TOBOLAR COPRA PROCESSING AUTHORITY

(A COMPONENT UNIT OF THE REPUBLIC
OF THE MARSHALL ISLANDS)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

TOBOLAR COPRA PROCESSING AUTHORITY

Years Ended September 30, 2021 and 2020
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tobolar Copra Processing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of Tobolar Copra Processing Authority (TCPA), a component unit of the Republic of the Marshall Islands, which comprise the statements of net position as of September 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TCPA as of September 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte.

Emphasis of Matters

Going Concern

The accompanying financial statements have been prepared assuming that TCPA will continue as a going concern. As discussed in Note 11 to the financial statements, TCPA's recurring losses from operations raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 11 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

COVID-19

As discussed in Note 12 to the financial statements, TCPA has determined that the COVID-19 pandemic may negatively impact its business, results of operations and net position.

Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 6 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of TCPA'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 solely 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 effectiveness of TCPA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCPA's internal control over financial reporting and compliance.

Deloitte & Touche LLP

November 14, 2022

This section of the Tobolar Copra Processing Authority (TCPA) annual financial report presents our discussion and analysis of TCPA's financial performance during the fiscal year ended September 30, 2021. Please read it in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

TCPA's net position decreased by $322,690 or 15.3% from $2,106,506 in 2020 to $1,783,816 in 2021 due to a reduction in the RepMar copra subsidy of $1,574,938 or 18.9% from $8,326,938 in 2020 to $6,752,000 in 2021.

Operating loss for 2021 increased by $138,157 or 2% from $6,906,871 in 2020 to $7,045,028 in 2021. This increase was due to the increase in operating expenses of $1,959,295 or 20.3% from $9,649,932 in 2020 to $11,609,227 in 2021 that exceeded the increase in operating revenues of $1,821,138 or 66.4% from $2,743,061 in 2020 to $4,564,199 in 2021.

Net non-operating revenues decreased by $961,435 or 12.5% from $7,683,773 in 2020 to $6,722,338 in 2021. The decrease is the result of a reduction in copra subsidies received from RepMar in 2021 of $6,752,000 compared to $8,326,938 in 2020.

FINANCIAL ANALYSIS

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide an indication of TCPA's financial condition. TCPA's net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition. A summary of TCPA's Statements of Net Position as of September 30, 2021 compared with 2020 and 2019 is presented below:

Summary Statements of Net Position
As of September 30

	2021	2020	$ Change 2021-2020	% Change 2021-2020	2019
Assets:					
Current and other assets	$ 2,007,886	$ 2,711,290	$ (703,404)	(25.9)%	$ 2,304,301
Capital assets	873,203	723,657	149,546	20.7%	680,823
Total assets	2,881,089	3,434,947	(553,858)	(16.1)%	2,985,124
Liabilities:					
Current and other liabilities	922,716	841,576	81,140	9.6%	887,154
Long-term debt	174,557	486,865	(312,308)	(64.1)%	768,366
Total liabilities	1,097,273	1,328,441	(231,168)	(17.4)%	1,655,520
Net position:					
Net investment in capital assets	892,946	989,060	(96,114)	(9.7)%	991,500
Unrestricted	890,870	1,117,446	(226,576)	(20.3)%	338,104
Total net position	$ 1,783,816	$ 2,106,506	$ (322,690)	(15.3)%	$ 1,329,604

As indicated above, total assets decreased by $553,858 or 16.1% from $3,434,947 in 2020 to $2,881,089 in 2021. Current and other assets decreased by $703,404 or 25.9% from $2,711,290 in 2020 to $2,007,886 in 2021, which is attributable primarily to the decrease in net receivables, deposits for capital asset acquisitions and inventories of $289,474, $265,403 and $172,205, respectively. Conversely, capital assets increased by $149,546 or 20.7% from $723,657 in 2020 to $873,203 in 2021, which is primarily due to the acquisition and installation of a new boiler.

FINANCIAL ANALYSIS, CONTINUED

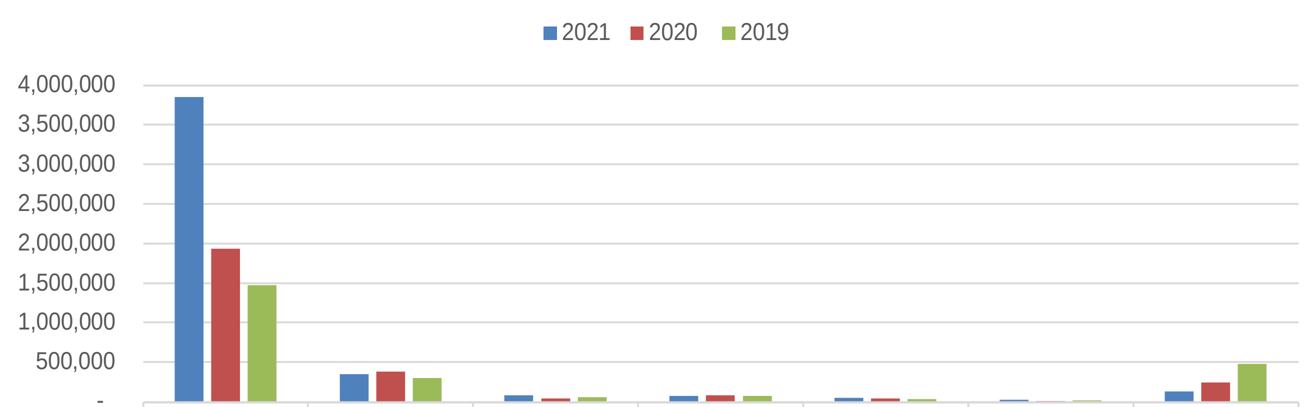
Total liabilities decreased by $231,168 or 17.4% from $1,328,441 in 2020 to $1,097,273 in 2021. Among the major contributors to the decrease is the repayment of long-term debt to BOMI.

A summary of TCPA's Statements of Revenues, Expenses and Changes in Net Position for the year ended September 30, 2021 compared with 2020 and 2019 is presented below:

Summary Statements of Revenues, Expenses and Changes in Net Position
Years Ended September 30

	2021	2020	$ Change 2021-2020	% Change 2021-2020	2019
Operating:					
Operating revenues	$ 4,564,199	$ 2,743,061	$ 1,821,138	66.4%	$ 2,431,978
Operating expenses	11,609,227	9,649,932	1,959,295	20.3%	9,985,643
Operating loss	(7,045,028)	(6,906,871)	(138,157)	2.0%	(7,553,665)
Nonoperating:					
Nonoperating revenues	6,752,000	8,326,938	(1,574,938)	(18.9)%	8,967,551
Nonoperating expenses	(29,662)	(643,165)	613,503	(95.4)%	(68,308)
	6,722,338	7,683,773	(961,435)	(12.5)%	8,899,243
Change in net position	$ (322,690)	$ 776,902	$ (1,099,592)	(141.5)%	$ 1,345,578

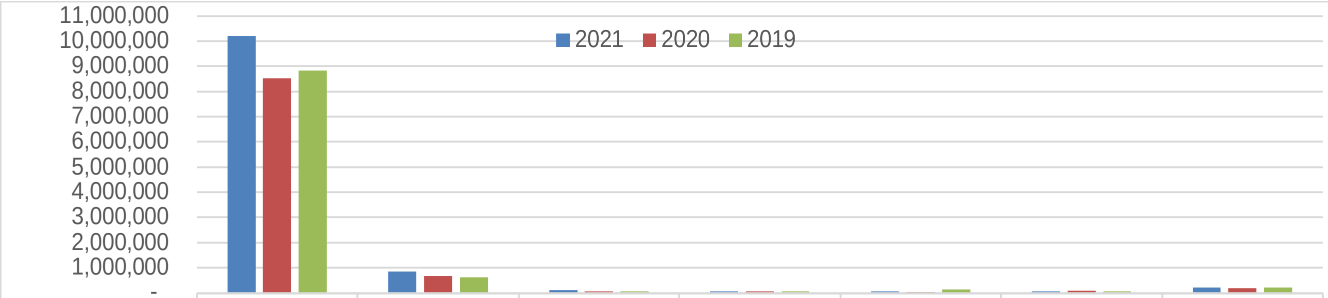
The Statement of Revenues, Expenses, and Changes in Net Position identifies the various revenue and expense items that affect net position. As indicated above, TCPA's operating revenues increased by $1,821,138 or 66.4% from $2,743,061 in 2020 to $4,564,199 in 2021. The increase in operating revenues for 2021 was primarily due to the increase in the volume sold of CNO from 3,064MT in 2020 to 3,448MT in 2021 together with the favorable price of CNO on the world market, which increased from an average selling price of $630 per MT in 2020 to $1,116 per MT in 2021. The graph below shows the major components of operating revenues for 2021 compared to 2020 and 2019:



	Crude oil	Copra cake	Cooking oil	Copra bag	Beauty soap	Pineep oil	Other
2021	3,850,796	348,285	81,077	75,279	53,055	28,409	127,298
2020	1,931,445	382,433	44,980	80,958	44,417	12,327	246,501
2019	1,473,346	299,863	54,462	76,611	35,253	17,918	474,525

FINANCIAL ANALYSIS, CONTINUED

On the expense side, operating expenses increased by $1,959,295 or 20.3% from $9,649,932 in 2020 to $11,609,227 in 2021. The increase in operating expenses for 2021 was primarily due to the increase in COGS as a result of the increase in the copra purchase price paid to growers from 50 cents per pound to 60 cents per pound, effect November 2020. Raw copra purchases from growers decreased from 6,822MT in 2020 to 5,854MT in 2021. The graph below shows the major components of operating expenses for 2021 as compared to 2020 and 2019.



	Cost of Goods sold	Salaries & wages	Bad debts expense	Insurance	Travel & entertainment	Professional & management fees	Other
2021	10,201,790	840,230	101,883	65,665	58,888	41,610	197,278
2020	8,515,466	672,572	46,894	55,840	39,316	79,974	192,976
2019	8,819,117	625,584	48,088	57,014	132,074	56,099	199,579

Management's Discussion and Analysis for the year ended September 30, 2020 is set forth in TCPA's report on the audit of financial statements, which is dated November 23, 2021. That discussion and analysis explains the major factors impacting the 2020 financial statements and can be obtained from TCPA's General Manager via the contact information below.

CAPITAL ASSETS AND DEBT

Net capital assets increased by $149,546 or 20.7% from $723,657 in 2020 to $873,203 in 2021. The increase is due primarily to capital asset acquisitions (net of disposals) of $325,619 less accumulated depreciation of $176,073. Significant acquisitions included a new boiler at a cost of $234,233 and 3 transportation vehicles at a combined cost of $73,795. A summary of TCPA's capital assets as of September 30, 2021 compared with 2020 and 2019 is presented below:

	2021	2020	$ Change 2021-2020	% Change 2021-2020	2019
Building and leasehold	$ 2,572,810	$ 2,554,084	$ 18,726	0.7%	$ 2,554,084
Equipment	3,535,958	3,224,370	311,588	9.7%	3,080,712
Furnitures and fixtures	106,965	102,586	4,379	4.3%	100,986
	6,215,733	5,881,040	334,693	5.7%	5,735,782
Accumulated depreciation	(5,342,530)	(5,166,457)	(176,073)	3.4%	(5,054,959)
	873,203	714,583	158,620	22.2%	680,823
Construction work in progress	-	9,074	(9,074)	(100.0)%	-
	$ 873,203	$ 723,657	$ 149,546	20.7%	$ 680,823

CAPITAL ASSETS AND DEBT, CONTINUED

Please refer to Note 4 of the accompanying financial statements for additional information regarding TCPA's capital assets.

In 2016, TCPA obtained a $1,430,000 term loan from a bank for the purpose of refinancing a $1,700,000 bank credit line originally obtained for the purpose of funding the purchase of raw copra from growers. This loan matures in 2022. In 2018, TCPA obtained a $700,000 loan from the Marshall Islands Development Bank (MIDB) for the purpose of funding the purchase of raw copra from growers. This loan was paid in full in 2019.

Please refer to Note 5 of the accompanying financial statements for additional information regarding TCPA's debt.

ECONOMIC FACTOR'S AND NEXT YEAR'S RATES

The following factors were considered in preparing TCPA's budget for fiscal year 2022.

1. TCPA is hopeful in being able to continue to compete with imported soap and oil products and is currently working towards acquiring HACCP certification to help with the coconut cooking oil. CNO prices have been showing signs of continuing to be favorable this upcoming fiscal year and, as a result, TCPA will be looking to capitalize on such.

2. Participation of TCPA in the consignment program is expected to drop due to the entry of MIDB into the mix; however, management is confident that TCPA can continue to produce products including the rear cart projects.

3. TCPA's goal is to research and press for the restart of oil refinery production in order to bring in new additions to value-added products.

4. The RepMar government will help stabilize the price of copra to maintain the current $0.60 cents per pound by continuation of the copra subsidy. At the same time, TCPA will aim to break the 7,000 metric ton mark in the coming year.

5. Through the RepMar government's establishment of a copra stabilization fund, TCPA is anticipating that such will cover and assist with anticipated operating losses in order for TCPA to maintain the copra buying price of $0.60 for the entire fiscal year.

On August 8, 2022, community transmission in the Marshall Islands of COVID19 occurred; however, TCPA was well prepared and the outbreak itself was short-lived. TCPA was able to operate normal operating hours and there was no significant disruption in TCPA's operations as TCPA was equipped with the necessary PPE and procedures required to carry on operations.

ADDITIONAL FINANCIAL INFORMATION

This discussion and analysis is designed to provide the Authority's customers and other interested parties with an overview of the Authority's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the Tobolar Copra Processing Authority General Manager at P.O. Box G, Majuro MH 96960.

TOBOLAR COPRA PROCESSING AUTHORITY

Statements of Net Position
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 290,166	$ 269,158
Time certificates of deposit	129,676	125,867
Receivables:		
Trade	486,377	525,045
Affiliates	724,830	733,080
Due from RepMar	300,000	-
Director	22,250	-
Employees	34,891	34,763
Advances to suppliers and copra buyers	77,679	560,473
	1,646,027	1,853,361
Allowance for doubtful accounts	(1,104,935)	(1,003,052)
	541,092	850,309
Inventories	1,016,259	1,188,464
Prepayment and deposits	10,950	12,089
Total current assets	1,988,143	2,445,887
Noncurrent assets:		
Deposits for capital asset acquisitions	19,743	265,403
Nondepreciable capital assets	-	9,074
Capital assets, net of accumulated depreciation	873,203	714,583
Total noncurrent assets	892,946	989,060
	$ 2,881,089	$ 3,434,947
LIABILITIES AND NET POSITION		
Liabilities:		
Current portion of long-term debt	$ 174,557	$ 286,849
Accounts payable	293,681	329,045
Payable to affiliates	559,654	463,030
Advance from customer	4,539	400
Other accrued liabilities	64,842	49,101
Total current liabilities	1,097,273	1,128,425
Long-term debt, net of current portion	-	200,016
Total liabilities	1,097,273	1,328,441
Commitments and contingencies		
Net position:		
Net investment in capital assets	892,946	989,060
Unrestricted	890,870	1,117,446
Total net position	1,783,816	2,106,506
	$ 2,881,089	$ 3,434,947

See accompanying notes to financial statements.

TOBOLAR COPRA PROCESSING AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2021 and 2020

	2021	2020
Sales	$ 4,564,199	$ 2,743,061
Provision for doubtful accounts	(101,883)	(46,894)
Net sales	4,462,316	2,696,167
Less cost of copra products manufactured and sold	(10,201,790)	(8,515,466)
Gross loss	(5,739,474)	(5,819,299)
General and administrative expenses:		
Salaries and wages	840,230	672,572
Insurance	65,665	55,840
Travel and entertainment	58,888	39,316
Meals and refreshments	48,736	28,361
Professional and management fees	41,610	79,974
Automobile expense	40,691	44,396
Office supplies	29,519	32,511
Taxes and licenses	29,478	13,457
COVID payments	25,800	-
Membership dues	24,885	40,362
Communications	20,524	19,985
Advertising	18,111	10,057
Rent expense	17,508	21,607
Bank charges	9,609	10,562
Freight	7,272	509
Repairs and maintenance	7,224	9,953
Donations	2,270	1,519
Miscellaneous	17,534	6,591
Total general and administrative expenses	1,305,554	1,087,572
Operating loss	(7,045,028)	(6,906,871)
Nonoperating revenues (expenses):		
Copra subsidies from RepMar	6,752,000	8,326,938
Bad debts expense	-	(588,070)
Loss on disposal of capital assets	(2,750)	(6,124)
Interest expense	(26,912)	(48,971)
Total nonoperating revenues (expenses), net	6,722,338	7,683,773
Change in net position	(322,690)	776,902
Net position at beginning of year	2,106,506	1,329,604
Net position at end of year	$ 1,783,816	$ 2,106,506

See accompanying notes to financial statements.

TOBOLAR COPRA PROCESSING AUTHORITY

Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Cash received from customers	$ 4,616,128	$ 2,355,610
Cash payments to suppliers for goods and services	(9,151,650)	(9,016,358)
Cash payments to employees for services	(1,441,231)	(1,153,600)
Net cash used for operating activities	(5,976,753)	(7,814,348)
Cash flows from noncapital financing activities:		
Copra subsidies received from RepMar	6,452,000	8,326,938
Principal repayment of long-term debt	(312,308)	(281,501)
Interest paid on long-term debt	(31,972)	(56,543)
Net cash provided by noncapital financing activities	6,107,720	7,988,894
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(109,959)	(133,553)
Net change in cash and cash equivalents	21,008	40,993
Cash and cash equivalents at beginning of year	269,158	228,165
Cash and cash equivalents at end of year	$ 290,166	$ 269,158
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$ (7,045,028)	$ (6,906,871)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	180,073	123,745
Provision for doubtful accounts	101,883	46,894
(Increase) decrease in assets:		
Receivables:		
Trade	38,668	(64,876)
Affiliates	8,250	(134,652)
Director	1,000	-
Employees	(128)	9,595
Advances to suppliers and copra buyers	482,794	(525,341)
Inventories	172,205	(326,866)
Prepayment and deposits	1,139	5,695
Increase (decrease) in liabilities:		
Accounts payable	(35,364)	68,186
Advances from customer	4,139	(197,518)
Payable to affiliates	96,624	109,553
Other accrued liabilities	16,992	(21,892)
Net cash used for operating activities	$ (5,976,753)	$ (7,814,348)

See accompanying notes to financial statements.

(1) Organization

Tobolar Copra Processing Authority (TCPA), formerly the Tobolar Copra Processing Plant, Inc., was granted a corporate charter on August 13, 1977, under the laws of the Trust Territory of the Pacific Islands, as subsequently adopted by the Republic of the Marshall Islands (RepMar). TCPA was established for the primary purpose of engaging in the production and processing of copra products on Majuro Atoll. TCPA is funded, in part, through operational appropriations from the Nitijela (the RepMar Legislature). TCPA's principal lines of business are copra oil, copra cake, soap, and refined oil products. The principal market for the copra oil and copra cake are companies and farmers located in Australia, Vietnam and the United States. Sales are based on the world market price at the time of sale for the respective products. Soap and refined oil products are sold primarily to customers in the Marshall Islands. Raw copra is purchased at a price set by the RepMar Cabinet. Effective November 1, 2020, the purchase price of copra was increased by the RepMar Cabinet from 50 cents to 60 cents per pound.

TCPA is governed by a seven-member Board of Directors appointed by the Cabinet of RepMar.

TCPA's financial statements are incorporated into the financial statements of RepMar as a component unit.

(2) Summary of Significant Accounting Policies

The accounting policies of TCPA conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental entities, specifically proprietary funds. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and 34, establish financial reporting standards for governmental entities, which require that management's discussion and analysis of the financial activities be included with the basic financial statements and notes and modifies certain other financial statement disclosure requirements.

To conform to these requirements, equity is presented in the following net position categories:

- Net investment in capital assets: capital assets, net of accumulated depreciation and related debt, plus construction or improvement of those assets.
- Restricted: net position whose use by TCPA is subject to externally imposed stipulations that can be fulfilled by actions of TCPA pursuant to those stipulations or that expire with the passage of time. TCPA has no restricted net position as of September 30, 2021 and 2020.
- Unrestricted: net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use for the same purpose, it is TCPA's policy to use unrestricted resources first, then restricted resources as they are needed.

(2) Summary of Significant Accounting Policies, Continued

Basis of Accounting

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources, and liabilities and deferred inflows of resources associated with the operation of the fund are included in the statements of net position. Proprietary fund operating statements present increases and decreases in net position. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Revenue Recognition

TCPA's revenues are derived primarily from the production and sale of copra and copra related products. Capital and operating grants, financing or investing related transactions are reported as non-operating revenues. Revenue is recognized on the accrual basis and is recorded upon billing when services have been completed. All expenses related to operating TCPA are reported as operating expenses. Interest income or federal program revenues are the primary components of non-operating expenses and revenues.

Cash and Cash Equivalents and Time Certificates of Deposit

Custodial credit risk is the risk that in the event of a bank failure, TCPA's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. TCPA does not have a deposit policy for custodial credit risk.

For purposes of the statements of net position and cash flows, cash and cash equivalents is defined as cash on hand and cash held in demand deposits as well as time certificates of deposit with a maturity date within three months of the date acquired. Deposits maintained in time certificates of deposit with original maturity dates greater than three months are separately classified on the statements of net position. As of September 30, 2021 and 2020, the carrying amount of TCPA's cash and cash equivalents and time certificates of deposit was $419,842 and $395,025, respectively, and the corresponding bank balance was $550,042 and $504,544, respectively. Of the bank balance amount, $340,455 and $332,570, respectively, is maintained in one financial institution subject to Federal Deposit Insurance Corporation (FDIC) insurance with $209,587 and $171,974, respectively, being maintained in a financial institution not subject to depository insurance. As of September 30, 2021 and 2020, bank deposits in the amount of $250,000 were FDIC insured. TCPA does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Receivables

All receivables are due from companies and farmers in Australia and Vietnam and copra buyers and others, including employees and affiliates, within the Republic of the Marshall Islands. The allowance for uncollectible accounts is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience. Management determines the adequacy of the allowance for uncollectible accounts based upon review of the aged accounts receivable. The allowance is established through a provision for bad debts charged to expense. Bad debts are written off against the allowance on the specific identification method.

(2) Summary of Significant Accounting Policies, Continued

Inventories

Inventories consist of carts, raw copra, copra oil, copra cake, soap and refined oil products, and materials. Carts, raw copra and materials are valued at the lower of cost (first-in, first-out method) or market value. Copra oil, copra cake, and soap and refined oil products are valued at the lower of production cost, which includes raw copra, direct labor and factory overhead, or market (net realizable value).

Property, Plant and Equipment

Property, plant and equipment with costs that equal or exceed $1,500 and have an estimated life of more than one year shall be capitalized. Such assets are stated at cost. Depreciation is calculated on the straight-line method based on the estimated useful lives of the respective assets. The estimated useful lives of these assets are as follows:

Building and improvements	10 - 20 years
Equipment	3 - 20 years
Furniture and fixtures	3 - 5 years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. TCPA has no items that qualify for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then. TCPA has no items that qualify for reporting in this category.

Compensated Absences

Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. As of September 30, 2021 and 2020, an accumulated vacation leave liability of $48,762 and $37,776, respectively, is included in the statements of net position within other accrued liabilities.

Taxes

Corporate profits are not subject to income tax in the Republic of the Marshall Islands. The Government of the Republic of the Marshall Islands imposes a gross receipts tax of 3% on revenues. Pursuant to the Income Tax Act of 1989, as amended, TCPA is specifically exempt from this tax as TCPA is a government-owned copra processing corporation.

(2) Summary of Significant Accounting Policies, Continued

New Accounting Standards

During the year ended September 30, 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which postpones the effective dates of GASB Statement No. 84, 89, 90, 91, 92 and 93 by one year and GASB Statement No. 87 by 18 months; however, earlier application of the provisions addressed in GASB Statement No. 95 is encouraged and is permitted to the extent specified in each pronouncement as originally issued. In accordance with GASB Statement No. 95, management has elected to postpone implementation of these statements.

During the year ended September 30, 2021, TCPA implemented the following pronouncements:

- GASB Statement No. 84, Fiduciary Activities, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

- GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and 61, which improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

- GASB Statement No. 93, Replacement of Interbank Offered Rates, which establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Interbank Offered Rate (LIBOR) for hedging derivative instruments. The provision removing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of derivative instruments is effective for the year ending September 30, 2022.

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

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Management believes that this statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 87 will be effective for the fiscal year ending September 30, 2022.

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 89 will be effective for the fiscal year ending September 30, 2022.

(2) Summary of Significant Accounting Policies, Continued

New Accounting Standards, Continued

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 91 will be effective for the fiscal year ending September 30, 2023.

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, the terminology used to refer to derivative instruments and the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefits. The requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reissuance recoveries and terminology used to refer to derivative instruments are effective upon issuance. In accordance with GASB Statement No. 95, the remaining requirements of GASB Statement No. 92 are effective for the fiscal year ending September 30, 2022.

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 94 will be effective for the fiscal year ending September 30, 2023.

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 96 will be effective for the fiscal year ending September 30, 2023.

(2) Summary of Significant Accounting Policies, Continued

New Accounting Standards, Continued

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 97 will be effective for the fiscal year ending September 30, 2022.

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Inventories

Inventories as of September 30, 2021 and 2020 consist of the following:

	2021	2020
Copra oil	$ 479,964	$ 570,563
Raw copra	259,282	434,622
Materials	147,829	157,076
Copra bags	65,280	-
Soap and refined oil products	24,567	7,882
Copra cake	39,337	18,321
	$ 1,016,259	$ 1,188,464

(4) Capital Assets

Capital asset activity for the years ended September 30, 2021 and 2020 is as follows:

	2021			
	October 1, 2020	Additions	Transfers/ Reductions	September 30, 2021
Building and improvements	$ 2,554,084	$ 4,359	$ 14,367	$ 2,572,810
Equipment	3,224,370	341,588	(30,000)	3,535,958
Furniture and fixtures	102,586	4,379	-	106,965
	5,881,040	350,326	(15,633)	6,215,733
Less accumulated depreciation	(5,166,457)	(180,073)	4,000	(5,342,530)
	714,583	170,253	(11,633)	873,203
Construction work in progress	9,074	5,293	(14,367)	-
	$ 723,657	$ 175,546	$ (26,000)	$ 873,203

(4) Capital Assets, Continued

	2020			
	October 1, 2019	Additions	Transfers/ Reductions	September 30, 2020
Building and improvements	$ 2,554,084	$ -	$ -	$ 2,554,084
Equipment	3,080,712	168,153	(24,495)	3,224,370
Furniture and fixtures	100,986	1,600	-	102,586
	5,735,782	169,753	(24,495)	5,881,040
Less accumulated depreciation	(5,054,959)	(123,745)	12,247	(5,166,457)
	680,823	46,008	(12,248)	714,583
Construction work in progress	-	9,074	-	9,074
	$ 680,823	$ 55,082	$ (12,248)	$ 723,657

(5) Long-term Debt

Long-term debt as of September 30, 2021 and 2020 is as follows:

	2021	2020
Term loan with a bank refinanced from a bank credit line in the amount of $1,430,000, interest at 8.5% per annum, with principal and interest payable in monthly installments of $25,500 through June 30, 2022, collateralized by a general security agreement over all assets of TCPA and a guarantee from the Marshall Islands Development Bank.	$ 174,557	$ 486,865

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2022	$ 174,557	$ 3,793	$ 178,350

Debt Covenants

The Loan Agreement, dated June 23, 2016, sets forth covenants to ensure payment of debt service. The primary requirements of the agreement are summarized below:

Events of default with finance related consequences - the Loan Agreement specifies a number of Events of Default and related Remedies.

Acceleration - Upon the occurrence of an Event of Default, the bank may, without notice or demand, declare all unpaid principal of and all interest accrued on the loan to be immediately due and payable and, upon such declaration, all such principal and interest shall become immediately due and payable.

Changes in long-term liabilities for the years ended September 30, 2021 and 2020, were as follows:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Loans payable:					
Bank loan	$ 486,865	$ -	$ (312,308)	$ 174,557	$ 174,557

(5) Long-term Debt, Continued

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Loans payable:					
Bank loan	$ 768,366	$ -	$ (281,501)	$ 486,865	$ 286,849

(6) Related Party Transactions

TCPA is a component unit of RepMar and is therefore affiliated with all RepMar-owned and affiliated entities, including the Marshall Islands Marine Resources Authority (MIMRA), the Marshall Islands Development Bank (MIDB), and the Marshall Islands Shipping Corporation (MISC).

During the years ended September 30, 2021 and 2020, TCPA received cash operating subsidies from RepMar of $6,752,000 and $8,326,938, respectively. A summary of RepMar appropriations by funding source received by TCPA for the years ended September 30, 2021 and 2020 is as follows:

	2021	2020
General Fund - Copra Subsidy	$ 5,260,000	$ 8,093,917
ROC Taiwan - Copra Subsidy	1,492,000	233,021
	$ 6,752,000	$ 8,326,938

As of September 30, 2021, TCPA recorded $300,000 due from RepMar associated with the above General Fund appropriation.

In 2019, Cabinet Minute C.M. 244 (2018) authorized and approved the transfer of MV Tobolar and crew to MISC. The receivable from MISC as of September 30, 2021 and 2020 relating to this transfer amounted to $588,070 (See Note 13). A summary of receivables from affiliates as of September 30, 2021 and 2020 is as follows:

	2021	2020
Marshall Islands Shipping Corporation	$ 692,199	$ 692,199
RepMar	27,998	37,841
Other	4,633	3,040
	$ 724,830	$ 733,080

As of September 30, 2021 and 2020, a corresponding allowance for doubtful debts of $588,070 has been established with respect to the receivable from MISC.

In 2013, MIMRA advanced funds to TCPA in the amount of $100,000 for the purpose of assisting TCPA in funding the purchase of copra. The advance is uncollateralized and non-interest bearing and is due and payable by TCPA from the proceeds of oil sales. As of September 30, 2021 and 2020, the outstanding balance amounted to $50,000.

During the year ended September 30, 2021, TCPA sold a vehicle to a member of the Board of Directors with a net book value of $26,000 for $23,250 resulting in a $2,750 loss on disposal of capital assets. As of September 30, 2021, receivable due from director relating to this transaction amounted to $22,250.

(6) Related Party Transactions, Continued

TCPA utilizes services from its affiliates at the same rates charged to third parties and at substantially more favorable terms than those afforded to third parties. A summary of additional related party transactions as of September 30, 2021 and 2020, and for the years then ended is as follows:

	2021	
	Expenses	Payables
Marshall Islands Shipping Corporation	$ 560,587	$ 394,707
Marshalls Energy Company, Inc.	25,997	5,252
Marshall Islands Social Security Administration	145,943	89,418
RMI Ports Authority	22,802	164
RepMar	29,478	18,351
Marshall Islands Marine Resources Authority	-	50,029
Others	22,289	1,733
	$ 807,096	$ 559,654

	2020	
	Expenses	Payables
Marshall Islands Shipping Corporation	$ 585,407	$ 290,913
Marshalls Energy Company, Inc.	35,938	6,377
Marshall Islands Social Security Administration	136,906	66,585
RMI Ports Authority	14,704	-
RepMar	20,939	30,379
Marshall Islands Marine Resources Authority	13,457	50,029
Others	-	18,747
	$ 807,351	$ 463,030

(7) Risk Management

TCPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. TCPA has elected to purchase commercial insurance from independent third parties for the risks of loss to which it is exposed. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

(8) Significant Customers

Approximately 81% and 70% of total sales was earned from one customer during the years ended September 30, 2021 and 2020, respectively.

(9) Commitments

In 2013, TCPA entered into a 25-year ground lease agreement for a portion of Wojale Weto expiring on June 5, 2038. Total future minimum lease payments for subsequent years ending September 30, are as follows:

Year ending September 30,	
2022	$ 13,668
2023	13,668
2024	13,668
2025	13,668
2026	13,668
2027 - 2031	68,340
2032 - 2036	68,340
2037 - 2038	22,780
	$ 227,800

(10) Retirement Plan

TCPA's retirement plan (the Plan) is a self-administered program established to pay retirement, disability and survivor income to employees and their survivors. The Plan is a contributory plan in which TCPA contributes 8% of a participant's annual salary while a minimum of 4 % of the participant's annual salary will be contributed by the employees. Participation is optional. TCPA's Plan administrator includes the General Manager of TCPA and certain members of management. Employer contributions to the Plan during the years ended September 30, 2021 and 2020 were $39,423 and $30,534, respectively. Management is of the opinion that the plan does not represent an asset or liability of TCPA. As of September 30, 2021 and 2020, plan assets were $143,739 and $84,602, respectively.

(11) Contingencies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates the continuation of TCPA as a going concern. During the years ended September 30, 2021 and 2020, TCPA incurred losses from operations of $7,045,028 and $6,906,871, respectively. Management acknowledges that it is currently dependent on RepMar for cash funding in order to maintain TCPA as a going concern. Although RepMar has provided funding in the past, TCPA does not have a formal agreement with RepMar to provide funds in the future. Management believes that the continuation of TCPA's operations is dependent upon the financial support of RepMar, deferment in payment of certain liabilities, and/or significant improvements in operations.

In view of these matters, realization of a major portion of the assets in the accompanying statement of net position as of September 30, 2021, is dependent upon continued operations of TCPA, which, in turn, is dependent upon TCPA's ability to produce and process copra products and the success of future operations. In the event that copra subsidies from RepMar are reduced or eliminated, the Board and management of TCPA will take appropriate action to initiate a reduction in purchase price of copra. For the year ending September 30, 2022, RepMar has appropriated $7,249,217 to fund TCPA operations.

The real property on which the copra processing plant and related facilities are located is leased by the Marshall Islands Development Authority from RepMar. No provision has yet been made for the sublease to TCPA of the real property on which the processing plant is located. No rental payments for the use of the real property or warehouses are anticipated.

(12) COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended the containment and mitigation measures worldwide. During the year ended September 30, 2021, four confirmed cases were identified in the Marshall Islands that were isolated and contained. On August 8, 2022, community transmission was identified and TCPA has determined that such may negatively impact TCPA's business, results of operations, and financial position and TCPA may become more dependent upon the financial support of RepMar. However, the effect of the pandemic on RepMar is also uncertain and future available funding to RepMar component units may be limited. Therefore, while TCPA expects this matter to potentially have a negative impact on its business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

(13) Subsequent Event

On March 17, 2022, TCPA entered into an agreement with Marshall Islands Shipping Corporation to write-off a $588,070 receivable, for which a corresponding allowance for doubtful debts has been established (See Note 6). Management is currently in the process of negotiating with MISC regarding the concurrent write-off of certain liabilities, which management believes was the intent of the agreement. Accordingly, management will recognize the receivable write-off once such negotiations are complete.

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INDEPENDENT AUDITOR'S REPORT 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

Board of Directors
Tobolar Copra Processing Authority:

We have audited, 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, the financial statements of Tobolar Copra Processing Authority (TCPA), which comprise the statement of net position as of September 30, 2021, and the related statements of revenues, expenses and changes in net position and of cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated November 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TCPA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TCPA's internal control. Accordingly, we do not express an opinion on the effectiveness of TCPA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-01, which we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TCPA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Deloitte.

TCPA’s Responses to Findings

TCPA’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. TCPA’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of TCPA’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCPA’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

November 14, 2022

Cost of Goods Sold

Finding No. 2021-001

Criteria: Adequate internal control policies and procedures should be established requiring that cost of goods sold be accurately supported, identified, recorded, and paid.

Condition: Of 29 copra advance liquidations tested, 12 indicated cash shortages and overpayments to growers of $23,779, which occurred on the following voyages:

Date	Voyage	Amount
10/31/2020	SV Kwai Trip to Jaluit and Namdrik	$ 254
11/22/2020	MV Aemman Trip to Kabinmeto	1,139
01/09/2021	MV Kwai Trip to Arno & Mili	69
02/26/2021	MV Aemman Trip to Namdrik, Jaluit	59
03/06/2021	SV Kwai Trip to Kabinmeto	19
04/12/2021	SV Kwai Trip to Kabinmeto	5,375
04/15/2021	MV Kwaj Trip Ralik Iolap & Ratak Ean	3,629
05/04/2021	SV Kwai Trip to Aur, Maloelap	289
07/05/2021	MV Enenko trip to Arno	719
08/26/2021	MV Enenkio trip to Ailinglaplap & Namu	99
09/06/2021	SV Kwai trip to Kabinmeto	11,186
09/19/2021	MV Aemman trip to Ratak En	942
		$ 23,779

Cause: The cause of the above condition is the lack of established policies and procedures that require that cost of goods sold be accurately supported, identified, recorded and paid.

Effect: The effect of the above condition is a possible misstatement of cost of goods sold and an increased risk of fraud or cash theft.

Recommendation: We recommend management establish policies and procedures requiring that all cash returned be deposited within the next banking day and validated deposit slips together with cash receipts be arranged and be kept in file. In addition, management should implement internal control over unreturned cash/cash shortages and ensure policies are applied throughout the process to minimize risk of fraud. Furthermore, we recommend that TCPA require review of the classification of cost of goods sold.

Prior Year Status: The lack of internal control over cost of goods sold was reported as a finding in the audits of TCPA for fiscal years 2014 through 2020.

Auditee Response and Corrective Action Plan: Management acknowledges the auditor's comments and recommendations. To avoid the possibility of misrepresentation, management will review and strictly implemented the operating standards in place. Also, additional manpower is being studied to see if it will aid in the control of the possibility of fraudulence act.

Unresolved Prior Year Findings
Year Ended September 30, 2021

The status of unresolved prior year findings is discussed within the Schedule of Findings and Responses section of this report.