

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

Marshall Islands Marine Resources Authority
(A Component Unit of the Republic of the Marshall Islands)

Year ended September 30, 2024



**Shape the future
with confidence**

December 30, 2025

Board of Directors
Marshall Islands Marine Resources Authority

We have performed an audit of the financial statements of the business-type activities of Marshall Islands Marine Resources Authority (MIMRA), a component unit of the Republic of the Marshall Islands, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise MIMRA's basic financial statements, 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 December 30, 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 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 MIMRA 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 October 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 and the required supplementary information are the responsibility of MIMRA'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 the evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the evaluation of the overall presentation of the financial statements.

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

Our audit strategy is consistent with the plan communicated during the October 2025 meeting.

Matters relevant to our evaluation of MIMRA'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 MIMRA's ability to continue as a going concern.

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

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

Management has not selected or changed any significant policies or changed the application of those policies in the current year. A discussion of significant accounting policies and sensitive accounting estimates have been included in Note 2 of the financial statements.

We are not aware of any significant accounting policies used by MIMRA 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 MIMRA's operations. These budgets include determining how existing financial resources will be used in MIMRA's operations.
- Evaluating whether there are indications that the carrying value of MIMRA's long-lived assets is impaired.
- Determining the adequacy of the allowance for doubtful accounts and inventory obsolescence.
- Determining the reasonableness of economic useful lives assigned to depreciable assets.

Related party relationships and transactions

A discussion of related party relationships and transactions is included in Note 11 of the financial statements. We noted no significant matters regarding MIMRA's relationships and transactions with related parties.

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

We are not aware of any matters that require communication.

Significant unusual transactions

We are not aware of any significant unusual transactions executed by MIMRA.

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

None.

Material corrected misstatements related to accounts and disclosures

Refer to "Management Representations Letter" in Appendix A.

Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial

Refer to the "Management Representations Letter" in Appendix A.

Significant deficiencies and material weaknesses in internal control over financial reporting

No material weaknesses have been identified. We have identified certain deficiencies in the internal control during the course of our audit which have been included in our separately issued management letter dated December 30, 2025.

Fraud and noncompliance with laws and regulations (illegal acts)

No matters of noncompliance with laws and regulations have been identified.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the October 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

Management is still assessing the impact of adopting the following GASB Statements:

- 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 material disagreements with MIMRA's management on financial accounting and reporting matters during 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, 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

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers.

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

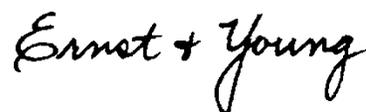
Under *Government Auditing Standards* 2018 Revisions, Chapter 3 General Standards, Paragraph 3.73 Requirements for Performing Non-audit Services explains that the audit team should make consideration of management's ability to effectively oversee the non-audit (or non-attest) services to be performed. The engagement team should determine that the audited entity has designated an individual(s) who possesses suitable skill, knowledge or experience and that the individuals understand the services to be performed sufficiently to oversee them. The engagement team should document consideration of management's ability to oversee non-audit services to be performed.

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

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

A - Management Representations Letter



REPUBLIC OF THE MARSHALL ISLANDS
MARSHALL ISLANDS MARINE RESOURCES AUTHORITY
P.O. Box 860, Majuro, Marshall Islands, MH 96960

December 30, 2025

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

In connection with your audits of the basic financial statements of the business-type activities of Marshall Islands Marine Resources Authority (MIMRA), a component unit of the Republic of the Marshall Islands, as of September 30, 2024 and 2023 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 MIMRA 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 July 14, 2025, 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 periods.

In preparing the basic financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MIMRA's ability to continue as a going concern for one year after the basic financial statement date.

A - Management Representations Letter, continued

Management's responsibilities, continued

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:

- 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 Company 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 basic financial statements.

From October 1, 2023, 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 MIMRA'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.

A - Management Representations Letter, continued

Governmental entities, continued

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.

Uncorrected misstatements

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

Corrected misstatements

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements. Refer to the "Schedule of Corrected Misstatements" in Appendix B.

Internal control

We are not aware of any significant deficiencies or 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, 2024.

A - Management Representations Letter, continued

Minutes and contracts

The dates of meetings of the Board of Directors from October 1, 2023, to the date of this letter are as follows:

Regular Board Meetings

- October 6, 2023
- December 19, 2023
- March 12, 2024
- April 24, 2024
- September 4, 2024
- September 13, 2024
- January 24, 2025
- March 24, 2025
- March 31, 2025
- August 1, 2025
- August 11, 2025

Pacific Island Tuna Provisions (PITP) Board Meeting

- December 19, 2023

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), MIMRA has satisfactory title to all assets appearing in the statements of net position. No security agreements have been carried out 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 MIMRA has satisfactory title appear in the statements of net position.

A - Management Representations Letter, continued

Receivables and revenues

Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62 - as amended.

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

Leases

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

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

Investments

The equity method is used to account for the MIMRA investment in the common stock of Marshall Islands Fishing Company, Ltd. (KFC), because MIMRA has the ability to exercise significant influence over the investee's operating and financial policies. The parties agreed that the joint venture will be operated by KFC and MIMRA will not be liable to the joint venture.

The investment in common stock of Marshall Islands National Telecommunications Authority (MINTA) is recorded at Net Asset Value, net of allowance for impairment, since MIMRA does not exercise significant influence over the operating and financial policies of the investee.

Prepayments

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 (asset groups) to be held and used, including intangible assets that are subject to amortization, may not be recoverable

A - Management Representations Letter, continued

Related party relationships and transactions

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

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

Side agreements and other arrangements

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

Arrangements with financial institutions

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

Events of default under debt agreements

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

Contingent liabilities

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

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

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.

A - Management Representations Letter, continued

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, 2024, MIMRA 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, 2024 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 Company'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.

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

Independence

We have communicated to you the names of MIMRA's affiliates, officers and directors, or individuals who serve in such capacity for the Judiciary.

We are not aware of any business relationship between MIMRA and Ernst & Young LLP or any other member firm of the global Ernst & Young organization.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of the MIMRA's audit.

A - Management Representations Letter, continued

Conflicts of interest

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

Effects of new accounting principles

As discussed in Note 2, we have not completed the process of evaluating the effects that will result from adopting the amendments to the codification provided in Governmental Accounting Standards Board (GASB):

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

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

Required supplementary information

We acknowledge our responsibility for the required supplementary information on management’s discussion and analysis, which has been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement.

There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

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

World Bank

In 2014, the World Bank approved funding to support the Pacific Islands Regional Oceanscape Program (PROP), a regional program of operations to strengthen the management of fisheries in the Pacific Islands. Various components and activities of the PROP are to be financed by the International Development Association (IDA) and the Global Environment Facility (GEF) Program. In 2015, MIMRA entered into a subsidiary agreement with RepMar for the purposes of executing the objectives of the PROP.

A - Management Representations Letter, continued

World Bank, continued

During the years ended September 30, 2024 and 2023, MIMRA incurred expenses of \$716,555 and \$1,264,666, respectively, under a World Bank grant from IDA (Grant ID E165-MH) to strengthen regional collaboration and national capacity for the management and the sustainable development of the oceanic and coastal fisheries sector in Republic of the Marshall Islands.

In 2024 and 2023, MIMRA received \$800,000 and \$2,378,850, respectively, from the World Bank in the form of additional financial support from IDA (Grant ID E165-MH). A summary of the grant activities are as follows:

	<u>2024</u>	<u>2023</u>
IDA Grant ID E165-MH:		
Balance at beginning of the year	\$1,114,184	\$ ---
Grant funds received during the year	800,000	2,378,850
Grant expenses incurred during the year	(716,555)	(1,264,666)
Balance at end of the year	<u>\$1,197,629</u>	<u>\$1,114,184</u>

Management is of the opinion that the proceeds from the IDA grants have been expended in accordance with intended purposes specified in the respective grant agreements.

The Nature Conservancy

In 2019, MIMRA received a grant from The Nature Conservancy (TNC) to fund the implementation of the 2019 Joint-Conservancy-Grantee Workplan in order to support the shared objectives of exploring options to diversify and increase RMI's earnings from tuna resources, eliminating illegal, unreported, and unregulated fishing, marine spatial planning and assisting in the implementation of RMI National Oceans Policy. The grant closing date was originally February 21, 2021; however, due to cessation in the implementation of program objectives because of the COVID-19 pandemic, the grant remains open with the grant extension being currently negotiated between MIMRA and TNC.

A summary of the grant activities are as follows:

	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$36,838	\$96,422
Grant expenses incurred during the year	(22,028)	(59,584)
Balance at end of the year	<u>\$14,810</u>	<u>\$36,838</u>

Management is of the opinion that proceeds from this grant have been expended in accordance with the intended purposes as specified in the grant agreement.

A - Management Representations Letter, continued

Chinese Taipei Trust Fund

In 2017, MIMRA received joint assistance from Pacific Community and Forum Fisheries Agency to improve data collection by the Observers and management. The purpose of the assistance is to build technical capacity at MIMRA for the efficiency of the National Observer Program. In 2024, MIMRA received \$89,200 from the Chinese Taipei Trust Fund to fund the operations of the project.

A summary of the grant activities are as follows:

	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$(24,025)	\$ 1,259
Grant funds received during the year	89,200	---
Grant expenses incurred during the year	<u>(85,869)</u>	<u>(25,284)</u>
Balance at end of the year	<u>\$(20,694)</u>	<u>\$(24,025)</u>

Management is of the opinion that proceeds from this grant have been expended in accordance with the intended purposes as specified in the grant agreement.

Protected Area Network

In 2021, MIMRA received a \$230,776 grant from the Micronesian Conservation Trust for the purpose of funding Protected Area Network activities in the Marshall Islands.

A summary of the grant activities are as follows:

	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$165,237	\$211,102
Grant expenses incurred during the year	<u>(121,888)</u>	<u>(45,865)</u>
Balance at end of the year	<u>\$ 43,349</u>	<u>\$165,237</u>

Management is of the opinion that proceeds from this grant have been expended in accordance with the intended purposes as specified in the grant agreement.

Food and Agriculture Organization of the United Nations

MIMRA is the recipient of grants from the Food and Agriculture Organization of the United Nations (FAO) to support coastal and small-scale tuna fishers, as well as post-harvest activities and alternative preservation methods for processing and storing catches.

A - Management Representations Letter, continued

Food and Agriculture Organization of the United Nations, continued

A summary of the grant activities are as follows:

	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$57,078	\$43,785
Grant funds received during the year	36,875	46,982
Grant expenses incurred during the year	<u>(71,379)</u>	<u>(33,689)</u>
Balance at end of the year	<u>\$22,574</u>	<u>\$57,078</u>

Management is of the opinion that proceeds from this grant have been expended in accordance with the intended purposes as specified in the grant agreement.

Other representations

We have identified and disclosed to you all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

We have identified and disclosed to you violations (and possible violations) of laws, regulations and provisions of contracts and grant agreements with effects that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.

Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

Revenues are appropriately classified in the statement of revenues, expenses and change in net position.

Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.

Provisions for uncollectible receivables have been properly identified and recorded.

A - Management Representations Letter, continued

Other representations, continued

Capital assets, including infrastructure, are properly capitalized, reported and, if applicable, depreciated.

Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position was properly recognized under the policy.

We are following either our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.

Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

We have properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.

Financial statements approval

We have received a draft copy of the financial statements of MIMRA as of and for the year ended September 30, 2024 and 2023. The accuracy and completeness of the financial statements, including footnote disclosures, are the responsibility of the management of MIMRA.

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

- Our underlying books and records are maintained by our Finance Department and that the final trial balance prepared by us is complete;
- 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.

A - Management Representations Letter, continued

Subsequent events

Subsequent to September 30, 2024, 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 MIMRA' 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 MIMRA. Refer to the "Subsequent Events Questionnaire" in Appendix C.

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 an opinion on the basic financial statement of MIMRA 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,



Glen Joseph, Executive Director



Marjorie Maglatang, Chief of Finance

A - Management Representations Letter, continued

Communication schedule for uncorrected misstatements

Entity: Marshall Islands Marine Resources Authority

Period Ended: 30-Sep-2024

Currency: US Dollar

Uncorrected misstatements		Analysis of misstatements Debit/(Credit)										Income statement effect of the prior period	
No.	WIP ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Assets	Assets	Liabilities	Liabilities	Equity	Effect on the	Income statement effect of the		Income statement effect of		
			Current	Non-current	Current	Non-current	components	current period OCI	current period		the prior period		
			Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:													
H-SAD-01	H.02.1/	To record difference in investment in MIFCO											
		INVESTMENT IN JOINT VENTURE (MIFCO)		267,179									
		RETAINED EARNINGS					(267,179)						
H-SAD-02	H.02.2/	To record share in loss in PITP joint venture for FY23											
		RETAINED EARNINGS						175,921				175,921	X
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)					(175,921)						
H-SAD-03	H.02.2/	To record share in loss in PITP joint venture for FY22											
		RETAINED EARNINGS						100,895				100,895	X
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)					(100,895)						
H-SAD-04	H.02.2/	To record share in income in PITP joint venture for FY24											
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)						115,715					
		INCOME(LOSS) FROM EQUITY SHARE								(115,715)	X		
CAJE-24-11	LRE, LRO WP/	To record additional amortization of additional RTU lease asset over remaining lease term - Jittak En Weto											
		Amortization Expense										8,098	X
		Accumulated Amortization					(8,098)						
CAJE-24-12	LRE, LRO WP/	To recognize lease payments made in FY2024 - Jittak En Weto											
		Lease Liability											
		LEASE					16,991			(16,991)	X		
CAJE-24-13	LRE, LRO WP/	To recognize lease asset and liability - Jittak En Weto											
		Right-To-Use Lease Asset										121,473	
		Lease Liability					(121,473)						

A - Management Representations Letter, continued

Communication schedule for uncorrected misstatements

Entity: Marshall Islands Marine Resources Authority Period Ended: 30-Sep-2024 Currency: US Dollar

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)							Income statement effect of the current period		Income statement effect of the prior period	
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		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)	Debit/(Credit)	Debit/(Credit)	Non taxable	
LRE-SAD-01	LRE, LRO WP/	To reclassify from current to noncurrent lease liability - Jitak En Welo											
		Lease Liability			101,597								
		Lease Liability-non-current				(101,597)							
Total of uncorrected misstatements before income tax			0	380,555	(2,886)	(262,698)	9,637	0	(124,608)			276,816	
Total of uncorrected misstatements			0	380,555	(2,886)	(262,698)	9,637	0	(124,608)			276,816	
Financial statement amounts			23,754,361	10,505,275	(745,786)	(174,208)	(33,339,642)		5,876,625			1,565,274	
Effect of uncorrected misstatements on F/S amounts			0.0%	3.6%	0.4%	150.8%	0.0%		-2.1%			17.7%	
Memo: Total of non-taxable items (marked 'X' above)									(124,608)			276,816	
Uncorrected misstatements before income tax									-2.1%	(124,608)		276,816	
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									-2.1%	(124,608)		276,816	
Turnaround effect of prior period uncorrected misstatements													
All factual and projected misstatements:										(276,816)		(276,816)	
Judgmental misstatements (Note 3):										0		0	
Cumulative effect of uncorrected misstatements, after turnaround effect									-6.8%	(401,424)			
Current year income before tax										5,876,625			
Current year income after tax										5,876,625			

Concurrence:
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.


Glen Joseph
Managing Director


Marjorie Maglatang
Chief of Finance

A - Management Representations Letter, continued

Communication schedule for corrected misstatements

Entity: Marshall Islands Marine Resources Authority

Period ended: 30-Sep-2024

Currency: US Dollar

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/	To adjust allowance balance for no existing receivable balance and those receivables subsequently collected									
		ALLOWANCE FOR DOUBTFUL DEBTS	83,169								
		Bad Debts Expense							(83,169)		X
2	E.01/	To reclass due from WB									
		DUE FROM WB-Proper	496								
		ACCOUNTS RECEIVABLE-OTHERS	(496)								
3	E.01/	To reclassify from trade AR to receivables from affiliates									
		ADVANCES TO AFFILIATES	1,061,175								
		ACCOUNTS RECEIVABLE-TRADE	(1,061,175)								
4	H.02.1/	To record difference in equity share of earnings/loss in MIFCO for FY24									
		INVESTMENT IN JOINT VENTURE (MIFCO)		770,607							
		INCOME(LOSS) FROM EQUITY SHARE							(770,607)		X
5	JE.02/	To rollforward opening retained earnings to audited balances									
		RETAINED EARNINGS					205,287				
		REVENUE FROM U.S. TREATY SHARE							(205,287)		X
6	LRE, LRO/	To reclass noncurrent lease receivables									
		Lease receivable-noncurrent		100,234							
		Lease receivable	(100,234)								
7	LRE, LRO/	To reclassify from current to noncurrent lease liability									
		Lease Liability			78,395						

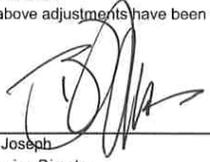
A - Management Representations Letter, continued

Communication schedule for corrected misstatements

Entity: Marshall Islands Marine Resources Authority Period ended: 30-Sep-2024 Currency: US Dollar

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
		Lease Liability-non-current				(78,395)				
8	K.02.3/	To reclassify from AP-others to contract payable								
		ACCOUNTS PAYABLE-Others			95,305					
		CONTRACT PAYABLE			(95,305)					
Total of corrected misstatements before income tax			(17,065)	870,841	78,395	(78,395)	205,287	0	(1,059,063)	
Financial statement amounts			23,754,361	10,505,275	(745,786)	(174,208)	(33,339,642)		5,876,625	
Effect of corrected misstatements on F/S amounts			-0.1%	8.3%	-10.5%	45.0%	-0.6%		-18.0%	

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



Glen Joseph
Managing Director

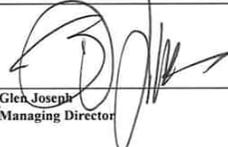


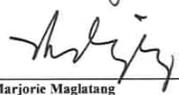
Marjorie Maglatang
Chief of Finance

A - Management Representations Letter, continued

Marshall Islands Marine Resources Authority
Subsequent Events Questionnaire
Coverage: For the period from October 1, 2024 to Audit Report Date

Question	Response Yes or No	If yes, please provide additional
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?	NO	
2 Have there been any new significant contingent liabilities or commitments that arisen, except as disclosed in the financial statements?	NO	
3 Have there been any significant changes that occurred in trends of revenue or expense that could affect accounting estimates (e.g. valuation of receivables, PPE impairment)?	NO	
4 Have there been any significant changes that 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?	NO	
5 Have there been any significant changes that occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	NO	
6 Were there any significant, unusual or nonrecurring adjustments that have been recorded (or are necessary).	NO	
7 Were there any communications, written or oral, that occurred with the SEC or other regulatory agencies (e.g Revenue and Tax) with which the entity files financial statements?	NO	
8 Have there been any changes in the entity's related parties?	NO	
9 Have any significant new related party transactions occurred?	NO	
10 Were there any other events that 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 reviewed financial statements (this includes appropriate inquiries regarding subsequent events of material investees accounted for by the equity method)?	NO	
11 Are you aware of any fraud or suspected fraud affecting the MI Marine Resources Authority 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?	NO	
12 Are you aware of any 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 MI Marine Resources Authority .	NO	
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 relationship, employment, loans, cooperative arrangements, etc.)?	NO	
14 Are you aware of any cash receipt records for significant or unusually large amounts that may pertain to proceeds of loans, significant sales of productive assets or other unusual items?	NO	
15 Are you aware of any cash disbursement records for that may pertain to unusual payments, payments of liabilities not recorded as of the balance sheet date or other unusual items?	NO	
16 Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales returns and allowances?	NO	
17 Are you aware of any journal entries that would have a material effect on the financial statements as of the balance sheet date?	NO	


Glen Joseph
Managing Director


Marjorie Maglatang
Chief of Finance