrected Misstatements

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Guam Memorial Hospital Authority Period ended: 30-Sep-2023 Currency: USD

No.	W/P ref.	Account	Analysis of misstatements						Income statement effect of the current period	
			Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI		
Corrected misstatements			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non-liable	
[misstatements are recorded as journal entries with a description]										
AJE P1.02		To record other pension benefits (COLA/SPI) paid on behalf of GUHA								
01		Operating Expenses - Retiree Healthcare Costs								1,624,741 X
		Non-operating revenues - Transfers from Gov/Guam								1,624,741 X
AJE E1.04		To adjust retiree healthcare costs based on DOA confirmation								
02		Operating Expenses - Retiree Healthcare Costs								600,258 X
		Non-operating revenues - Transfers from Gov/Guam								1,000,758 X
AJE P1.02		To adjust Pension liability								
03		Deferred Inflows of Resources - Pension				8,921,253				
		Deferred Outflows of Resources - Pension		33,746,812						
		Net Pension Liability				(24,825,559)				
		Operating Expenses - NURSING								2,119,568 X
		Operating Expenses - PROFESSIONAL SUPPORT								1,201,480 X
		Operating Expenses - ADMINISTRATIVE SUPPORT								566,974 X
		Operating Expenses - FISCAL SERVICES								352,605 X
		Operating Expenses - ADMINISTRATION								274,464 X
		Operating Expenses - MEDICAL STAFF								463,970 X
AJE P2.01		To adjust OPEB liability								
04		OPEB Liability				26,902,193				
		Operating Expenses - Retiree Healthcare Costs								4,713,951 X
		Deferred Outflows of Resources - OPEB		(6,273,749)						
		Deferred Inflows of Resources - OPEB				(20,628,444)				
RJE UE.00		70% of Travel courses costs reimbursed by FEMA but already paid for by DOA								
		Deferred Revenues								
		Due to the US Federal Government				3,500,000				
						(3,500,000)				
RJE N.00		To reclassify payable to Gov/Guam (OOA) for various payments made on behalf of GUHA								
		Trade Payables				4,684,202				
		Due to the Government of Guam				(4,684,202)				

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Guam Memorial Hospital Authority Period ended: 30-Sep-2023 Currency: USD

Corrected misstatements	Analysis of misstatements				Effect on the current period OCI	Income statement effect of the current period
	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current		
No. W/P ref.	Account	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit
	(misstatements are recorded as journal entries with a description)					
RJESJP 00	To record current portion of annual leave					
	Accrued annual leave, net of current portion			2,303,917		
	Current portion of accrued annual leave					
RJESLE 03	To reclassify various receipts made on behalf of GMAHA to Due from Gov-Guam from AIR Mgs- Others					
	Due from Government of Guam, net	1,113,153				
	Other receivables	(1,113,153)				
RJESLRE 00	To reclassify current portion of subscription liability					
	Subscription liability, net of current portion			1,111,762		
	Short-term Subscription Liability			(1,111,762)		
Total of corrected misstatements before income tax		0	20,874,883	(2,418,099)	(2,207,872)	0
Financial statement amounts		57,947,730	138,422,928	65,672,058	(433,607,162)	288,388,940
Effect of corrected misstatements on FS amounts		0.0%	19.5%	5.5%	7.7%	0.0%
						40,933,430
						23.8%

A – Management Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements											
Entity		Guam Memorial Hospital Authority		Period Ending		2024-09-30		Currency		USD	
No.	BSP Ref.	Account (BSP 1)	Analysis of misstatements				Effects on the current period		Effects on the prior period		
			Assets Non-current	Liabilities Current	Equity Non-current	Equity Current	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	
Uncorrected misstatements											
Misstatements are recorded as journal entries with a description											
Total uncorrected misstatements											
SAC	4 (B)	To reverse L&D liability used when not distributed by CHHA BOF in 2020									
		Due to transfer of O&P									
		Non-approvable capital assets	1,647,300								1,647,300
SAC	6 (A)	To adjust Advances for contractual adjustment									
		Net Campy Service Revenue - Contractual Adjustments	1,469,200								1,469,200
		Patent accounts receivable net									
SAC	1 (A)	To adjust the overstatement of hospital revenue									
		Operating revenue - Net patient service revenue									
		Net Patient Service Revenue - Contractual Adjustments									
SAC	1 (A)	To adjust S&TA asset and liability based on LTA recapitalization									
		Subscription based IT asset, net Accumulated	12,438								12,438
		Subscription liability, net of current 2024		367,100							367,100
		Subscription based IT asset, net	117,238								117,238
		Depreciation and amortization									
SAC	2 (B)	To recognize revenue from Gov/Guam for appropriations made for FY23									
		Due from Government of Guam	1,921,668.00								1,921,668.00
		Nonappropriation revenues - Transfers from Gov/Guam									
SAC	2 (A)	To adjust the balance per available patient revenue schedule									
		Net patient service revenue									
		Patent accounts receivable net									
											50,000
SAC	2 (A)	To calculate the effect related to the GAUGE 60 bridge from accruals									
		Deferred outflow of resources - Pension	1,118,000								1,118,000
		Pension Expense									

A – Management Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements		Period Ended: 30-Sep-2023		Currency: USD			
No.	Description	Analysis of misstatements		Effect on the current period		Balance sheet effect of the prior period	
		Assets	Liabilities	Equity	OCI	Prior period	Non-taxable
		Current	Non-current	Current	Non-current	Debit(Credit)	Non-taxable
		Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Non-taxable
Uncorrected misstatements							
	Address (Note 1)						
	Misstatements are recorded as journal entries with a description						
	NET FINANCIAL STATEMENT						
	Total of uncorrected misstatements before income tax	2,271,823	2,271,823	0	0	0	1,928,292
	Total of uncorrected misstatements	2,271,823	2,271,823	0	0	0	1,928,292
Financial statement amounts							
	Effect of uncorrected misstatements on F&B amounts	5,181,756	28,422,528	0.12%	0.12%	298,338,945	4.8%
		-1.0%	1.6%	0.0%	0.8%	0.0%	0
	Minor: Total of non-taxable items (marked 'X' above)						897,668
	Uncorrected misstatements before income tax						1,864,888
	Less: Tax effect of misstatements at current year marginal rate						0
	Uncorrected misstatements in income tax						0
	Cumulative effect of uncorrected misstatements after tax but before tax reversal						1,864,888
	TEMPORARY EFFECT OF PRIOR PERIOD UNCORRECTED MISSTATEMENTS						0
	All actual and proposed misstatements						1,864,888
	Adjusted misstatements (Note 3)						0
	Cumulative effect of uncorrected misstatements after tax reversal						1,864,888
	Current year income before tax						79,000
	Current year income after tax						79,000
							1,243,893
							29,321,925
							65,633,430

A – Management Representations Letter, continued

Guam Memorial Hospital Authority
September 30, 2023 audit
Subsequent Events Questionnaire

Coverage: For the period from October 1, 2022 to audit report date

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? Have any other significant unusual transactions been entered into?	NO	
2 Have any significant contingent liabilities or commitments arisen, except as disclosed in the audited financial statements?	NO	
3 Have any significant changes occurred in trends in sales/revenues or costs that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for warranties or employee benefits or unearned income)?	NO	
4 Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?	NO	
5 Have any significant changes occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	NO	
6 Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?	NO	
7 Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?	NO	
8 Have there been any changes in the entity's related parties?	NO	
9 Have any significant now related party transactions occurred?	NO	
10 Have any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements? This includes appropriate inquiries regarding subsequent events of material losses accounted for by the equity method.	NO	
11 In connection with the preceding inquiries, obtain and review any significant new contracts or agreements (including amendments) and written communications with the SEC or other regulatory agencies (if applicable) with which the entity files financial statements, that could have an effect on the audited financial statements. List below or in a separate attachment the documents read.	NO	
12 Any meetings held subsequent to the balance sheet date, for which minutes are not yet available? If yes, please provide minutes of the meeting. If no minutes are not yet available, please provide us a summary of matters discussed.	NO	
13 Are you aware of any fraud or suspected fraud affecting Guam Memorial Hospital Authority involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the audited financial statements?	NO	
14 Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of Guam Memorial Hospital Authority?	NO	
15 Are you aware whether conditions or events have occurred, that individually or collectively, may raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?	NO	
16 Are 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 relationships, employment, loans, cooperative arrangements, etc.)?	NO	