

*Report of Independent Accountants on the Schedule of
Project Expenditures*

Republic of the Marshall Islands
Preparing Urban Service Improvement Projects
(Financed by the Asian Development Bank's Special Fund -
Grant Number 6028 RMI (SF))

Year ended September 30, 2023



Republic of the Marshall Islands
Preparing Urban Service Improvement Projects
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Schedule of Project Expenditures

Year ended September 30, 2023

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Report of Independent Accountants

Honorable Minister David Paul
Ministry of Finance, Banking, and Postal Services
Republic of the Marshall Islands

We have examined the Republic of the Marshall Islands (RMI) Ministry of Finance, Banking and Postal Services' compliance with appropriate use of grant proceeds as set forth in the terms, covenants, provisions and conditions of Articles III and IV of the grant agreement dated February 6, 2020 for the Preparing Urban Service Improvement Projects grant, as presented in the accompanying schedule (Schedule of Project Expenditures), for the year ended September 30, 2023. The RMI Ministry of Finance, Banking, and Postal Services' management is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the RMI Ministry of Finance, Banking, and Postal Services' compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the RMI Ministry of Finance, Banking, and Postal Services complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the RMI Ministry of Finance, Banking, and Postal Services complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the RMI Ministry of Finance, Banking, and Postal Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination engagement.

Our examination does not provide a legal determination on the RMI Ministry of Finance, Banking, and Postal Services' compliance with specified requirements.

Our examination was limited to compliance with the specified sections of the grant agreement. Because of the nature and inherent limitations, controls may not prevent, or detect and correct, all errors or fraud that may be considered relevant.

In our opinion, the RMI Ministry of Finance, Banking, and Postal Services complied, in all material respects, with appropriate use of Preparing Urban Service Improvement Projects grant proceeds as set forth in the terms, covenants, provisions and conditions of Articles III and IV of the grant agreement requirements during the year ended September 30, 2023.

This report is intended solely for the information and use of the RMI Ministry of Finance, Banking, and Postal Services and the Asian Development Bank for assessing the RMI Ministry of Finance, Banking, and Postal Services' compliance with appropriate use of Preparing Urban Service Improvement Projects grant proceeds as set forth in the terms, covenants, provisions and conditions of Articles III and IV of the grant agreement and is not intended to be and should not be used by anyone other than the specified parties.

Ernst + Young

April 11, 2025

Republic of the Marshall Islands
Preparing Urban Service Improvement Projects
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Schedule of Project Expenditures

Year ended September 30, 2023

Project expenditures:

Investment costs:

Consulting services	\$ 581,073
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Materials and equipment	<u>38,290</u>
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Total project expenditures	<u><u>\$ 619,363</u></u>
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