

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

**Marshall Islands Shipping Corporation**  
(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.  
P.O. Box 1288  
Majuro, Republic of the Marshall  
Islands 96960

Tel: 692 625 7387  
ey.com

December 4, 2025

To the Board of Directors of  
Marshall Islands Shipping Corporation

We have performed an audit of the financial statements of the business-type activities of Marshall Islands Shipping Corporation (MISC) 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 December 4, 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 MISC 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 November 12, 2024. 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 required supplementary information are the responsibility of MISC'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 from 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 February 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 MISC'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. 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 MISC 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 MISC's operations. These budgets include determining how existing financial resources will be used in MISC's operations.
- Evaluating whether there are indications that the carrying value of MISC'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 5 of the financial statements. We noted no significant matters regarding MISC'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 MISC.

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

None.

**Material corrected misstatements related to accounts and disclosures**

Refer to "Management Representations Letter" in Appendix A.

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

Refer to "Management Representations Letter" in Appendix A.

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

We have issued 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 December 4, 2025. In that report, we identified certain deficiencies in internal control that we consider to be material weaknesses.

**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 February 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. 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 material disagreements with MISC'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.

**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.

### **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 MISC 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.

### **Engagement team's involvement with preparation of the financial statements**

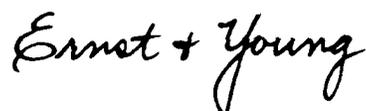
Under *Government Auditing Standards* 2018 Revisions, Chapter 3 General Standards, Paragraph 3.73 Requirements for Performing Non-audit Services explains that the audit team should make consideration of management's ability to effectively oversee the non-audit (or non-attest) services to be performed. 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 MISC.
- The preparation of the financial statements is based on MISC's trial balance with our understanding that MISC's underlying books and records are maintained by MISC's accounting department and that the final trial balance prepared by MISC is complete.
- MISC's Finance Manager 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 Directors, management of MISC, 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.

The Board of Directors  
Marshall Islands Shipping Corporation

December 4, 2025

## Appendix

A - Management Representations Letter

A - Management Representations Letter



## Marshall Islands Shipping Corporation

P.O. Box 1198 • Majuro, Republic of the Marshall Islands 96960

Phone: (692) 625-7447/7448 • Fax: (692) 625-5007 • Cell: (692) 455-5199

Email: [rmiships@gmail.com](mailto:rmiships@gmail.com) • Website: [www.rmiship.info.com](http://www.rmiship.info.com)

December 04, 2025

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

In connection with your audit of the financial statements of the business-type activities of Marshall Islands Shipping Corporation. (MISC) as of September 30, 2023, 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, results of operations and cash flows of MISC 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 November 12, 2024, for the preparation and fair presentation of the financial statements 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 MISC's ability to continue as a going concern for one year after the date that the financial statements are issued, and to provide appropriate financial statement disclosure, when applicable, related to going concern and using the going concern basis of accounting.

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.

A - Management Representations Letter, continued

*Management's responsibilities, continued*

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 and additional details that 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 MISC 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 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, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

We recognize that we are responsible for MISC'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.

A – Management Representations Letter, continued

***Management’s responsibilities, continued***

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 MISC’s books.

***Uncorrected misstatements***

We believe that the effect of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the audit, presented are immaterial, both individually and in the aggregate, to the financial statements as a whole. Please refer to (Appendix B)

***Internal control***

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>
October 14, 2022	Special Board Meeting
October 20, 2022	Regular Board Meeting
December 14, 2022	Regular Board Meeting
February 23, 2023	Special Board Meeting
April 6, 2023	Regular Board Meeting
June 06, 2023	Special Board Meeting
July 06, 2023	Regular Board Meeting
July 20, 2023	Special Board Meeting
October 05, 2023	Regular Board Meeting
November 06, 2023	Special Board Meeting

A – Management Representations Letter, continued

*Minutes and contracts, continued*

<b>Date of Meeting</b>	<b>Meeting Type</b>
February 06, 2024	Regular Board Meeting
February 22, 2024	Special Board Meeting
March 06, 2024	Special Board Meeting
April 05, 2024	Regular Board Meeting
April 29, 2024	Special Board Meeting
May 02, 2024	Special Board Meeting
June 05, 2024	Regular Board Meeting
June 19, 2024	Special Board Meeting
July 15, 2024	Special Board Meeting
August 06, 2024	Regular Board Meeting
October 04, 2024	Regular Board Meeting
December 13, 2024	Regular Board Meeting
February 05, 2025	Regular Board Meeting
February 14, 2025	Special Board Meeting
May 06, 2025	Regular Board Meeting
May 23, 2025	Special Board Meeting
June 09, 2025	Special Board Meeting
July 07, 2025	Regular Board Meeting

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

We also have made available to you all significant contracts, including amendments and agreements, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

***Methods, significant assumptions, and data used in making accounting estimates.***

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

***Ownership and pledging of assets.***

Except for right-to-use another entity's nonfinancial asset (the underlying asset), MISC 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 MISC has satisfactory title appear in the statement of net position.

A – Management Representations Letter, continued

***Receivables and revenues***

Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the statement of net position date, goods shipped on consignment, or other types of arrangements not constituting sales. Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62 - as amended.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of net position date in respect of sales and services rendered prior to that date and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

***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.

***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.

A – Management Representations Letter, continued

***Arrangements with financial institutions***

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

***Contingent liabilities***

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

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

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62 - as amended, nor are 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, MISC 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 on September 30, 2023 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

A – Management Representations Letter, continued

***Non-compliance with laws and regulations, including fraud.***

We acknowledge that we are responsible to determine that MISC'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 MISC'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 MISC.

***Independence***

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

We are not aware of any capital lease, material cooperative arrangement or other business relationship between MISC and Ernst & Young (RMI), Inc. or any other member firm of the global Ernst & Young organization.

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

***Conflicts of interest***

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

A – Management Representations Letter, continued

***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. 99
- GASB Statement No. 100
- GASB Statement No. 101
- GASB Statement No. 102
- GASB Statement No. 103
- GASB Statement No. 104

MISC 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 entity's ability to continue as a going concern for twelve months after the date that the financial statements are issued (or available to be issued, if applicable), and provide appropriate financial statement disclosure, as necessary under GASB requirements.

***Required supplementary information.***

We acknowledge our responsibility for the required supplementary information on management's discussion and analysis, which have been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement. There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

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

***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 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.

A – Management Representations Letter, continued

*Other representations, continued*

- Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- Expenses have been appropriately classified in or allocated to functions in the statement of revenues, expenses and change in net position, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of revenues, expenses and change in net position.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
- Risk disclosures associated with deposits and investment securities and derivatives transactions are presented in accordance with GASB requirements.
- 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.

*Other matters*

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

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

A – Management Representations Letter, continued

*Other matters, continued*

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

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

*Subsequent events*

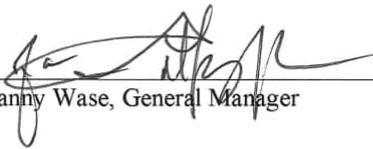
Subsequent to September 30, 2023, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to MISC's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and cash flows of MISC.

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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 MISC and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

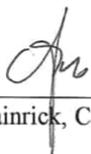
A – Management Representations Letter, continued

Very truly yours,



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Danny Wase, General Manager



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Cathleen Hainrick, Chief Accountant

A – Management Representations Letter, continued

Appendices

- A – Schedule of Corrected Misstatements
- B – Schedule of Uncorrected Misstatements
- C – Subsequent Events Questionnaire

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements											
Entity:		Marshall Island Shipping Corporation		Period ended:			30-Sep-2023		Currency:		USD
Corrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	WP ref.	Account <small>(misstatements are recorded as journal entries with a description)</small>	Assets	Assets	Liabilities	Liabilities	Equity	Effect on the	Income statement		
			Current	Non-current	Current	Non-current	components	current period OCI	Debit/(Credit)	Debit/(Credit)	Non taxable
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)		
RJE 4	Ref	To reclassify the balance from Accounts Receivable to Due from Affiliates									
	E	AR due from Affiliates GL 1220	306,882								
	E	Accounts Receivable GL 2000	(306,882)								
RJE 5	Ref	To reclassify the balance from Accounts Receivable to Advance to Employees									
	E	Advance to Employees GL 3000	360,585								
	E	Accounts Receivable GL 2000	(360,585)								
RJE 6	Ref	To reclassify the balance from Accounts Payable to Payable to Affiliates									
	N	Accounts Payable GL 8000			162,435						
	N	Payable to Affiliates			(162,435)						
AJE 1	Ref	To correct the prepaid drydocking classification into current and non-current portion									
	G	Prepaid Drydocking Non-current GL 4012		9,538							
	G	Prepaid Drydocking Current GL 4011	(9,538)								
AJE 2	Ref	To correct the MISSA Social Security Payable balance which was overstated in books of MISC									
	N	Social Security Payable GL 7043			4,768						
	VD	Personnel Benefits Expense GL 10049.2								(4,768)	
AJE 3	Ref	To correct the RMI Taxes Withheld which are payable to Ministry of Finance as at year end									
	VD	Personnel Benefits Expense GL 10049.2								49,549	
	N	MISSA Basic Health Payable GL 7044			(49,549)						
AJE 4	Ref	To correct the RMI Taxes Withheld which are payable to Ministry of Finance as at year end									
	VD	Miscellaneous tax GL 10026.1								39,397	
	N	RMI Taxes Withheld GL 7042			(39,397)						
<b>Total of corrected misstatements before income tax</b>			(9,538)	9,538	(84,180)	0	0	0	0	84,180	
<b>Financial statement amounts</b>			603,470	8,029,488	(927,555)	0	(8,000,274)			294,871	
<b>Effect of corrected misstatements on F/S amounts</b>			-1.6%	0.1%	9.1%	0.0%	0.0%			28.5%	

A – Management Representations Letter, continued

Appendix B – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity:		Marshall Island Shipping Corporation		Period Ended:		30-Sep-2023		Currency:		USD					
No.	WIP 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		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)	Debit/(Credit)	Debit/(Credit)	Non-taxable	Prior period Debit/(Credit)	Non-taxable	
<b>Actual misstatements:</b>															
Ref		To record differential balance of Receivable from Tobolar as of 30 September 2023													
E		Due from Affiliates GL 1220	22,641												
UA		Copra Freight Revenue GL 9080											(22,641)		
Ref		Lease and Right-to-use asset as on 30 September 2023													
LRE		Right-to use asset		87,541											
LRE		Lease Liability			(35,488)	(52,053)									
<b>Total of uncorrected misstatements before income tax</b>			22,641	87,541	(35,488)	(52,053)	0	0	0	0	0	0	0	0	0
<b>Total of uncorrected misstatements</b>			22,641	87,541	(35,488)	(52,053)	0	0	0	0	0	0	(22,641)	0	0
<b>Financial statement amounts</b>			603,470	9,029,488	(827,656)	0	(8,900,274)					294,871		612,664	
<b>Effect of uncorrected misstatements on FIS amounts</b>			3.8%	1.1%	3.8%	0.0%	0.0%					-7.7%		0.0%	
<b>Memo: Total of non-taxable items (marked 'X' above)</b>											0		0		0
<b>Uncorrected misstatements before income tax</b>									0.0%	(22,641)		0		0	0
<b>Less: Tax effect of misstatements at current year marginal rate</b>										0		0		0	0
<b>Uncorrected misstatements in income tax</b>										0		0		0	0
<b>Cumulative effect of uncorrected misstatements after tax but before turnaround</b>										-7.7%	(22,641)		0		0
<b>Turnaround effect of prior period uncorrected misstatements</b>															
<b>All factual and projected misstatements:</b>															
<b>Judgmental misstatements (Note 3):</b>															
<b>Cumulative effect of uncorrected misstatements, after turnaround effect</b>										-7.7%	(22,641)		0		0
<b>Current year income before tax</b>															
<b>Current year income after tax</b>													294,871		

A – Management Representations Letter, continued

Marshall Islands Shipping Corporation  
Subsequent Events Questionnaire  
Coverage: For the period from October 1, 2023 to December 04, 2023

Question	Response Yes or No	If yes, please provide additional information
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 any significant contingent liabilities or commitments arisen, except as disclosed in the financial statements?	No	
3. Have any significant changes that occurred in trends of revenue or expense that could affect accounting estimates (e.g. valuation of receivables or inventories, reduction of deferred charges, provision for warranties, or employee benefits or unusual income)?	NO	
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?	NO	
5. Have 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. Have any significant, unusual or nonrecurring adjustments that have been recorded (or are necessary)?	No	
7. Have 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 related parties?		
9. Have any significant related party transactions occurred?	NO	
10. Have 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 events accounted for by the equity method)?	NO	
11. In connection with the preceding inquiries, if any, provide any significant new contracts or agreements (including amendments) and written communications with the SEC or other regulatory agencies (if applicable) with which the entity files financial statements, that could have an effect on the audited financial statements. List below or in a separate attachment the documents read.	NONE	
12. 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 yet available, please provide us a summary of matters discussed.	NO	
13. Are you aware of any fraud or suspected fraud affecting Marshall Islands Shipping Corporation 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 audited financial statements?	NO	
14. Are you aware of any allegations of financial irregularities, 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 Marshall Islands Shipping Corporation.	NO	
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?	NO	
16. Are there any changes in the methods used to prepare the required supplementary and supplementary and other information compared to prior year?	NO	
17. 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	
18. Are you aware of any cash receipts records for significant or unusually large amounts that may pertain to proceeds of loans, significant sales of productive assets or other unusual items?	NO	
19. Are you aware of any cash disbursement records for that may pertain to unusual payments, payments of liabilities not recorded as of balance sheet date or other unusual items?	NO	
20. Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales and returns allowances?	NO	
21. Are you aware of any journal entries that would have a material effect on the financial statements as of the balance sheet date?	NO	

  
Robin Kins  
Deputy General Manager