

*Independent Auditor's Report on Compliance with Aspects
of Contractual Agreements and Regulatory Requirements*

**Marshall Islands National Telecommunications
Authority**

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

*Year ended September 30, 2024
with Report of Independent Auditors*



**Shape the future
with confidence**

Report of Independent Auditors

Board of Directors
Marshall Islands National Telecommunications Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Marshall Islands National Telecommunications Authority (MINTA), which comprise the statement of net position as of September 30, 2024, and the related statements of revenue, expenses, and changes in net position, and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 10, 2026. In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2026, on our consideration of MINTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, we noted that MINTA failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the Rural Utilities Service (RUS) policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below:

Finding No.1

Criteria: Section 5.12, *TIER Requirement*, of the RUS Loan Agreements stipulates that MINTA shall maintain a TIER rate of 1.5 from December 31, 2012 until the maturity of the loans.

Condition: For the year ended September 30, 2024, MINTA achieved a -0.61 average TIER ratio.

Auditee Response: MINTA's management is in the process of reviewing the price of services and will be implementing cost-cutting strategies. The negative TIER ratio was expected as the outer island project was affected by several factors outside of MINTA's control, including onerous contracts and high cost of maintaining outer island infrastructure.

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This report is intended solely for the information and use of the Board of Directors and management of MINTA, the Rural Utilities Service, 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.

Ernst + Young

April 10, 2026