



BELFINT • LYONS • SHUMAN
Certified Public Accountants

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May 13, 2024

To the Board of Directors
Attn: Gregory V. Carmean
Organization of PJM States, Inc.
750 Barksdale Road, Suite 1
Newark, Delaware 19711

We have audited the financial statement of Organization of PJM States, Inc. (Organization) for the year ended December 31, 2023, and have issued our report thereon dated May 10, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statement was management's allocation of expenses by the nature classification. Management's estimate is based on the underlying activity from which the expense derives. We evaluated the key factors and assumptions used to develop the estimate in determining that is reasonable in relation to the financial statement as a whole.

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Significant Audit Findings - Continued

Certain financial statement disclosures are particularly sensitive because of their significant to the financial statement users. The most sensitive disclosures affecting the audit were:

Note 2 which discloses that the **financial statement was 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.

Note 6 which discloses **future commitments** of the Organization.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Audit procedures identified no misstatements required to be accumulated and communicated to management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 10, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statement or a determination of the type of auditors' opinion that may be expressed on that statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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Significant Audit Findings - Continued

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

Belfint, Lyons & Shuman, P.A.