

*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, 2025



June 22, 2026

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, 2025, 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 June 22, 2026.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

REQUIRED COMMUNICATIONS

Professional standards require the auditor to provide the Board of Directors (the Board) with additional information regarding the scope and results of the audit that may assist the Board 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 dated February 5, 2026 and at our audit planning meeting with management.

Auditors' Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)

The financial statements and the 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 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.

We issued an unmodified opinion on MIMRA's financial statements as of and for the year ended September 30, 2025.

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

Our audit strategy is consistent with the plan communicated during the May 2026 meeting.

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

None.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

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**
- **Financial statement disclosures**

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.

Related party relationships and transactions

We noted no significant matters regarding MIMRA's relationships and transactions with related parties other than those disclosed in Note 11 of the financial statements.

Significant unusual transactions

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

New accounting pronouncements

During the year ended September 30, 2025, MIMRA implemented the following pronouncements:

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

We have not identified issues regarding management's planned application of the new accounting pronouncements.

Independence matters

We are not aware of any matters that in our professional judgment would impair our independence.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the May 2026 meeting and at the update status meetings during the audit.

- Fraud and noncompliance with laws and regulations (illegal acts)
- Tips or complaints regarding MIMRA's financial reporting
- Significant unusual transactions
- Subsequent events

Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management

We are not aware of any matters that require communication.

Disagreements with management and significant difficulties encountered in dealing with management when performing the audit

There were no difficulties in dealing with MIMRA's management in performing the audit.

Management consultations with other accountants

We are not aware of any consultations made by management with other accountants or specialists.

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

Current period uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if they are immaterial to the current period financial statements. Refer to the “Management Representations Letter” in Appendix A.

Deficiencies in internal control over financial reporting

In planning and performing our audit of MIMRA’s financial statements as of and for the year ended September 30, 2025, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MIMRA’s internal control. Accordingly, we do not express an opinion on the effectiveness of MIMRA’s internal control. Our consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies might exist that were not identified.

Given these limitations, we did not identify any material weaknesses. To the extent we identified deficiencies during the audit, which have been included in our separately issued management letter dated June 22, 2026, we evaluated them and determined that such do not rise to the magnitude of significant deficiencies.

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.

Other information included in annual report

There was no other information available as of the date of our audit report.

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 MIMRA or its affiliates directly, although EY alone will remain responsible to you for the audit services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the audit services. In addition, third-party service providers may perform services for EY in connection with the audit services.

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.

Engagement team's involvement with preparation of the financial statements

Under *Government Auditing Standards* 2018 Revisions, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management's ability to effectively oversee the non-audit (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.
- 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.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of MIMRA.
- 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,

Ernst & Young

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

June 22, 2026

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

In connection with your audits 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 September 30, 2025 and 2024 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, and the related notes (collectively referred to hereafter as the "basic financial statements"), 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 February 5, 2026, 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 twelve months beyond the financial statement date, including consideration of any currently known information that may raise substantial doubt shortly thereafter.

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 the basic 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 basic 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 MIMRA 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 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.

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 you all laws, regulations, provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

We have provided you 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 basic 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.

A - Management Representations Letter, continued

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 basic 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 basic financial statements. Refer to the "Schedule of Corrected Misstatements" in Appendix B.

Financial reporting entity and net position

Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved. We properly recognized, in accordance with our policy, whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

We are following either our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are spent first for expenditures for which more than one resource classification is available.

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, 2025.

Minutes and contracts

The dates of meetings of the Board of Directors from October 1, 2024, to the date of this letter are as follows:

Regular Board Meetings

- | | |
|--------------------|--------------------|
| • January 24, 2025 | • August 11, 2025 |
| • March 24, 2025 | • December 4, 2025 |
| • March 31, 2025 | • January 30, 2026 |
| • August 1, 2025 | • March 25, 2026 |

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

A - Management Representations Letter, continued

Minutes and contracts, continued

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 basic financial statements.

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 fair value measurements, are reasonable and supportable.

Certain risk disclosures

There are no risks related to vulnerabilities due to material concentrations or constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.

Ownership and pledging of assets

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.

Receivables and revenues

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.

Investments

The equity method is used to account for MIMRA's investment in the joint venture on Marshall Islands Fishing Company (MIFCO), because MIMRA has the ability to exercise significant influence over MIFCO's operating and financial policies. The parties agreed that the joint venture will be operated by Koo's Fishing Company Ltd. (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.

A - Management Representations Letter, continued

Leases

We have identified and accounted for all contracts (including any modifications thereto) that meet the criteria to be accounted for as a lease under GASB Statement No. 87 - as amended. We have appropriately considered any renewal, termination or purchase options in those contracts. We also believe other relevant assumptions (e.g., economic life, fair value, and residual value) made for purposes of accounting for lease arrangements are reasonable and supportable estimates.

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 represents an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.

Prepayments

We believe that all material expenses for which recognition has been deferred to future periods are recoverable.

Capital assets, including amortizable intangible assets

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

Capital assets, including infrastructure and intangible assets, have been evaluated for impairment whenever events or changes in circumstances suggest that the service utility of the asset may have significantly and unexpectedly declined. Our assessments, measurements and reporting of impairments, where applicable, are in accordance with GASB Statement No. 42 - as amended.

Related party relationships and transactions

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

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

Side agreements and other arrangements

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

Arrangements with financial institutions

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

A - Management Representations Letter, continued

Events of default under debt agreements

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

Contingencies and other 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, regulations, and provisions of contracts and grant agreements in any jurisdiction whose effects should be considered for disclosure in the basic 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, regulations, and provisions of contracts and grant agreements in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the basic financial statements.

There are no other liabilities and 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 basic financial statements, including guarantees of the debt of others.

Purchase commitments

As of September 30, 2025, MIMRA had no purchase commitments for inventories more than normal requirements or at prices that were more than market at that date.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2025 because of being a party to futures or forwards contracts, short sales or hedge transactions.

Classification and allocation of revenues and expenses

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

A - Management Representations Letter, continued

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that MIMRA's business activities are conducted in accordance with laws, regulations, and provisions of contracts and grant agreements and that we are responsible for identifying and addressing any non-compliance with applicable laws, regulations, and provisions of contracts and grant agreements, 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 basic financial statements may be materially misstated because of fraud.

We have disclosed to you all known actual or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered when preparing the basic financial statements.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in MIMRA'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 basic 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 basic financial statements or otherwise affect MIMRA's financial reporting.

Independence

We have communicated to you the names of MIMRA's affiliates, as defined in the AICPA Code of Professional Conduct ET section 1.224.020 *State and Local Government Client Affiliates*, officers and directors, or individuals who serve in such capacity for MIMRA.

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

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

Conflicts of interest

There are no instances where any director, 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.

A - Management Representations Letter, continued

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.

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. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

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.

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.

During the years ended September 30, 2025 and 2024, MIMRA incurred expenses of \$1,421,572 and \$716,555, 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 2025 and 2024, MIMRA received \$1,450,000 and \$800,000, respectively, from the World Bank in the form of additional financial support from IDA (Grant ID E165-MH).

A - Management Representations Letter, continued

World Bank, continued

A summary of the grant activities are as follows:

	<u>2025</u>	<u>2024</u>
IDA Grant ID E165-MH:		
Balance at beginning of the year	\$1,197,629	\$1,114,184
Grant funds received during the year	1,450,000	800,000
Grant expenses incurred during the year	(1,421,572)	(716,555)
Balance at end of the year	<u>\$1,226,057</u>	<u>\$1,197,629</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>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 14,810	\$36,838
Grant expenses incurred during the year	<u>---</u>	<u>(22,028)</u>
Balance at end of the year	<u>\$ 14,810</u>	<u>\$14,810</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.

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 - Management Representations Letter, continued

Chinese Taipei Trust Fund, continued

A summary of the grant activities are as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$(20,694)	\$(24,025)
Grant funds received during the year	---	89,200
Grant expenses incurred during the year	---	(85,869)
Balance at end of the year	<u>\$(20,694)</u>	<u>\$(20,694)</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. During the year ended September 30, 2025, MIMRA received a \$289,181 grant under a research subaward agreement with Leland Stanford Junior University to fund the operations of the project.

A summary of the grant activities are as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 43,349	\$165,237
Grant funds received during the year	289,181	---
Grant expenses incurred during the year	(181,745)	(121,888)
Balance at end of the year	<u>\$150,785</u>	<u>\$ 43,349</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>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 22,574	\$ 57,078
Grant funds received during the year	48,368	35,575
Grant expenses incurred during the year	(69,304)	(70,079)
Balance at end of the year	\$ <u>1,638</u>	\$ <u>22,574</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 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.

Provisions for uncollectible receivables have been properly identified and recorded.

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 basic financial statements of MIMRA as of and for the years ended September 30, 2025 and 2024. 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;

A - Management Representations Letter, continued

Financial statements approval, continued

- 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 basic financial statements, including footnote disclosures.

We have reviewed the draft basic financial statements for accuracy and completeness.

Subsequent events

Subsequent to September 30, 2025, 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's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the net position, changes in net position and, where applicable, cash flows of 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

Appendix

A– Schedule of Uncorrected Misstatements

B– Schedule of Corrected Misstatements

C - Subsequent Events Questionnaire

A - Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity:		Marshall Islands Marine Resources Authority		Period Ended:		30-Sep-2025		Currency:		US Dollar				
Uncorrected misstatements			Analysis of misstatements Debit/(Credit)									Income statement effect of the prior period		
No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)					
Factual misstatements:														
01	H.02.2/	H-SAD-01: To record share in loss in PITP joint venture for FY22						160,685						
		RETAINED EARNINGS						(100,695)						
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)												
02	H.02.2/	H-SAD-02: To record share in loss in PITP joint venture for FY23						175,921						
		RETAINED EARNINGS						(175,921)						
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)												
03	H.02.2/	H-SAD-03: To record share in income in PITP joint venture for FY24												
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)				115,715								
		RETAINED EARNINGS						(115,715)					(115,715)	X
04	H.02.2/	H-SAD-04: To record share in income in PITP joint venture for FY25												
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)					244,062							
		INCOME(LOSS) FROM EQUITY SHARE							(244,062)	X				
05	H.02.2/	H-SAD-05: To reclass from liability to investment account for excess income over losses												
		INVESTMENT IN JOINT VENTURE		82,962										
		LIABILITY FOR JOINT VENTURE LOSSES (PITP)					(82,962)							
06	LRE, LRO WPI	CAJE-24-11: To record amortization of RTU lease asset over remaining lease term in FY2024 - Jitak En Weto												
		RETAINED EARNINGS						8,098				8,098	X	
		Amortization Expense						(8,098)						
07	LRE, LRO WPI	CAJE 24-12: To recognize lease payments made in FY2024 - Jitak En Weto												
		LEASE								16,991	X			
		RETAINED EARNINGS						(16,991)					(16,991)	X

Form 430GL (3 August 2022)

A - Management Representations Letter, continued

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: Marshall Islands Marine Resources Authority

Period Ended: 30-Sep-2025

Currency: US Dollar

Uncorrected misstatements		Analysis of misstatements Debit/(Credit)										Income statement effect of the prior period	
No.	WIP ref.	Account (Note 1)	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)	Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable	
		(misstatements are recorded as journal entries with a description)											
Judgmental misstatements:													
08	GASB 101 WPI	GASB101-SAD-01: To recognize accrued sick leave as of FY24 per GASB No. 101						245,413			245,413	X	
		RETAINED EARNINGS											
		ACCURED SICK LEAVE			(245,413)								
09	GASB 101 WPI	GASB101-SAD-02: To record reversing entry for FY24 accrued sick leave balance				245,413							
		ACCURED SICK LEAVE											
		E/B - SICK LEAVE							(245,413)	X			
10	GASB 101 WPI	GASB101-SAD-03: To recognize accrued sick leave as of FY25 per GASB No. 101											
		C/B - SICK LEAVE							252,090	X			
		ACCURED SICK LEAVE			(252,090)								
Total of uncorrected misstatements before income tax			0	82,962	(252,090)	0	389,522	0	(220,394)		120,804		
Total of uncorrected misstatements			0	82,962	(252,090)	0	389,522	0	(220,394)		120,804		
Financial statement amounts			25,074,766	11,101,162	(2,728,784)	(280,506)	(33,166,638)		173,004		5,876,625		
Effect of uncorrected misstatements on F/S amounts			0.0%	0.7%	9.2%	0.0%	-1.2%		-127.4%		2.1%		
Memo: Total of non-taxable items (marked 'X' above)									(220,394)		120,804		
Uncorrected misstatements before income tax								-127.4%	(220,394)		120,804		
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								-127.4%	(220,394)		120,804		
Turnaround effect of prior period uncorrected misstatements													
All factual and projected misstatements:									After tax	Memo: Before tax			
Judgmental misstatements (Note 3):									124,609	124,609			
Cumulative effect of uncorrected misstatements, after turnaround effect									-65.4%	(85,785)			
Current year income before tax										173,004			
Current year income after tax										173,004			

A - Management Representations Letter, continued

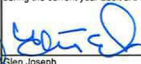
Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: Marshall Islands Marine Resources Authority

Period Ended: 30-Sep-2025

Currency: US Dollar

Uncorrected misstatements		Analysis of misstatements Debit/(Credit)								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)	Non taxable
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/Executive Director  Marjorie Maglaling Chief of Finance											

A - Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Marshall Islands Marine Resources Authority

Period ended: 30-Sep-2025

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	N.00/	N-RJE-01: To correct overstatement of contract payable to AP-others								
		ACCOUNTS PAYABLE-Others			4,207					
		CONTRACT PAYABLE			(4,207)					
2	E.02/	E-AJE-01: To recognize FSMA share and unused unallocated days for FY2025								
		Due From PNA	1,244,633							
		REVENUE FROM FSM ARRANGEMENT							(1,244,633)	X
3	K.02.1.3/	K-AJE-01: To recognize unbilled retention as of FY2025								
		Construction in Progress-MIMRA		152,641						
		CONTRACT PAYABLE			(152,641)					
4	K.01.2.1/	K-AJE-02: To recognize transfer from CIP to building improvement for the MIMRA HQ Building Annex								
		BUILDING IMPROVEMENTS		3,061,040						
		Construction in Progress-MIMRA		(3,061,040)						
5	K.01.2.1/	K-AJE-03: To recognize depreciation expense for the MIMRA HQ Building Annex								
		DEPRECIATION EXPENSE							102,035	X
		ACCUMULATED DEPRECIATION		(102,035)						
6	N.00/	N-AJE-01: To correct overstatement of AP-others to CIP for financial statement purposes								
		Construction in Progress-MIMRA		4,207						
		ACCOUNTS PAYABLE-Others			(4,207)					
7	VE1.01.1 9/ VE.02 2/	VE1-AJE-01: To accrue additional contribution per supplemental appropriation for FY2025								
		OPERATING TRANSFER OUT-Finance							2,000,000	X
		ACCOUNTS PAYABLE-AFFILIATES			(2,000,000)					

Form 430GL (3 August 2022)

A - Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Marshall Islands Marine Resources Authority

Period ended: 30-Sep-2025

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
Total of corrected misstatements before income tax			1,244,633	64,814	(2,166,848)	0	0	0	857,401	
Financial statement amounts			25,074,766	11,101,162	(2,728,784)	(280,506)	(33,166,638)		173,004	
Effect of corrected misstatements on F/S amounts			5.0%	0.5%	79.0%	0.0%	0.0%		495.6%	

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


Glen Joseph
Managing/Executive Director


Marjorie Maglatang
Chief of Finance

A - Management Representations Letter, continued

Appendix C – Subsequent Events Questionnaire

Marshall Islands Marine Resources Authority
Subsequent Events Questionnaire
Coverage: For the period from October 1, 2025 to Audit Report Date

Question	Response Yes or No	If yes, please provide additional information
1 Are there any subsequent events that occurred that may affect the financial statements other than those that are already been communicated?	No	
2 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? Have any other significant unusual transactions been entered into?	No	
3 Have there been any new significant contingent liabilities or commitments that arisen, except as disclosed in the financial statements?	No	
4 Have there been any significant changes that occurred in trends of revenue or expense that could affect accounting estimates (e.g. valuation of receivables, realization for deferred charges, provisions for employee benefits, or reserve for losses and loss adjustment expense)?	No	
5 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	
6 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	
7 Were there any significant, unusual or nonrecurring adjustments that have been recorded (or are necessary)?	No	
8 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	
9 Have there been any changes in the entity's related parties?	No	
10 Have any significant new related party transactions occurred?	No	
11 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	
12 Are there any significant new contracts or agreements (including amendment) and written communications with any regulatory agencies that could have an effect on the financial statements other than those that are already been provided to EY (if any)?	No	
13 Did Marshall Islands Marine Resources Authority provide all of minutes of BOD meeting that were held subsequent to the balance sheet date?	Yes	Board minute until March 25, 2026 has been provided
14 Are you aware of any fraud or suspected fraud affecting the Marshall Islands 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	
15 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 Marshall Islands Marine Resources Authority?	No	
16 Are you aware of any close relationships, or business, employment or other relationships that could bear on EY's independence (e.g. business/financial relationships, litigation with EY, family relationship, employment, loans, cooperative arrangements, etc.)?	No	
17 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	
18 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	
19 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	
20 Are you aware of any journal entries that would have a material effect on the financial statements as of the balance sheet date?	No	
21 Are you aware of any potential going concern indicators as of report date (liquidity, litigation, management plans) that could have an adverse impact on the Marshall Islands Marine Resources Authority's ability to continue on a going concern within one year after the balance sheet date?	No	


Glen Joseph
Managing Director


Marjorie Maglatang
Chief of Finance