

*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, 2023*



**Shape the future  
with confidence**



Shape the future  
with confidence

Ernst & Young (RMI), Inc.  
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Majuro, Republic of the Marshall  
Islands 96960

Tel: 692 625 7387  
ey.com

January 12, 2026

Board of Directors  
RMI Ports Authority

We have performed an audit of the financial statements of the business-type activities of RMI Ports Authority (the Authority), a component unit of the Republic of the Marshall Islands, as of and for the year ended September 30, 2023, 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 January 12, 2026.

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 the Authority 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 April 2025 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 the Authority'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 will 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 letter.

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

Our audit strategy is consistent with the plan communicated during the April 2025 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. We have provided a discussion of significant accounting policies and our views regarding significant accounting estimates and financial statement disclosures and related matters in Note 2 of the basic 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 other than disclosed in Note 8 of the basic financial statements.

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

None.

**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.

**Significant deficiencies and material weaknesses in internal control over financial reporting**

Material weaknesses 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 January 12, 2026.

We have also identified certain deficiencies in the Authority's internal control during the course of our audit which have been included in our separately issued management letter dated January 12, 2026.

**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 April 2025 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**

No issues have been identified with regard to management's planned application of new accounting pronouncements.

**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 the 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.

**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.

**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.

**Engagement team’s involvement with preparation of the financial statements**

Under GAS 2018 Revisions, Chapter 3 Ethics, Independence and Professional Judgment, Paragraph 3.73-74 Provision of Nonaudited Services to Audited Entities 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 who possesses suitable skill, knowledge or experience and that the individual understands 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.

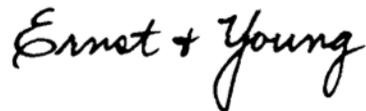
The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality control review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on the Authority’s trial balance with our understanding that the Authority’s underlying books and records are maintained by the Authority’s finance department and that the final trial balance prepared by the Authority is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by the Authority’s management.
- 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.

\*\*\*\*\*

This communication is intended solely for the information and use of the Authority’s Board of Directors, management 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,

The logo for Ernst & Young, featuring the company name in a stylized, cursive script font.

## Appendix

A – Management’s Representations Letter

A – Management’s Representations Letter



January 12, 2026

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

In connection with your audits of the financial statements of the business-type activities of RMI Ports Authority (the “Authority”) as of September 30, 2023 and 2022 and for the years 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 November 12, 2024, 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 basic financial statement date.

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; and

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

- 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, 2022 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 of any opinion unit that comprises the basic 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.

***Uncorrected misstatements***

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

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, 2023.

***Minutes and contracts***

The dates of meetings of the Board of Directors from October 1, 2022 to the date of this letter are as follows:

<b>Date of Meeting</b>	<b>Meeting Type</b>
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
September 25, 2024	Regular Board Meeting
October 23, 2024	Emergency Board Meeting
December 18, 2024	Regular Board Meeting
May 7, 2025	Regular Board Meeting
September 29, 2025	Regular Board Meeting

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

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 assets accounted for in accordance with GASB Statements No. 87, 94 and 96—as amended, for which we were provided a right-to-use another entity's nonfinancial asset (the underlying asset), the Authority has satisfactory title to all assets appearing in the statements 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 statements of net position.

***Receivables and revenues***

Adequate provision has been made for any receivable as of the statement of net position date that may not be collectible, including any losses, costs and expenses that may be incurred in the collection of those receivables.

Revenues and other governmental fund financial resources are recognized in the period in which they became both measurable and available to finance expenditures of the fiscal period.

***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.

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

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.

***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.

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

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, 2023 and 2022, there were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2023 and 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.

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

***Independence***

We have communicated to you the names of the Authority's affiliates, as described in the AICPA Code of Professional Conduct ET section 1.224.020 *State and Local Government Client Affiliates*, officers and directors.

We are not aware of any business relationship between the Authority and Ernst & Young (RMI), Inc. or any other member firm of the global Ernst & Young organization, (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services.

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

***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. 101
- GASB Statement No. 102
- GASB Statement No. 103
- GASB Statement No. 104

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.

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

***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 statements of revenues, expenses, and changes in net position for the years ended September 30, 2023 and 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 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.

A - Management's Representations Letter, continued

RMI Ports Authority  
Letter of Representations

January 12, 2026

- 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 years ended September 30, 2023 and 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 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, 2023, 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

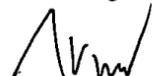
RMI Ports Authority  
Letter of Representations

January 12, 2026

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,

  
\_\_\_\_\_  
Thomas Maddison, Executive Director/CEO

  
\_\_\_\_\_  
Hunter Tibon, Chief Financial Officer

A - Management's Representations Letter, continued

Appendices

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

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-2023 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.01.3.2/	To reverse grant accrual for FAA AIP 3-68-0001-024 under PY E-AJE-03									
		Grants Revenues from Others							33,300	X	
		Receivable from Grants	(33,300)								
2	E.01.3.2/	To correct grant revenue and receivable based on matching requirements									
		Grants Revenues from Others							239,799	X	
		Receivable from Grants	(239,799)								
3	E.02/	To reverse FY2022 pilotage fee accrual subsequently received in FY2023									
		Pilotage Fees							12,030	X	
		Accounts Receivable - Customers	(12,030)								
4	E.03/	To record provision for doubtful debts									
		Bad Debts							253,341	X	
		Allow for Doubtful Account	(253,341)								
5	E.01.1/	To reclassify from trade AR to receivables from affiliates									
		Due from Affiliates		107,564							
		Accounts Receivable - Customers		(107,564)							
6	E.01.2/	To reclassify from trade AR to payable to affiliates									
		Due from Affiliates		94,359							
		Accounts Payable - Others				(94,359)					
7	E.01.2/	To reclassify receipts from trade AR to receivables from affiliates									
		Accounts Receivable - Customers		18,652							

Form 430GL (3 August 2022)

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity:  Period ended:  Currency:

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
		Due from Affiliates	(18,652)						
8	E.01.3.2/	To reclassify grant receivable credit balances							
		Receivable from Grants	234,735						
		Due to FAA			(234,735)				
9	K.01.1/	To correct depreciation expense							
		Depreciation							1,316,443 X
		Accum Deprn-Buildings		201,371					
		Accum Deprn-Equipment		(27,363)					
		Accum Deprn-Facilities		(64,652)					
		Accum Deprn-Trans Equipment		(8,098)					
		Accum Deprn-Furn and Fixtures		(663)					
		Accum Deprn-Office Equipment		10,274					
		Accum Deprn-Runway Apron		(958,772)					
		Accumulated Dep'n - Roadways		(235,412)					
		Accum Dep'n-Comp Sware/Website		(233,128)					
10	K.01.2/	To adjust unrecorded GRT accrual for FAA AIP 3-68-0001-025							
		AIP 3-68-0001-25-2022 RUNWAY		38,561					
		GRT Withheld Payable			(38,561)				
11	K.01.2/	To adjust unrecorded retention accrual for FAA AIP 3-68-0001-018, 3-68-0001-020 and 3-68-0001-025							
		FAA AIP 3-68-0001-018		31,015					
		FAA AIP 3-68-0001-20		12,886					
		AIP 3-68-0001-25-2022 RUNWAY		476,153					
		Contractor's Payable			(520,054)				
12	K.02.1/	To adjust for additional depreciation resulting from reassessed useful life of 2 years							
		Depreciation							6,506 X

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity:

Period ended:

Currency:

Corrected misstatements		Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account  (misstatements are recorded as journal entries with a description)	Assets	Assets	Liabilities	Liabilities	Equity	Effect on the	Income statement effect	
			Current	Non-current	Current	Non-current	components	current period OCI	Debit/(Credit)	of the current period
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
		Accum Deprn-Equipment		(6,506)						
13	K.02.1/	To adjust for additional depreciation resulting from reassessed useful life of 2 years								
		GAIN/LOSS ON SALE/DISPOSAL							1,746	X
		Accum Deprn-Trans Equipment		30,223						
		Transportation Equipment		(31,969)						
14	K.01.1/	To reclass incorrectly recorded depreciation to cost accounts								
		Computer Software/Website		(9,046)						
		Accum Dep'n-Comp Sware/Website		9,046						
		Equipment		81,594						
		Accum Deprn-Equipment		(81,594)						
		Transportation Equipment		287,670						
		Accum Deprn-Trans Equipment		(287,670)						
		Furniture and Fixtures		17,453						
		Accum Deprn-Fum and Fixtures		(17,453)						
		Office Equipment		135,454						
		Accum Deprn-Office Equipment		(135,454)						
15	K.01.1/	To reclass to match accumulated depreciation per FAR								
		Accum Dep'n-Comp Sware/Website		67,467						
		Accumulated Dep'n - Roadways		(39,641)						
		Accum Deprn-Runway Apron		(27,826)						
16	K.01.2/	To correct CIP accounts classification								
		FAA AIP 3-68-0001-018		162,290						
		FAA AIP 3-68-0001-20		(128,591)						
		Constructions-in-Progress		(33,699)						
17	LRE.04/	To reverse from lease liability to land lease expense								
		Land Lease			27,849				35,217	X
		Land Lease Payable								

Form 430GL (3 August 2022)

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: RMI Ports Authority Period ended: 30-Sep-2023 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)		
		Lease Liability - Non Current				(63,066)					
18	LRE.04/	To amortize lease asset and reduce liability at year-end under GASB87 for landleases							114,506	X	
		Interest Expense			30,710						
		Accrued Expenses			(32,332)						
		Land Lease Payable									
		Lease Liability - Non Current				7,177					
		Land Lease							(120,060)	X	
		Amortization Expense							34,771	X	
		Accumulated Amort.-Intangible		(34,771)							
19	LRE.04/	To reclassify from noncurrent to current lease liabilities					314				
		Lease Liability - Non Current									
		Lease Liability			(314)						
20	LRE.04/	Additional adjustment for GASB 87									
		Intangible right-to-use Lease		13,416							
		Accumulated Amort.-Intangible		4,994							
		Lease Liability - Non Current				(19,413)					
		Lease Liability			2,780						
		Accrued Expenses			(863)						
		Amortization Expense							(4,994)	X	
		Interest Expense							4,080	X	
21	LRO.03/	To reverse RMIPA's entry for GASB 87									
		Accounts Receivable - Customers	26,883								
		Lease Receivable	95,446								
		Interest Income							71,281	X	
		Concession and Lease Income							(193,610)	X	
22	LRO.03/	To reverse RMIPA's entry for credit memo									
		Accounts Receivable - Customers	5,321								

Form 430GL (3 August 2022)

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: RMI Ports Authority

Period ended: 30-Sep-2023

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
		Concession and Lease Income							(5,321)	X
23	LRO.03/	To reduce receivable at year-end under GASB87								
		Concession and Lease Income							193,610	X
		Lease Receivable - Non Current		(82,949)						
		Interest Income							(71,889)	X
		Accounts Receivable - Customers	(38,772)							
24	LRO.03/	To reclassify from noncurrent to current lease receivables								
		Lease Receivable	18,251							
		Lease Receivable - Non Current		(18,251)						
25	N.01.2/	To reverse CIP accrual for FAA AIP 3-68-0001-022 under PY N-AJE-01								
		Contractor's Payable			206,081					
		FAA AIP -68-0001-22 AGIS		(206,081)						
26	N.01.2/	To reverse CIP accrual for FAA AIP 3-68-0001-024 under PY N-AJE-02								
		Contractor's Payable			33,300					
		AIP3-68-0001-24-20- Seal Coat		(33,300)						
27	N.02/	To reverse FY2022 accrual made by RMIPA for gas, oil and fuel subsequently paid in FY2023								
		Accounts Payable - Vendors			13,949					
		Gas, Oil, & Fuel Expenses							(13,949)	X
28	N.04/	To record CIP accrual incurred within FY2023								
		FAA AIP -68-0001-22 AGIS		131,868						
		FAA AIP 3-68-0001-20		30,469						
		Contractor's Payable			(162,337)					

Form 430GL (3 August 2022)

A - Management's Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: RMI Ports Authority Period ended: 30-Sep-2023 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)		
29	N.04/	To record CIP accrual prorated up to September 30, 2023									
		AIP 3-68-0001-25-2022 RUNWAY		1,235,988							
		FAA AIP 3-68-0001-20		157,851							
		Contractor's Payable			(1,393,839)						
30	N.01.2/	To reclassify retainage payment for Delap & Uliga Dock Repair project to contract payable									
		Contractor's Payable			116,174						
		Delap & Uliga Docks Repair Proj		(116,174)							
31	N.01.6/	To reclassify from accrued expenses to related party payables									
		Accrued Expenses			66,528						
		Accounts Payable - Others			(66,528)						
32	LRO.03/	Additional adjustment for GASB 87									
		Lease Receivable - Non Current		173,486							
		Lease Receivable	(573)								
		Interest Receivable	20,197								
		Deferred Inflow of Resources				(160,902)					
		Concession and Lease Income							18,398	X	
		Interest Income							(50,606)	X	
<b>Total of corrected misstatements before income tax</b>			<b>(82,623)</b>	<b>490,466</b>	<b>(2,046,551)</b>	<b>(235,890)</b>	<b>0</b>	<b>0</b>	<b>1,874,598</b>		
Financial statement amounts			5,408,875	53,323,172	(3,924,507)	(1,428,650)	(52,379,066)		(999,824)		
Effect of corrected misstatements on F/S amounts			-1.5%	0.9%	52.1%	16.5%	0.0%		-187.5%		

A - Management's Representations Letter, continued

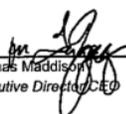
Appendix A – Schedule of Corrected Misstatements, continued

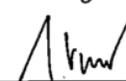
Communication schedule for corrected misstatements

Entity: RMI Ports Authority Period ended: 30-Sep-2023 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

**Concurrence:**  
The above adjustments have been discussed and we agree to record them.

  
\_\_\_\_\_  
Thomas Maddison  
Executive Director/CEO

  
\_\_\_\_\_  
Hunter Tibon  
Chief Financial Officer

A - Management's Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Communication schedule for uncorrected misstatements													
Entity:		RMI Ports Authority		Period Ended:				30-Sep-2023		Currency:		USD	
No.	W/P ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description)</small>	Analysis of misstatements Debit/(Credit)						Effect on the current period OCI Debit/(Credit)	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>													
E-SAD-01	E.01.3.2/	To correct prior year grant revenue and due to FAA based on matching requirements						4,870				4,870	X
		Retained Earnings											
		Accounts Payable - Vendors				30,858							
		Due to FAA				(35,728)							
PY-SAD-02	B05.02	To propose additional adjustment for deferred inflow amortization and lease receivable reduction at year-end under GASB87											
		Lease receivable											
		Deferred inflow of resources										6,739	X
		Concession and Lease Income										2,538	X
		Interest Income											
<b>Judgmental misstatements:</b>													
E-SAD-02	E.03.1/	To record additional provision for doubtful debts									68,324	X	
		Bad Debts											
		Allow for Doubtful Account	(68,324)										
PY-SAD-03	UA.02	To extrapolate identified misstatement for landing fees for scheduled flights										(13,506)	X
		Accounts Receivable - Customers											
		Landing Charges-Scheduled											
GAP-SAD	PGAP.02.1	To accrue estimated minimum amount of loss contingency									20,000	X	
		Contingency											
		Accrued Expenses				(20,000)							
<b>Total of uncorrected misstatements before income tax</b>			(68,324)	0	(24,870)	0	4,870	0	88,324			562	
<b>Total of uncorrected misstatements</b>			(68,324)	0	(24,870)	0	4,870	0	88,324			562	
<b>Financial statement amounts</b>			5,406,875	53,323,172	(3,924,907)	(1,426,650)	(52,379,000)		(999,824)			2,879,915	
<b>Effect of uncorrected misstatements on FIS amounts</b>			-1.3%	0.0%	0.6%	0.6%	0.6%		-8.8%			0.0%	
<b>Memo: Total of non-taxable items (marked 'X' above)</b>												88,324	562

A - Management's Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements, continued

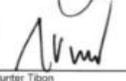
Communication schedule for uncorrected misstatements

Entity: RMI Ports Authority Period Ended: 30-Sep-2023 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)			
Uncorrected misstatements before income tax								-8.8%	88,324		582	
Less: Tax effect of misstatements at current year marginal rate								0%	0		0	
Uncorrected misstatements in income tax									0		0	
Cumulative effect of uncorrected misstatements after tax but before turnaround								-8.8%	88,324		582	
Turnaround effect of prior period uncorrected misstatements												
All factual and projected misstatements: Judgmental misstatements (Note 3):										After tax	Memo: Before tax	
										(14,147)	(14,147)	
										0	0	
Cumulative effect of uncorrected misstatements, after turnaround effect								-7.4%	74,176			
Current year income before tax										(999,824)		
Current year income after tax										(999,824)		

**CONSENTS:**  
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.

  
\_\_\_\_\_  
Thomas Madson  
Executive Director

  
\_\_\_\_\_  
Hunter Tibon  
Chief Financial Officer