

**NGATPANG STATE GOVERNMENT**  
**(A State of the Republic of Palau)**

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**Statements of Receipts and Disbursements**  
**and**  
**Independent Auditors' Report**

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**Years Ended September 30, 2017 and 2016**



**BURGER · COMER · MAGLIARI**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

Honorable Francesca R. Otong  
Governor  
Ngatpang State

We have audited the accompanying statements of receipts and disbursements of the Ngatpang State (“the State”), a State Government of the Republic of Palau for years ended September 30, 2017 and 2016, and the related notes of the statements of receipts and disbursements.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statements of receipts and disbursements in accordance with the receipts and disbursements basis of accounting. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statements of receipts and disbursements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the statements of receipts and disbursements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the statements of receipts and disbursements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statements of receipts and disbursements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statements of receipts and disbursements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the statements of receipts and disbursements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statements of receipts and disbursements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Opinion**

In our opinion, the statements receipts and disbursements referred to above present fairly, in all material respects, of the State for the years ended September 30, 2017 and 2016, in accordance with the cash basis of accounting described in Note 2.

## **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 2 of the financial statement, which describes the basis of accounting. The statements of receipts and disbursements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Our opinion is not modified with respect to this matter.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering State's internal control over financial reporting and compliance.



April 15, 2020

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Statements of Receipts and Disbursements  
September 30, 2017 and 2016

	2017	2016
<b>Receipts:</b>		
Grants	\$ 288,490	\$ 264,582
Republic of Palau Block Grant Appropriations	226,000	101,557
Green fees	70,306	12,273
Acquaculture fees and rentals	35,060	52,833
Fishing Rights	22,660	73,761
Entry Permit Fees	7,715	60,687
Other revenues	1,501	35,000
Total receipts	651,732	600,693
<b>Disbursements:</b>		
Executive Branch	216,955	197,697
Projects and programs	153,412	130,548
Legislative Branch	109,281	104,028
PAN Fund	45,317	6,666
Community programs	41,509	42,878
Ngaimis	25,111	30,835
Aquaculture	17,262	34,704
Public lands	9,641	525
Other expenses	5,746	108
Total disbursements	624,234	547,989
Receipts in excess of disbursements	\$ 27,498	\$ 52,704

See accompanying notes to statements of receipts and disbursements.

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Notes to Statements of Receipts and Disbursements  
Years Ended September 30, 2017 and 2016

(1) Organization

Ngatpang State is one of the sixteen (16) states of the Republic of Palau and is organized and structured under Article XI, Section 1 of the ROP Constitution and Article 1, Section 1 of the Constitution of Ngatpang State. The State Constitution was amended and adopted on May 28, 2006. The major sections of the State Constitution relating to the establishment of the Office of the Governor, the Legislature, Ngaimis, and Ngatpang State Treasury are summarized below.

The Ngatpang State Legislature is a unicameral body with nine (9) members elected to four-year terms. The members are elected at large in a general or special election by the majority of the registered voters of Ngatpang State who vote in the election. No member of the State Legislature may hold any title of a chief in the State of Ngatpang. The presiding officers of Ngatpang State Legislature are the Speaker, Vice-Speaker, and Floor leader.

The Ngaimis is a traditional council of chiefs composed of the ten (10) traditional chiefs of Ngatpang State. Rebelekuul is the head of State and is the first ranking chief of the Ngaimis.

(2) Basis of Accounting

The accompanying statements of receipts and disbursements have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received in cash and disbursements are recognized when disbursed.