

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

Majuro Resort, Inc.

(A Component Unit of the Republic of the Marshall Islands)

Year ended September 30, 2022



October 16, 2024

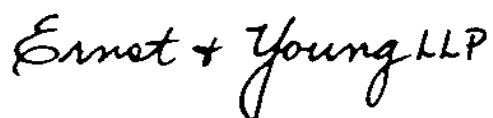
To the Board of Directors of
Majuro Resort, Inc.

We have performed an audit of the financial statements of the Majuro Resort, Inc. (MRI), 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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated October 16, 2024.

Provided below is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *"The Auditor's Communication With Those Charged With Governance"*, and other applicable auditing standards.

This communication is intended solely for the information and use of the Board of Directors and management of MRI 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,



REQUIRED COMMUNICATIONS

Auditors' Responsibilities under GAAS, including our discussion of the type of auditor's report we are issuing and the circumstances that affect the form and content of our auditor's report, if applicable

Our responsibilities are included in our audit engagement agreement. A copy of such agreement has previously been provided to you.

We have issued an unmodified opinion on MRI's financial statements as of and for the year ended September 30, 2022.

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 will express no such opinion.

An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the evaluation of the overall presentation of the financial statements.

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

Our audit strategy is consistent with the plan communicated during the February 2024 meeting.

Matters relevant to our evaluation of the entity's ability to continue as a going concern

We did not identify any events or conditions that led us to believe there was substantial doubt about MRI'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 MRI 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 MRI's operations. These budgets include determining how existing financial resources will be used in MRI's operations.
- Evaluating whether there are indications that the carrying value of MRI's long-lived assets is impaired.
- Determining the adequacy of the allowance for doubtful accounts and inventory obsolescence.
- Determining the reasonableness of economic useful lives assigned to depreciable assets.

Related party relationships and transactions

We noted no significant matters regarding MRI's relationships and transactions with related parties. A discussion of related party relationships and transactions is included in Note 5 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 MRI.

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.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the February 2024 meeting 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 MRI'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 MRI 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 MRI.
- The preparation of the financial statements is based on MRI's trial balance with our understanding that MRI's underlying books and records are maintained by MRI's accounting department and that the final trial balance prepared by MRI is complete.
- MRI's Chief Accountant have the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

Appendix

A - Management Representations Letter

A - Management Representations Letter



Marshall Islands Resort

P.O. Box 3279 * Majuro, MH, 96960
Telephone: 692-625-6871 to 79 / 625-2525 Facsimile: 692-625-2500
Email: omrguest@ntamar.net or mirfrontdesk@gmail.com

October 16, 2024

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

In connection with your audit of the financial statements of the business-type activities of Majuro Resort, Inc. (MRI), a component unit of the Republic of the Marshall Islands, as of September 30, 2022 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position of the business-type activities of MRI and the changes in financial position and cash flows thereof in conformity with U.S. 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 March 27, 2023, for the preparation and fair presentation of the financial statements (including disclosures) in conformity 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 MRI's ability to continue as a going concern for one year after the date that the financial statements are issued (or available to be issued, if applicable), and to provide appropriate financial statement disclosure, when applicable, related to going concern and using the going concern basis of accounting unless we prepared the financial statements in accordance with the liquidation basis of accounting.

A - Management Representations Letter, continued

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.
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within MRI 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, in each case or in the aggregate, 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 MRI'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 and regulations 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.

A - Management Representations Letter, continued

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.

Uncorrected misstatements

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule (Appendix A), accumulated by you during the current audit and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Corrected misstatements

We are in agreement with the audit adjustments you have proposed (Appendix B) and have posted the adjusting journal entries to MRI's books.

Internal control

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

We have communicated to you all significant deficiencies in the design or operation of internal control over financial reporting. There have been no significant changes in internal control since September 30, 2022.

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:

Meeting type	Date	Meeting type	Date
Regular Board Meeting	November 25, 2021	Regular Board Meeting	January 12, 2023
Regular Board Meeting	January 21, 2022	Regular Board Meeting	March 03, 2023
Regular Board Meeting	April 28, 2022	Regular Board Meeting	August 17, 2023
Special meeting with MALGOV	May 27, 2022	Regular Board Meeting	December 22, 2023
Regular Board Meeting	July 29, 2022	Regular Board Meeting	April 16, 2024
Regular Board Meeting	September 15, 2022	Special Board Meeting	April 20, 2024
Regular Board Meeting	October 27, 2022		

A - Management Representations Letter, continued

Minutes and contracts, continued

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

Except for the right-to-use of another entity's nonfinancial assets (the underlying assets), MRI has satisfactory title to all assets appearing in the statement of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which MRI has satisfactory title appear in the statement of net position.

Receivables and revenues

Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the statement of net position date, goods shipped on consignment, or other types of arrangements not constituting sales. Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62 - as amended.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of net position date in respect of sales and services rendered prior to that date and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

Prepayments

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

A - Management Representations Letter, continued

Inventories

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

Long-lived assets used, including amortizable intangible assets

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

Related party relationships and transactions

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

The substance of transactions with related parties as defined in GASB Statement No. 56 - as amended, has been considered and appropriate adjustments or disclosures are made in the 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.

Events of default under debt agreements

No events of default have occurred with respect to any of MRI's debt agreements.

Contingent liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62 - as amended.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

A - Management Representations Letter, continued

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62 - as amended, nor are there any accruals for loss contingencies included in the statements of net position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62 - as amended.

We have consulted 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, MRI had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 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 MRI's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

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

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

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

A - Management Representations Letter, continued

Independence

We have communicated to you the names of all MRI's affiliates, officers, and directors.

We are not aware of any capital lease, material cooperative arrangement or other business relationship between MRI and Ernst & Young (RMI), Inc. or any other member firm of the global Ernst & Young organization.

We are not aware of any reason that Ernst & Young (RMI), Inc. would not be considered to be independent for purposes of MRI's audit.

Conflicts of interest

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

Effects of new accounting principles

As discussed in Note 2, 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. 99 |
| • GASB Statement No. 94 | • GASB Statement No. 100 |
| • GASB Statement No. 96 | • GASB Statement No. 101 |

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

Going concern

In preparing the financial statements, we evaluated the entity's ability to continue as a going concern for twelve months after the date that the financial statements are issued (or available to be issued, if applicable), and provide appropriate financial statement disclosure, as necessary under GASB requirements.

A - Management Representations Letter, continued

Required supplementary information

We acknowledge our responsibility for the required supplementary information on management's discussion and analysis, which has been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement. There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

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

Majuro Atoll Local Government Taxes

As of September 30, 2022, sales taxes of \$147,892, and local government taxes of \$343,947, remain outstanding of which \$491,839 is included as accrued taxes payable in the statement of net position. Unfavorable resolution of this matter could expose MRI to additional penalties and interest. Penalties and interest is estimated to be \$162,569 at September 30, 2022. No such action has yet been filed. As of September 30, 2022, the financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management is currently negotiating the settlement of sales and local government taxes with Malgov.

Other 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 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.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.
- Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of revenues, expenses and change in net position.

A - Management Representations Letter, continued

- Provisions for uncollectible receivables have been properly identified and recorded.
- Capital assets, including infrastructure, are properly capitalized, reported and, if applicable, depreciated.
- 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.

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 period then ended, or that are of such significance in relation to MRI's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the net position, changes in net position and, where applicable, cash flows of MRI.

Financial statements approval

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

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


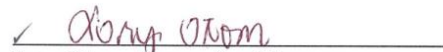
- MRI's underlying books and records are maintained by MRI's accounting department and that the final trial balance prepared by MRI is complete; and
- Management of MRI has designated a competent representative to oversee your services and that there are MRI personnel with sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements.

We acknowledge, that we have reviewed the draft financial statements for accuracy and completeness, and we take responsibility for them.

A - Management Representations Letter, continued

We understand that your audit was conducted in accordance 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 the governmental activities, each major fund, and the aggregate remaining fund information of MRI 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,


Hirobo Obecketang, General Manager
Lory Otom, Accounting Manager

A - Management Representations Letter, continued

Appendix

- A– Schedule of Corrected Misstatements
- B - Schedule of Uncorrected Misstatements

A - Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Majuro Resort, Inc. (MFI)		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	Non taxable
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
A.JE#1 C/C.00 To record loan from MBI as of 9/30/2022.										
		00-104 BoG-Savings Account	500,000						20,000	X
		80-630 Bank Service Charges								
		00-388 Loan Payable			(520,000)					
A.JE#2 K/K.01 To expense R&M capitalized costs										
		90-711 Building Maintenance		(158)					445,120	X
		00-210 Building		(381,825)						
		00-210 Building Improvements		(46,772)						
		00-190 Special Account-Seawall Proj		(15,163)						
		00-190 Special Account-Jernanin		(1,202)						
		00-190 Special Account								
A.JE#3 E/EI.00 To correct entry on write off of receivables										
		75-599 Other Income/ Msc. Revenues							12,605	X
		80-630 Bad Debts							(12,605)	X
A.JE#4 E/EI.30 To recognize QM food unearned income										
		75-599 Other Income/ Msc. Revenues							111,872	X
		00-350 Unearned Income - Food			(111,872)					
Total of corrected misstatements before income tax			500,000	(445,120)	(631,872)		0	0	576,992	
Financial statement amounts			865,149	1,252,106	(1,331,500)		0	(785,755)	(574,038)	
Effect of corrected misstatements on F/S amounts			57.8%	-35.5%	47.5%		0.0%	0.0%	-100.5%	

A - Management Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity: Majuro Resort, Inc. (MIR)		Period Ending: 30-Sep-2023	Currency: USD								
Uncorrected misstatements		Analysis of misstatements Debit/Credit				Income statement effect of the prior period					
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period	Debit/Credit	Debit/Credit	Non-taxable
(misstatements are recorded as journal entries with a description)											
Factual misstatements:											
PAJE#1 To correct payable to RepMar											
75-5995		Other Income/ Misc. Revenues				(19,840)				19,840	X
ET-03		Payable to Affiliates									
PAJE#2 To record unissued checks											
00-1043		B50-Inprint Account	26,516								
00-3010		Accounts Payable-Trade				(26,516)					
PAJE#3 To correct accrued payroll											
99-8300		Other Expense				(53,353)				53,353	X
00-3110		Accrued Payroll									
PAJE#4 To correct overstatement of payable to related parties											
00-3650		Accrued expenses				15,513					
00-3122		Social Security Withheld				43,793					
99-8300		Other Expense				19,429					
99-8300		Other Expense								(76,694)	X
PAJE#5 To correct accrued vacation leave.											
00-3176		Accrued vacation				44,743					
99-8300		Other Expense								(44,743)	X
Projected misstatements:											
Total of uncorrected misstatements before income tax			26,516	0	23,129	0	0	0	0	(43,046)	50,087
Total of uncorrected misstatements			26,516	0	23,129	0	0	0	0	(49,446)	50,087
Financial statement amounts			865,149	1,292,100	1,331,500	0	(785,755)			(574,036)	(303,457)
Effect of uncorrected misstatements on F/S amounts			3.1%	0.0%	-1.7%	0.0%	0.0%			8.6%	-16.5%
Memo: Total of non-taxable items (marked 'X' above)										(49,446)	50,087
Uncorrected misstatements before income tax										(43,046)	50,087
Less: Tax effect of misstatements at current year marginal rate										0	0
Uncorrected misstatements in income tax										0	0
Cumulative effect of uncorrected misstatements after tax but before turnaround										0	0
Turnaround effect of prior period uncorrected misstatements										(49,446)	50,087
All actual and projected misstatements: Judgmental misstatements (Note 3):										(49,446)	50,087
Cumulative effect of uncorrected misstatements, after turnaround effect										0	0
Current year income before tax										(574,036)	
Current year income after tax										(574,036)	