

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

College of the Marshall Islands

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

Year ended September 30, 2022



**Shape the future
with confidence**

October 3, 2025

Board of Regents
College of the Marshall Islands

We have performed an audit of the financial statements of College of the Marshall Islands (the College), a component unit of the Republic of the Marshall Islands, as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated October 3, 2025.

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 the Board of Regents with additional information regarding the scope and results of the audit that may assist the Board of Regents in overseeing the financial reporting and disclosure processes which the management of the College is responsible. We summarize these required communications as follows:

Overview of the planned scope and timing of the audit

Our audit scope and timing is consistent with the plan communicated in our engagement letter dated September 5, 2023 and at our 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 and the supplementary information are the responsibility of the College'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 statements are free of material misstatement.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our responsibilities are included in our audit engagement 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 March 2025 meeting.

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

We did not identify any events or conditions that led us to believe there was substantial doubt about the College's ability to continue as a going concern.

Our views about the qualitative aspects of the entity's significant accounting practices, including:

- **Accounting policies**
- **Accounting estimates**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

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 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.

Related party relationships and transactions

We noted no significant matters regarding the College's relationships and transactions with related parties other than disclosed in Note 9 to the 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 College.

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

There were no difficult or contentious matters that required consultation outside of the audit team.

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

We have identified material weaknesses in the internal control during the course of our audit which have been included in our separately issued report of the College’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, dated October 3, 2025.

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 2025 meeting and at the update status meetings 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
- GASB Statement No. 102
- GASB Statement No. 103
- GASB Statement No. 104

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 difficulties encountered in dealing with management in performing the audit.

Management 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 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 College 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 provide services for EY in connection with the Audit Services.

Representations we are requesting 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

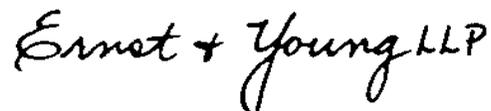
Under *Government Auditing Standards* 2018 Revision, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management’s ability to effectively oversee the non-audit services to be provided. The engagement team should determine 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 the 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 College’s trial balance with our understanding that the College’s underlying books and records are maintained by the College’s accounting department and that the final trial balance prepared by the College is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by the management of the College.
- The College’s VP for Business and Administration Services has 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 Board of Regents and management and is not intended to be, and should not be, used by anyone other than these specified parties.

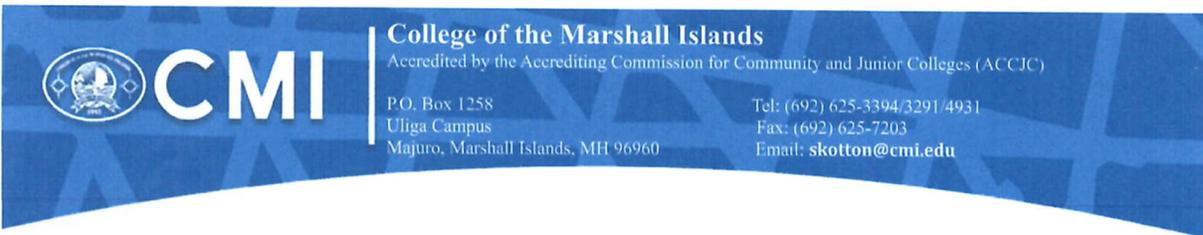
Very truly yours,



Appendix

A - Management Representations Letter

A - Management Representations Letter



October 3, 2025

Ernst & Young LLP

231 Ypao Road
Suite 201 Ernst & Young Building
Tamuning, Guam 96913

In connection with your audit of the basic financial statements of College of the Marshall Islands (the College), a component unit of the Republic of the Marshall Islands, as of September 30, 2022 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position of the business-type activities of the College and the changes in financial position and cash flows, where applicable, thereof in accordance with accounting principles generally accepted in the United States of America (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:

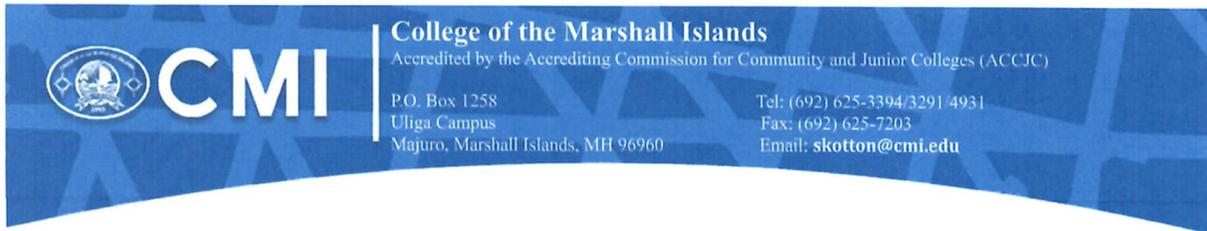
Management's responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated September 5, 2023, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding years, except for the effects of adopting new accounting standards.

In preparing the financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College'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 controls 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:

A - Management Representations Letter, continued



- 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, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within the College 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.

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

From September 26, 2024 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.

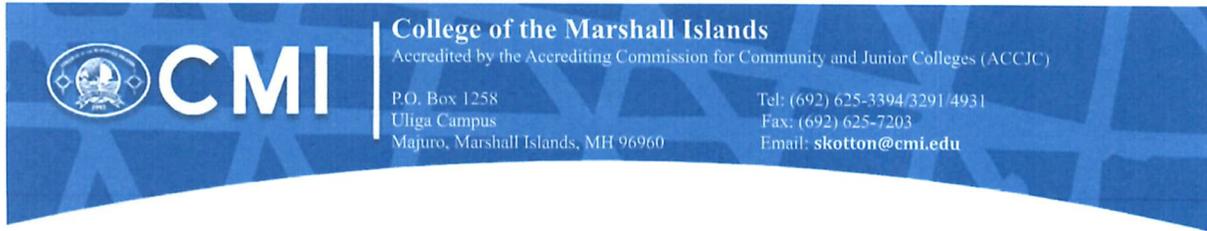
Corrected misstatements

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

Uncorrected misstatements

We believe that the effects of any uncorrected misstatements (including those related to supplementary information), summarized in the accompanying schedule (Appendix B), accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit and to the supplementary information.

A - Management Representations Letter, continued



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 and material weaknesses in the design or operation of internal control over financial reporting.

There have been no significant changes in internal control since September 30, 2022.

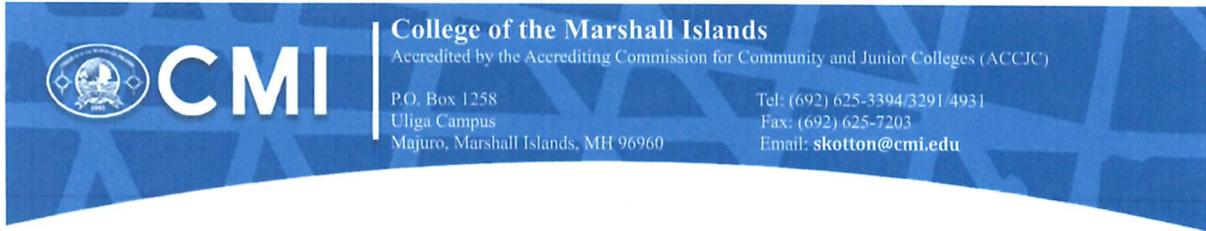
All significant deficiencies and material weaknesses identified and communicated by you to those charged with governance during your previous audit engagement have been remediated or otherwise eliminated prior to September 30, 2022, except for matters identified as a repeat finding in the Schedule of Findings and Questioned Costs.

Minutes and contracts

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

Date of Meeting	Meeting Type
October 12-13, 2021	Regular Board Meeting
November 2, 2021	Special Board Meeting
December 1, 2021	Regular Board Meeting
January 31, 2022	Special Board Meeting
March 8, 2022	Special Board Meeting
March 18, 2022	Regular Board Meeting
May 23, 2022	Regular Board Meeting
August 8, 2022	Regular Board Meeting
August 15, 2022	Regular Board Meeting
September 12, 2022	Special Board Meeting
November 4, 2022	Special Board Meeting
November 28, 2022	Regular Board Meeting
December 5, 2022	Special Board Meeting
January 23, 2023	Special Board Meeting
March 13, 2023	Regular Board Meeting
April 5, 2023	Special Board Meeting
May 24, 2023	Regular Board Meeting
July 14, 2023	Special Board Meeting
August 16, 2023	Regular Board Meeting
September 19, 2023	Special Board Meeting

A - Management Representations Letter, continued



December 5, 2023
December 22, 2023

Regular Board Meeting
Special Board Meeting

Minutes and contracts, continued

March 18, 2024
April 8, 2024
April 29, 2024
May 27, 2024
July 15, 2024
September 2, 2024
September 16, 2024
September 18, 2024
December 2, 2024
December 27, 2024
January 20, 2025
March 19, 2025
April 7, 2025
April 14, 2025
May 19, 2025
July 11, 2025
July 21, 2025
August 11, 2025

Regular Board Meeting
Special Board Meeting
Special Board Meeting
Regular Board Meeting
Special Board Meeting
Regular Board Meeting
Special Board Meeting
Special Board Meeting
Regular Board Meeting
Special Board Meeting
Regular Board Meeting
Special Board Meeting
Special Board Meeting
Special Board Meeting
Regular Board Meeting
Special Board Meeting
Special Board Meeting
Special Board Meeting
Special Board Meeting
Working Session Board Meeting

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

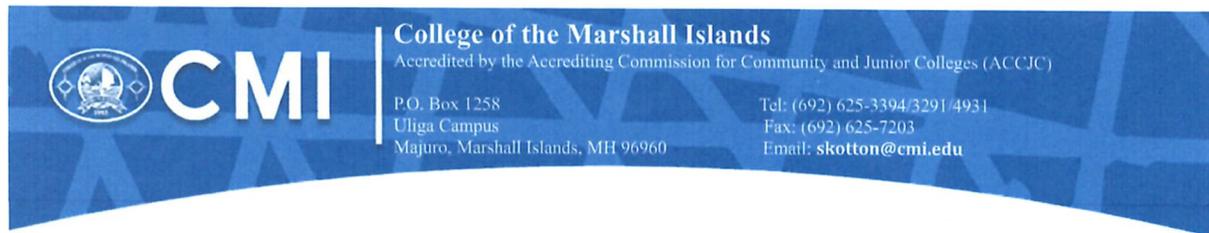
We also have made available to you all significant agreements and contracts, including amendments, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that have a material effect on the financial statements.

We also have made available to you all internal audit reports (or reports from similar functions) that were issued to management during the year that address internal control over financial reporting.

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.

A - Management Representations Letter, continued



Ownership and pledging of assets

The College 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 College has satisfactory title appear in the statement 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 related to the collection of those receivables.

Inventories

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

Adequate provision has been made for losses under firm purchase commitments for goods or inventory. There have been no reductions of the selling prices of finished goods subsequent to September 30, 2022 and none are contemplated.

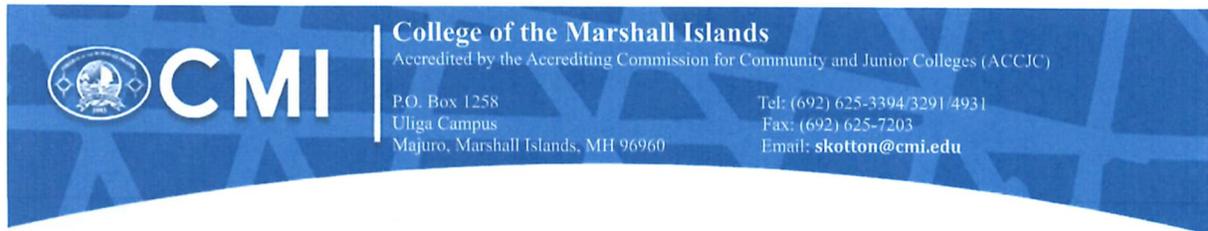
Fair value measurements

We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation techniques have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB Statement No. 72—as amended. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72—as amended.

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.

A - Management Representations Letter, continued



The substance of transactions with related parties as defined in GASB Statement No. 56—as amended, has been considered and appropriate adjustments or disclosures are made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

Side agreements and other arrangements

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Arrangements with financial institutions

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

Oral or written guarantees

There are no oral or written guarantees, including guarantees of the debt of others.

Purchase commitments

At September 30, 2022, the College had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2022 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

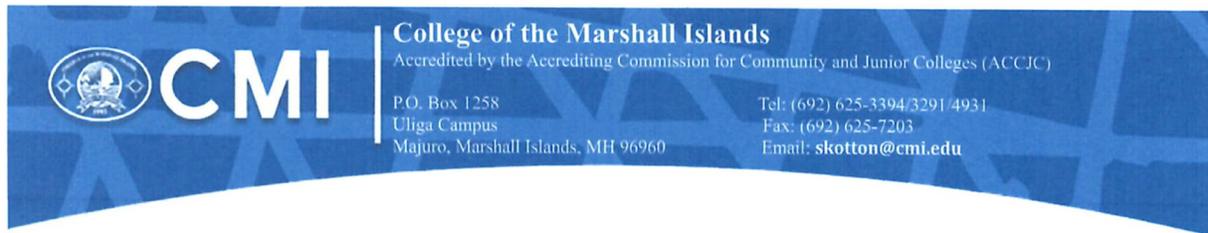
Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that the College'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 internal controls 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.

A - Management Representations Letter, continued



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

We have disclosed to you all significant facts relating to any frauds or suspected frauds, or allegations of fraud known to us that may have affected the College (regardless of the source or form and including, without limitation, allegations by “whistle-blowers”), whether involving management or employees who have significant roles in internal control.

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

Similarly, we have disclosed to you our knowledge of frauds or suspected frauds affecting the entity involving others where the fraud could have a material effect on the financial statements. We have also disclosed to you all information in relation to any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the financial statements.

Independence

We have communicated to you the names of the College’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, or individuals who serve in such capacity for the College.

We are not aware of any business relationship between the College and Ernst & Young LLP 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 LLP would not be independent for purposes of the College’s audit.

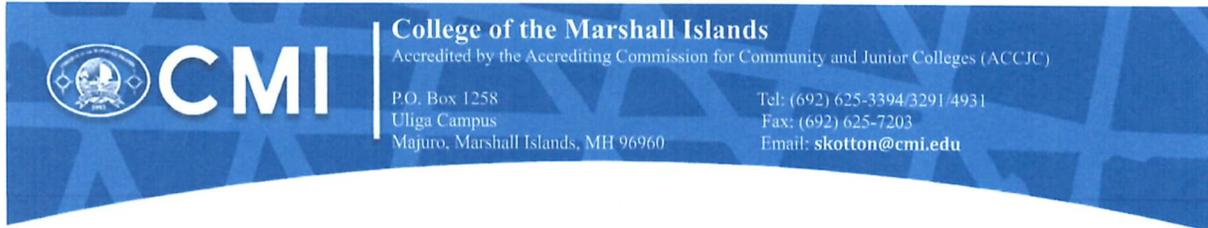
Conflicts of interest

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

Effects of new accounting principles

We have not completed the process of evaluating the effects that will result from adopting the following amendments to the codification provided in Governmental Accounting Standards Board (GASB), as discussed in Note 3. The College is therefore unable to disclose the effects

A - Management Representations Letter, continued



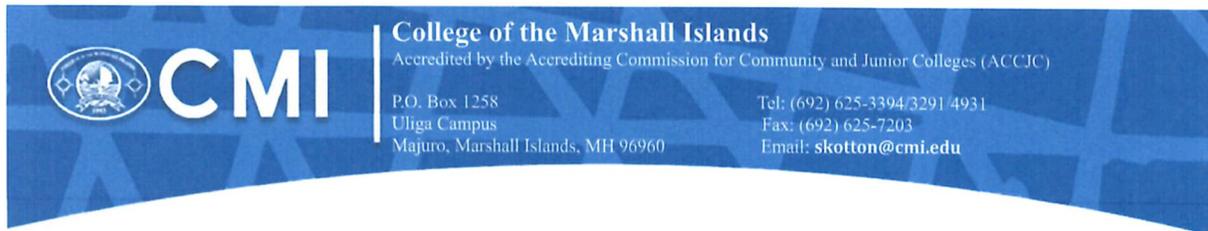
that adopting the following amendments in the GASB Statements will have on its financial position and the changes in its financial position when such amendments are adopted.

- GASB Statement No. 91
- GASB Statement No. 94
- GASB Statement No. 96
- GASB Statement No. 99
- GASB Statement No. 100
- GASB Statement No. 101
- GASB Statement No. 102
- GASB Statement No. 103
- GASB Statement No. 104

Other representations

- We have identified and disclosed to you all the 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 all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements where the noncompliance could have a direct and material effect on the basic financial statements.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.
- Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of revenues, expenses and changes in net position.
- Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.

A - Management Representations Letter, continued



Other matters

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

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

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

Other matters, continued

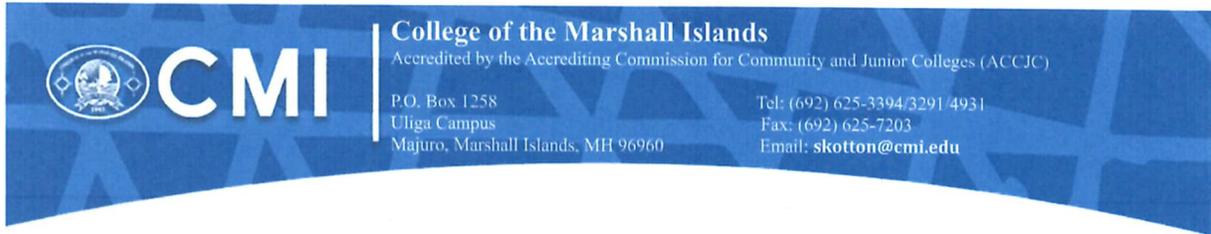
We acknowledge, that we have reviewed the draft financial statements for accuracy and completeness, and we take responsibility for them.

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 College's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and, where applicable, cash flows of the College. Please refer to Appendix C.

We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and were, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of the College and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

A - Management Representations Letter, continued



Very truly yours,

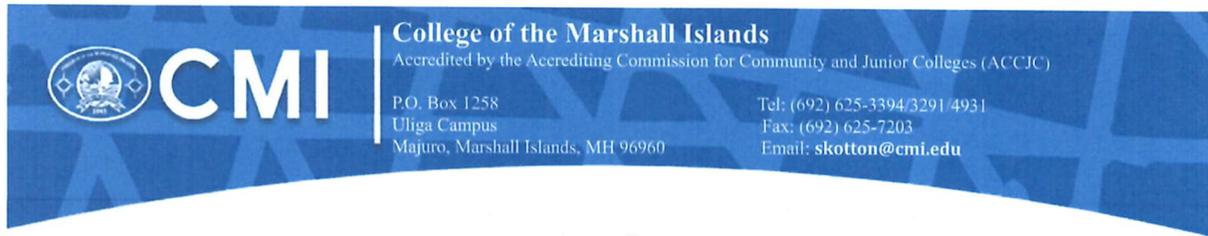
A handwritten signature in black ink, appearing to read 'Stevenson Kotton', written over a horizontal line.

Stevenson Kotton
Vice President of Business and Administrative Services

A handwritten signature in black ink, appearing to read 'Valyn Chong-gum', written over a horizontal line.

Valyn Chong-gum
Director of Financial Affairs and Business Services

A - Management Representations Letter, continued



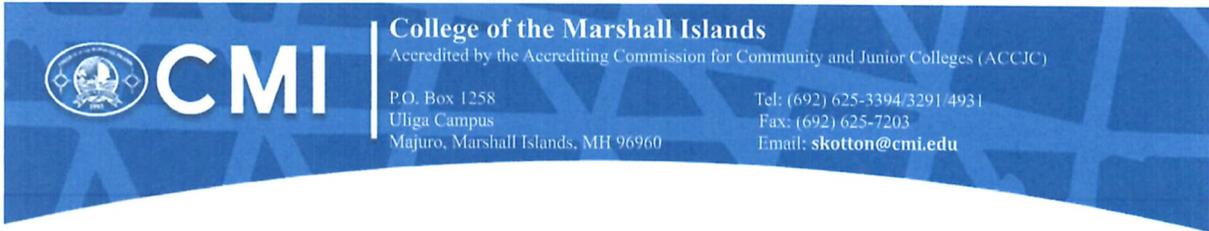
Appendices

A – Corrected Misstatements

B – Uncorrected Misstatements

C – Subsequent Events

A - Management Representations Letter, continued

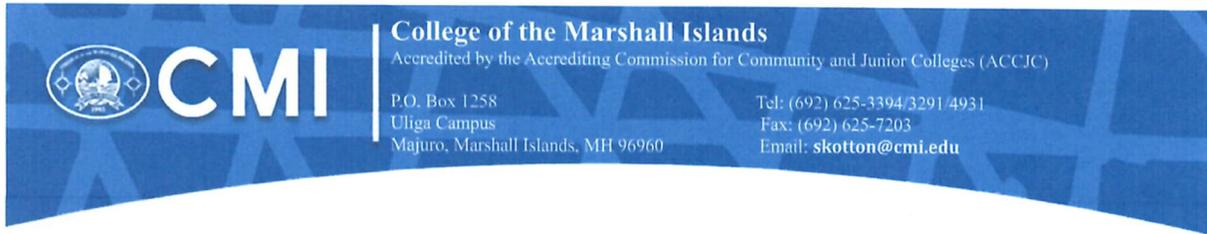


Appendix A

Communication schedule for corrected misstatements

Entity:		College of the Marshall Islands		Period ended:		30-Sep-2022		Currency:		USD	
No.	W/P ref.	Account	Analysis of misstatements Debit/Credit								
			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)	Debit(Credit)	Non taxable
AJE 01	TB 01 1	To reclassify recorded unclassified assets									
		3091 - Net Investment in Fixed Assets						372,309			
		1601 - Land and Land Improvements		(372,309)							
AJE 02	TB 01 1	To correct understatement of depreciation expense									
		5991 - Depreciation Expense								1,347,127	
		1612 - Accumulated Depreciation		(1,347,127)							
AJE 03	TB 01 1	To correct recording of transfer of funds									
		4800 - Other Revenues								150,000	
		2501 - Reserve for Contingency								(150,000)	
AJE 04	TB 01 1	To correct recording of transfer of funds									
		4800 - Other Revenues								200,000	
		2500 - Transfer Out - Maintenance Investment Fu								(200,000)	
AJE 05	TB 01 1	To reclassify F-221 amounts									
		4101 - FMI General Fund Subsidy								50,000	
		1351 - Due from FMI		(50,000)							
		4101 - FMI General Fund Subsidy								32,000	
		1351 - Due from FMI		(32,000)							
AJE 06	TB 01 1	To reclassify recorded building and improvements pertaining to FY2021									
		4700 - Operating Transfer In								82,426	
		1611 - Building & Improvement		(82,426)							
AJE 07	TB 01 1	To reclassify duplicate entries to Building and Improvements									
		4700 - Operating Transfer In								104,603	
		1611 - Building & Improvement		(104,603)							
AJE 08	TB 01 1	To reverse expenses related to the purchase of Vehicle to Capital Assets									
		5331 - Repair Vehicles/Equipment								(24,750)	
		4700 - Operating Transfer In								24,750	
		1611 - Vehicle/Boat		24,750							
		4700 - Operating Transfer In								(24,750)	
AJE 09	TB 01 1	To reverse expenses related to the renovation of Basketball Court to Capital Assets									
		6101 - Contractual Services								(146,251)	
		4700 - Operating Transfer In								146,251	
		1611 - Building & Improvement		146,251							
		4700 - Operating Transfer In								(146,251)	
AJE 10	TB 01 1	To reverse expenses related to the construction of 2 Bedroom House at CMI Arak Campus to Capital Assets									
		6101 - Contractual Services								(40,220)	
		4700 - Operating Transfer In								40,220	
		1611 - Building & Improvement		40,220							
		4700 - Operating Transfer In								(40,220)	
AJE 11	TB 01 1	To reverse expenses related to the purchase of conference tables to Capital Assets									
		6101 - Contractual Services								(66,357)	
		4700 - Operating Transfer In								66,357	
		1611 - Furniture & Equipment		66,357							
		4700 - Operating Transfer In								(66,357)	
AJE 12	TB 01 1	To correct beginning net position per books to agree to prior year audited ending net position									
		5261 - Others								24,628	
		3001 - Fund Balance - Unrestricted								(24,628)	
AJE 13	TB 01 1	To recognize deposits for capital asset acquisition									
		Deposits for capital asset acquisitions		1,321,491							
		2500 - Small Tools								(1,321,491)	
		4111 - Federal Grant								1,321,491	
		2211 - Due To/From Federal Programs								(1,321,491)	
AJE 14	TB 01 1	To reverse recorded invalid revenue									
		4800 - Other Revenues								645,544	
		2551 - Scholarship & Grants								(645,544)	
AJE 15	TB 01 1	To correct recording of asset disposal									
		1612 - Accumulated Depreciation			92,441						
		4700 - Operating Transfer In								18,601	
		5992 - Loss on Disposal of Fixed Assets								(110,942)	
Total of corrected misstatements before income tax			(63,600)	(735,976)	(1,321,491)	0	347,678	0	1,392,791		
Financial statement amounts			2,955,165	12,114,051	7,637,899	0	(11,849,075)		399,670		
Effect of corrected misstatements on F/S amounts			-0.9%	-2.7%	-17.3%	0.0%	2.9%		-2.9%		

A - Management Representations Letter, continued



Appendix C

Questions
1. Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements?
2. Have any other significant unusual transactions been entered into?
3. Have any significant changes occurred in trends in sales/revenues or costs that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for warranties or employee benefits or unearned income)?
4. Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?
5. Have any significant changes occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?
6. Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?
7. Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?
8. Have there been any changes in the entity's related parties?
9. Have any significant new related party transactions occurred?
10. Have any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements?
11. Are you aware of any fraud or suspected fraud affecting the College of the Marshall Islands involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the financial statements?
12. Are you aware of allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of the College of the Marshall Islands?
13. Are you aware of any close relationships, or business, employment or other relationships that could bear on EY's independence (e.g. business/financial relationships, litigation with EY, family relationships, employment, loans, cooperative arrangements, etc.)?
14. Any meetings held subsequent to the balance sheet date, for which minutes are not yet available? If yes, please provide minutes of the meeting. If no minutes are not yet available, please provide us a summary of matters discussed.
15. Are you aware whether conditions or events have occurred, that individually or collectively may raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?
16. Are you aware of any close relationships, or business, employment or other relationships that could bear on EY's independence (e.g. business/financial relationships, litigation with EY, family relationship, employment, loans, cooperative arrangements, etc.)?