

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

**RMI Ports Authority**

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

*Year ended September 30, 2022*



September 26, 2024

To the Board of Directors of  
RMI Ports Authority

We have performed an audit of the financial statements of the RMI Ports Authority (the Authority), 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 September 26, 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 the Authority 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 the Authority'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 March 2024 meeting.

### **Matters relevant to our evaluation of the Authority'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 Authority's ability to continue as a going concern.

### **Our views about the qualitative aspects of the Authority'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 the Authority 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 the Authority's operations. These budgets include determining how existing financial resources will be used in the Authority's operations.
- Evaluating whether there are indications that the carrying value of the Authority's long-lived assets is impaired.
- Determining the adequacy of the allowance for doubtful accounts.
- Determining the reasonableness of economic useful lives assigned to depreciable assets.

### **Related party relationships and transactions**

We noted no significant matters regarding the Authority's relationships and transactions with related parties. A discussion of related party relationships and transactions is included in Note 6 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 the Authority.

### **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 March 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 Authority'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 the Authority 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 the Authority's management.
- The preparation of the financial statements is based on Authority's trial balance with our understanding that Authority's underlying books and records are maintained by Authority's accounting department and that the final trial balance prepared by the Authority is complete.
- The Authority's Chief Financial Officer have the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

## Appendix

A - Management's Representations Letter

A - Management's Representations Letter



Republic of the Marshall Islands

**PORTS AUTHORITY**

Amata Kabua Blvd., Delap Doc  
P.O. Box 109, Majuro, MH 96961  
Website: [rmipa.com](http://rmipa.com)

September 26, 2024

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

In connection with your audit of the financial statements of the business-type activities of RMI Ports Authority (the "Authority") 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 the Authority 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 the Authority'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's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

September 26, 2024

- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the Authority 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 the Authority'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.

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***

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

## A - Management's Representations Letter, continued

### ***Uncorrected misstatements***

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule (Appendix B), accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. In addition, to the extent that uncorrected misstatements have been subsequently identified in the current period that affect prior period financial statements, we have evaluated the effect of correcting prior period financial statements and believe that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to both the current and prior period financial statements.

### ***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:

<b>Date of Meeting</b>	<b>Meeting Type</b>
October 26, 2021	Regular Board Meeting
January 11, 2022	Regular Board Meeting
March 7-8, 2022	Regular Board Meeting
April 21-22, 2022	Special Board Meeting
May 24, 2022	Special Board Meeting
July 18, 2022	Regular Board Meeting
September 20, 2022	Regular Board Meeting
November 5, 2022	Special Board Meeting
November 21, 2022	Regular Board Meeting
January 27, 2023	Regular Board Meeting
March 27, 2023	Regular Board Meeting
April 14, 2023	Special Board Meeting
September 26, 2023	Regular Board Meeting
November 16, 2023	Regular Board Meeting
December 27, 2023	Special Board Meeting
March 15, 2024	Regular Board Meeting
April 16, 2024	Special Board Meeting
September 4, 2024	Regular Board Meeting
September 20, 2024	Regular Board Meeting

## A - Management's Representations Letter, continued

RMI Ports Authority  
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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 right-to-use another entity's nonfinancial asset (the underlying asset), the Authority 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 the Authority 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.

### ***Leases***

Our calculation of the cumulative effect of initially applying GASB Statement No. 87 - as amended that is reported did not result on restatement of beginning net position for the earliest period restated that is in accordance with our accounting policies established under GASB Statement No. 87 - as amended.

We have identified and accounted for all contracts that meet the criteria to be accounted for as a lease under GASB Statement No. 87 - as amended. We have appropriately considered any modifications, termination, or purchase options in the contract.

To measure the lease liability, we used the rate the lessor charges to us or the rate implicit in the lease. When the interest rate could not be readily determined, we then estimated our incremental borrowing rate (IBR). We believe our IBR is a reasonable estimate and represents an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.



A - Management's Representations Letter, continued

***Prepayments and deposits***

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

***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.

***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.

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

## A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

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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, 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 the Authority'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 the Authority'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 the Authority.

### ***Independence***

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

We are not aware of any capital lease, material cooperative arrangement or other business relationship between the Authority 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 the Authority's audit.

## A - Management's Representations Letter, continued

### ***Conflicts of interest***

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

### ***Effects of new accounting principles***

As discussed in Note 2 of 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

The Authority 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 the Authority'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.

### ***Required supplementary information***

We acknowledge our responsibility for the required supplementary information on management's discussion and analysis, which have 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.

### ***Supplementary information***

We are responsible for the preparation and fair presentation of the combining divisional statement of revenues, expenses, and changes in net position for the year ended September 30, 2022 (the "supplementary information") and its form and content in conformity with the GASB. We believe the supplementary information, including its form and content, is fairly stated in all material respects in

## A - Management's Representations Letter, continued

RMI Ports Authority  
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conformity with the GASB. There have been no changes in the methods of measurement or presentation of the supplementary information from those used in the prior period.

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 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 and unrestricted) are properly classified and, if applicable, approved.
- Expenses have been appropriately classified in or allocated to functions in the statement of revenues, expenses and change in net position, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of revenues, expenses and change in net position.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.
- Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

### ***Other matters***

We have received a draft copy of our 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.



A - Management's Representations Letter, continued

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 and,
- 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 period then ended, or that are of such significance in relation to the Authority'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 the Authority.

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A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

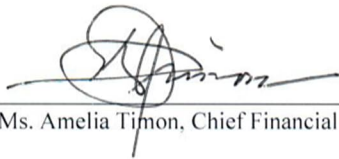
September 26, 2024

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 the Authority 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,



Mr. Thomas Maddison, Executive Director/CEO



Ms. Amelia Timon, Chief Financial Officer

A - Management's Representations Letter, continued



Republic of the Marshall Islands

**PORTS AUTHORITY**

Amata Kabua Blvd., Delap Dock  
P.O. Box 109, Majuro, MH 96960  
Website: [rmipa.com](http://rmipa.com)

Appendices

A – Schedule of Corrected Misstatements

B – Schedule of Uncorrected Misstatement

Head Office in Delap  
Tel: (692) 625-8805/8269/7613  
Fax: (692) 625-4269

Amata Kabua Int'l. Airport  
Tel: (692) 247-7612/3113  
Fax: (692) 247-3888

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

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	C.02.1	To undo reversal recorded by RMPA under FY 21-AJER related to the PY adjusting entry (FY21-AJE10) proposed by predecessor auditors							
		Accounts Payable - Vendors				46,558			
		Contractor's Payable			115,732				
		BOG General Acct - 0105-042777	(162,290)						
2	C.02.1	To undo reversal recorded by RMPA under FY22-10 related to the PY adjusting entry (FY21-AJE10) proposed by predecessor auditors							
		BOG General Acct - 0105-042777	165,897						
		Receivable from Grants	(165,897)						
3	E.01.1	To reclassify from trade AR to receivables from affiliates							
		Due from affiliates	1,015,273						
		Accounts Receivable - Customers	(1,015,273)						
4	E.01.1	To reclassify receivable credit balances							
		Accounts Receivable - Customers	17,315						
		Unearned Revenues			(17,315)				
5	E.01.2.2	To correct FAA grant receipts from CIP to grant revenue and receivable							
		FAA AIP 3-68-0001-20		79,375					
		AIP3-68-0001-24-20- Seal Coat		644,838					
		Receivable from Grants	(7,785)						
		Grants Revenues from Others						(716,410)	X
6	E.01.2.2	To correct FAA grant receipts from CIP to receivable from grant							
		Constructions-in-Progress: 103099Y - FAA AIP 3-68-0001-22		38,777					
		FAA AIP 3-68-0001-20		72,071					
		Receivable from Grants	(110,848)						
7	K.01.2	To record reclassification to correct and separately record to FAA CIP accounts							

Form 430GL (3 August 2022)

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

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	
		E-Vault FAA AIP 3-68-0001-20-		200,662							
		Constructions-in-Progress: 103099U - FAA AIP 3-68-0001-18		43,690							
		Constructions-in-Progress		(244,352)							
8	K.01.2	To correct CIP account for the reversal made by RMIPA under A/E 27R									
		Constructions-in-Progress		72,071							
		E-Vault FAA AIP 3-68-0001-20-		(72,071)							
9	K.01.2	To correct CIP account for loss from cybercrime activity and reversal of related GRT									
		AIP3-68-0001-24-20- Seal Coat		184,127							
		GRT Withheld Payable		5,694							
		Constructions-in-Progress: 103099Y - FAA AIP 3-68-0001-22		(189,821)							
10	K.01.2.2	To record CIP accrual for FAA AIP 3-68-0001-022 which was billed and paid subsequent to September 2022									
		FAA AIP -68-0001-22 AGIS		206,081							
		Contractor's Payable			(206,081)						
11	B05.01	To record client adjustment for initial recognition of lease asset and liability									
		Intangible right-to-use lease asset		855,080							
		Lease liability - noncurrent portion				(855,080)					
12	B05.01	To record client adjustment for reversal of rental expense, rental payable for FY22 and reduce lease liability for application of GASB 87									
		Lease liability - noncurrent portion				3,137					
		Land Lease Payable			36,456						
		Interest expense							80,722	X	
		Land Lease							(120,316)	X	
13	B05.01	To record client adjustment for interest accrual for unpaid installments									
		Interest expense							34,474	X	
		Accrued Expenses			(34,474)						

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A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

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
14	B05.01	To record client adjustment for amortization of lease asset							
		Amortization expense						34,771	X
		Accumulated amortization		(34,771)					
15	B05.01	To reclassify from noncurrent to current lease liabilities							
		Lease liability - noncurrent portion				5,822			
		Lease liability - current portion			(5,822)				
16	B05.02	To record client adjustment for initial recognition of lease receivable and deferred inflow of resources							
		Lease receivable - noncurrent portion		686,674					
		Accounts Receivable - Customers	3,000						
		Deferred inflow of resources				(689,674)			
17	B05.02	To record client adjustment for reversal of rental income and reduce lease receivable for application of GASB 87							
		Concession and Lease Income						186,244	X
		Lease receivable - noncurrent portion		(91,259)					
		Accounts Receivable - Customers	(11,409)						
		Interest income						(83,516)	X
18	B05.02	To record client adjustment for amortization of deferred inflow of resources							
		Deferred inflow of resources				140,112			
		Concession and Lease Income						(140,112)	X
19	B05.02	To reclassify from noncurrent to current lease receivables							
		Lease receivable - current portion	119,409						
		Lease receivable - noncurrent portion		(119,409)					

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A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

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
20	N.01.2	To record CIP accrual for FAA AIP 3-68-0001-024 which was billed and paid subsequent to September 2022								
		AIP3-68-0001-24-20- Seal Cost		33,300						
		Contractor's Payable				(33,300)				
21	N.01.2	To record fund request with FAA on September 27, 2022 for FAA AIP 3-68-0001-024 CIP accrual								
		Receivable from Grants	33,300							
		Grants Revenues from Others							(33,300)	X
22	N.01.2	To reclassify retainage payment for Airport Terminal Roofing project to contract payable								
		Contractor's Payable				5,169				
		Delap & Ulaga Docks Repair Proj		(5,169)						
23	N.01.6	To reclass payments for the Pilotage Regulation 2007 Workshop and office supplies to expense and AP accounts								
		Training, Seminars, Wshops, Con							9,535	X
		Computer/Office/Pantry Supplies							31	X
		Accounts Payable - Others			1,437					
		Payable to Ministry of T&C			(11,004)					
24	N.01.1	To reclassify from AP to related party payables								
		Accounts Payable - Vendors			94,359					
		Accounts Payable - Others			(94,359)					
25	VD.01.2	To record adjustment for capitalization of AKIA Terminal emergency retrofitting works as capital assets								
		Buildings		379,903						
		R & M - Building							(379,903)	X
26	VD.01.2	To record depreciation for the capitalization of AKIA Terminal emergency retrofitting works available for use starting April 2022								
		Depreciation		37,990						

Form 430GL (3 August 2022)

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

Period ended: 30-Sep-2022

Currency: USD

Corrected misstatements		Analysis of misstatements Debit/(Credit)								Income statement effect of the current period	
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI		Debit/(Credit)	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)	
		Accum Dep'n-Buildings								(37,990)	X
27	E1.01	To record additional provision for doubtful debts									
		Bad Debts								123,982	X
		Allow for Doubtful Account	(123,982)								
28	K.01.2	To correct depreciation expense									
		Depreciation								686,802	X
		Accum Dep'n-Buildings		(676,770)							
		Accum Dep'n-Equipment		(10,508)							
		Accum Dep'n-Facilities		(44,643)							
		Accum Dep'n-Trans. Equipment		45,903							
		Accum Dep'n-Furn and Fixtures		489							
		Accum Dep'n-Office Equipment		(7,341)							
		Accum Dep'n-Runway Apron		(134,913)							
		Accumulated Dep'n - Roadways		133,531							
		Accum Dep'n-Comp Sware/Website		8,050							
Total of corrected misstatements before income tax			(243,258)	2,096,670	(74,513)	(1,803,814)	0	0		(354,304)	
Financial statement amounts			5,568,710	49,968,933	(1,762,895)	(1,395,682)	(52,373,060)			2,879,915	
Effect of corrected misstatements on F/S amounts			-4.4%	4.2%	4.2%	102.6%	0.0%			-12.3%	

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A - Management's Representations Letter, continued



Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

Period ended: 30-Sep-2022

Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	WIP 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
<p><b>CONCURRENCE:</b> The above adjustments have been discussed with us and we agree to record them.</p> <p> Mr. Thomas Maddison Executive Director/CEO</p> <p> Ms. Amelia Timon Chief Financial Officer</p>										

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A - Management's Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity: RMI Ports Authority Period Ended: 30-Sep-2022 Currency: USD

No.	WIP ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/Credit						Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
			Assets Current Debit/Credit (Note 2)	Assets Non-current Debit/Credit (Note 2)	Liabilities Current Debit/Credit (Note 2)	Liabilities Non-current Debit/Credit (Note 2)	Equity components Debit/Credit	Debit/Credit		Debit/Credit	Non-taxable	Prior period Debit/Credit	Non-taxable
<b>Factual misstatements:</b>													
1	065.02	To propose additional adjustment for the initial lease receivable and deferred inflow upon adoption of GASB87											
		Lease receivable		16,739									
		Deferred inflow of resources				(16,739)							
2	065.02	To propose additional adjustment for deferred inflow amortization and lease receivable reduction at year-end under GASB87											
		Lease receivable		4,176									
		Deferred inflow of resources				(11,416)							
		Concession and Lease Income							6,739	X			
		Interest Income							2,538	X			
<b>Judgmental misstatements:</b>													
3	0A.02	To extrapolate identified misstatement for landing fees for scheduled flights											
		Accounts Receivable - Customers	11,580										
		Landing Charges Scheduled									115,500	X	
<b>Total of uncorrected misstatements before income tax</b>			11,580	20,915	0	(28,155)	0	0	0	0	126,238		
<b>Total of uncorrected misstatements</b>			11,580	20,915	0	(28,155)	0	0	0	0	126,238		
<b>Financial statement amounts</b>			5,568,712	49,968,532	(15,782,027)	(11,705,401)	(30,474,189)				7,874,915		
<b>Effect of uncorrected misstatements on F/S amounts</b>			0.2%	0.0%	0.0%	2.2%	0.0%				6.1%		
<b>Memo: Total of non-taxable items (marked "X" above)</b>											(26,200)		
<b>Uncorrected misstatements before income tax</b>									(0.1%)		(26,200)		
<b>Less: Tax effect of misstatements at current year marginal rate</b>									(0%)		0		
<b>Uncorrected misstatements in income tax</b>											0		
<b>Cumulative effect of uncorrected misstatements after tax but before turnaround</b>									(0.1%)		(26,200)		
<b>Turnaround effect of prior period uncorrected misstatements</b>											0		
<b>All factual and projected misstatements:</b>											0		
<b>Judgmental misstatements (Note 3):</b>											0		
<b>Cumulative effect of uncorrected misstatements, after turnaround effect</b>									(0.1%)		(26,200)		

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A - Management's Representations Letter, continued


Appendix B – Schedule of Uncorrected Misstatements


Communication schedule for uncorrected misstatements

Entity: RMI Ports Authority Period Ended: 30-Sep-2022 Currency: USD

Uncorrected misstatements		Analysis of misstatements Debit/(Credit)							Income statement effect of the current period		Income statement effect of the prior period	
No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable
(misstatements are recorded as journal entries with a description)			Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)			
Current year income before tax									2,876,915			
Current year income after tax									2,876,915			

**CONSENT:**  
We believe that the effects of any uncorrected misstatements, summarized on the accompanying schedule, accumulated by you, during the current year audit are immaterial, both individually and in the aggregate, to the financial statements.

  
Mr. Thomas Maddison  
Executive Director/CEO

  
Ms. Amelia Timon  
Chief Financial Officer