

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

**Marshall Islands Scholarship, Grant and Loan  
Board**

(A Governmental Fund of the Republic of the Marshall  
Islands)

*Year ended September 30, 2022*



December 19, 2024

Board of Directors  
Marshall Islands Scholarship, Grant and Loan Board

We have performed an audit of the financial statements of the Marshall Islands Scholarship, Grant and Loan Board (MISGLB), a component unit of the Republic of the Marshall Islands, as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 December 19, 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 those charged with governance with additional information regarding the scope and results of the audit that may assist those charged with governance in overseeing the financial reporting and disclosure processes which the management of MISGLB is responsible. We summarize these required communications as follows:

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

Our audit scope and timing are consistent with the plan communicated in our engagement letter and at our June 2024 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 are the responsibility of MISGLB'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 statement is 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 agreement.

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

Our audit strategy is consistent with the plan communicated during the June 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 MISGLB'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. A discussion of significant accounting policies and sensitive accounting estimates have been included in Note 2 of the financial statements.

We are not aware of any significant accounting policies used by MISGLB in controversial or emerging areas or for which there is a lack of authoritative guidance.

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.

Management's judgment is called upon in:

- Preparing budgets that are used to administer and monitor MISGLB's operations. These budgets include determining how existing financial resources will be used in MISGLB's operations.
- Determining the adequacy of the allowance for doubtful accounts.

**Related party relationships and transactions**

We noted no significant matters regarding MISGLB's relationships and transactions with related parties. A discussion of related party relationships and transactions is included in Note 8 of the financial statements.

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

We are not aware of any matters that require communication.

**Significant unusual transactions**

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

**Difficult or contentious matters subject to consultation outside of the audit team**

None.

**Material corrected misstatements related to accounts and disclosures**

Refer to "Management Representations Letter" 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**

No material weaknesses have been identified. We have identified certain deficiencies in the internal control during the course of our audit which have been included in our separately issued management letter dated December 19, 2024.

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

Material noncompliance with law 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 December 19, 2024.

**Obtain information relevant to the audit**

Inquiries regarding matters relevant to the audit were performed during the June 2024 meeting during the audit.

**Independence matters**

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

### **New accounting pronouncements**

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

- GASB Statement No. 91
- GASB Statement No. 94
- GASB Statement No. 96
- GASB Statement No. 99
- GASB Statement No. 100
- GASB Statement No. 101

### **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 material disagreements with MISGLB's management on financial accounting and reporting matters during 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, in our judgment, significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

### **Representations 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.

### **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 MISGLB 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.

### **Engagement team's involvement with preparation of the financial statements**

Under *Government Auditing Standards* 2018 Revisions, Chapter 3 General Standards, Paragraph 3.73 Requirements for Performing Non-audit Services explains that the audit team should make consideration of management's ability to effectively oversee the non-audit (or non-attest) services to be performed. The engagement team should determine that the audited entity has designated an individual(s) who possesses suitable skill, knowledge or experience and that the individuals understand 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.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of MISGLB.
- The preparation of the financial statements is based on MISGLB's trial balance with our understanding that MISGLB's underlying books and records are maintained by the Fiscal Officer and that the final trial balance prepared by MISGLB is complete.
- MISGLB's Fiscal Officer have the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

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This report is intended solely for the information and use of the Board of Directors, management of MISGLB and the Office of the Auditor-General, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is also a matter of public record.

Very truly yours,

*Ernst & Young LLP*

## Appendix

### A – Management Representations Letter

A – Management Representations Letter



December 19, 2024

Ernst & Young (RMI), Inc.  
PO Box 1288  
Majuro, Marshall Islands 96960

In connection with your audit of the general fund of the Marshall Islands Scholarship, Grant and Loan Board (MISGLB) as of September 30, 2022 and for the year then ended, and the related notes to the financial statements, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position of the general fund of MISGLB and the changes in financial position 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 April 27, 2023, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding years.

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

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

- 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



A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within MISGLB 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 October 1, 2021 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, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

***Governmental entities***

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

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

There has been no noncompliance or possible noncompliance with provisions of contracts or grant agreements in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

We have informed you of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.

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.

***Corrected misstatements***

A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements. Refer to the “Schedule of Corrected Misstatements” in Appendix A.

***Uncorrected misstatements***

There are no uncorrected misstatements (including the effects of correcting or reversing prior year uncorrected misstatements and misstatements related to supplementary information), or uncorrected misstatements in disclosures relating to the current year financial statements.

***Internal control***

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

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

***Minutes and contracts***

The dates of meetings of the Board of Directors from October 1, 2021 to the date of this letter are as follows:

<b>Date of Meeting</b>	<b>Meeting Type</b>
October 19, 2021	Special Board Meeting
November 11, 2021	Regular Board Meeting
November 25, 2021	Special Board Meeting
December 21, 2021	Memo
January 6, 2022	Regular Board Meeting
January 19, 2022	Memo
March 4, 2022	Regular Board Meeting
April 14, 2022	Regular Board Meeting
June 14, 2022	Memo
July 19, 2022	Memo

A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

***Minutes and contracts, continued***

<b>Date of Meeting</b>	<b>Meeting Type</b>
July 29, 2022	Regular Board Meeting
August 5, 2022	Memo
September 19, 2022	Regular Board Meeting
November 28, 2022	Regular Board Meeting
December 29, 2022	Regular Board Meeting
February 13, 2023	Regular Board Meeting
March 29, 2023	Regular Board Meeting
April 25, 2023	Regular Board Meeting
May 22, 2024	Regular Board Meeting
July 4, 2024	Memo
July 26, 2024	Regular Board Meeting
August 6, 2024	Regular Board Meeting
August 7, 2024	Memo
August 15, 2024	Memo
August 27, 2024	Regular Board Meeting
October 2, 2024	Regular Board Meeting

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

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

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

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

***Ownership and pledging of assets***

MISGLB has satisfactory title to all assets appearing in the balance sheet. No security agreements have been executed under the provisions of any law, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which MISGLB has satisfactory title appear in the balance sheet.

***Receivables and revenues***

Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62 - as amended.

A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

Adequate provision has been made for losses, costs and expenditures that may be incurred subsequent to the balance sheet date in respect of any sales and services rendered prior to that date and for uncollectible accounts and allowances, etc., that may be incurred in the collection of receivables at that date.

***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.

***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 other than those disclosed in the financial statements.

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 other than those disclosed in the financial statements.

***Contingent liabilities, continued***

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 other than those disclosed or accrued in the financial statements.

A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

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, other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the statement of financial position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62 - as amended.

We have not consulted with outside legal counsel concerning litigation, claims or assessments.

***Oral or written guarantees***

There are no oral or written guarantees other than those reported in the financial statements, including guarantees of the debt of others.

***Purchase commitments***

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

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2022 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 MISGLB's governmental fund 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.

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

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

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in MISGLB'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 MISGLB.

A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

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

*Independence*

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

We are not aware of any business relationship between MISGLB 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 MISGLB's audit.

*Conflicts of interest*

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

*Effects of new accounting principles*

As discussed in Note 2 to the financial statements, 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):

- GASB Statement No. 91
- GASB Statement No. 94
- GASB Statement No. 96
- GASB Statement No. 99
- GASB Statement No. 100
- GASB Statement No. 101

*Effects of new accounting principles, continued*

MISGLB is therefore unable to disclose the effects that adopting the amendments in the 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 MISGLB'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

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

***Required supplementary information***

We acknowledge that MISGLB's management has omitted the Management's Discussion and Analysis that US GAAP requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

***Supplementary information***

We are responsible for the preparation and fair presentation of the Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (the "Supplementary Information"):

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

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

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

***Additional representations***

- 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 for violations (and possible violations) of laws, regulations and provisions of contracts and grant agreements with effects that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

***Additional representations, continued***

- Components of the Fund Balance (Compact Scholarship, Other Grant Scholarship and Nitijela Fund) are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position was properly recognized under the policy.
- Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

A – Management Representations Letter, continued

Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

***Other matters***

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

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

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete;
- 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.

***Subsequent events***

Subsequent to September 30, 2022, 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 year then ended, or that are of such significance in relation to MISGLB'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 MISGLB.

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A – Management Representations Letter, continued

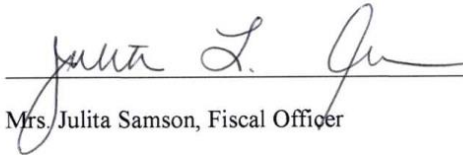
Marshall Islands Scholarship, Grant and Loan Board  
Letter of Representations

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 opinions on the financial statements of MISGLB 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,



Mrs. Elizabeth Jemwai, Director



Mrs. Julita Samson, Fiscal Officer

A – Management Representations Letter, continued

Appendices

A – Schedule of Corrected Misstatements

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Marshall Islands Scholarship, Grant and Loan Board

Period ended: 30-Sep-2022

Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit) Non-taxable
1	E.01	To reverse client adjustment under JV-922-26							
		Compact	1,622						
		Fund Balance - Unreserved					(1,622)		
		Bad Debts							1,622 X
		Allown. - Uncollectable Compact	(1,622)						
2	TA01.1	To remove under fund accounting and non-existent fixed assets							
		Fixed Assets		126,018					
		Office Furniture & Fixtures		(22,740)					
		Accum Depn-Office Furn & Fixt		(40,110)					
		Office Equipments		(40,792)					
		Vehicles		(22,376)					
3	C.02.1	To record reversal of physically voided check (check no. 011606) in the system, including the related allowance							
		Cash in Bank - Bank of Hawaii	4,375						
		Compact-Ebeye Special Needs	(4,375)						
		Allown. - Uncollectable Compact	4,375						
		Bad Debts							(4,375) X
4	E.00	To record reversal portion of the FY2021 interest accrual							
		Interest Income							2,791 X
		Interest Receivable	(2,791)						
5	E.00	To adjust for FY2022 interest accrual							
		Interest Receivable	8,165						
		Interest Income							(8,165) X
6	E.01	To correct fund transfers erroneously recorded in receivable accounts							
		Cash in Bank - Bank of Hawaii	470						
		Cash in Bank - BOG	3,011						

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Marshall Islands Scholarship, Grant and Loan Board

Period ended: 30-Sep-2022

Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non-taxable
		Compact	(470)							
		Compact-Ebeye Special Needs	(3,011)							
		Allown. - Uncollectable Compact	3,481							
		Bad Debts							(3,481)	X
7	E.01	To reverse related allowance for Spring 2020 Award return deposited in BOMI time deposit - Jimmison Kamram								
		Allown. - Uncollectable Compact	4,500							
		Bad Debts							(4,500)	X
8	E.01	To reverse client adjustment under JV22-922-19 and portion of JV21-922-23								
		Bad Debts							2,860	X
		Allown. - Uncollectable Account	3,440							
		Allown. - Uncollectable Nitjel	(6,300)							
9	E.01	To record allowance for Saralyn Anni under check no. 11784								
		Bad Debts							1,640	X
		Allown. - Uncollectable Compact	(1,640)							
10	E.01	To correct over-write-off of prior year receivables - Eddie Langkieo								
		Compact	20,465							
		Allown. - Uncollectable Compact	(20,465)							
11	E.01	To correct for over-conversion of prior year receivables								
		Compact	35,264							
		Allowance for converted loans	(35,264)							
12	UE1.01	To adjust recorded salaries and subsidy from Nitijela								
		Payroll Expenses							10,367	X
		Revenue-Nitijela							(10,367)	X

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: **Marshall Islands Scholarship, Grant and Loan Board**

Period ended: **30-Sep-2022**

Currency: **USD**

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
13	E.01	To reclass GL accounts to align with the subsidiary ledger classifications								
		Loan Receivables	3,389,240							
		Compact	(2,177,345)							
		Compact-Ebeye Special Needs	(663,014)							
		Loans Receivable-Nitijala Fund	(785,047)							
		Byrd	1,500							
		Compact-Third Countries	166							
		Koo's	(18,395)							
		Compact-SEG	(3,320,710)							
		Trust Fund- Nitijala Fund	1,111							
		Supplementary Fund	(138,765)							
		Loans - Converted to Grants	3,711,260							
		Allown. - Uncollectable Account	15,488,691							
		Allown. - Uncollectable Compact	(6,114,688)							
		Allown. - Uncollectable Nitijel	(3,195,012)							
		Allown. - Uncollectable Other	13,434							
		Allown. -Uncollectable Kwajalein	(765,843)							
		Allown. - Uncollectable SEG	3,528,213							
		Allown. - Uncollectable SUP Fund	(823,021)							
		Allowance for converted loans	(8,131,874)							
14	TA01.1	To rolforward opening fund balance to audited amounts								
		Loans Receivable-Nitijala Fund	438							
		Fund Balance - Reserved					(396)			
		Cash in Bank - BOG	(42)							
		Bad Debts							438	X
		Allown. - Uncollectable Nitijel	(438)							
15	TA01.1	To reclass from restricted to committed funds								
		Fund Balance - Reserved					353,762			
		Fund Balance - Unreserved					(353,762)			

Form 430GL (3 August 2022)

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Marshall Islands Scholarship, Grant and Loan Board


Period ended: 30-Sep-2022

Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)
Total of corrected misstatements before income tax			13,188	0	0	0	(2,018)	0	(11,170)
Financial statement amounts			807,935	0	(29,585)	0	(778,350)		(184,351)
Effect of corrected misstatements on F/S amounts			1.6%	0.0%	0.0%	0.0%	0.3%		6.8%

Concurrence:

The above adjustments have been discussed with us and we agree to record them.

  
\_\_\_\_\_  
Mrs. Elizabeth Jethwai  
Director

  
\_\_\_\_\_  
Mrs. Julita Samson  
Fiscal Officer