Financial Statements, Required Supplementary Information, and Supplementary and Other Information

Republic of the Marshall Islands

Year ended September 30, 2024
with Report of Independent Auditors



Republic of the Marshall Islands

Financial Statements, Required Supplementary Information, and Supplementary and Other Information

Year ended September 30, 2024

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Republic of the Marshall Islands

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Report of Independent Auditors

Her Excellency Hilda C. Heine, Ed. D
President
Republic of the Marshall Islands

Report on the Audit of the Financial Statements

Adverse, Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Republic of the Marshall Islands (RepMar), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise RepMar's basic financial statements as set forth in Section III of the foregoing table of contents (collectively referred to as the "financial statements").

Summary of Opinions

Opinion Unit	***Type of Opinion***
Governmental Activities	Qualified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Grants Assistance Fund	Qualified
Compact Trust Fund	Unmodified
Aggregate Remaining Fund Information	Adverse

Adverse Opinions on Aggregate Discretely Presented Component Units and Aggregate Remaining Fund Information

In our opinion, because of the significance of the matters discussed in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units and the aggregate remaining fund information of the Republic of the Marshall Islands as of September 30, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinions on Governmental Activities and Grants Assistance Fund

In our opinion, except for the effects of the matters described in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the Grants Assistance Fund of the Republic of the Marshall Islands as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Unmodified Opinions on General Fund and Compact Trust Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the Compact Trust Fund of the Republic of the Marshall Islands as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse, Qualified and Unmodified Opinions

We conducted our audit 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* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RepMar and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Adverse Opinion on Aggregate Discretely Presented Component Units

RepMar's component units' column does not include the financial statements of College of the Marshall Islands (CMI), Kwajalein Atoll Joint Utilities Resources, Inc. (KAJUR), Majuro Resort, Inc. (MRI), Majuro Water and Sewer Company, Inc. (MWSC), and RMI Ports Authority (RMIPA). Accounting principles generally accepted in the United States of America require financial information about CMI, KAJUR, MRI, MWSC and RMIPA to be part of the aggregate discretely presented component units, thus increasing the component units' column assets, liabilities, revenues, and expenses, and changing its net position. The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units has not been determined.

Matter Giving Rise to Adverse Opinion on Aggregate Remaining Fund Information and Qualified Opinion on Governmental Activities

RepMar's aggregate remaining fund information does not include the financial statements of Health Care Revenue Fund (HCRF) and Marshall Islands Health Fund (MIHF). Accounting principles generally accepted in the United States of America require financial information about HCRF and MIHF to be part of the aggregate remaining fund information and the governmental activities, thus increasing the aggregate remaining fund information column assets, liabilities, revenues, and expenditures, and changing its fund balance and the governmental activities column assets, liabilities, revenues, and expenses, and changing its net position. The amount by which this departure would affect the assets, liabilities, fund balance, revenues, and expenditures of the aggregate remaining fund information and the assets, liabilities, net position, revenues, and expenses of the governmental activities have not been determined.

Matter Giving Rise to Qualified Opinion on Governmental Activities and Grants Assistance Fund

As discussed in Note 3 to the financial statements, the Grants Assistance Fund has recorded federal grant receivables in the amount of $22,849,014 as of September 30, 2024. The collectability of certain portions of these receivables is uncertain due to ongoing reviews and unresolved matters with the federal grantor agencies regarding compliance with grant requirements. Accounting principles generally accepted in the United States of America require that receivables be reported net of uncollectible amounts. Because of the uncertainty surrounding the collectability of these federal grant receivables, we were unable to determine whether any adjustments to grants receivable, revenue, or related accounts might be necessary.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RepMar's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RepMar's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RepMar's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as set forth in Section II of the foregoing table of contents, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget v Actual - General Fund and notes thereto as set forth in Section IV of the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information, comparing the information for consistency with management's responses to our inquiries of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

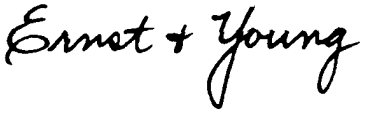
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RepMar's basic financial statements. The supplementary information, as set forth in Section V of the foregoing table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, except for the effects on the supplementary information of the matter described in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2026 on our consideration of RepMar'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RepMar's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RepMar's internal control over financial reporting and compliance.



September 1, 2026

Republic of the Marshall Islands

Management's Discussion and Analysis

Year ended September 30, 2024

As management of the Government of the Republic of the Marshall Islands (RepMar), we offer readers of RepMar's financial statements this narrative overview and analysis of the financial activities of RepMar for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with RepMar's basic financial statements, which follow this section. Fiscal year 2023 comparative information has been included, where appropriate.

FINANCIAL HIGHLIGHTS

- The assets of RepMar exceeded liabilities at the close of the fiscal year 2024 by $420.4 million (net position), increasing by $197.9 million (or 89%) from $222.5 million in the prior year. Of this amount, $86.8 million represents RepMar's investment in capital assets while $335.9 million represents amounts restricted for various purposes.

- During the current year, RepMar's expenses for governmental activities were $202 million, including special appropriations made to State-Owned Enterprises and other Government entities, and were funded in part by $273.1 million in program revenues and $101.7 million in taxes and other general revenues. Program revenues increased by $182.5 million (or 201%) from $90.6 million in the prior year to $273.1 million, which was attributable primarily to the increase in both operating and capital grants and contributions. Taxes and other general revenues increased by $5.9 million (or 6%) from $95.8 million in the prior year to $101.7 million, which was attributable primarily to the increase in unrestricted grants and contributions. Total expenses for governmental activities increased by $27.6 million (or 16%) from $174.4 million in the prior year to $202 million, which was primarily attributable to the increase in expenses associated with World Bank project activities under the Ministry of Finance, Banking and Postal Services together with increases in education and health related expenses.

- The Compact Trust Fund experienced an increase in fund balance of $22.4 million in the current year, ending with a trust fund balance of $133.3 million, up from $110.9 million in the prior year.

- For the current year, General Fund revenues (and other financing sources) of $104.7 million exceeded General Fund expenditures (and other financing uses) of $104.1 million. General fund revenues (and other financing sources) were up $2.3 million (or 2%) from the prior year primarily due to an increase in budget support from grants in the amount of $9 million (or 34%). Concurrently, General Fund expenditures (and other financing uses) were marginally up $0.6 million (or 1%) from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to RepMar's basic financial statements, which comprise of the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information in the form of a budgetary schedule, which is prepared on the budgetary basis of accounting, and other supplementary information, in addition to the basic financial statements themselves, which includes combining statements for governmental funds, fiduciary funds and component units.

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of RepMar's finances, in a manner like a private-sector business. The statement of net position presents information on all RepMar's assets and liabilities, with the difference between the two reported as net position. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two government-wide financial statements report on RepMar's net position and how such has changed. Net position, being the difference between RepMar's assets and liabilities, is one way to measure RepMar's financial health or position. Over time, increases or decreases in RepMar's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of RepMar, additional non-financial factors such as changes in RepMar's tax base, the condition of RepMar's roads and infrastructure, and the quality of services needs to be considered.

The government-wide financial statements of RepMar are divided into two categories:

- Primary government - this grouping comprises governmental activities, which includes most of RepMar's basic services such as education, health, special appropriations, finance, judiciary, and general administration. Compact and other federal grants finance most activities of the primary government.

- Discretely presented component units - RepMar includes numerous other entities in its report. Although legally separate, these "component units" are important because RepMar is financially accountable for them.

The government-wide financial statements can be found on pages 19 and 20 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. RepMar, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal matters.

- Some funds are required by Nitijela legislation.

- RepMar establishes other funds to control and manage money for specific purposes (like the Republic of China Projects Fund) or to show that it is properly using certain grants (like federal grants reported in the U.S. Federal Grants Fund).

All the funds of RepMar can be divided into two categories - governmental and fiduciary.

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

Fund Financial Statements, continued

Governmental funds - These are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of RepMar's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the future to finance RepMar's programs. The basic governmental fund financial statements can be found on pages 21 and 22 of this report.

Fiduciary funds - These are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support RepMar's own programs. RepMar is the trustee, or fiduciary, for other assets that, because of trust arrangements, can be used only for the trust beneficiaries. RepMar is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All RepMar's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Discretely presented component unit financial statements are presented for entities where RepMar has financial accountability but are independent of the core RepMar operations. Most operate like private-sector businesses. The discretely presented component unit financial statements can be found on pages 26 and 27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 75 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons. The required supplementary information can be found on pages 76 through 78 of this report. The other supplementary information referred to earlier is presented immediately following the required supplementary information on budgetary comparisons and can be found on pages 79 through 110 of this report.

A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of RepMar, assets exceeded liabilities by $420.4 million at the close of the most recent fiscal year; however, such is either restricted as to the purpose it can be used for or is invested in capital assets. RepMar uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although RepMar's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities. The majority of RepMar's net position is comprised of capital assets and long-term liabilities. Current assets and liabilities are amounts that are available in the current period and obligations that will be paid within one year, respectively. RepMar's current assets amounted to $80.2 million while its current liabilities were $37 million. Restricted net position represents resources that are subject to external constraints.

The table below summarizes RepMar's net position at the close of the current year compared with the prior year.

RepMar's Net Position
As of September 30

	Governmental Activities 2024	Governmental Activities 2023	Total $ Change 2024-2023	Total % Change 2024-2023
Current and other assets	$ 399,745,115	$ 197,030,090	$ 202,715,025	103%
Capital assets	129,058,821	132,323,561	(3,264,740)	(2)%
Total assets	**528,803,936**	**329,353,651**	**199,450,285**	**61%**
Long-term debt outstanding	34,970,555	40,074,687	(5,104,132)	(13)%
Current and other liabilities	73,446,651	66,776,540	6,670,111	10%
Total liabilities	**108,417,206**	**106,851,227**	**1,565,979**	**1%**
Net position:				
Net investment in capital assets	86,780,666	91,869,585	(5,088,919)	(6)%
Restricted	335,901,661	136,915,474	198,986,187	145%
Unrestricted	(2,295,597)	(6,282,635)	3,987,038	(63)%
Total net position	**$ 420,386,730**	**$ 222,502,424**	**$ 197,884,306**	**89%**

At the end of the current year, RepMar's unrestricted net position was negative $2.7 million, a decrease of the prior year negative amount by $3.6 million (or 57%) due primarily to a decline in loans payable balance of $2.4 million.

Total assets increased by $199.4 million (or 61%) from the prior year amount of $329.4 million to $528.8 million, which was primarily attributable to the increase in restricted cash balances associated with the unexpended Compact funds of $172.7 million received in the current year for the Section 261(g) Supplemental Health Fund, the Section 261(h) Climate Fund, and the Section 261(i) Kwajalein Development Plan Fund together with an increase in restricted investment balances associated with the Compact Trust Fund of $22.4 million.

Total liabilities increased by $1.5 million (or 1%) from the prior year amount of $106.9 million to $108.4 million, which was primarily attributable to the reduction in long-term debt outstanding of $5.1 million (or 13%) offset by the increase in current and other liabilities of $6.6 million (or 10%). The reduction in long-term debt outstanding includes principal repayment on ADB, ICDF and MIDB loans of $6 million less the $0.9 million SDR revaluation of ADB loans.

A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE, CONTINUED

Changes in Net Position

As discussed earlier, the net position of the primary government increased by $197.9 million, which represents an increase of 89% from the prior year's amount of $222.5 million. This result indicates that RepMar's financial condition improved from the prior year.

The table below summarizes RepMar's change in net position for the current year as compared with the prior year.

RepMar's Changes in Net Position
For the Years Ended September 30

	Governmental Activities 2024	Governmental Activities 2023	Total $ Change 2024-2023	Total % Change 2024-2023
Revenues:				
Program revenues:				
Charges for services	$ 4,740,913	$ 4,605,972	$ 134,941	3%
Operating grants and contributions	128,445,936	75,386,508	53,059,428	70%
Capital grants and contributions	139,948,151	10,679,091	129,269,060	1210%
	273,135,000	90,671,571	182,463,429	201%
General revenues:				
Taxes	40,919,382	41,793,631	(874,249)	(2)%
Grants and contributions	47,996,068	42,250,000	5,746,068	14%
Ship registry	11,894,265	11,414,340	479,925	4%
Other general revenues	906,425	380,059	526,366	138%
	101,716,140	95,838,030	5,878,110	6%
Total revenues	**374,851,140**	**186,509,601**	**188,341,539**	**101%**
Expenses:				
Education, sports and training	43,468,355	38,312,774	5,155,581	13%
Health and human services	27,103,652	23,354,877	3,748,775	16%
Finance, banking and postal services	59,472,598	45,104,935	14,367,663	32%
Special appropriations	15,336,487	15,708,958	(372,471)	(2)%
Office of the Chief Secretary	3,516,578	4,078,336	(561,758)	(14)%
Culture and internal affairs	5,112,302	4,706,467	405,835	9%
Foreign affairs and trade	6,682,799	5,527,602	1,155,197	21%
Justice, immigration and labor	5,559,538	4,349,817	1,209,721	28%
Natural resources and commerce	1,905,909	1,910,606	(4,697)	(0)%
Environmental Protection Authority	555,329	535,945	19,384	4%
Works, Infrastructure and Utilities	17,342,055	15,477,652	1,864,403	12%
President and Cabinet	2,599,613	1,875,171	724,442	39%
Nitijela	2,407,899	2,510,594	(102,695)	(4)%
Office of the Attorney General	1,847,940	1,388,426	459,514	33%
Other	9,087,717	9,590,643	(502,926)	(5)%
Total expenses	**201,998,771**	**174,432,803**	**27,565,968**	**16%**
	172,852,369	**12,076,798**	**160,775,571**	1331%
Contributions to permanent funds	25,031,937	19,160,080	5,871,857	31%
Change in net position	**197,884,306**	**31,236,878**	**166,647,428**	**533%**
Net position, beginning of year	**222,502,424**	**191,265,546**	**31,236,878**	**16%**
Net position, end of year	**$ 420,386,730**	**$ 222,502,424**	**$ 197,884,306**	**89%**

A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE, CONTINUED

Changes in Net Position, continued

Key elements of the change in net position are as follows:

- Total revenues increased by $188.3 million (or 101%) compared with the prior year. Program revenues increased by $182.4 million (or 201%) compared with the prior year while general revenues increased by $5.9 million (or 6%) compared with the prior year. The increase in program revenues primarily reflects a $129.3 million (or 1,210%) increase in capital grants and contributions and a $53.1 million (or 70%) increase in operating grants and contributions, which represents the receipt in the current year of Section 261(g), 261(h) and 261(i) Compact grants for the Climate Fund, Supplemental Health Fund and Kwajalein Development Plan Fund aggregating $172 million. The increase in general revenues primarily reflects a $5.7 million (or 14%) increase in unrestricted grants and contributions, which includes $9 million in budgetary support under the World Bank approved Enhancing Fiscal Management and Building Disaster and Climate Resilience grant.

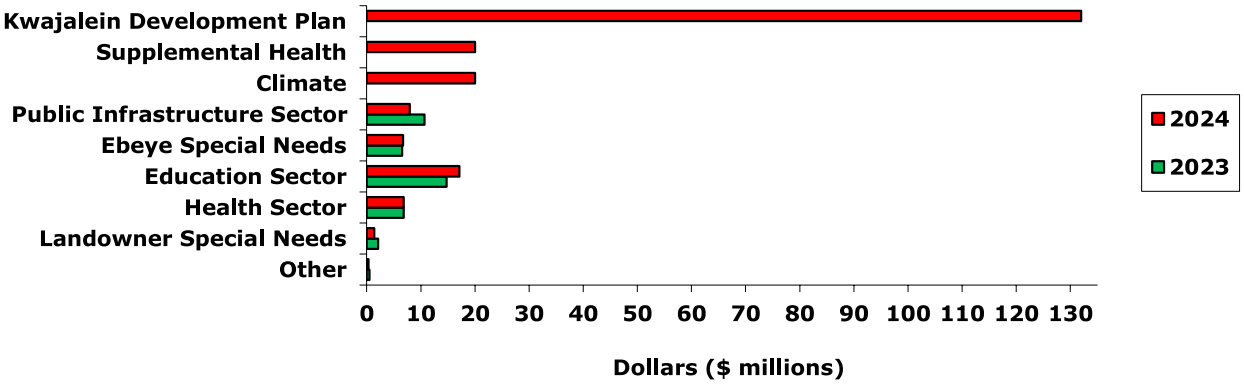
- At the same time, the cost of governmental activities increased by $27.6 million (or 16%) to $202 million compared with the prior year of $174.4 million.

- The Compact Trust Fund experienced an increase in the fund balance of $22.4 million in the current year, increasing RepMar's trust fund balance to $133.3 million from $110.9 million in the prior year (up by 20%).

A significant portion of RepMar's program revenues involve contributions from the Government of the United States under the Compact of Free Association. Overall funding from Compact sector grant revenues increased by $170.9 million (or 413%) from the prior year primarily due to the receipt in the current year of Section 261(g), 261(h) and 261(i) Compact grants for the Climate Fund, Supplemental Health Fund and Kwajalein Development Plan Fund aggregating $172 million.

A graphic summary of the overall Compact sector grant revenues received by RepMar for the current year compared with the prior year follows:

Graph 1
RepMar's Compact Revenues
For the Years Ended September 30



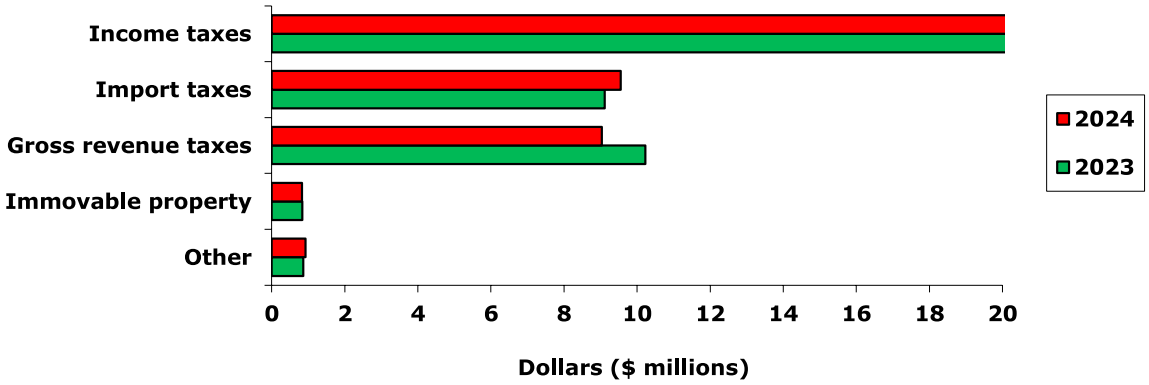
A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE, CONTINUED

Changes in Net Position, continued

A significant portion of RepMar's general revenue involves tax revenue collections. At $40.9 million in the current year, tax revenues decreased marginally by $0.9 million (or 2%) compared with $41.8 million collected in the prior year.

A graphic summary of RepMar's tax revenue collections for the current year compared with the prior year follows:

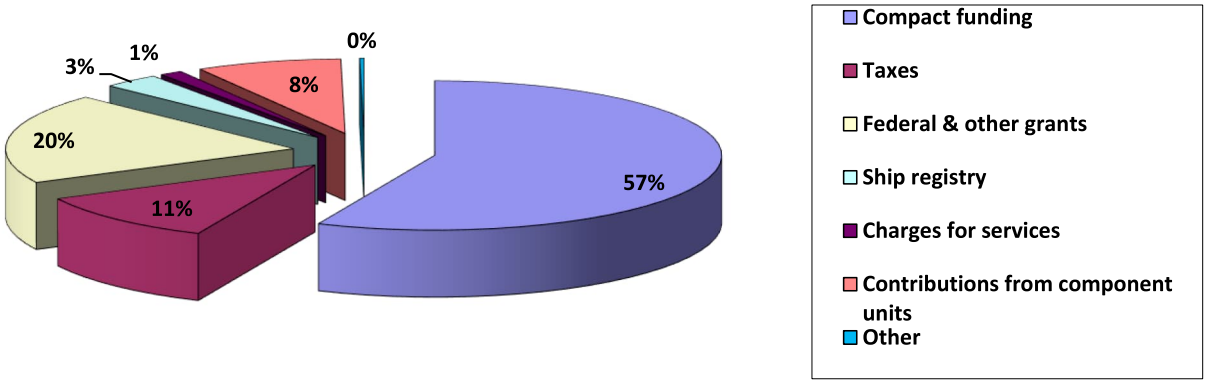
Graph 2
RepMar's Tax Revenues
For the Years Ended September 30



Graphs 3 and 4 below indicate the major components of revenues and cost of governmental activities.

Graph 3
RepMar's Revenue Sources
For the Year Ended September 30, 2024

Graph 4
GovGuam's Revenue Sources
For the Year Ended September 30, 2022

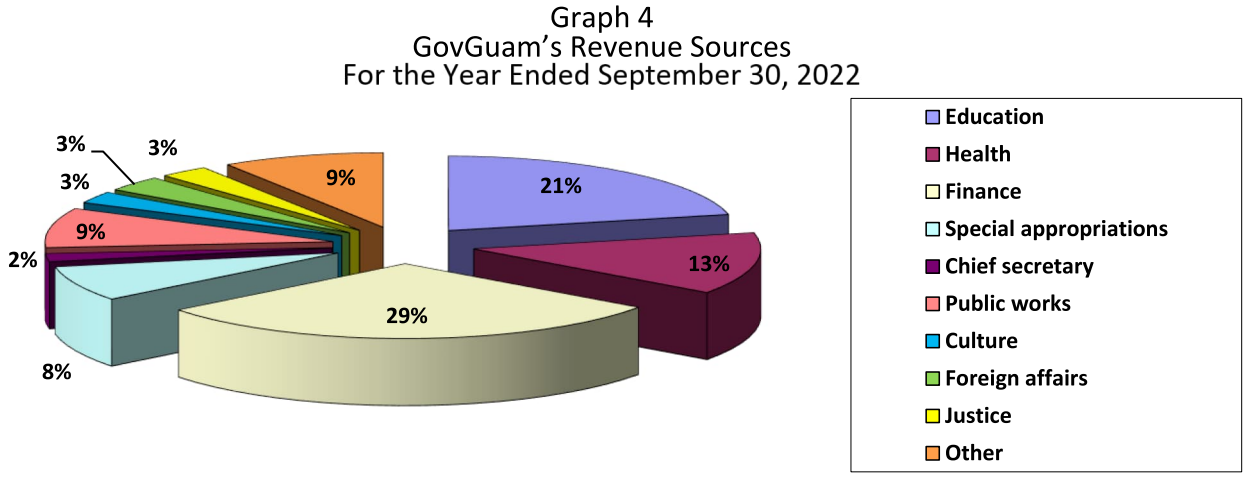


A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE, CONTINUED

Changes in Net Position, continued

Compact funding, local taxes and federal and other grants are the major sources of revenue for RepMar, which comprise 88% of total revenues for the current year. The remaining 12% is primarily comprised of ship registry fees, fishing revenue contributions from MIMRA, and various fees and service charges.

Graph 4
RepMar's Cost of Governmental Activities
For the Year Ended September 30, 2024



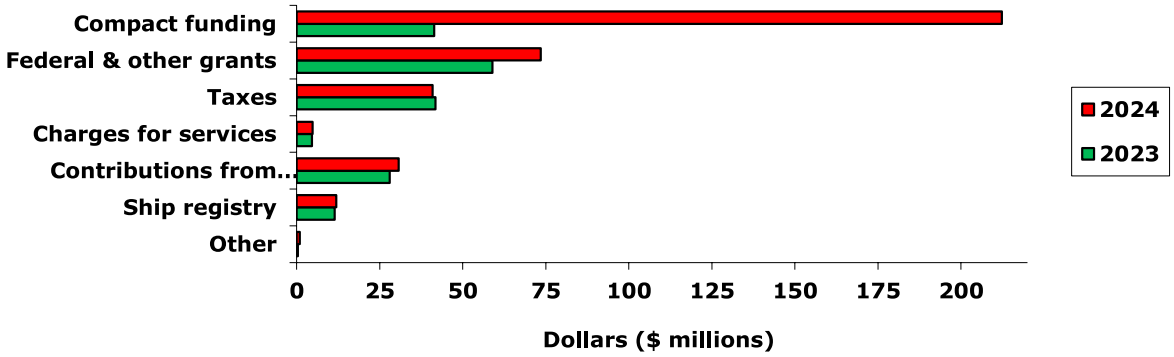
Other expenses that make up a portion of the costs of governmental activities include Natural resources and commerce ($1.4 million), Transportation, Communication & Information Technology ($0.7 million), Environmental Protection Authority ($1.4 million), legislative expenses with the Nitijela ($2.4 million), and executive expenses within the President's Office and Cabinet ($2.6 million), Office of the Attorney General ($1.8 million), Nuclear claims related ($2.2 million), Office of the Auditor General ($1.1 million), Judiciary ($1.4 million), the Public Service Commission ($0.7 million), and Council of Iroij ($0.7 million).

A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE, CONTINUED

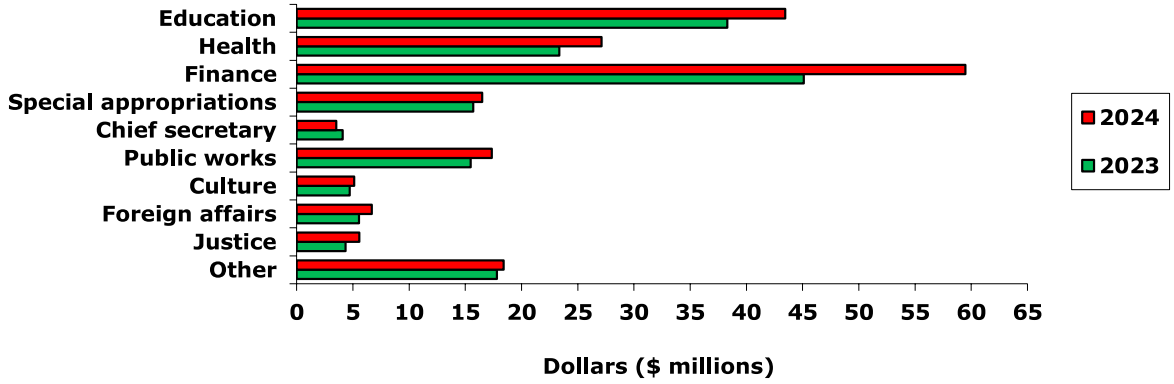
Changes in Net Position, continued

Graphs 5 and 6 below show a comparison of the major components of revenues and cost of governmental activities for the current year compared with the prior year follows:

Graph 5
RepMar's Revenue Sources
For the Years Ended September 30



Graph 6
RepMar's Cost of Governmental Activities
For the Years Ended September 30



Total other expenses in the current year increased marginally by $0.6 million (or 3%) from $17.8 million in the prior year to $18.4 million in the current year.

Analysis of Changes in Net Position

During the current year, RepMar's total net position increased by $166.6 million compared with the prior year. The key elements of this increase are: (1) an increase in general revenues of $5.9 million; (2) an increase in Compact Trust earnings of $5.8 million; and (3) an increase in expenses, net of program revenues, of $154.9 million.

A FINANCIAL ANALYSIS OF REPMAR AS A WHOLE, CONTINUED

Analysis of Changes in Net Position, continued

General revenues increased by $5.9 million (or 6%) from the prior year. The increase was primarily due to an increase in grants and contributions of $3.1 million (or 22%) and contributions from component units of $2.8 million (or 10%) from the prior year.

Expenses, net of program revenues, increased by $154.9 million (or 185%) from the prior year. The net increase was primarily attributable to an increase in program revenues of the Works, Infrastructure and Utilities of $127.3 million, the Environmental Protection Authority of $20.3 million, and the Health and Human Services of $15.9 million. The increase in expenses, net of program revenues, primarily reflects a $129.3 million (or 1,210%) increase in capital grants and contributions and a $53.1 million (or 70%) increase in operating grants and contributions, which represents the unexpended portion of the receipts in the current year of Section 261(g), 261(h) and 261(i) Compact grants for the Climate Fund, Supplemental Health Fund and Kwajalein Development Plan Fund aggregating $172 million. The elements of these changes are reflected below:

RepMar's Changes in Net Position
For the Years Ended September 30

	Governmental Activities 2024	Governmental Activities 2023	Total $ Change 2024-2023	Total % Change 2024-2023
General revenues:				
Taxes	$ 40,919,382	$ 41,793,631	$ (874,249)	(2)%
Grants and contributions	17,322,590	14,250,000	3,072,590	22%
Contributions from component units	30,673,478	28,000,000	2,673,478	10%
Ship registry	11,894,265	11,414,340	479,925	4%
Other general revenues	906,425	380,059	526,366	138%
Total general revenues	**101,716,140**	**95,838,030**	**5,878,110**	**6%**
Expenses, net of program revenues:				
Education, sports and training	18,219,521	17,978,647	240,874	1%
Health and human services	(9,119,120)	6,819,741	(15,938,861)	(234)%
Finance, banking and postal services	19,841,938	15,009,963	4,831,975	32%
Special appropriations	15,336,487	15,708,958	(372,471)	(2)%
Office of the Chief Secretary	2,304,973	2,982,521	(677,548)	(23)%
Culture and internal affairs	4,380,777	4,392,689	(11,912)	(0)%
Foreign affairs and trade	6,132,441	5,186,691	945,750	18%
Justice, immigration and labor	4,348,642	2,472,752	1,875,890	76%
Natural resources and commerce	1,857,005	1,840,797	16,208	1%
Environmental Protection Authority	(20,429,811)	(87,943)	(20,341,868)	23131%
Works, infrastructure and utilities	(125,781,634)	1,485,903	(127,267,537)	(8565)%
President and cabinet	2,599,613	1,875,171	724,442	39%
Nitijela	2,407,899	2,510,594	(102,695)	(4)%
Office of the Attorney General	1,037,494	1,355,926	(318,432)	(23)%
Other	5,727,546	4,228,822	1,498,724	35%
Total expenses	**(71,136,229)**	**83,761,232**	**(154,897,461)**	**(185)%**
	172,852,369	**12,076,798**	**160,775,571**	**1331%**
Contributions to permanent fund	25,031,937	19,160,080	5,871,857	31%
Change in net position	**$ 197,884,306**	**$ 31,236,878**	**$ 166,647,428**	**533%**

FINANCIAL ANALYSIS OF REPMAR'S GOVERNMENTAL FUNDS

As noted earlier, RepMar uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of RepMar's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing RepMar's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current year, RepMar's governmental funds reported combined ending fund balances of $359.2 million, which represents a net increase of $195.2 million (or 119%) in comparison with the prior year. This net increase is primarily attributable to an excess of revenues over expenditures for the Grants Assistance Fund of $171.2 million and an increase in the fair value of RepMar's investments in the Compact Trust Fund of $22.4 million. Of this total combined fund balance, $141.6 million is designated as nonspendable and cannot be spent either because it is not in a spendable form or because of legal or contractual constraints; $195.3 million is designated as restricted and is constrained for specific purposes which are externally imposed; and $9.8 million is designated as committed and is constrained for specific purposes which are internally imposed. The combined unassigned fund balance of RepMar's governmental funds is $12.5 million. The General Fund is the chief operating fund of RepMar. At the end of the current year, the unassigned fund balance of the General Fund was $13.3 million, an increase of $1.5 million from the prior year $11.8 million. Total fund balance was $26.3 million compared with a total fund balance of $25.7 million at the end of the prior year, an increase of $0.6 million (or 2%). The Grants Assistance Fund has a total fund balance of $192.1 million, which primarily represents unexpended Compact Sector, World Bank, European Union and Republic of China (ROC) grants at year end. The net increase in fund balance during the current year in the Grants Assistance Fund was $171.2 million (or 821%). The Compact Trust Fund has a total fund balance of $133.3 million, all of which is reserved for the funding of future operations of the primary government. The net increase in the fund balance during the current year in the Compact Trust Fund was $22.4 million (or 20%).

GENERAL FUND BUDGETARY HIGHLIGHTS

During the current year, budget revisions of $11.1 million were made by management and elected officials of RepMar to the General Fund budget. Revenues collected (including other financing sources) of $104.4 million were higher than budgeted amounts of $99.7 million (or $4.7 million). In addition, charges to appropriations (including other financing uses) of $112.2 million were higher than budgeted amounts of $108.1 million due primarily to higher actual ministerial expenditures.

CAPITAL AND LEASE ASSETS

RepMar's investment in capital and lease assets for governmental activities as of September 30, 2024 amounted to $245.5 million, net of accumulated depreciation of $120.5 million, leaving a net book value of $129 million. This represents a decrease of $3.3 million from the $132.3 million reported in the prior year. RepMar's capital and lease assets include electrical and water infrastructure, roads and bridges, heavy equipment, ships, buildings, and various projects under construction. The table below summarizes RepMar's capital and lease assets at the close of the current year compared with the prior year.

CAPITAL AND LEASE ASSETS, CONTINUED

RepMar's Capital and Lease Assets
September 30,
(Net of depreciation)

	Governmental Activities 2024	Governmental Activities 2023	Total $ Change 2024-2023	Total % Change 2024-2023
Buildings	$ 84,839,911	$ 67,708,575	$ 17,131,336	25%
Docks, roads and bridges	3,280,637	3,693,345	(412,708)	(11)%
Ships	90,400	99,500	(9,100)	(9)%
Software	3,438,616	4,110,182	(671,566)	(16)%
Heavy equipment	5,617,649	6,651,622	(1,033,973)	(16)%
Lease assets	27,682,224	28,737,853	(1,055,629)	(4)%
Construction in progress	4,109,384	21,322,544	(17,213,160)	(81)%
Total	**$ 129,058,821**	**$ 132,323,621**	**$ (3,264,800)**	**(2)%**

Major capital asset additions during the current year included ongoing construction in progress of the following infrastructure projects:

- Majuro track and field of $2.4 million
- Educational Cultural Center (ECC) Sports Stadium of $1.2 million
- Ebeye Public School Phase 4 of $0.9 million
- Mid-corridor housing and shelter of $0.3 million
- Other miscellaneous projects of $1.1 million

Additional information on RepMar's capital and lease assets can be found in notes 6 and 7 to the financial statements.

LONG-TERM DEBT

The Government Borrowing Act of 1985 authorizes RepMar to borrow for such purposes as approved by the Nitijela. Since 1991, RepMar has executed thirteen separate loans with the Asian Development Bank (ADB), one loan with the International Cooperation Development Fund (ICDF), and one loan with the Marshall Islands Development Bank (MIDB) (See table below). Long-term debt obligations decreased by $5.1 million (or 13%) in the current fiscal year. The table below summarizes RepMar's long-term debt at the close of the current year compared with the prior year.

LONG-TERM DEBT, CONTINUED

RepMar's Outstanding Debt
Asian Development Bank
September 30,

	Governmental Activities 2024	Governmental Activities 2023	Total $ Change 2024-2023	Total % Change 2024-2023
Asian Development Bank:				
Fisheries Development Project	$ 775,784	$ 854,740	$ (78,956)	(9)%
Typhoon Rehabilitation	172,681	190,986	(18,305)	(10)%
Basic Education Project	2,608,649	2,793,268	(184,619)	(7)%
Majuro Water Supply Project No. 1	204,944	220,984	(16,040)	(7)%
Health and Population Project	1,994,512	2,089,453	(94,941)	(5)%
Majuro Water Supply Project No. 2	3,286,801	3,416,831	(130,030)	(4)%
Public Sector Reform Program	5,480,790	5,822,878	(342,088)	(6)%
Ebeye Health and Infrastructure Project	2,407,903	2,628,854	(220,951)	(8)%
Skills Training and Vocational Education Project	1,599,260	1,725,223	(125,963)	(7)%
Fiscal and Financial Management Program No. 2	524,310	1,048,621	(524,311)	(50)%
Outer Island Transport Infrastructure Project	161,575	168,751	(7,176)	(4)%
Public Sector Program Loan	5,430,973	5,797,668	(366,695)	(6)%
Fiscal Reform and Debt Management Project	3,431,931	3,597,042	(165,111)	(5)%
International Cooperation Development Fund	6,728,390	6,880,033	(151,643)	(2)%
Marshall Islands Development Bank	162,052	2,839,355	(2,677,303)	(94)%
Total	**$ 34,970,555**	**$ 40,074,687**	**$ (5,104,132)**	**(13)%**

As mentioned above, total long-term debt decreased by $5.1 million (or 13%) during the current year, representing ADB, ICDF and MIDB debt service payments. There are no new long-term arrangements entered into during the current year. Additional information on RepMar's long-term debt can be found in notes 8 and 9 to the financial statements.

ECONOMIC FACTORS

In FY2024, the economy of RepMar was characterized by moderate inflation, positive employment growth, and notable fiscal adjustments as RepMar continued its recovery from the COVID-19 pandemic. While economic output remained constrained, RepMar maintained a sound fiscal position supported by increased revenues, including funding provided under the 2023 Amended Compact.

The economy continued to contract following the pandemic, with Gross Domestic Product (GDP) declining in FY2024. Despite this contraction, the economic outlook remained positive due to increased financial support under the 2023 Amended Compact and continued progress in employment recovery. RepMar experienced a growth in revenues - driven primarily by external grants and funds from the 2023 Amendment Compact Agreement - maintaining a revenue level exceeding expenditures.

ECONOMIC FACTORS, CONTINUED

Employment growth remained positive throughout FY2024, with the private sector experiencing stronger growth as businesses recovered from the effects of the pandemic. Commercial enterprises restored staffing levels lost during the pandemic, resulting in private sector employment exceeding pre-pandemic losses despite continued population decline and labor market challenges. Inflation continued to rise during FY2024 at a moderate pace, driven primarily by higher food prices and ongoing global supply chain pressures. To improve household purchasing power and align wages more closely with the estimated basic needs poverty line, RepMar enacted legislation increasing the national minimum wage to $4.00 per hour, effective at the beginning of FY2025, with additional phased increases planned in subsequent years.

Government revenues continued to strengthen during FY2024. Tax and other domestic revenues increased, while additional resources provided under the 2023 Amended Compact further enhanced the Government's fiscal capacity. As a result, total government revenues continued to exceed expenditures, reflecting prudent fiscal management and maintaining a favorable fiscal position despite ongoing economic pressures. Overall, although RepMar continues to face significant challenges - including modest economic contraction, inflationary pressures, population decline, and climate vulnerability - the renewed Compact, together with continued fiscal discipline, structural reforms, and improving private sector activity, provides a strong foundation for sustainable economic growth, enhanced employment opportunities, and improved public service delivery.

Debt sustainability also plays a key role in RepMar's economic strategy. According to the IMF/World Bank Debt Sustainability Analysis, RepMar is classified as a grant-only recipient, hence the nation is not eligible for loan financing from multilateral donors. Two factors significantly impacted this assessment: the nation's high ratio of debt to GDP and adverse economic expectations post-Compact. The grant-only status benefited RepMar as external debt was drastically reduced following the assessment. While grant-only status offers RepMar relief from debt accumulation, this also underscores the need for long-term structural reforms to reduce fiscal dependence on external parties.

The economy of RepMar remains highly influenced by external economic shocks and fluctuations across major sectors. From FY2004 to FY2019, the RMI economy experienced modest average growth of 1.4 percent annually, albeit with considerable volatility, largely influenced by fluctuations in the fisheries, services, and construction sectors. In FY2022, the economy was projected to contract by 0.9 percent. Post-amended Compact, economic growth has been primarily driven by the fisheries sector, public sector services, and private sector services. Additionally, education, health, and public administration sectors contribute to growth through the distribution of Compact sector grants and sovereign rents. Inflation remained moderate following the amended Compact but rose by 2.8 percent in FY2022. After a slight deflation of -0.1 percent in FY2019, inflation rose to 0.7 percent in FY2020. In FY2021, increasing fuel and food prices pushed inflation up by 2.2 percent, largely driven by a global surge in oil prices, which significantly increased fuel costs from the Marshalls Energy Company (MEC). In response, the Government endorsed higher utility tariffs for businesses and government entities, while utility tariffs from MEC remained constant for residential users. Ultimately, RepMar recorded a growth of inflation by 2.2 percent in FY2022. Managing inflationary pressures from external economic shocks and enhancing sector resilience will be pivotal for the economic sustainability of RepMar.

CONTACTING REPMAR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of RepMar's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Secretary of Finance, P.O. Box D, Majuro, MH 96960.

Republic of the Marshall Islands

Statement of Net Position

September 30, 2024

	Primary Government	Component Units
ASSETS		
Cash and cash equivalents	$ 25,578,399	$ 28,356,684
Time certificates of deposit	---	5,882,721
Receivables, net	41,715,644	54,441,344
Inventories	---	10,877,708
Advances and other assets	7,975,753	5,201,265
Due from component units	4,976,461	---
Investments	---	13,499,466
Restricted assets:		
Cash and cash equivalents	186,133,745	3,272,403
Investments	133,365,113	---
Capital assets:		
Nondepreciable capital assets	4,109,384	28,947,918
Capital assets, net of accumulated depreciation	97,267,213	74,873,937
Lease asset, net	27,682,224	4,063,254
Indefeasible right of use, net	---	2,773,372
Total assets	528,803,936	232,190,072
LIABILITIES		
Accounts payable	14,061,119	14,006,919
Other liabilities and accruals	8,392,323	3,694,695
Contracts payable	---	1,368,811
Retention payable	1,638,433	---
Payable to federal agencies	8,565,331	---
Due to component units	565,682	---
Due to external parties	1,770,331	---
Unearned revenues	5,503,817	5,555,192
Customer deposits	---	2,241,199
Accrued interest payable	112,892	---
Noncurrent liabilities:		
Due within one year	8,134,503	3,687,163
Due in more than one year	59,672,775	20,946,896
Total liabilities	108,417,206	51,500,875
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leases	---	277,716
Commitments and contingencies		
NET POSITION		
Net investment in capital assets	86,780,666	94,262,927
Restricted for:		
Future operations - nonexpendable	133,365,113	---
Debt service	2,429,826	---
Compact related	180,230,184	---
Other purposes	19,876,538	1,901,056
Unrestricted	(2,295,597)	84,247,498
Total net position	$ 420,386,730	$ 180,411,481

See accompanying notes.

Republic of the Marshall Islands

Statement of Activities

Year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government	Net (Expenses) Revenues and Changes in Net Position: Component Units
Primary government:						
Governmental activities:						
President and Cabinet	$ 2,599,613	$ ---	$ ---	$ ---	$ (2,599,613)	$ ---
Office of the Chief Secretary	3,516,578	19,683	1,191,922	---	(2,304,973)	---
Special appropriations	15,336,487	---	---	---	(15,336,487)	---
Council of Iroij	704,375	---	---	---	(704,375)	---
Nitijela	2,407,899	---	---	---	(2,407,899)	---
Office of the Auditor-General	1,099,140	---	146,112	---	(953,028)	---
Public Service Commission	672,367	---	---	---	(672,367)	---
Judiciary	1,353,061	158,405	---	---	(1,194,656)	---
Office of the Attorney General	1,847,940	810,446	---	---	(1,037,494)	---
Environment	813,684	874,271	20,470,401	---	20,530,988	---
Education, Sports and Training	43,468,355	874,271	24,075,734	298,829	(18,219,521)	---
Health and Human Services	27,103,652	36,627	36,112,517	73,628	9,119,120	---
Transportation, Communication and Information Technology	718,965	1,745	---	---	(717,220)	---
Natural Resources and Commerce	1,905,909	31,914	16,990	---	(1,857,005)	---
Culture and Internal Affairs	5,112,302	6,030	725,495	---	(4,380,777)	---
Justice, Immigration and Labor	5,559,538	989,924	220,972	---	(4,348,642)	---
Finance, Banking and Postal Services	59,472,598	766,972	38,863,688	---	(19,841,938)	---
Foreign Affairs and Trade	6,682,799	---	550,358	---	(6,132,441)	---
Works, Infrastructure and Utilities	17,342,055	95,810	3,452,185	139,575,694	125,781,634	---
Environmental Protection Authority	555,329	74,815	379,337	---	(101,177)	---
Nuclear claims related	2,240,225	---	2,240,225	---	---	---
Unallocated interest - long-term debt	1,485,900	---	---	---	(1,485,900)	---
Total primary government	$ 201,998,771	$ 4,740,913	$ 128,445,936	$ 139,948,151	71,136,229	---
Component units:						
Marshalls Energy Company, Inc.	47,632,722	48,028,350	-	9,686,399	---	10,082,027
MI Development Bank	3,748,341	4,337,481	55,722	---	---	644,862
MI Marine Resources Authority	36,819,339	28,279,896	924,775	163,648	---	(7,451,020)
MI National Telecom. Authority	9,817,744	9,131,081	---	---	---	(686,663)
Other nonmajor component units	29,050,924	13,934,118	1,207,125	16,608,132	---	2,698,451
Total component units	$ 127,069,070	$ 103,710,926	$ 2,187,622	$ 26,458,179	---	5,287,657
General revenues:						
Taxes:						
Income taxes					20,575,352	---
Import taxes					9,553,474	---
Gross revenue taxes					9,038,776	---
Immovable property					829,648	---
Fuel taxes					584,046	---
Penalties and interest					159,020	---
Other					179,066	---
Unrestricted grants and contributions					17,322,590	---
Contributions from component units					30,673,478	---
Ship registry					11,894,265	---
Unrestricted investment earnings					806,485	1,781,066
Contributions from primary government					---	13,817,354
Other					99,940	20,456
Total general revenues					101,716,140	15,618,876
Contributions to permanent funds					25,031,937	---
Total general revenues and contributions					126,748,077	15,618,876
Change in net position					197,884,306	20,906,533
Net position at the beginning of the year					222,502,424	159,504,948
Net position at the end of the year					$ 420,386,730	$ 180,411,481

See accompanying notes.

Republic of the Marshall Islands

Balance Sheet
Governmental Funds

September 30, 2024

	General	Special Revenue: Grants Assistance	Permanent: Compact Trust	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 23,028,655	$ ---	$ ---	$ 2,549,744	$ 25,578,399
Receivables, net:					
Taxes	6,966,510	---	---	---	6,966,510
Federal agencies	---	22,849,014	---	---	22,849,014
General	3,436,239	7,602,522	---	589,653	11,628,414
Other	---	---	---	271,706	271,706
Due from other funds	13,930,256	194,208,624	---	5,978,483	214,117,363
Due from component units	4,976,461	---	---	---	4,976,461
Advances	2,527,220	1,998,984	---	159,299	4,685,503
Other assets	3,290,250	---	---	---	3,290,250
Restricted assets:					
Cash and cash equivalents	186,133,745	---	---	---	186,133,745
Investments	---	---	133,365,113	---	133,365,113
Total assets	$ 244,289,336	$ 226,659,144	$ 133,365,113	$ 9,548,885	$ 613,862,478
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 8,677,116	$ 4,732,484	$ ---	$ 651,519	$ 14,061,119
Other liabilities and accruals	5,328,838	1,652,729	---	1,410,756	8,392,323
Payable to federal agencies	---	8,565,331	---	---	8,565,331
Retention payable	377,671	1,260,762	---	---	1,638,433
Due to component units	565,682	---	---	---	565,682
Unearned revenue	1,054,361	4,449,456	---	---	5,503,817
Due to other funds	201,957,438	13,930,256	---	---	215,887,694
Total liabilities	217,961,106	34,591,018	---	2,062,275	254,614,399
Fund balances:					
Nonspendable	8,266,711	---	133,365,113	---	141,631,824
Restricted	4,787,410	189,882,806	---	688,788	195,359,004
Committed	14,251	2,981,993	---	6,797,822	9,794,066
Unassigned	13,259,858	(796,673)	---	---	12,463,185
Total fund balances	26,328,230	192,068,126	133,365,113	7,486,610	359,248,079
Total liabilities and fund balances	$ 244,289,336	$ 226,659,144	$ 133,365,113	$ 9,548,885	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					129,058,821
Long-term liabilities, including loans and leases payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities include:					
Accrued interest payable				(112,892)	
Loans payable				(34,970,555)	
Leases payable				(28,230,061)	
Compensated absences payable				(4,606,662)	
					(67,920,170)
Net position of governmental activities					$ 420,386,730

See accompanying notes.

Republic of the Marshall Islands

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year ended September 30, 2024

	General	Special Revenue: Grants Assistance	Permanent: Compact Trust	Other Governmental Funds	Total
Revenues:					
Taxes	$ 40,919,382	$ ---	$ ---	$ ---	$ 40,919,382
Federal and other grants	17,675,553	268,041,124	---	---	285,716,677
Sales	---	---	---	180,111	180,111
Ship registry	11,894,265	---	---	---	11,894,265
Net change in the fair value of investments	---	---	25,031,937	---	25,031,937
Interest and dividends	91,529	687,087	---	27,869	806,485
Fees and charges	911,954	---	---	3,648,848	4,560,802
Contributions from component units	30,673,478	---	---	---	30,673,478
Other	99,940	---	---	---	99,940
Total revenues	102,266,101	268,728,211	25,031,937	3,856,828	399,883,077
Expenditures:					
Current:					
President and Cabinet	2,588,655	---	---	---	2,588,655
Office of the Chief Secretary	2,330,449	1,171,565	---	4,789	3,506,803
Special appropriations	12,448,137	---	---	---	12,448,137
Council of Iroij	704,375	---	---	---	704,375
Nitijela	2,369,509	---	---	---	2,369,509
Office of the Auditor-General	953,028	146,112	---	---	1,099,140
Public Service Commission	657,367	---	---	---	657,367
Judiciary	---	---	---	1,353,061	1,353,061
Office of the Attorney General	1,548,933	---	---	274,007	1,822,940
Ministries:					
Environment	626,753	186,931	---	---	813,684
Education, Sports and Training	15,227,808	23,791,951	---	2,700,923	41,720,682
Health and Human Services	9,370,019	17,071,582	---	---	26,441,601
Transportation, Communication and Information Technology	564,202	---	---	---	564,202
Natural Resources and Commerce	1,728,339	154,970	---	---	1,883,309
Culture and Internal Affairs	3,422,013	1,632,192	---	---	5,054,205
Justice, Immigration and Labor	4,596,854	220,971	---	540,873	5,358,698
Finance, Banking and Postal Services	25,661,486	35,627,975	---	934,800	62,224,261
Foreign Affairs and Trade	6,039,012	215,149	---	---	6,254,161
Works, Infrastructure and Utilities	4,167,837	14,210,581	---	77,485	18,455,903
Environmental Protection Authority	170,255	385,074	---	---	555,329
Nuclear claims related	---	---	---	2,240,225	2,240,225
Debt service:					
Asian Development Bank	3,509,629	---	---	---	3,509,629
Marshall Islands Development Bank	2,752,000	---	---	---	2,752,000
International Cooperation & Development F	293,031	---	---	---	293,031
Total expenditures	101,729,691	94,815,053	---	8,126,163	204,670,907
Excess (deficiency) of revenues over (under) expenditures	536,410	173,913,158	25,031,937	(4,269,335)	195,212,170
Other financing sources (uses):					
Operating transfers in	2,459,610	1,334,601	---	6,263,983	10,058,194
Operating transfers out	(2,377,103)	(4,032,427)	(2,589,054)	(1,059,610)	(10,058,194)
Total other financing sources (uses), net	82,507	(2,697,826)	(2,589,054)	5,204,373	-
Net change in fund balances	618,917	171,215,332	22,442,883	935,038	195,212,170
Fund balances at the beginning of the year	25,709,313	20,852,794	110,922,230	6,551,572	164,035,909
Fund balances at the end of the year	$ 26,328,230	$ 192,068,126	$ 133,365,113	$ 7,486,610	$ 359,248,079

See accompanying notes.

Republic of the Marshall Islands

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$195,212,170
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets and lease assets are allocated over their estimated useful lives as depreciation and amortization expense. For the current year, these amounts consist of:		
Capital outlays, net of disposals	$4,310,325	
Depreciation expense	(5,879,734)	
Amortization expense	(1,695,331)	
		(3,264,740)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. For the current year, these amounts consist of:		
Repayment of ADB loans	3,168,914	
Repayment of MIDB loan	2,677,303	
Repayment of ICDF loans	151,643	
		5,997,860
Loss on SDR revaluation (see Note 8)		(893,728)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. For the current year, these activities consist of:		
Change in lease liability	760,196	
Change in accrued interest payable	(35,372)	
Change in compensated absences payable	107,920	
		832,744
Change in net position of governmental activities		$ 197,884,306

See accompanying notes.

Republic of the Marshall Islands

Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2024

	Private Purpose Trust	Custodial
ASSETS		
Cash and cash equivalents	$ 8,814,435	$ 1,096,626
Time certificate of deposit	9,388,474	90,400
Receivables, net	5,704,818	---
Investments	107,617,629	---
Due from other funds	1,605,847	164,484
Capital assets, net of accumulated depreciation	473,151	---
Total assets	133,604,354	1,351,510
LIABILITIES		
Accounts payable	539,852	---
Other liabilities and accruals	8,597	---
	548,449	---
NET POSITION		
Held in trust for:		
Individuals, organizations and other governments	131,452,538	1,351,510
Land use distributions	1,603,367	---
Total net position	$ 133,055,905	$ 1,351,510

See accompanying notes.

Republic of the Marshall Islands

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended September 30, 2024

	Private Purpose Trust	Custodial
Additions:		
Contributions:		
Private employees	$ 19,139,985	$ ---
Government employees	7,260,779	---
Penalties and interest	479,214	---
Total contributions	26,879,978	---
Investment gain:		
Net change in the fair value of investments	14,604,982	---
Interest and dividends	2,742,279	628
Investment gain	17,347,261	628
Less investment expense	(190,951)	---
Net investment gain	17,156,310	628
Other:		
Compact funding	25,167,600	---
Transfer in	1,190,400	---
Other	302,493	57,189
	26,660,493	57,189
Total additions	70,696,781	57,817
Deductions:		
Land use distributions	24,934,363	---
Benefits	21,752,927	---
Other distributions	---	5,050
Administrative expenses	1,391,582	353
Total deductions	48,078,872	5,403
Change in net position held in trust for:		
Individuals, organizations and other governments	---	52,414
Social security benefits	22,384,672	---
Land use distributions	233,237	---
	22,617,909	52,414
Net position at the beginning of the year	110,437,996	1,299,096
Net position at the end of the year	$ 133,055,905	$ 1,351,510

See accompanying notes.

Republic of the Marshall Islands

Combining Statement of Net Position
Discretely Presented Component Units

September 30, 2024

	Marshalls Energy Company, Inc.	Marshall Islands Development Bank	Marshall Islands Marine Resources Authority	Marshall Islands National Telecom. Authority	Nonmajor Component Units	Total
ASSETS						
Cash and cash equivalents	$ 3,302,297	$ 4,358,586	$ 15,180,901	$ 209,689	$ 5,305,211	$ 28,356,684
Time certificates of deposit	5,324,912	---	---	557,809	---	5,882,721
Receivables, net	7,484,008	36,053,271	8,591,486	809,151	1,503,428	54,441,344
Inventories	7,335,899	---	---	364,774	3,177,035	10,877,708
Other assets	3,927,279	---	82,208	92,254	1,099,524	5,201,265
Investments	---	10,192,021	3,307,445	---	---	13,499,466
Restricted assets:						
Cash and cash equivalents	36,055	3,236,348	---	---	---	3,272,403
Capital assets:						
Nondepreciable capital assets	23,267,312	6,159	2,904,192	2,722,952	47,303	28,947,918
Capital assets, net of accumulated depreciation	15,676,189	204,825	4,092,057	20,484,334	34,416,532	74,873,937
Lease assets, net	2,482,030	488,548	101,347	462,516	528,813	4,063,254
Indefeasible right of use, net	---	---	---	2,773,372	---	2,773,372
Total assets	68,835,981	54,539,758	34,259,636	28,476,851	46,077,846	232,190,072
LIABILITIES						
Accounts payable	9,117,113	427,817	84,071	923,927	3,453,991	14,006,919
Other liabilities and accruals	1,043,517	112,366	309,165	202,161	2,027,486	3,694,695
Contracts payable	---	---	345,408	1,023,403	---	1,368,811
Unearned revenue	5,264,846	---	---	148,675	141,671	5,555,192
Customer deposits	600,000	1,007,675	---	633,524	---	2,241,199
Noncurrent liabilities:						
Due within one year	1,776,777	736,120	7,142	1,068,425	98,699	3,687,163
Due in more than one year	5,115,638	2,370,674	78,395	12,909,398	472,791	20,946,896
Total liabilities	22,917,891	4,654,652	824,181	16,909,513	6,194,638	51,500,875
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from leases	---	181,903	95,813	---	---	277,716
NET POSITION						
Net investment in capital assets	41,233,312	199,858	6,666,651	11,741,948	34,421,158	94,262,927
Restricted	36,055	586,309	1,278,692	---	---	1,901,056
Unrestricted	4,648,723	48,917,036	25,394,299	(174,610)	5,462,050	84,247,498
Total net position	$ 45,918,090	$ 49,703,203	$ 33,339,642	$ 11,567,338	$ 39,883,208	$ 180,411,481

See accompanying notes.

Republic of the Marshall Islands

Combining Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Units

Year ended September 30, 2024

	Marshalls Energy Company, Inc.	Marshall Islands Development Bank	Marshall Islands Marine Resources Authority	Marshall Islands National Telecom. Authority	Nonmajor Component Units	Total
Expenses	$ 47,632,722	$ 3,748,341	$ 36,819,339	$ 9,817,744	$ 29,050,924	$ 127,069,070
Program revenues:						
Charges for services	48,028,350	4,337,481	28,279,896	9,131,081	13,934,118	103,710,926
Operating grants and contributions	---	55,722	924,775	---	1,207,125	2,187,622
Capital grants and contributions	9,686,399	---	163,648	---	16,608,132	26,458,179
Total program revenues	57,714,749	4,393,203	29,368,319	9,131,081	31,749,375	132,356,727
Net program revenues (expenses)	10,082,027	644,862	(7,451,020)	(686,663)	2,698,451	5,287,657
General revenues:						
Payments from RepMar	401,012	307,500	---	---	13,108,842	13,817,354
Investment earnings	---	188,632	1,574,395	18,039	---	1,781,066
Other	---	---	---	500	19,956	20,456
Total general revenues	401,012	496,132	1,574,395	18,539	13,128,798	15,618,876
Change in net position	10,483,039	1,140,994	(5,876,625)	(668,124)	15,827,249	20,906,533
Net position at the beginning of the year	35,435,051	48,562,209	39,216,267	12,235,462	24,055,959	159,504,948
Net position at the end of the year	$ 45,918,090	$ 49,703,203	$ 33,339,642	$ 11,567,338	$ 39,883,208	$ 180,411,481

See accompanying notes.

Republic of the Marshall Islands

Notes to Financial Statements

Year ended September 30, 2024

1. Summary of Significant Accounting Policies

The Republic of the Marshall Islands ("RepMar") was constituted on May 1, 1979, under the provisions of the Constitution of the Republic of the Marshall Islands (the "Constitution") as approved by the people of the Marshall Islands. The Constitution provides for the separation of powers of the executive, legislative, and judicial branches of the government. RepMar assumes responsibility for general government, public safety, health, education, and economic development. The United States dollar is the official currency and legal tender.

The accompanying financial statements of RepMar have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of RepMar's accounting policies are described below.

Reporting Entity

The Government of RepMar is a constitutional government comprised of three branches: Legislative Branch (the Nitijela), consisting of 33 members elected for a term of four years; Executive Branch, consisting of the Cabinet; and Judiciary Branch made up of the High Court, the Supreme Court, and the Traditional Rights Court that advises the High Court on matters concerning customary law and traditional practice. The Nitijela elects one of its members at its first session following an election to serve as President. The President, in turn, appoints six to ten members of the Nitijela to serve as Ministers who collectively comprise the Cabinet.

For financial reporting purposes, RepMar has included all funds, organizations, agencies, boards, commissions and institutions. RepMar has also considered all potential component units for which it is financially accountable as well as other entities for which the nature and significance of their relationship with RepMar are such that exclusion would cause RepMar's financial statements to be misleading or incomplete. The criteria to be considered in determining financial accountability include whether RepMar, as the primary government, has appointed a voting majority of an organization's governing body and either can impose its will on that organization or there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on RepMar. Financial accountability also exists if an organization is determined to be fiscally dependent on the primary government, although the primary government does not appoint a voting majority of the organization's governing board.

Each blended and discretely presented component unit of RepMar has a September 30 year-end.

1. Summary of Significant Accounting Policies, continued

Reporting Entity, continued

The financial statements of the component units have been included in the financial reporting entity in accordance with GASB Codification (Cod.) 2200. Component units are entities that are legally separate organizations for which RepMar's elected officials are financially accountable or other organizations for which the nature and significance of their relationship with RepMar are such that exclusion would cause RepMar's basic financial statements to be misleading or incomplete. RepMar is financially accountable because it appoints the members of the governing authorities of each of the component units and because it can impose its will on these organizations or because the organizations provide specific financial benefits or impose specific financial burdens on RepMar.

Blended component units are entities that are legally separate from RepMar, but are so related to RepMar that they are, in substance, the same as RepMar or entities providing services entirely or almost entirely to RepMar. The net position and results of operations of the following legally separate entities are presented as part of RepMar's operations:

- Marshall Islands Scholarship Grant and Loan Board, a Governmental Fund Type - Special Revenue Fund. This fund was established under Public Law No. 1979-19 to account for all disbursements of scholarship funds and is governed by a seven-member Board appointed by the Cabinet of RepMar.

- Marshall Islands Judiciary Fund, a Governmental Fund Type - Special Revenue Fund. This fund was established to account for all activities of the Marshall Islands Judiciary not accounted for within the General Fund.

Discretely presented component units are entities which are legally separate from RepMar, but are financially accountable to RepMar, or whose relationships with RepMar are such that exclusion would cause RepMar's basic financial statements to be misleading or incomplete.

The component units' column of the basic financial statements includes the financial data of the following component units:

- Marshalls Energy Company, Inc. (MEC): MEC was granted a corporate charter by the Cabinet of RepMar on February 2, 1984 to engage in the business of generating and transmitting electricity, and the import and marketing of petroleum products. MEC is governed by a seven-member RMI Combined Utilities Board of Directors appointed by the Cabinet of RepMar. The RMI Combined Utilities Board of Directors also have governance over KAJUR and MWSC. RepMar guarantees principal and interest payments to the Rural Utilities Service in the event of default by MEC on a Federal Financing Bank loan. RepMar provides financial support to MEC through legislative appropriations.

1. Summary of Significant Accounting Policies, continued

Reporting Entity, continued

- Marshall Islands Development Bank (MIDB): MIDB was established under Public Law No. 1988-1 to promote development and expansion of the Marshall Islands economy and is governed by a seven-member Board of Directors appointed by the Cabinet. MIDB has received funds under Sections 111 and 211 of the Compact of Free Association and funds from the U.S. Department of Agriculture under the Rural Housing and Community Development Service Housing Preservation Grant. RepMar can impose its will on MIDB.

- Marshall Islands Marine Resources Authority (MIMRA): MIMRA was established as a body corporate pursuant to the Marshall Islands Marine Resources Authority Act of 1997 (Public Law No. 1997-60) to facilitate the sustainable and responsible use of the marine resources in the Marshall Islands. MIMRA is governed by a seven-member Board of Directors, including the Minister of Natural Resources and Commerce, the Minister of Foreign Affairs and Trade, the Minister of Culture and Internal Affairs, and four members appointed by the President. RepMar can impose its will on MIMRA.

- Marshall Islands National Telecommunications Authority (MINTA): MINTA was incorporated under Public Law No. 1990-105 to engage in the business of providing local and international telecommunication services. MINTA is governed by an eight-member Board of Directors elected by a majority vote of its shareholders. RepMar owns a voting majority of MINTA stock. RepMar guarantees principal and interest payments to the Rural Utilities Service in the event of default by MINTA on Rural Electrification and Telephone Revolving Fund loans.

The component units' column of the basic financial statements also includes the financial data of the following nonmajor component units: Air Marshall Islands, Inc., Majuro Atoll Waste Company, Inc., Marshall Islands Postal Service Authority, Marshall Islands Shipping Corporation, National Environmental Protection Authority, Office of Commerce, Investment and Tourism, and Tobolar Copra Processing Authority.

The aggregate remaining fund information column of the basic financial statements does not include the financial data of the following nonmajor governmental funds:

- Health Care Revenue Fund, a Governmental Fund Type - Special Revenue Fund. This fund was established under Public Law No. 1989-59 within the Ministry of Health and Human Services to control the expenditure of funds for health care related services.

- Marshall Islands Health Fund, a Governmental Fund Type - Special Revenue Fund. This fund was established under Public Law No. 1990-75, as amended by Public Law Nos. 2001-31 and 2001-35, to account for the operations of the Basic and Supplemental Health Funds delivering comprehensive medical care.

1. Summary of Significant Accounting Policies, continued

Reporting Entity, continued

The component units' column of the basic financial statements does not include the financial data of the following major components:

- College of the Marshall Islands (CMI): CMI was established as an independent institution pursuant to the College of the Marshall Islands Act of 1992 (Public Law No. 1992-13) to provide post-secondary education services to meet the needs of the Marshall Islands. CMI is governed by a nine-member Board of Regents appointed by the President upon approval of the Cabinet of RepMar. RepMar provides financial support to CMI through legislative appropriations.

- Kwajalein Atoll Joint Utilities Resources, Inc. (KAJUR): KAJUR was incorporated under the laws of the Republic of the Marshall Islands on September 1, 1990, to generate and distribute utilities on the island of Ebeye. KAJUR is governed by a seven-member RMI Combined Utilities Board of Directors appointed by the Cabinet of RepMar. The RMI Combined Utilities Board of Directors also has governance over Marshalls Energy Company, Inc. and Majuro Water and Sewer Company, Inc. (MWSC). RepMar provides financial support to KAJUR through legislative appropriations.

- Majuro Resort, Inc. (MRI): MRI was granted a corporate charter by the Cabinet of RepMar on November 8, 1995 to engage in the operation of a 150-room hotel on the atoll of Majuro. MRI is governed by a seven-member Board of Directors appointed by the President upon approval of the Cabinet of RepMar. RepMar has the ability to impose its will on MRI.

- Majuro Water and Sewer Company, Inc. (MWSC): MWSC was granted a corporate charter by the Cabinet of RepMar on January 26, 1989 to engage in the business of collecting and distributing fresh water, wastewater and maintaining the sewer system. MWSC is governed by a seven-member Board of Directors appointed by the President upon approval of the Cabinet of RepMar. RepMar provides financial support to MWSC through legislative appropriations.

- RMI Ports Authority (RMIPA): RMIPA was incorporated under Public Law No. 2003-81 to engage in the operation and maintenance of commercial port facilities in the Marshall Islands. RMIPA is governed by a seven-member Board of Directors appointed by the President upon the approval of the Cabinet of RepMar. RepMar can impose its will on RMIPA.

1. Summary of Significant Accounting Policies, continued

Reporting Entity, continued

In addition, RepMar's single fiduciary component unit is subject to legislative and executive controls. This component unit, while meeting the definition of a component unit and while legally separate, is presented in the fund financial statements of RepMar; however, has been omitted from the government-wide financial statements as the resources are not available to fund operations of RepMar.

The fiduciary component unit is as follows:

- Marshall Islands Social Security Administration (MISSA), a Fiduciary Fund Type - Private Purpose Trust Fund. MISSA was established to provide a financially sound social security system with pension benefits and early retirement and operates under the authority of a seven-member Board of Directors appointed by the Cabinet of RepMar.

RepMar's component units, departments, and funds that are separately audited issue their own financial statements. These statements may be obtained by directly contacting the various entities or obtaining them directly from the Office of the Auditor-General website www.rmioag.com.

RepMar is also responsible for appointing voting members to the governing boards of additional and legally separate organizations, but RepMar's financial accountability for these organizations does not extend beyond making the appointments. Therefore, the financial data of these entities are excluded from RepMar's financial statements. Those organizations are Alele Museum, Inc. and the Republic of the Marshall Islands Private Industry Council, Inc.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report financial information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements except for other charges between the primary government and the discretely presented component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Primary government activities are defined as either governmental or business-type activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. As such, business-type activities account for operations similarly to a for-profit business. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Discretely presented component unit activities are presented with their business-type focus.

1. Summary of Significant Accounting Policies, continued

Government-Wide Financial Statements, continued

The Statement of Net Position presents all the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

- Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.

- Unrestricted net position consists of net position, which does not meet the definition of the two preceding categories. Unrestricted net position often is designated, (for example, internally restricted), to indicate that management does not consider such to be available for general operations.

The government-wide Statement of Net Position reports $336,306,855 of restricted net position, of which $19,876,538 is restricted by enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are, instead, reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements pursuant to GASB reporting standards, with nonmajor governmental funds being combined into a single column.

RepMar reports its financial position and results of operations in funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Transactions between funds within a fund type, if any, have not been eliminated.

1. Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements - the government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenue is derived from taxation, investment income and other fees that are not allocated to specific programs.

Governmental Fund Financial Statements - the governmental fund financial statements account for the general governmental activities of RepMar and are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual*;* generally, when they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, RepMar considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Significant revenues susceptible to accrual include income and gross revenue taxes, federal grants, federal reimbursements and other reimbursements for use of materials and services. Miscellaneous revenues from other financing sources are recognized when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available. Investments and related investment earnings are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Expenditures generally are recorded in the period in which the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fiduciary funds and discretely presented component units financial statements - the fiduciary funds and discretely presented component units financial statements are reported using the economic resources management focus and the accrual basis of accounting, like government-wide financial statements, as described above.

1. Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting, continued

Contributions for fiduciary funds are recorded when due and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Additional contributions are recognized as revenue as soon as all eligibility requirements have been met. Investment earnings are recorded as earned, since they are both measurable and available.

Discretely presented component units distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a component unit's principal ongoing operations. All other revenues are reported as nonoperating. Operating expenses includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GASB Cod. 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses for either fund category or the governmental and enterprise combined) for the determination of major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements.

RepMar reports the following major funds:

- General Fund - this fund is the primary operating fund of RepMar. It is used to account for all governmental transactions, except those required to be accounted for in another fund.

- Grants Assistance Fund - this special revenue fund accounts for all financial transactions that are sub-granted to RepMar, including United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(a) and approved by Nitijela resolution 123 to promote economic advancement and budgetary self-reliance as well as other direct grants that RepMar received from the United States government and other donor countries.

- Compact Trust Fund - this permanent fund accounts for RepMar's contributions to the Trust Fund established in accordance with Section 216 of the Compact of Free Association, as amended, to provide for an additional source of revenue for the government budget that will be needed to substitute for the absence of Compact of Free Association funding in the future.

The nonmajor governmental funds are comprised of special revenue funds, which account for financial resources obtained from specific revenue sources and used for restricted purposes.

1. Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting, continued

In addition, RepMar reports the following fund types:

- Private Purpose Trust Funds - these funds are used to account for resources held in trust under which principal and income benefit certain individuals. These include funds held in trust by the Marshall Islands Social Security Administration (MISSA) for the beneficiaries of the MISSA Retirement Fund; funds received under the Interim Use Agreement for the benefit of Kwajalein landowners; and funds received under Section 177 of the Compact of Free Association for the benefit of victims related to the United States Nuclear Testing Program.

- Custodial Funds - this fund is used to report resources held by the primary government in a purely custodial capacity relating to deposits made by defendants for court cases and unclaimed property.

Cash and Cash Equivalents and Time Certificates of Deposit

RepMar pools cash resources of its various funds to facilitate the management of cash. Unless otherwise required by law, interest income received on pooled cash accrues to the General Fund. Cash and cash equivalents applicable to a particular fund are readily identifiable. Cash and cash equivalents include cash on hand, demand deposits, and short-term investments in U.S. Treasury obligations with a maturity date within three months of the date acquired by RepMar. Deposits maintained in time certificates of deposit with original maturity dates greater than three months are separately classified on the statement of net position/balance sheet.

Investments

Investments and related investment earnings of the primary government and the discretely presented component units are recorded at fair value using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability (ie., the exit price) in an orderly transaction between market participants at the date of which the fair value of an asset or liability is determined.

RepMar categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

1. Summary of Significant Accounting Policies, continued

Investments, continued

In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy is based on the lowest level of input that is significant to the fair measurement. Investments not categorized under the fair value hierarchy are shown at either Net Asset Value (NAV) or amortized cost.

RepMar participates in an external investment pool known as the Trust Fund for the People of the Republic of the Marshall Islands. RepMar cannot directly access individual investments in the external investment pool.

Investments of 20% or more of the voting stock of an investee are presumed to give the investor significant influence and are carried using the equity method. Under the equity method, the investor records, as earnings or loss, its proportionate share of the investee's earnings or loss.

RepMar holds approximately 30% of the outstanding shares of Pacific Islands Development Bank at cost of $3,290,250. This equity interest does not meet the definition of an investment as the asset is held primarily for economic development. Accordingly, such is presented within the accompanying financial statements as other assets.

Receivables

In general, tax revenue is recognized on the government-wide financial statements, when assessed or levied, and on the governmental fund financial statements to the extent that it is both measurable and available. Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to RepMar for expenditures on federally funded reimbursement and grant programs are reported as "receivables from federal agencies" on the governmental fund balance sheet.

Receivables of the primary government and the discretely presented component units are primarily due from businesses and individuals residing on the islands of Majuro and Ebeye. The allowance for uncollectible accounts primarily represents estimated allowances for uncollectible amounts that are determined based upon past collection experience and aging of the accounts.

Inventories

Inventories of the discretely presented component units are valued at the lower of cost (FIFO) or market.

1. Summary of Significant Accounting Policies, continued

Interfund Receivables/Payables

During its operations, RepMar records transactions between individual funds for goods provided or services rendered. Receivables and payables resulting from transactions between funds are classified as "due from other funds" or "due to other funds" on the governmental fund balance sheet. Receivables and payables resulting from transactions between component units and the primary government are classified as “due to/from primary government” or “due to/from component units” on the governmental fund balance sheet and the statement of net position. Interfund receivables and payables have been eliminated from the statement of net position.

Restricted Assets

Certain assets of the primary government and the discretely presented component units are classified as restricted assets because their use is restricted through loan agreements or enabling legislation.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, docks, water and sewer lines, water catchments, and other similar items), are reported in the governmental activity column of the government-wide financial statements. Such assets, whether purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. RepMar currently holds no title to land. Singular pieces of machinery and equipment that equal or exceed $50,000 are capitalized. Buildings and infrastructure projects with a cost that equals or exceeds $100,000 are capitalized. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

Capital assets of the primary government and the component units are depreciated using the straight-line method over their estimated useful lives, with a full year’s depreciation charged in the year of acquisition and disposal, regardless of date.

Lease Assets

Right-to-use assets are recognized at the lease commencement date and represent RepMar’s right to use an underlying asset for the lease term. Right-to-use assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs. Options to renew or terminate the lease are recognized as part of right-to-use assets and lease liabilities when it is reasonably certain the options will be exercised.

1. Summary of Significant Accounting Policies, continued

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. RepMar has no items that qualify for reporting in this category.

Unearned Revenue

In the government-wide financial statements, unearned revenue is recognized when cash, receivables or other assets are recorded prior to being earned. In the governmental fund financial statements, unearned revenue represents monies received or revenues accrued which have not been earned or do not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting. Unearned revenue of the discretely presented component units primarily represents amounts received for tuition and fees, certain auxiliary activities, and fuel sales prior to the end of the fiscal year but are related to the subsequent accounting period.

Long-term Debt

The liabilities reported in the government-wide financial statements include long-term obligations incurred under various Asian Development Bank loans and compensated absences payable. Long-term obligations of component units are recorded as liabilities in the discretely presented component unit's column.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements. Annual leave accumulates at the rate of one working day per bi-weekly pay period.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then. RepMar has reported deferred inflows of resources for lease revenues in this category.

1. Summary of Significant Accounting Policies, continued

Fund Balances

Fund balance classifications are based on the extent to which RepMar is bound to honor constraints on the specific purposes for which amounts in those funds can be spent and are reported under the following fund balance classifications:

- Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

- Unassigned - includes negative fund balances in other governmental funds.

RepMar has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of RepMar is to use committed resources first followed by unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

A formal minimum fund balance policy has not been adopted.

Risk Financing

RepMar is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the primary government not to purchase commercial insurance for the risks of loss to which it is exposed. Instead, RepMar management believes it is more economical to manage risks internally. In the event of claim settlements and judgments, RepMar reports all risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. No losses have occurred because of these policies in any of the past three fiscal years.

1. Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements

During the year ended September 30, 2024, RepMar implemented the following pronouncements:

- GASB Statement No. 99, *Omnibus 2022*, which modifies guidance in GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, to bring all guarantees under the same financial reporting requirements and disclosures. It also provides guidance on classification and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The implementation of this Statement did not have a material effect on the accompanying financial statements.

- GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, which enhances accounting and financial reporting requirements for accounting changes and error corrections and requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. Requirements applicable to changes in accounting principles apply to the implementation of a new pronouncement if there is no specific transition guidance in the new pronouncement. GASB Statement No. 100 also requires that aggregate amounts of adjustments to, and restatements of, beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The implementation of this Statement did not have a material effect on the accompanying financial statements.

Upcoming Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. GASB Statement No. 101 will be effective for the fiscal year ending September 30, 2025.

1. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to ascertain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. GASB Statement No. 102 will be effective for the fiscal year ending September 30, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues identified through agenda research conducted by the GASB. The Statement also establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following: a) management's discussion and analysis (MD&A); b) unusual or infrequent items; c) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; d) information about major component units in basic financial statements; e) budgetary comparison information; and f) financial trends information in the statistical section. GASB Statement No. 103 will be effective for the fiscal year ending September 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame.

1. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

GASB Statement No. 104 requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. GASB Statement No. 104 will be effective for the fiscal year ending September 30, 2026.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. GASB Statement No. 105 will be effective for the fiscal year ending September 30, 2027.

RepMar is evaluating the effect that these Statements, upon implementation, will have on the financial statements.

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Encumbrances

RepMar utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. As of September 30, 2024, RepMar has significant encumbrances summarized as follows:

General	Grants Assistance	Compact Trust	Other Governmental	Total
$8,417,060	$86,435,312	$ ---	$498,889	$95,351,261

2. Deposits and Investments

The deposit and investment policies of RepMar are governed by 3 MIRC 7, *Investment of Public Funds*, and 11 MIRC 1, *Financial Management*, in conjunction with various trust agreements. Under 3 MIRC 7, the Secretary of Finance, Banking and Postal Services, subject to approval of the Cabinet, may transfer specific amounts of money from the General Fund, and invest such money in financial institution investment accounts.

Investment guidelines to be followed by the Secretary of Finance, Banking and Postal Services are as follows:

(a) Public monies shall not be deposited with any financial institution that is not a member of the Federal Deposit Insurance Corporation (FDIC) of the United States or the Federal Savings and Loan Insurance Corporation (FSLIC) of the United States, unless the Secretary of Finance, Banking and Postal Services is satisfied, on the advice of the Banking Commissioner, that a financial institution (although not a member of the FDIC or FSLIC), owns sufficient assets to cover the total amount of the deposit;

(b) The demand deposit account shall be continuously maintained to cover not less than seventy-five percent of the cash expenditures projected to be expended over the next succeeding ninety-day period;

(c) All deposits, accounts and funds maintained pursuant to this Act shall be subordinate deposits, accounts and funds of the General Fund; and

(d) No withdrawal of monies shall be made from or charged against time or savings deposits, accounts or funds maintained pursuant to this Act except to transfer funds into the demand deposit account of the General Fund. All expenditures shall be made from or charged against the demand deposit account of the General Fund only.

Under 11 MIRC 1, the Secretary of Finance, Banking and Postal Services may invest any monies of RepMar, which:

(a) Are funds that have not been appropriated by an Act;

(b) In his judgment are more than the amounts necessary for meeting the immediate requirements of RepMar; and

(c) In his judgment it will not impede or hamper the necessary financial operations of RepMar.

2. Deposits and Investments, continued

Any of such investments shall be due to mature no later than one (1) year from the date of investment, unless otherwise directed and authorized by the Cabinet for a longer period. Income derived from investments may be reinvested, unless the Cabinet decides otherwise, at the discretion of the Secretary of Finance, Banking and Postal Services and shall be recognized as revenue in accordance with generally accepted accounting principles. Long-term investments shall be in time certificates of deposit, bonds, notes, prime commercial paper or other low-risk investments.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, RepMar's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. RepMar does not have a deposit policy for custodial credit risk.

As of September 30, 2024, the carrying amount of the primary government's total cash and cash equivalents was $211,712,144 and the corresponding bank balances were $214,080,700. Of the bank balances, $211,185,920 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2024, bank deposits in the amount of $1,656,821 were FDIC insured. Bank deposits of $2,894,780 are maintained in financial institutions not subject to depository insurance. RepMar does not require collateralization of its cash deposits; therefore, deposit levels exceeding FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

As of September 30, 2024, the carrying amount of the fiduciary fund's total cash and cash equivalents and time certificates of deposit was $19,389,935 and the corresponding bank balances were $19,479,019. Of the bank balances, $3,687,401 is maintained in financial institutions subject to FDIC insurance. Bank deposits of $15,791,618 are maintained in financial institutions not subject to depository insurance. As of September 30, 2024, bank deposits in the amount of $500,000 were FDIC insured. RepMar does not require collateralization of its cash deposits; therefore, deposit levels exceeding FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

As of September 30, 2024, the carrying amount in the aggregate of the discretely presented component units' total cash and cash equivalents and time certificates of deposit was $37,511,808 and the corresponding bank balances were $38,346,736. Of the bank balances, $18,947,632 is maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of $2,554,613 were FDIC insured. Bank deposits of $19,399,104 are maintained in financial institutions not subject to depository insurance. The component units do not require collateralization of their cash deposits; therefore, deposit levels exceeding FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

2. Deposits and Investments, continued

Investments

Primary Government

Investments of the primary government as of September 30, 2024, are as follows:

Compact Trust Fund:	
Investment in an external investment pool	$133,365,113

The Compact Trust Fund includes an investment in an external investment pool; Trust Fund for the People of the Republic of the Marshall Islands. The purpose of the Trust Fund is to contribute to the economic advancement and long-term self-reliance of the Marshall Islands by providing an annual source of revenue.

The credit quality rating for aforementioned external investment pool is unrated.

The fair value of the position in the external investment pool is the same as the value of the pool shares as provided by the pool sponsor. There is no regulatory oversight for the pool.

The Compact Trust Fund has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	In Active In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
External investment pool	$133,365,113	$133,365,113	$ ---	$ ---

Fiduciary Funds

Investments in marketable securities of the Marshall Islands Social Security Administration (MISSA) as of September 30, 2024, are as follows:

Mutual funds	$48,050,232
Exchange Traded Funds	36,547,073
Fixed income	540,086
Money market funds	9,038
	$85,146,429

2. Deposits and Investments, continued

Investments, continued

Fiduciary Funds, continued

As of September 30, 2024, MISSA's investments in fixed income debt securities were as follows:

		Investment Maturities (In Years)				
	Moody's Rating	Less Than 1	1 to 5	6 to 10	Greater Than 10	Fair Value
U.S. Treasury notes	AAA	$540,086	$ ---	$ ---	$ ---	$540,086

Fiduciary funds have the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	In Active In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Mutual funds	$48,050,232	$48,050,232	$ ---	$ ---
Exchange traded funds	36,547,073	36,547,073	---	---
Fixed income	540,086	540,086	---	---
	85,137,391	$85,137,391	$ ---	$ ---
Investments measured at amortized cost:				
Money market funds	9,038			
	$85,146,429			

Additionally, MISSA owns 60,300 shares of common stock of Marshall Islands Holdings, Inc. (MIHI), which represents approximately 37% of the outstanding shares of MIHI as of September 30, 2024. MIHI engages in all aspects of holding company activities in the Marshall Islands and which is the sole shareholder of Bank of Marshall Islands (BOMI). MISSA also owns 80,080 shares of common stock of Marshall Islands Service Corporation (MISC), which represents approximately 5% of the outstanding shares of MISC as of September 30, 2024. MISC is majority-owned by MIHI. The investment in MIHI is accounted for on the equity method since the investment constitutes 20% or more of the voting stock of MIHI.

As of September 30, 2024, MISSA's investment in MIHI amounted to $20,963,149. The investment in MISC is accounted for at the Net Asset Value. As of September 30, 2024, MISSA's investment in MISC amounted to $1,508,051. During the year ended September 30, 2024, MISSA received dividend payments from MIHI of $301,500. For the year ended September 30, 2024, MISSA recognized $1,119,627 of equity in net earnings of MIHI.

2. Deposits and Investments, continued

Investments, continued

Fiduciary Funds, continued

The deposit and investment policies of MISSA are governed by its enabling legislation. The Board is required to engage one or more fund custodians to assume responsibility for the physical possession of MISSA's investments. Legally authorized investments are as follows:

(i) Government obligations - Obligations issued or guaranteed as to principal and interest by RepMar or by the Government of the United States, provided that the total market value of the investments in obligations guaranteed by RepMar shall at the time of purchase not exceed twenty-five percent (25%) of the total market value of all investments of MISSA, and further provided that the principal and interest on each obligation are payable in the currency of the United States.

(ii) Corporate obligations and mortgage-backed securities - Obligations of any public or private entity or corporation created or existing under the laws of RepMar or of the United States or any state, territory or commonwealth thereof, or obligations of any other government or economic community which are payable in United States dollars, or pass through and other mortgage-backed securities provided that the obligation is from an agency of the United States Government or is rated in one of the four highest categories by two nationally recognized rating agencies in the United States. No investment under this heading shall exceed five percent of the market value of the Fund or ten percent of the outstanding value of the issue at the time of purchase.

(iii) Preferred and common stocks - Shares of preferred or common stocks of any corporation created or existing under the laws of RepMar or under the laws of the United States or any state, territory or commonwealth thereof provided that the purchase of such shares shall be considered reasonable and prudent by MISSA's investment advisor at the time of purchase, that not more than fifteen percent (15%) of the market value of the Fund shall be invested in the stock of any one corporation, and that no more than twenty-five percent (25%) of the market value of the Fund shall be invested in any one industry group.

(iv) Insurance company obligations - Contracts and agreements supplemental thereto providing for participation in one or more accounts of a life insurance company authorized to do business in the Republic or in any state, territory or commonwealth of the United States provided that the total market value of these investments at no time shall exceed ten percent (10%) of all investments of the Fund.

2. Deposits and Investments, continued

Investments, continued

Fiduciary Funds, continued

MISSA investments are held and administered by trustees in accordance with various trustee agreements. Based on negotiated trust and custody contracts, all these investments were held in the name of MISSA by their custodial financial institutions as of September 30, 2024. MISSA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Furthermore, as of September 30, 2024, there were no investments in any one issuer that exceeded 5% of total investments.

Discretely Presented Component Units

Investments of the discretely presented component units as of September 30, 2024, are as follows:

Marshall Islands Development Bank (MIDB):	
Common equity securities	$10,192,021

The deposit and investment policies of MIDB are governed by MIDB's Board of Directors. Generally, MIDB can provide financial assistance to enterprises operating in the Republic, including making equity investments in such enterprises.

MIDB owns 26,376 shares of common stock of Marshall Islands Holdings, Inc. (MIHI), which represents approximately 16% of the outstanding shares of MIHI as of September 30, 2024. MIDB also owns 3,150 shares of common stock of Marshall Islands Service Corporation (MISC), which represents approximately 1% of the outstanding shares of MISC as of September 30, 2024. MISC is majority-owned by MIHI. A summary of MIDB's investments in MIHI and MISC, which are accounted for at the Net Asset Value, follows:

Marshall Islands Holdings, Inc.	$10,134,187
Marshall Islands Service Corporation	57,834
	$10,192,021

Marshall Islands Marine Resources Authority (MIMRA):	
Investment in joint venture	$ 3,307,445

In 2005, MIMRA entered into a joint venture agreement with a third party to form the Marshall Islands Fishing Corporation (MIFCO), an ongoing association for the purpose of engaging in the purse seine fishing business. The association was formally organized during fiscal year 2006 with the purchase of the vessel RMI201. MIMRA's contributed capital was $2,940,000, which represented a 49% interest of the vessel's value of $6,000,000.

3. Receivables

Primary Government

Receivables as of September 30, 2024, for the primary government's individual major governmental funds, nonmajor governmental funds in the aggregate, and fiduciary funds, including applicable allowance for uncollectible accounts, are as follows:

	General	Grants Assistance	Compact Trust	Nonmajor Governmental Funds	Fiduciary Funds	Totals
Receivables:						
Taxes	$ 6,966,510	$ —	$ —	$ —	$ —	$ 6,966,510
Federal agencies	—	22,849,014	—	—	—	22,849,014
General	3,912,204	7,709,844	—	589,653	—	12,211,701
Contributions	—	—	—	—	11,206,212	11,206,212
Loans	1,780,000	2,588,787	—	16,996,845	—	21,365,632
Other	81,836	—	—	271,706	628,045	981,587
	12,740,550	33,147,645	—	17,858,204	11,834,257	75,580,656
Less: allowance for uncollectible Accounts	(2,337,801)	(2,696,109)	—	(16,996,845)	(6,129,439)	(28,160,194)
Net receivables	$ 10,402,749	$ 30,451,536	$ —	$ 861,359	$ 5,704,818	$ 47,420,462

Certain receivables due from federal grantor agencies recorded within the Grants Assistance Fund remain uncollected. RepMar is currently negotiating with these grantors for a final determination insofar as collection on these amounts. Management is of the opinion that collection efforts will be favorable and thus no allowance for uncollectible accounts is considered necessary.

Loans receivable of the primary government are summarized as follows:

General Fund:

Notes receivable from four fishing companies, totaling $1,780,000, incorporated and operating in the Republic of the Marshall Islands, due August 1992, interest at 6% per annum, interest and principal payable on demand. These notes have been fully provided for in the allowance for uncollectible accounts.

Grants Assistance Fund:

Loan receivable from Ebje Ruktok/Rukjenlein Fishing Company, Inc., totaling $2,588,787, interest at 8.5% per annum, with repayments commencing March 1995. The loan is a subsidiary loan of a loan agreement (Loan Number 1102 MAR (SF)) between RepMar and the Asian Development Bank. This loan has been fully provided for in the allowance for uncollectible accounts.

3. Receivables, continued

Primary Government, continued

Nonmajor Governmental Funds:

Loans to qualified Marshallese students under a student financial assistance program, totaling $16,996,845, interest free, uncollateralized with no set repayment terms, and may be converted to grants later if the recipients meet certain criteria. These loans have been fully provided for in the allowance for uncollectible accounts.

Discretely Presented Component Units

Receivables as of September 30, 2024, for the discretely presented component units, including applicable allowance for uncollectible accounts, are as follows:

	Marshalls Energy Company, Inc.	Marshall Islands Development Bank	Marshall Islands Marine Resources Authority	Marshall Islands National Telecom. Authority	Non-major Component Units	Totals
Receivables:						
Federal agencies	$ ---	$ ---	$ ---	$ ---	$ 102,530	$ 102,530
General	27,339,428	---	9,628,718	2,996,409	3,211,825	43,176,380
Loans	---	38,713,807	---	---	---	38,713,807
Leases	---	185,245	107,799	---	---	293,044
Interest	---	295,691	---	---	---	295,691
Other	878,991	572,960	136,555	81,245	943,435	2,613,186
	28,218,419	39,767,703	9,873,072	3,077,654	4,257,790	85,194,638
Less: allowance for uncollectible accounts	(20,734,411)	(3,714,432)	(1,281,586)	(2,268,503)	(2,754,362)	(30,753,294)
Net receivables	$ 7,484,008	$36,053,271	$ 8,591,486	$ 809,151	$ 1,503,428	$ 54,441,344

Loans receivable of the discretely presented component units are as follows:

Marshall Islands Development Bank (MIDB):

MIDB's loan portfolio is comprised of consumer, housing and business loans. Much of the loan portfolio is unsecured, while the remaining portion is secured by various forms of collateral. These loans are cosigned by third parties. The basis for expected repayment of a majority of consumer and housing loans is the continued employment of the borrower and allotment agreements between MIDB and the borrower's employer. All loans are at fixed rates ranging from 4% - 14% per annum.

3. Receivables, continued

Discretely Presented Component Units, continued

Leases receivable of the discretely presented component units, as lessors, are as follows:

Marshall Islands Development Bank (MIDB):

MIDB is a lessor for non-cancelable leases of buildings and office space. The terms of the agreements range from 1 to 5 years generally at fixed monthly payments with no variable payments or escalation clauses. In accordance with GASB Statement No. 87, *Leases*, MIDB recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term. As of September 30, 2024, lease receivables and deferred inflow of resources associated with MIDB's leases totaled $185,245 and $181,903, respectively.

Marshall Islands Marine Resources Authority (MIMRA):

MIMRA is a lessor for non-cancelable leases of land and buildings. The terms of the agreements range from 10 to 15 years generally at fixed monthly payments with no variable payments or escalation clauses. In accordance with GASB Statement No. 87, *Leases*, MIMRA recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term. As of September 30, 2024, lease receivables and deferred inflow of resources associated with MIMRA's leases totaled $107,799 and $95,813, respectively.

4. Interfund Receivables and Payables

Primary Government

Receivables and payables between funds reflected as due to/from other funds in the governmental funds balance sheet as of September 30, 2024, are summarized as follows:

Receivable Fund	Payable Fund	Due From Other Funds	Due To Other Funds
General	Grants Assistance	$ 13,930,256	$ 13,930,256
Grants Assistance	General	194,208,624	194,208,624
Nonmajor governmental funds	General	5,978,483	5,978,483
Fiduciary Funds - Private Purpose Trust	General	---	1,605,847
Fiduciary Funds - Custodial	General	---	164,484
		214,117,363	215,887,694
Fiduciary Funds - Private Purpose Trust	General	1,605,847	---
Fiduciary Funds - Custodial	General	164,484	---
		$215,887,694	$215,887,694

4. Interfund Receivables and Payables, continued

Primary Government, continued

Receivables and payables reflected as due to/from component units as of September 30, 2024, are summarized as follows:

	Due From	Due To
General Fund:		
Marshalls Energy Company, Inc.	$4,410,958	$ ---
Marshall Islands Development Bank	565,503	---
Marshall Islands Marine Resources Authority	---	330,000
RMI Ports Authority	---	166,619
Nonmajor component units	---	69,063
	$4,976,461	$ 565,682

The amount recorded by the General Fund due from Marshalls Energy Company, Inc. of $4,410,958 represents a subsidiary loan agreement under an Asian Development Bank (ADB) loan (Loan Number 2659 RMI (SF)) received by RepMar from the ADB. Interest accrues at the rate of 1.5% per annum with monthly principal and interest payments due of $37,960 and matures on May 31, 2035.

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 393,187	$ 62,333	$ 455,520
2026	399,126	56,394	455,520
2027	405,154	50,366	455,520
2028	411,274	44,246	455,520
2029	417,485	38,035	455,520
2030 - 2034	2,183,935	93,665	2,277,600
2035	200,797	342	201,139
	$4,410,958	$345,381	$4,756,339

4. Interfund Receivables and Payables, continued

Primary Government, continued

The amount recorded by the General Fund due from Marshall Islands Development Bank (MIDB) of $565,503 includes $200,000 that represents a subsidiary loan agreement received by RepMar from the International Cooperation and Development Fund (ICDF). Total available subsidiary loan of $4,000,000 was divided into four drawdowns of $1,000,000 each. Loan drawdowns commenced in 2019 with repayment commencing on December 15, 2021 in bi-monthly installments with interest at the rate of 2% per annum. Loan repayments will be based on total drawdowns made up to 2021.

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$200,000	$2,000	$202,000

The remaining amount recorded by the General Fund due from MIDB of $365,503 represents unexpended amount received from RepMar for the purpose of administering the Senior Citizens Housing Support project. In 2023, MIDB commenced the project and, in accordance with the memorandum of understanding, unexpended proceeds amounting to $365,503 are recorded as due from component units as of September 30, 2024.

The amount recorded as due from component units of the primary government of $4,976,461 does not equal the corresponding due to primary government of the discretely presented component units of $5,976,461 due to an allowance for doubtful accounts recorded by the General Fund of $1,000,000. The amount recorded as due to component units of the primary government of $565,682 does not equal the corresponding due from primary government of the discretely presented component units due to the omission of $166,619 and $69,063, respectively, for RMI Ports Authority and Majuro Resort, Inc. from the discretely presented component units column and a $330,000 allowance for doubtful accounts recorded by the discretely presented component unit Marshall Islands Marine Resources Authority.

4. Interfund Receivables and Payables, continued

Discretely Presented Component Units

Receivables and payables reflected as due to/from primary government as of September 30, 2024, are summarized as follows:

	Due From	Due To
Marshalls Energy Company, Inc.:		
General Fund	$ ---	$4,410,958
Marshall Islands Development Bank:		
General Fund	---	565,503
Marshall Islands National Telecommunications Authority:		
General Fund	---	1,000,000
	$ ---	$5,976,461

The amount recorded by the Marshall Islands National Telecommunications Authority (MINTA) due to the General Fund of $1,000,000 includes Compact of Free Association Infrastructure Maintenance Sector grant funds borrowed by MINTA of $700,000. This loan is unsecured and interest free with annual payments due of $100,000 commencing March 2012 to be deposited into a savings account established in accordance with Section 211(d)(2) of the Compact of Free Association, as amended. The remaining amount of $300,000 represents an advance from the General Fund for the purpose of providing funding for the 4G LTE Project, which is to be reimbursed by MINTA.

5. Indefeasible Right of Use (IRU)

In 2009, the Marshall Islands National Telecommunications Authority (MINTA) executed an IRU Capital Lease agreement with a third party for the exclusive use of 8 wave lengths of fiber capacity of the two fibers of the Kwajalein Cable System (KCS) which runs between Guam and Kwajalein, and which is known as the "HANTRU1 System". Under the terms of the agreement, MINTA made certain payments of $6,500,091. The initial term of the agreement is for a period of 10 years commencing on the date MINTA is initially granted access, and which term is automatically renewable for a further 10-year period and an additional 5-year period thereafter. Prior to the tenth and twentieth anniversary dates, MINTA has the option to terminate this agreement; however, such is subject to prior approval of the Rural Utilities Services (RUS) of the U.S. Department of Agriculture. MINTA's policy is to amortize the right of use over the 25-year period. As of September 30, 2024, accumulated amortization expense of $3,726,719 has been recorded.

6. Capital Assets

Capital asset activities for the year ended September 30, 2024 are as follows:

Primary Government

	Estimated Useful Lives	Balance October 1, 2023	Additions	Transfers	Retirements	Balance September 30, 2024
Depreciable capital assets:						
Buildings	20 - 40 yrs	$ 130,182,985	$ 385,444	$ 20,277,371	$ ---	$ 150,845,800
Water infrastructure system	25 yrs	9,261,029	---	---	---	9,261,029
Docks, roads and bridges	25 - 30 yrs	20,710,923	---	---	---	20,710,923
Ships	25 yrs	11,123,000	---	---	---	11,123,000
Software	10 yrs	7,372,383	---	---	---	7,372,383
Heavy equipment	3 - 10 yrs	13,214,402	220,968	---	---	13,435,370
		191,864,722	606,412	20,277,371	---	212,748,505
Less accumulated depreciation:						
Buildings		(62,474,410)	(3,531,479)	---	---	(66,005,889)
Water infrastructure system		(9,261,029)	---	---	---	(9,261,029)
Docks, roads and bridges		(17,017,578)	(412,708)	---	---	(17,430,286)
Ships		(11,023,560)	(9,040)	---	---	(11,032,600)
Software		(3,262,201)	(671,566)	---	---	(3,933,767)
Heavy equipment		(6,562,780)	(1,254,941)	---	---	(7,817,721)
		(109,601,558)	(5,879,734)	---	---	(115,481,292)
Total depreciable capital assets, net		82,263,164	(5,273,322)	20,277,371	---	97,267,213
Nondepreciable capital assets:						
Construction in progress		21,322,544	5,655,625	(20,277,371)	(2,591,414)	4,109,384
		$ 103,585,708	$ 382,303	$ ---	$ (2,591,414)	$ 101,376,597

Depreciation expense was charged to functions/programs of the primary government's governmental activities as follows:

Public Service Commission	$ 15,000
Office of the Attorney General	25,000
Education, Sports and Training	1,747,673
Health and Human Services	1,110,293
Transportation, Communication and Information Technology	154,763
Natural Resources and Commerce	22,600
Culture and Internal Affairs	60,495
Justice, Immigration and Labor	200,840
Finance, Banking and Postal Services	316,795
Foreign Affairs and Trade	434,858
Works, Infrastructure and Utilities	1,732,294
President and Cabinet	10,958
Chief Secretary	9,775
Nitijela	38,390
	$5,879,734

6. Capital Assets, continued

Primary Government, continued

During the year ended September 30, 2024, capital asset retirements include $2,590,863 representing the transfer of Cummins engines from construction in progress to Kwajalein Atoll Joint Utilities, Resources, Inc.

Discretely Presented Component Units

	Estimated Useful Lives	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
Depreciable capital assets:					
Buildings	3 - 34 yrs	$ 8,281,948	$ 63,195	$ ---	$ 8,345,143
Utility plant	3 - 40 yrs	129,887,142	5,683,184	(208,105)	135,362,221
Machinery and equipment	2 - 25 yrs	49,867,053	8,533,507	(35,865)	58,364,695
		188,036,143	14,279,886	(243,970)	202,072,059
Less accumulated depreciation		(137,260,892)	(7,532,744)	268,054	(144,525,582)
Total depreciable capital assets, net		50,775,251	6,747,142	24,084	57,546,477
Nondepreciable capital assets:					
Construction in progress		19,834,098	13,796,272	(4,682,452)	28,947,918
		$ 70,609,349	$ 20,543,414	$(4,658,368)	$ 86,494,395

Lease asset activities for the year ended September 30, 2024 were as follows:

Primary Government

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
Depreciable capital assets:				
Leasehold land	$30,448,559	$ ---	$ (32,470)	$30,416,089
Buildings	1,127,951	1,057,038	(384,866)	1,800,123
Vehicles	62,869	---	---	62,869
Subscription-based IT arrangements	353,644	---	---	353,644
	31,993,023	1,057,038	(417,336)	32,632,725
Less accumulated amortization	(3,255,170)	(2,112,667)	417,336	(4,950,501)
	$28,737,853	$(1,055,629)	$ ---	$27,682,224

Discretely Presented Component Units

	October 1, 2023	Additions	Transfers and Disposals	September 30, 2024
Right-to-use assets	$ 2,383,642	$ 3,135,980	$ ---	$ 5,519,622
Less accumulated amortization	(492,783)	(963,585)	---	(1,456,368)
	$ 1,890,859	$ 2,172,395	$ ---	$ 4,063,254

7. Leases

Primary Government

The primary government has executed leases for land and building space. The terms of the agreements range from 1 to 55 years generally at fixed monthly payments with no variable payments or escalation clauses. The calculated interest rates used were between 2.9% and 4.1%. The following is a summary of principal and interest requirements to maturity for lease liabilities of the primary government, as lessee, as of September 30, 2024:

Year ending September 30,	Principal	Interest	Total
2025	$ 2,340,767	$ 1,033,675	$ 3,374,442
2026	1,359,116	984,847	2,343,963
2027	1,004,472	941,160	1,945,632
2028	1,000,612	904,658	1,905,270
2029	989,460	867,606	1,857,066
2030 - 2034	4,267,674	3,808,974	8,076,648
2035 - 2039	4,235,667	3,038,654	7,274,321
2040 - 2044	4,899,452	2,165,770	7,065,222
2045 - 2049	2,440,116	1,364,321	3,804,437
2050 - 2054	1,491,075	1,041,807	2,532,882
2055 - 2059	1,475,700	737,414	2,213,114
2060 - 2064	1,691,841	422,348	2,114,189
2065 - 2069	849,016	97,154	946,170
2070 - 2074	133,950	24,125	158,075
2075	51,143	2,387	53,530
	$ 28,230,061	$ 17,434,900	$ 45,664,961

7. Leases, continued

Discretely Presented Component Units

The discretely presented component units have executed leases for land, generator equipment, and building space. The terms of the agreements range from 2 to 50 years generally at fixed monthly payments with no variable payments or escalation clauses. The calculated interest rates used were between 1.5% and 13.5%. The following is a summary of principal and interest requirements to maturity for lease liabilities of the discretely presented component units, as lessees, as of September 30, 2024:

Year ending September 30,	Principal	Interest	Total
2025	$ 1,594,202	$ 1942,792	$ 1,736,994
2026	906,302	106,041	1,012,343
2027	205,513	84,747	290,260
2028	190,358	69,105	259,463
2029	157,001	57,558	214,559
2030 - 2034	258,724	210,728	469,452
2035 - 2039	249,708	125,717	375,425
2040 - 2044	162,883	78,781	241,664
2045 - 2049	116,149	54,190	170,339
2050 - 2054	73,527	29,667	103,194
2055 - 2059	62,325	17,495	79,820
2060 - 2064	61,984	9,390	71,374
2065 - 2069	52,665	4,055	56,720
2070 - 2071	22,159	529	22,688
	$ 4,113,500	$ 990,795	$ 5,104,295

8. Long-term Debt

Primary Government

Under the Government Borrowing Act of 1985, RepMar may borrow money for such purposes as approved by the Nitijela of RepMar. As of September 30, 2024, the primary government had the following long-term debt outstanding and payable:

	Dated Date	Interest Rate	Final Maturity	Outstanding Amount
Asian Development Bank (ADB):				
Loan No. 1102 MAR (SF) Fisheries Development Project	November 28, 1991	1%	July 1, 2031	$ 775,784
Loan No. 1218 MAR (SF) Typhoon Rehabilitation	January 29, 1993	1%	November 15, 2032	172,681
Loan No. 1249 MAR (SF) Basic Education Project	November 17, 1993	1%	October 15, 2033	2,608,649
Loan No. 1250 MAR (SF) Majuro Water Supply Project #1	November 17, 1993	1%	May 15, 2033	204,944
Loan No. 1316 RMI (SF) Health and Population Project	February 24, 1995	1%	July 1, 2034	1,994,512
Loan No. 1389 RMI (SF) Majuro Water Supply Project #2	February 1, 1996	1%	September 1, 2035	3,286,801
Loan No. 1513 RMI (SF) Public Sector Reform Program	January 30, 1997	1%	December 1, 2036	5,480,790
Loan No. 1694 RMI (SF) Ebeye Health and Infrastructure Project	October 8, 1999	1.5%	August 1, 2031	2,407,903
Loan No. 1791 RMI (SF) Skills Training and Vocational Education Project	January 11, 2001	1.5%	November 15, 2032	1,599,260
Loan No. 1829 RMI (SF) Fiscal and Financial Management Program #2	June 22, 2001	1.5%	May 15, 2025	524,310
Loan No. 1948 RMI (SF) Outer Island Transport Infrastructure Project	February 14, 2003	1.5%	August 1, 2034	161,575
Loan No. 2659 RMI (SF) Public Sector Reform Sub Program #1	September 8, 2010	1.5%	August 15, 2034	5,430,973
Loan No. 2950 RMI (SF) Public Sector Reform Sub Program #2	December 13, 2012	1.5%	November 15, 2036	3,431,931
				28,080,113
International Cooperation and Development Fund (ICDF):				
Home Energy Efficiency and Renewable Energy Project	November 8, 2016	2%	May 8, 2032	570,390
Track and Field Micronesian Games Project	August 16, 2019	2%	March 15, 2052	6,158,000
				6,728,390
Marshall Islands Development Bank:				
Loan payable	March 6, 2023	4%	May 9, 2024	162,052
				$34,970,555

Asian Development Bank Loans:

The abovementioned ADB loans payable are uncollateralized and are backed by the full faith and credit of RepMar. The abovementioned loans are designated and measured by the ADB using Special Drawing Rights (SDRs). The value of a SDR is defined by a weighted currency basket of five major currencies: the U.S. Dollar, the Chinese Yuan, the Euro, the British Pound, and the Japanese Yen. Accordingly, ADB loans payable denominated in SDR are subject to remeasurement at the year-end SDR exchange rate. In addition, the International Monetary Fund (IMF) re-evaluates this currency basket every five years. The effects of foreign currency transaction gains or losses resulting from year-end remeasurement or IMF re-evaluation are included in the government-wide financial statements in the period when such remeasurement or re-evaluation occurs. During the year ended September 30, 2024, RepMar recognized a foreign exchange loss of $893,728 associated with year-end remeasurement, which results in an increase in ADB loans payable.

8. Long-term Debt, continued

Primary Government, continued

Asian Development Bank Loans, continued:

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 3,254,639	$ 338,081	$ 3,592,720
2026	2,730,329	298,050	3,028,379
2027	2,730,329	263,917	2,994,246
2028	2,730,329	229,784	2,960,113
2029	2,730,329	195,651	2,925,980
2030 – 2034	11,816,608	491,995	12,308,603
2035 – 2037	2,087,550	34,208	2,121,758
	$28,080,113	$1,851,686	$29,931,799

ADB loans are governed by Loan Regulations, which set forth certain terms and conditions applicable to these loans as follows:

Events of default with finance related consequences - if the Borrower shall have failed to make payment of principal, interest charge or any other charge required under the Loan Agreement, the ADB may by notice to the Borrower suspend in whole or in part the right of the Borrower to make any further withdrawals from the Loan Account. The right of the Borrower to make withdrawals from the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event which gave rise to such suspension shall have, in the reasonable opinion of the ADB, ceased to exist or until the ADB shall have notified the Borrower that the right to make withdrawals has been restored in whole or in part, whichever is the earlier. If the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of 30 days, the ADB may by notice to the Borrower terminate the right of the Borrower to make withdrawals. Upon the giving of such notice, the Loan shall be cancelled.

Acceleration of maturity - the regulations specify that in the case of default that has occurred and continues for a period of 30 days, the ADB, at its option, may by notice to the Borrower declare the principal of the loan then outstanding, together with all accrued interest and other charges thereon, to be due and payable immediately.

8. Long-term Debt, continued

Primary Government, continued

International Cooperation and Development Fund (ICDF) Loans:

The Home Energy Efficiency and Renewable Energy Project loan in the amount of $4,000,000 aims to increase local energy resources and efficient utilization of energy through the household sector, both of which are expected to reduce pollution through a reduction in the use of imported fossil fuel for power generation. Loan proceeds are to be lent to the Marshall Islands Development Bank (MIDB) for the purpose of providing funds to household borrowers. The applicant households must take an energy audit to obtain a list of the inefficient appliances and light fittings in need of replacement, which will later be provided to MIDB for loan approval.

The RMI Track and Field Project loan in the amount of $6,158,000 is to provide funding for the construction of a track and field for the purpose of hosting the 2024 Micronesian Games.

The abovementioned ICDF loans payable are uncollateralized and are backed by the full faith and credit of RepMar.

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 100,000	$ 134,068	$ 234,068
2026	100,000	132,068	232,068
2027	100,000	130,028	230,068
2028	218,423	128,068	346,491
2029	336,846	122,515	459,361
2030 - 2034	1,254,621	527,891	1,782,512
2035 - 2039	1,184,231	408,560	1,592,791
2040 - 2044	1,184,231	290,137	1,474,368
2045 - 2049	1,184,231	171,713	1,355,944
2050 - 2052	1,065,807	53,290	1,119,097
	$6,728,390	$2,098,378	$8,826,798

8. Long-term Debt, continued

Primary Government, continued

International Cooperation and Development Fund (ICDF) Loans, continued:

ICDF loans are governed by the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Lender (the "General Conditions"), which set forth covenants to ensure compliance with the terms and conditions of the Projects during the implementation phase and payment of debt service. The primary requirements of the General Conditions are summarized below:

The Borrower shall implement the Projects with due diligence and due care and in accordance with sound financial standards and practice.

Events of default with finance related consequences - Section 13.1 of the General Conditions sets forth various events of default, which occurs when the Borrower shall have failed to pay, when due, any interest or installment of principal or any other sums due under the Loan Agreement; or the Borrower shall have failed to fulfil any of the covenants provided under Section 11 of the General Conditions.

Acceleration of maturity - Section 13.2 of the General Conditions specify that in the case of default that has occurred and continues for a period of 21 days, the ICDF, at its option, may by notice to the Borrower declare the principal of the loan then outstanding, together with all accrued interest and other charges thereon, to be due and payable immediately. Default interest at a rate equal to 4% above the applicable LIBOR, as defined in the General Conditions, shall accrue on each installment payment of the principal amount of the Loan, interest thereon, which are overdue.

Marshall Islands Development Bank (MIDB) Loan:

The MIDB loan in the amount of $3,789,520, as approved by Cabinet Minute C.M. 017 (2023) is to provide funding for a COVID-19 relief assistance program to private sector and other non-governmental organizations, the purchase of an LCU, and to facilitate seawall construction.

The abovementioned MIDB loan payable is uncollateralized and is backed by the full faith and credit of RepMar.

The Loan Agreement, dated March 6, 2023, sets forth covenants to ensure payment of debt service. The primary requirements of the agreement are summarized below:

Events of default with finance related consequences - the Loan Agreement specifies several Events of Default and related Remedies.

8. Long-term Debt, continued

Primary Government, continued

Marshall Islands Development Bank (MIDB) Loan, continued:

Acceleration of maturity - Upon the occurrence of an Event of Default and is continuing, MIDB may, without notice or demand, declare all unpaid principal and interest accrued on the loan to be immediately due and payable and upon such declaration, all such principal and interest shall become immediately due and payable.

Annual repayment requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$162,052	$---	$162,052

Changes in long-term debt of the primary government for the year ended September 30, 2024 was as follows:

	Balance October 1, 2023	Additions	Revaluation	Reductions	Balance September 30, 2024	Due Within One Year
Loans payable:						
ADB loans	$30,355,299	$ ---	$893,728	$(3,168,914)	$28,080,113	$3,254,639
ICDF loans	6,880,033	---	---	(151,643)	6,728,390	100,000
MIDB loan	2,839,355	---	---	(2,677,303)	162,052	162,052
	$40,074,687	$ ---	$893,728	$(5,997,860)	$34,970,555	$3,516,691

Discretely Presented Component Units

As of September 30, 2024, the discretely presented component units had the following long-term debt outstanding and payable:

	Dated Date	Interest Rate	Final Maturity	Outstanding Amount
Marshall Islands National Telecommunications Authority:				
Rural Utilities Service (RUS) mortgage note (Loan A)	June 4, 1992	5.00%	June 4, 2027	$ 3,047,063
Rural Utilities Service (RUS) mortgage note (Loan C)	March 12, 2009	3.64% - 5.00%	March 12, 2041	9,455,418
				12,502,481
Marshall Islands Development Bank:				
Bank loan	November 24, 2023	5.50%	November 30, 2028	2,041,617
				$14,544,098

8. Long-term Debt, continued

Discretely Presented Component Units, continued

Marshall Islands National Telecommunications Authority (MINTA):

Certain portions of loan repayments of the RUS mortgage notes are unconditionally guaranteed by the primary government, under which the primary government will make debt service payments to RUS up to $1,500,000 annually in the event of default by MINTA and have been collateralized by a leasehold mortgage and security agreement over the assets of MINTA.

The respective RUS Loan Agreements set forth covenants to ensure proper operation and maintenance of the telecommunications system and payment of debt service, including a requirement to meet the required times interest earned ratio (TIER).

The primary requirements of the loan agreements are summarized below:

Rate Covenant - MINTA has covenanted to always fix, prescribe and collect rates, fees and charges in connection with the services furnished by the telecommunications system that will be sufficient to yield the sum of net income during each fiscal year equal to at least 150% of the annual debt service commencing on December 31, 2012. TIER is defined as net income (after tax) plus interest divided by interest expense. The Loan Agreements prohibit MINTA, without the prior written consent of RUS, to incur additional indebtedness while MINTA maintains a TIER below 1.0; or if the additional indebtedness will cause MINTA's TIER to fall below 1.0; or an Event of Default has occurred and is continuing.

Events of default with finance related consequences - the Loan Agreements specify several Events of Default and related Remedies. MINTA shall furnish to RUS promptly, after becoming aware, notice of the occurrence of any default under the Loan Documents or the receipt of any notice with respect to the occurrence of any event with which the giving of notice or the passage of time, or both, could become an Event of Default.

Acceleration of maturity - Upon the occurrence of an Event of Default and is continuing, RUS may, by notice in writing to MINTA, declare all unpaid principal and interest accrued on the Notes to be immediately due and payable and upon such declaration, all such principal and interest shall become immediately due and payable.

8. Long-term Debt, continued

Discretely Presented Component Units, continued

Marshall Islands National Telecommunications Authority (MINTA), continued:

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 749,030	$ 243,035	$ 992,065
2026	763,974	228,091	992,065
2027	779,395	212,670	992,065
2028	794,977	197,088	992,065
2029	811,303	180,762	992,065
2030 - 2034	4,308,159	652,165	4,960,324
2035 - 2039	3,352,359	259,060	3,611,419
2040 - 2041	943,284	14,346	957,630
	$12,502,481	$1,987,217	$14,489,698

Marshall Islands Development Bank (MIDB):

The Loan Agreement dated November 24, 2023, sets forth covenants to ensure payment of debt service. The primary requirements of the agreement are summarized below:

Events of default with finance related consequences - the Loan Agreement specifies several Events of Default and related Remedies.

Acceleration of maturity - Upon the occurrence of an Event of Default and is continuing, the bank may, without notice or demand, declare all unpaid principal and interest accrued on the loan to be immediately due and payable and upon such declaration, all such principal and interest shall become immediately due and payable.

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 450,744	$101,256	$ 552,000
2026	476,170	75,830	552,000
2027	503,029	48,971	552,000
2028	531,335	20,665	552,000
2029	80,339	4,573	84,912
	$2,041,617	$251,295	$2,292,912

9. Change in Long-Term Obligations

Primary Government

Long-term liabilities will be liquidated in the future primarily from the General Fund and the Grants Assistance Fund. During the year ended September 30, 2024, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net position:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Other:					
Lease liabilities	$28,990,257	$1,057,038	$(1,817,234)	$28,230,061	$2,340,767
Compensated absences	4,714,582	---	(107,920)	4,606,662	2,277,045
	$33,704,839	$1,057,038	$(1,925,154)	$32,836,723	$4,617,812

Discretely Presented Component Units

Changes in long-term liabilities of discretely presented component units for the year ended September 30, 2024, are as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Due to primary government:					
AMI	$ 3,116,890	$ ---	$(3,116,890)	$ ---	$ ---
MEC	4,722,561	---	(311,603)	4,410,958	393,187
MIDB	1,273,003	---	(707,500)	565,503	200,000
MINTA	1,000,000	---	---	1,000,000	300,000
Loans payable:					
MINTA	13,235,635	---	(733,154)	12,502,481	749,030
MIDB	---	2,400,000	(358,383)	2,041,617	450,744
Lease liabilities	1,904,832	3,135,980	(927,312)	4,113,500	1,594,202
	$25,252,921	$5,535,980	$(6,154,842)	$24,634,059	$3,687,163

10. Fund Balances

Classifications of fund balances comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following table enumerates the fund balance classifications:

	General	Grants Assistance	Compact Trust	Nonmajor Governmental Funds	Totals
Fund balances:					
Nonspendable:					
Investment – PIDB	$ 3,290,250	$ ---	$ ---	$ ---	$ 3,290,250
Loan receivable - MEC	4,410,958	---	---	---	4,410,958
Loan receivable - MIDB	565,503	---	---	---	565,503
Permanent fund principal	---	---	133,365,113	---	133,365,113
Restricted:					
Education and health	---	20,111,731	---	1,500	20,113,231
Capacity building	---	163,374	---	---	163,374
World Bank projects	---	6,604,817	---	---	6,604,817
Environmental	---	85,815	---	---	85,815
Infrastructure maintenance	---	3,518,028	---	---	3,518,028
Disaster assistance	---	5,322,487	---	---	5,322,487
Climate change adaptation	---	20,141,864	---	---	20,141,864
Kwajalein development plan	---	132,545,173	---	---	132,545,173
Ebeye/landowner special needs	---	349,153	---	---	349,153
Compact - other	---	42,663	---	---	42,663
ADB loan # 2659 sinking fund	2,429,726	---	---	---	2,429,726
Credit card collateralization	62,528	---	---	---	62,528
Nuclear claims related	---	---	---	687,288	687,288
Other	2,295,156	997,701	---	---	3,292,857
Committed:					
Judiciary	---	---	---	545,401	545,401
Education and health	---	---	---	3,718,619	3,718,619
Capital projects	---	2,981,993	---	---	2,981,993
Environment	---	---	---	535,149	535,149
Other	14,251	---	---	1,998,653	2,012,904
Unassigned	13,259,858	(796,673)	---	---	12,463,185
	$26,328,230	$192,068,126	$133,365,113	$7,486,610	$359,248,079

11. Employee Retirement Plan

The Government-Employee Retirement Plan was created by Public Law 2019-104 for the purpose of establishing a defined contribution retirement savings plan (the Plan) for RepMar employees, whereby employees eighteen years and older are eligible to participate upon regularization of employment. Plan participants may contribute any amount of their salaries to be matched 100% by RepMar up to 3% of base salaries. Withdrawal from the Plan occurs upon termination of employment, death, or financial hardship. Plan assets are held in a trust fund administered by a trustee in accordance with the trust agreement. Management has the authority to establish or amend Plan provisions and contribution requirements. RepMar contributed $186,316 to Plan participant accounts during the year ended September 30, 2024, and total combined Plan assets were $1,627,216 as of September 30, 2024.

12. Restricted Assets

Primary Government

Restricted cash and cash equivalents of the primary government represents escrow account established for the benefit of landowners of Kwajalein Atoll for $294,055; savings account established in accordance with Section 211(d)(2) of the Compact of Free Association, as amended, for the purpose of funding RepMar's infrastructure maintenance plan for $3,377,449; savings account established in accordance with Section 211(e) of the Compact of Free Association, as amended, for the purpose of funding RepMar's disaster assistance emergency fund for $4,882,140; savings account established in accordance with Section 261(g) of the Compact of Free Association, as amended, for the purpose of supporting efforts to improve health outcomes for $19,999,991; savings account established in accordance with Section 261(h) of the Compact of Free Association, as amended, for the purpose of supporting efforts to obtain additional assistance to cope with challenges from climate impacts for $20,141,864; savings account established in accordance with Section 261(i) of the Compact of Free Association, as amended, for the purpose of supporting projects to facilitate resilience and healthy communities throughout Kwajalein Atoll for $132,545,173; savings accounts collateralizing a credit card facility for $62,528; deposit account established in accordance with a grant agreement with the Government of Japan for the supply of petroleum fuel to Marshalls Energy Company, Inc. for $2,283,646; deposit account established in accordance with ADB Loan 2659-RMI (SF) for the purpose of funding loan debt service payments for $2,429,726; and savings account established for the purpose of accounting for funds held by RepMar in a custodial capacity relating to unclaimed property for $117,173.

Restricted investments of the primary government represent investments held in a trust fund for the purpose of accumulating resources to fund RepMar government operations after fiscal year 2023 for $133,365,113.

Discretely Presented Component Units

Restricted cash and cash equivalents of the discretely presented component units represents deposit account established by Marshalls Energy Company, Inc. in accordance with ADB Loan 2659-RMI (SF) for the purpose of funding repairs and maintenance for $36,055; savings account established by the Marshall Islands Development Bank (MIDB) collateralizing loans funded by Rural Housing Service for $586,309; and certificate of deposit amounting to $2,650,039 used to collateralize the loan obtained during 2024 from the Bank of Marshall Islands.

13. Operating Transfers In/Out

Operating transfers in/out for each major governmental fund and nonmajor governmental funds in the aggregate, for the year ended September 30, 2024, are as follows:

	Transfers Out	Transfers In
General Fund:		
Compact Trust Fund	$ ---	$ 1,400,000
Grants Assistance Fund	145,547	---
Nonmajor governmental funds	2,231,556	1,059,610
	2,377,103	2,459,610
Grants Assistance Fund:		
General Fund	---	145,547
Compact Trust Fund	---	1,189,054
Nonmajor governmental funds	4,032,427	---
	4,032,427	1,334,601
Compact Trust Fund:		
General Fund	1,400,000	---
Grants Assistance Fund	1,189,054	---
	2,589,054	---
Nonmajor governmental funds:		
General Fund	1,059,610	2,231,556
Grants Assistance Fund	---	4,032,427
	1,059,610	6,263,983
	$ 10,058,194	$ 10,058,194

Transfers are used to 1) move revenues from the fund that enabling legislation or budget requires to collect them to the fund that enabling legislation or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) record reductions in interfund loans for amounts that are not expected to be repaid.

14. Compact Trust Fund

Section 216(a) of the Compact, as amended, provides for annual contributions from the United States into a trust fund established in accordance with the Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands Implementing Section 216 and Section 217 of the Compact, as Amended, Regarding a Trust Fund (2003 Trust Fund Agreement). The contributions by the United States were conditioned upon RepMar contributing to the trust fund at least $25,000,000 on October 1, 2003, $2,500,000 prior to October 1, 2004, and a final $2,500,000 prior to October 1, 2005. In 2023, the Amended Compact was further amended, and the 2003 Trust Fund Agreement was replaced by the 2023 Trust Fund Agreement. As of September 30, 2024, RepMar has contributed the required amounts as required under Article 16 of the 2003 Trust Fund Agreement; however, Article 25 of the 2023 Trust Fund Agreement states that the United States may withdraw the Present Market Value of its contributions to the Trust Fund if certain events occur. In 2005, RepMar entered into a Subsequent Contributor Accession Agreement with the Republic of China whereby the Republic of China agreed to contribute annually certain amounts. However, in the event of a severing of diplomatic relations between the Government of the Republic of the Marshall Islands and the Government of the Republic of China, the Republic of China may withdraw the Present Market Value of its contributions.

Accordingly, the Compact Trust Fund presented within the accompanying financial statements presents only the contributions made to Account 1 by RepMar and Account 4 by the Republic of China as well as associated undistributed income summarized as follows:

RepMar - Account 1	$121,889,287
RepMar - Account 4	11,475,846
	$133,365,133

As of September 30, 2024, the fair market value of contributions to the Compact Trust Fund Account 1 by the United States and the Republic of China, including associated undistributed income is as follows:

United States - Account 1 and Account 2	$832,407,509
Republic of China - Account 1	87,756,868
	$920,164,377

15. Contingencies and Commitments

Economic Dependency

During the year ended September 30, 2024, RepMar's General Fund recorded contributions from the Marshall Islands Marine Resources Authority (MIMRA) of $29,960,000, which represents 29% of total General Fund revenues. These contributions represent fisheries revenues collected by MIMRA and, as a result, the General Fund is economically dependent upon such contributions. If a significant reduction in the level of budgetary support from MIMRA due to the migratory nature of this economic resource were to occur, it may influence the General Fund's programs and activities.

Nuclear Claims Trust Fund (NCTF)

Section 177(c) of the Compact of Free Association (the Compact) provides, on a one-time grant basis, the amount of $150,000,000 to RepMar to be used to establish a trust fund from which annual distributions are to be made in accordance with Article II of the Agreement between the Government of the United States and RepMar for Implementation of Section 177 of the Compact (the Agreement). Pursuant to the Agreement, RepMar established the NCTF from which these distributions are made. Over a period of fifteen years, the Nuclear Claims Tribunal (NCT) received $45,750,000 from the NCTF that was made available for whole or partial payment of monetary awards. As of September 30, 2024, NCT has committed to the distribution of monetary awards for personal injury claims of $23,159,963 and of property damage claims of $2,284,108,436. Accordingly, to satisfy these claims, additional funds will have to be made available from a renegotiated financial settlement of damages with the United States.

Federal Grants

RepMar participates in several federally assisted grant programs and other various U.S. Department of the Interior grants. These programs are subject to financial and compliance audits to ascertain if Federal laws and guidelines have been followed. Questioned costs relating to fiscal years 2005 through 2023 have been set forth in RepMar's Single Audit Report for the year ended September 30, 2024. In addition, RepMar is considered to have responsibility for any questioned costs that may result from Single Audits of subgrantees who have not satisfied the audit requirements of OMB Circular A-133 or the OMB Uniform Guidance. The ultimate disposition of these questioned costs can be determined only by final action of the respective grantor agencies. Therefore, no provision for any liability that may result upon resolution of this matter has been made in the accompanying financial statements.

Insurance Coverage

RepMar does not maintain insurance coverage for a significant amount of capital assets. In the event of a catastrophe, RepMar may be self-insured to a material extent.

15. Contingencies and Commitments, continued

Litigation

RepMar is party to various legal proceedings, many of which are normal recurrences in governmental operations. The Attorney General of RepMar is of the opinion that the probable outcome of legal proceedings existing as of September 30, 2024 is not predictable. No provision for any liability has been made in the accompanying financial statements because management believes that no unfavorable outcome is likely to occur.

Marshall Islands Social Security Administration (MISSA)

In 2024, MISSA obtained an actuarial valuation of the Retirement Fund as of October 1, 2024. The valuation reported actuarial accrued liabilities and market value of assets for the Retirement Fund of $389,120,000 and $122,760,000, respectively, as of October 1, 2024. The funded ratio of the Retirement Fund as of October 1, 2024 is 32%. As of September 30, 2024, MISSA recorded total fund equity of $131,419,159 in the Retirement Fund, as funds available to fund future benefit obligations. These conditions indicate that MISSA may be unable to meet its future benefit obligations.

Sick Leave

It is the policy of RepMar to record expenditures for sick leave when leave is actually taken. Sick leave is compensated time for absence during working hours arising from employee illness or injury. The estimated accumulated amount of unused sick leave as of September 30, 2024 is $13,185,828.

Trust Company of the Marshall Islands

Under the Joint Venture Agreement, as amended, between RepMar and the Trust Company of the Marshall Islands, Inc. (TCMI) dated September 14, 1990, and as amended August 18, 1995, after meeting certain contractual working capital requirements, annual gross revenues of the programs managed by TCMI are shared using a graduated schedule. In 2002, RepMar agreed to set aside the financial provisions of this Joint Venture Agreement in favor of an annual payment of $1,000,000, payable in quarterly installments of $250,000 through December 31, 2006. On December 6, 2006, RepMar agreed to again set aside the financial provisions of this Joint Venture Agreement in favor of an annual payment of $2,000,000, payable in quarterly installments of $500,000 through December 31, 2009. In 2009, RepMar agreed to further amend the financial provisions of this Joint Venture Agreement whereby an annual payment of $3,000,000 is payable by TCMI through December 31, 2010 in monthly installments of $250,000, with an effective date of July 1, 2008. For the period January 1, 2011 through December 31, 2013, the annual payment amount increased to $4,000,000, payable in monthly installments of $333,333 and further increased to an annual payment amount of $5,000,000 for the period January 1, 2014 through December 31, 2018, payable in monthly installments of $416,667.

15. Contingencies and Commitments, continued

Trust Company of the Marshall Islands, continued

In 2015, RepMar agreed to further amend the financial provisions of this Joint Venture Agreement whereby annual payments payable by TCMI through December 31 of each year would be as follows:

Year ending December 31,	Total
2016	$ 6,500,000
2017	$ 7,000,000
2018	$ 7,500,000
2019	$ 7,500,000
2020	$ 8,000,000

The abovementioned annual payments are contingent upon continued net earnings being generated by TCMI. If net earnings of TCMI fall below 2007 levels, the annual payments are to be adjusted accordingly on a prorated basis. During the year ended September 30, 2024, TCMI made payments of $11,894,265 to RepMar.

Loan Guarantees

Marshall Islands Development Bank (MIDB) has pledged an escrow account in support of certain USDA Rural Development housing loans, the balance of which amounted to $11,936,555 as of September 30, 2024. In the event of default, MIDB could be exposed to an amount more than the escrow account balance, an amount that is presently indeterminable. No provision for any liability that may result from this matter has been provided for within the accompanying financial statements.

Other Commitments

Significant commitments of the primary government as of September 30, 2024, are as follows:

a) Guaranteed debt of Marshall Islands National Telecommunications Authority (MINTA) in respect of a loan from RUS with a letter of guarantee. As of September 30, 2024, MINTA had guaranteed RUS debt totaling $12,502,481.

b) On October 27, 2016, the Cabinet of RepMar authorized and approved a loan from the International Cooperation and Development Fund (ICDF) for the Home Energy Efficiency and Renewable Energy Projects. On November 8, 2016, RepMar executed a $4,000,000 loan with ICDF. As of September 30, 2024, $1,000,000 has been drawn against this loan commitment.

16. Subsequent Events

a) On October 22, 2024, RepMar executed a financing agreement with International Development Association (IDA) for the Renewable Energy Generation and Access Increase Project in the amount of SDR45,600,000.

b) On November 14, 2024, the Cabinet of RepMar authorized and approved the establishing of a Public Private Partnership to execute and administer the issuance of digital bonds collateralized by U.S. treasuries.

c) On September 19, 2025, the Nitijela of RepMar enacted legislation regarding tax reforms to modernize and improve the income and consumption tax system, effective October 1, 2026.

d) On September 24, 2025, RepMar executed a financing agreement with IDA for the Strengthening Public Financial Management II Project in the amount of SDR11,000,000.

Republic of the Marshall Islands

REQUIRED SUPPLEMENTARY INFORMATION

Year ended September 30, 2024

Republic of the Marshall Islands

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund (Fund 10101)

Year ended September 30, 2024

	Budgeted Amounts		Actual - Budgetary Basis (see Note 1)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 38,428,870	$ 38,428,870	$ 40,919,382	$ 2,490,512
Federal and other grants	4,600,000	11,772,733	17,675,553	5,902,820
Ship registry	12,000,000	12,000,000	11,894,265	(105,735)
Interest and dividends	100,000	100,000	91,529	(8,471)
Fees and charges	218,000	218,000	636,771	418,771
Contributions from component units	32,160,000	34,640,000	30,673,478	(3,966,522)
Other	-	-	64,481	64,481
Total revenues	87,506,870	97,159,603	101,955,459	4,795,856
Expenditures:				
President and Cabinet	2,821,324	3,584,475	3,085,943	498,532
Office of the Chief Secretary	1,602,342	2,957,634	2,881,890	75,744
Special appropriations	26,417,224	26,417,224	19,727,505	6,689,719
Council of Iroij	572,296	790,744	738,875	51,869
Nitijela	2,586,752	2,966,232	2,659,265	306,967
Office of the Auditor-General	2,726,299	2,773,338	2,304,946	468,392
Foreign Affairs and Trade	5,542,104	6,374,246	6,464,822	(90,576)
Public Service Commission	674,851	674,851	669,356	5,495
Education, Sports and Training	15,542,806	16,499,422	16,292,796	206,626
Health and Human Services	5,506,129	7,506,129	9,523,482	(2,017,353)
Transportation, Communication and Information Technology	736,694	736,694	637,458	99,236
Natural Resources and Commerce	1,909,351	1,909,351	1,974,965	(65,614)
Culture and Internal Affairs	3,635,548	3,848,610	3,959,887	(111,277)
Justice, Immigration and Labor	6,412,059	6,506,345	6,624,688	(118,343)
Finance, Banking and Postal Services	15,940,628	20,056,171	27,852,357	(7,796,186)
Work, Infrastructure and Utilities	3,335,366	3,335,366	4,718,101	(1,382,735)
Environment	889,998	967,672	831,681	135,991
Total expenditures	96,851,771	107,904,504	110,948,017	(3,043,513)
Deficiency of revenues under expenditures	(9,344,901)	(10,744,901)	(8,992,558)	1,752,343
Other financing sources (uses):				
Operating transfers in	1,200,000	2,600,000	2,459,610	(140,390)
Operating transfers out	(1,176,763)	(1,176,763)	(1,228,781)	(52,018)
Total other financing sources (uses), net	23,237	1,423,237	1,230,829	(192,408)
	(9,321,664)	(9,321,664)	(7,761,729)	1,559,935
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes	9,321,664	9,321,664	8,406,291	(915,373)
Net change in fund balance	$ ---	$ ---	$ 644,562	$ 644,562

Republic of the Marshall Islands

Notes to Required Supplementary Information - Budgetary Reporting
September 30, 2024

(1) Budgetary Information

The Secretary of Finance, Banking and Postal Services and the Chief Budget Officer present to the Cabinet, prior to September 30, proposed budget estimates for the fiscal year commencing October 1. The budget estimates include the overall and total propose expenditures of RepMar and the means of financing those expenditures. The Cabinet reviews and approves these estimates, making changes, as it deems appropriate. The Appropriation Committee of the Nitijela, during the second sitting of the regular session of the Nitijela, holds public hearing at which time Ministries and Offices are required to justify their budget estimates. During the second sitting of the Nitijela, an appropriation bill, as required by the Constitution, is introduced and budget estimates are then legally enacted by the Nitijela.

The Budget Act for fiscal year 2024, Public Law No. 2023-074, was passed by the Nitijela on September 25, 2023. Formal budget integration is employed as a management control device during the year for all funds. The Cabinet has the authority to reprogram budgeted estimates in accordance with the Constitution. All annual appropriation lapse at fiscal year-end unless otherwise specified by law. Supplemental appropriations may occur throughout the year. Unexpended encumbrances at each fiscal year end are carried forward until they are expended or canceled without further legislative action. RepMar does not establish budgets for the operations of its other governmental funds.

Encumbrance accounting is employed in governmental funds. For budgetary purposes, the encumbrances (i.e. purchase orders, contracts) are considered expenditures when incurred. For GAAP reporting purposes, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitment will be reappropriated and honored during the subsequent fiscal year.

(2) Reconciliation of Budgetary Schedule

	Net Change In Fund Balance	Reserve for Encumbrances
Budgetary basis - Fund 10101	$ 644,562	$ 8,406,291
GASB 54 Funds included within the General Fund:		
PSS Education Fund	(87,770)	---
Reimbursable Fund	12,695	---
Judiciary Fund	10,788	---
EPA Fund	19,469	---
Agricultural Supplies Fund	19,173	10,769
	(25,645)	10,769
General Fund	$ 618,917	$ 8,417,060

Republic of the Marshall Islands

OTHER SUPPLEMENTARY INFORMATION

Year ended September 30, 2024

Republic of the Marshall Islands

Combining Schedule of Revenues
Governmental Funds

Year ended September 30, 2024

	General	Special Revenue: Grants Assistance	Permanent: Compact Trust	Other Governmental Funds	Total
Revenues:					
Taxes:					
Income taxes	$ 20,575,352	$ ---	$ ---	$ ---	$ 20,575,352
Import taxes	9,553,474	---	---	---	9,553,474
Gross revenue taxes	9,038,776	---	---	---	9,038,776
Immovable property taxes	829,648	---	---	---	829,648
Fuel taxes	584,046	---	---	---	584,046
Penalties and interest	159,020	---	---	---	159,020
Other	179,066	---	---	---	179,066
Grants:					
Federal	---	229,250,791	---	---	229,250,791
Taiwan	8,000,000	8,585,000	---	---	16,585,000
World Bank	9,322,590	28,939,217	---	---	38,261,807
Asian Development Bank	---	509,583	---	---	509,583
European Union	---	34,442	---	---	34,442
Other	352,963	722,091	---	---	1,075,054
Sales	---	---	---	180,111	180,111
Ship registry	11,894,265	---	---	---	11,894,265
Net change in fair value of investments	---	687,087	25,031,937	---	25,719,024
Interest and dividends	91,529	---	---	27,869	119,398
Fees and charges:					
Non-resident workers	---	---	---	873,786	873,786
Recycling	---	---	---	870,355	870,355
Passport services	---	---	---	749,188	749,188
Entry permit	---	---	---	311,010	311,010
Work permit	---	---	---	244,860	244,860
Alien registration	---	---	---	151,575	151,575
Court	---	---	---	127,393	127,393
Other	911,954	---	---	320,681	1,232,635
Contributions from component units:					
MI Marine Resources Authority	29,960,000	---	---	---	29,960,000
Marshalls Energy Company, Inc.	601,665	---	---	---	601,665
RMI Ports Authority	111,813	---	---	---	111,813
Other	99,940	---	---	---	99,940
	$ 102,266,101	$ 268,728,211	$ 25,031,937	$ 3,856,828	$ 399,883,077

Republic of the Marshall Islands

GENERAL FUND

September 30, 2024

The General Fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund. A brief discussion of the funds that comprise the General Fund as of September 30, 2024, follows:

Education Fund

This fund was established under Public Law No. 2013-23 to account for and administer monies collected and paid under the provisions of the Marshall Islands Public School System Act 2013 and any appropriations made by the Nitijela for related purposes.

Reimbursable Fund

This fund accounts for the operations of the Majuro Weather Station that is funded by the United States Department of Commerce National Weather Service and overtime charges for Customs and Immigration personnel whose attendance is required at the various ports of entry into the Marshall Islands.

Changed Circumstances Fund

This fund accounts for the expenditures related to the Changed Circumstances Study using excess annual proceeds from the Section 177 Nuclear Claims Trust Fund.

Judiciary Fund

This fund accounts for all financial transactions related to RepMar's judicial system as required under Public Law No. 1989-69.

Alternative Energy Fund

This fund accounts for the development, marketing, and operation of alternative energy systems. This fund was established under Public Law No. 1989-63 to administer revenue received with respect to alternative energy systems, and any appropriations made by the Nitijela for related purposes.

EPA Fund

This fund accounts for all financial transactions related to RepMar's Environmental Protection Authority Fund prior to the creation of the separate statutory body under Public Law No. 1984-31.

Agricultural Supplies Fund

This fund was established under Public Law No. 1979-18 to account for and administer monies collected and paid under the provisions of the Agricultural Supplies Account Act 1979 and any appropriations made by the Nitijela for related purposes.

Postal Service Fund

This fund was established under Public Law No. 1985-4 to account for and administer monies collected and paid under the provisions of the Postal Service Act 1983 and any appropriations made by the Nitijela for related purposes.

Marshall Islands Development Authority (MIDA) Fund

This fund accounts for capital projects specified under Public Law No. 1988-14, Section 12 and Schedule 3, appropriated to MIDA from Capital Account funds provided under Section 211 of the Compact of Free Association. Those appropriations do not lapse at the end of the fiscal year, but continue until either the purpose of the appropriation is complete, or the funds are expended, whichever occurs first.

Local Government Fund

This fund accounts for the disbursement of funds to Local Governments. The fund was established under Public Law No. 1981-2 to channel monies appropriated by the Nitijela and granted by RepMar to local governments.

Compact Section 111 Fund

This fund accounts for the receipt and disbursement of funds received under Section 111(d) of the Compact of Free Association Act of 1985 representing the net adverse impacts, offset by the value of additional U.S. federal programs and services provided, based on the loss of Title II benefits. The receipt of these funds are to be deposited into the compact trust fund.

Republic of the Marshall Islands

GENERAL FUND

Combining Balance Sheet

September 30, 2024

	10101		10217	10225	10218	10226	10220	10221	10228	20202	10229	10413		
	General	Education	Reimbursable	Changed Circumstances	Judiciary	Alternative Energy	EPA	Agricultural Supplies	Postal Service	MIDA	Local Government	Compact Section 111	Elimination	Total
ASSETS														
Cash and cash equivalents	$ 22,650,503	$ 378,152	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,028,655
Receivables, net:														
Taxes	6,966,510	-	-	-	-	-	-	-	-	-	-	-	-	6,966,510
General	3,427,731	-	8,508	-	-	-	-	-	-	-	-	-	-	3,436,239
Due from other funds	14,147,014	-	-	54,458	487,520	444	-	157,468	-	-	14,251	-	(930,899)	13,930,256
Due from component units	4,976,461	-	-	-	-	-	-	-	-	-	-	-	-	4,976,461
Advances	2,517,770	-	-	-	-	-	-	9,450	-	-	-	-	-	2,527,220
Other assets	3,290,250	-	-	-	-	-	-	-	-	-	-	-	-	3,290,250
Restricted assets:														
Cash and cash equivalents	186,133,745	-	-	-	-	-	-	-	-	-	-	-	-	186,133,745
Total assets	$ 244,109,984	$ 378,152	$ 8,508	$ 54,458	$ 487,520	$ 444	$ -	$ 166,918	$ -	$ -	$ 14,251	$ -	$ (930,899)	$ 244,289,336
LIABILITIES AND FUND BALANCE (DEFICIT)														
Liabilities:														
Accounts payable	$ 8,244,400	$ 432,320	$ -	$ -	$ -	$ -	$ -	$ 396	$ -	$ -	$ -	$ -	$ -	$ 8,677,116
Other liabilities and accruals	5,318,094	-	7,237	-	-	28	3,479	-	-	-	-	-	-	5,328,838
Retention payable	377,671	-	-	-	-	-	-	-	-	-	-	-	-	377,671
Due to component units	565,682	-	-	-	-	-	-	-	-	-	-	-	-	565,682
Unearned revenue	1,054,361	-	-	-	-	-	-	-	-	-	-	-	-	1,054,361
Due to other funds	202,671,579	-	158,649	-	-	-	57,451	-	658	-	-	-	(930,899)	201,957,438
Total liabilities	218,231,787	432,320	165,886	-	-	28	60,930	396	658	-	-	-	(930,899)	217,961,106
Fund balance:														
Nonspendable	8,266,711	-	-	-	-	-	-	-	-	-	-	-	-	8,266,711
Restricted	4,787,410	-	-	-	-	-	-	-	-	-	-	-	-	4,787,410
Committed	-	-	-	-	-	-	-	-	-	-	14,251	-	-	14,251
Unassigned (deficits)	12,824,076	(54,168)	(157,378)	54,458	487,520	416	(60,930)	166,522	(658)	-	-	-	-	13,259,858
Total fund balance (deficits)	25,878,197	(54,168)	(157,378)	54,458	487,520	416	(60,930)	166,522	(658)	-	14,251	-	-	26,328,230
Total liabilities and fund balance	$ 244,109,984	$ 378,152	$ 8,508	$ 54,458	$ 487,520	$ 444	$ -	$ 166,918	$ -	$ -	$ 14,251	$ -	$ (930,899)	$ 244,289,336

Republic of the Marshall Islands

GENERAL FUND

Combining Statement of Revenues, Expenditures By Function, and Changes in Fund Balances (Deficits)

Year ended September 30, 2024

	10101		10217	10225	10218	10226	10220	10221	10228	20202	10229	10413		
	General	Education	Reimbursable	Changed Circumstances	Judiciary	Alternative Energy	EPA	Agricultural Supplies	Postal Service	MIDA	Local Government	Compact Section 111	Elimination	Total
Revenues:														
Taxes	$ 40,919,382	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,919,382
Federal and other grants	17,675,553	-	-	-	-	-	-	-	-	-	-	-	-	17,675,553
Ship registry	11,894,265	-	-	-	-	-	-	-	-	-	-	-	-	11,894,265
Interest and dividends	91,529	-	-	-	-	-	-	-	-	-	-	-	-	91,529
Fees and charges	636,771	-	189,580	-	10,788	-	74,815	-	-	-	-	-	-	911,954
Contributions from component units	30,673,478	-	-	-	-	-	-	-	-	-	-	-	-	30,673,478
Other	64,481	-	-	-	-	-	-	35,459	-	-	-	-	-	99,940
Total revenues	101,955,459	-	189,580	-	10,788	-	74,815	35,459	-	-	-	-	-	102,266,101
Expenditures by Function:														
Current:														
President and Cabinet	2,588,655	-	-	-	-	-	-	-	-	-	-	-	-	2,588,655
Office of the Chief Secretary	2,330,449	-	-	-	-	-	-	-	-	-	-	-	-	2,330,449
Special appropriations	12,448,137	-	-	-	-	-	-	-	-	-	-	-	-	12,448,137
Council of Iroij	704,375	-	-	-	-	-	-	-	-	-	-	-	-	704,375
Nitijela	2,369,509	-	-	-	-	-	-	-	-	-	-	-	-	2,369,509
Office of the Auditor-General	953,028	-	-	-	-	-	-	-	-	-	-	-	-	953,028
Public Service Commission	657,367	-	-	-	-	-	-	-	-	-	-	-	-	657,367
Office of the Attorney General	1,548,933	-	-	-	-	-	-	-	-	-	-	-	-	1,548,933
Ministries:														
Environment	571,407	-	-	-	-	-	55,346	-	-	-	-	-	-	626,753
Education, Sports and Training	8,488,720	6,739,088	-	-	-	-	-	-	-	-	-	-	-	15,227,808
Health and Human Services	9,365,572	-	4,447	-	-	-	-	-	-	-	-	-	-	9,370,019
Transportation, Communication and Information Technology	564,202	-	-	-	-	-	-	-	-	-	-	-	-	564,202
Natural Resources and Commerce	1,675,509	-	36,544	-	-	-	-	16,286	-	-	-	-	-	1,728,339
Culture and Internal Affairs	3,422,013	-	-	-	-	-	-	-	-	-	-	-	-	3,422,013
Justice, Immigration and Labor	4,518,939	-	77,915	-	-	-	-	-	-	-	-	-	-	4,596,854
Finance, Banking and Postal Services	25,603,507	-	57,979	-	-	-	-	-	-	-	-	-	-	25,661,486
Foreign Affairs and Trade	6,039,012	-	-	-	-	-	-	-	-	-	-	-	-	6,039,012
Works, Infrastructure and Utilities	4,167,837	-	-	-	-	-	-	-	-	-	-	-	-	4,167,837
Environmental Protection Authority	170,255	-	-	-	-	-	-	-	-	-	-	-	-	170,255
Debt service:														
Asian Development Bank	3,509,629	-	-	-	-	-	-	-	-	-	-	-	-	3,509,629
Marshall Islands Development Bank	2,752,000	-	-	-	-	-	-	-	-	-	-	-	-	2,752,000
International Cooperation & Development	293,031	-	-	-	-	-	-	-	-	-	-	-	-	293,031
Total expenditures	94,742,086	6,739,088	176,885	-	-	-	55,346	16,286	-	-	-	-	-	101,729,691
Excess (deficiency) of revenues over (under) expenditures	7,213,373	(6,739,088)	12,695	-	10,788	-	19,469	19,173	-	-	-	-	-	536,410
Other financing sources (uses):														
Operating transfers in	2,459,610	6,651,318	-	-	1,083,234	-	-	-	-	-	-	-	(7,734,552)	2,459,610
Operating transfers out	(9,028,421)	-	-	-	(1,083,234)	-	-	-	-	-	-	-	7,734,552	(2,377,103)
Total other financing sources (uses), ne	(6,568,811)	6,651,318	-	-	-	-	-	-	-	-	-	-	-	82,507
Net change in fund balances (deficits)	644,562	(87,770)	12,695	-	10,788	-	19,469	19,173	-	-	-	-	-	618,917
Fund balances (deficits) at the beginning of the year	25,233,635	33,602	(170,073)	54,458	476,732	416	(80,399)	147,349	(658)	-	14,251	-	-	25,709,313
Fund balances (deficits) at the end of the year	$ 25,878,197	$ (54,168)	$ (157,378)	$ 54,458	$ 487,520	$ 416	$ (60,930)	$ 166,522	$ (658)	$ -	$ 14,251	$ -	$ -	$ 26,328,230

Republic of the Marshall Islands

GRANTS ASSISTANCE FUND

September 30, 2024

The Grants Assistance Fund accounts for all financial transactions that are subgranted to RepMar. A brief discussion of the funds that comprise the Grants Assistance Fund as of September 30, 2024, follows:

Section 215(a)(1) Communications Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, Title II, Article I, Section 215(a)(1) and approved by Nitijela resolution 62.

Section 216(a)(1) Surveillance and Enforcement Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, Title II, Article I, Section 216(a)(1) and approved by Nitijela resolution 62.

Section 216(a)(3) Scholarship Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, Title II, Article I, Section 216(a)(3) and approved by Nitijela resolution 62.

Section 213 Audit Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 213 and approved by Nitijela resolution 123.

Enewetak Food and Agricultural Support Fund

This fund accounts for funding received pursuant to Section 103(f)(2) of the Compact of Free Association Amendments Act of 2003.

U.S. Federal Grants Fund

This fund accounts for all financial transactions that are subgranted to RepMar, as well as other direct federal grants that RepMar received from the United States government.

European Union Grants Fund

This fund accounts for all financial transactions that are subgranted to RepMar, as well as other direct grants that RepMar received from the European Union.

World Bank Fund

This fund accounts for all financial transactions that are subgranted to RepMar, as well as other direct grants that RepMar received from the World Bank.

Other Direct Assistance Fund

This fund accounts for all financial transactions related to direct grants received from non-U.S. agencies, which have historically been accounted for herein, and also includes grants from other world organizations.

Republic of China Projects Fund

This fund accounts for all financial transactions related to direct grants received from the Republic of China relating to designated projects.

Asian Development Bank (ADB) Development Projects

This fund accounts for projects funded by Asian Development Bank loans. These projects include the fisheries development (ADB Loan Number 1102 MAR (SF)), typhoon emergency rehabilitation program (ADB Loan Number 1218 MAR (SF)), improvement of basic education (ADB Loan Number 1249 MAR (SF)), Majuro water supply project (ADB Loan Numbers 1250 MAR (SF) and 1389 RMI (SF)), improvement of health care (ADB Loan Number 1316 RMI (SF)), the Ebeye health and infrastructure project (ADB Loan Number 1694 RMI (SF)), the skills training and vocational education project (ADB Loan Number 1791 RMI (SF)), and the fiscal debt management project (ADB Loan Number 2950 RMI (SF)).

Compact Sector Grants Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(a) and approved by Nitijela resolution 123 to promote economic advancement and budgetary self-reliance. These appropriations are to be used for assistance in education, health care, the environment, public sector capacity building, and private sector development, or for other areas as mutually agreed, with priorities in the education and health care sectors.

Republic of the Marshall Islands

GRANTS ASSISTANCE FUND
Combining Balance Sheet

September 30, 2024

Fund Number	10301	10302	10303	10414	10415	10305	10306	10307	10308	10309	10310		
	Section 215(a)(1) Commu-nications	Section 216(a)(1) Surveillance and Enforcement	Section 216(a)(3) Scholarship	Section 213 Audit	Enewetak Food and Agricultural Support	U.S. Federal Grants	European Union Grants	World Bank	Other Direct Assistance	Republic of China Projects	ADB Development Projects	Compact Sector	Total
ASSETS													
Receivables:													
Federal agencies	$ -	$ -	$ -	$ 567,473	$ 1,347,849	$ 3,216,239	$ -	$ -	$ -	$ -	$ -	$ 17,717,453	$ 22,849,014
General	-	-	-	-	-	-	96,806	3,179,079	184,019	4,000,000	142,618	-	7,602,522
Due from other funds	40,380	690	1,593	-	-	-	-	4,351,735	4,500,688	65,521	-	185,248,017	194,208,624
Advances	-	-	-	-	-	697,804	19,794	224,100	101,853	278,039	718	676,676	1,998,984
Total assets	$ 40,380	$ 690	$ 1,593	$ 567,473	$ 1,347,849	$ 3,914,043	$ 116,600	$ 7,754,914	$ 4,786,560	$ 4,343,560	$ 143,336	$ 203,642,146	$ 226,659,144
LIABILITIES AND FUND BALANCES (DEFICITS)													
Liabilities:													
Accounts payable	$ -	$ -	$ -	$ 16,000	$ 232,433	$ 422,655	$ -	$ 993,393	$ 46,468	$ 1,168,369	$ 47,393	$ 1,805,773	$ 4,732,484
Other liabilities and accruals	-	-	-	-	-	319,651	-	156,704	28,338	20,791	3,694	1,123,551	1,652,729
Payable to federal agencies	-	-	-	-	7,029	-	-	-	-	-	-	8,558,302	8,565,331
Retention payable	-	-	-	-	-	22,564	-	-	-	172,407	-	1,065,791	1,260,762
Unearned revenue	-	-	-	-	-	504,752	-	-	3,944,704	-	-	-	4,449,456
Due to other funds	-	-	-	597,773	1,108,387	2,482,689	69,465	-	-	-	70,465	9,601,477	13,930,256
Total liabilities	-	-	-	613,773	1,347,849	3,752,311	69,465	1,150,097	4,019,510	1,361,567	121,552	22,154,894	34,591,018
Fund balances:													
Restricted	40,380	690	1,593	-	-	161,732	47,135	6,604,817	767,050	-	21,784	182,237,625	189,882,806
Committed	-	-	-	-	-	-	-	-	-	2,981,993	-	-	2,981,993
Unassigned (deficits)	-	-	-	(46,300)	-	-	-	-	-	-	-	(750,373)	(796,673)
Total fund balances (deficits)	40,380	690	1,593	(46,300)	-	161,732	47,135	6,604,817	767,050	2,981,993	21,784	181,487,252	192,068,126
Total liabilities and fund balances	$ 40,380	$ 690	$ 1,593	$ 567,473	$ 1,347,849	$ 3,914,043	$ 116,600	$ 7,754,914	$ 4,786,560	$ 4,343,560	$ 143,336	$ 203,642,146	$ 226,659,144

Republic of the Marshall Islands

GRANTS ASSISTANCE FUND
Combining Statement of Revenues, Expenditures by Function,
and Changes in Fund Balances (Deficits)

Year ended September 30, 2024

Fund Number	10301	10302	10303	10414	10415	10305	10306	10307	10308	10309	10310			
	Section 215(a)(1) Commu-nications	Section 216(a)(1) Surveillance and Enforcement	Section 216(a)(3) Scholarship	Section 213 Audit	Enewetak Food and Agricultural Support	U.S. Federal Grants	European Union Grants	World Bank	Other Direct Assistance	Republic of China Projects	ADB Development Projects	Compact Sector	Elimination	Total
Revenues:														
Federal and other grants	$ -	$ -	$ -	$ 146,112	$ 2,228,622	$ 14,617,858	$ 34,442	$ 28,939,217	$ 722,091	$ 8,585,000	$ 509,583	$ 212,258,199	$ -	$ 268,041,124
Interest and dividends	-	-	-	-	-	-	-	-	-	-	-	687,087	-	687,087
Total revenues	-	-	-	146,112	2,228,622	14,617,858	34,442	28,939,217	722,091	8,585,000	509,583	212,945,286	-	268,728,211
Expenditures by Function:														
Current:														
Office of the Chief Secretary	-	-	-	-	-	520,553	-	644,428	6,584	-	-	-	-	1,171,565
Office of the Auditor-General	-	-	-	146,112	-	-	-	-	-	-	-	-	-	146,112
Ministries:														
Environment	-	-	-	-	-	-	110,515	-	51,087	25,304	-	25	-	186,931
Education, Sports and Training	-	-	-	-	-	2,093,443	-	2,404,313	-	-	-	19,294,195	-	23,791,951
Health and Human Services	-	-	-	-	-	7,331,118	-	-	36,052	466,090	-	9,238,322	-	17,071,582
Natural Resources and Commerce	-	-	-	-	-	46,758	-	-	56,473	51,739	-	-	-	154,970
Culture and Internal Affairs	-	-	-	-	-	590,496	-	-	76,859	964,837	-	-	-	1,632,192
Justice, Immigration and Labor	-	-	-	-	-	220,971	-	-	-	-	-	-	-	220,971
Finance, Banking and Postal Services	-	-	-	-	2,228,622	1,370,424	-	27,663,628	410,571	3,444,628	509,583	519	-	35,627,975
Foreign Affairs and Trade	-	-	-	-	-	-	34,442	-	-	178,777	-	1,930	-	215,149
Works, Infrastructure and Utilities	-	-	-	-	-	-	-	-	18,299	3,137,585	-	11,054,697	-	14,210,581
Environmental Protection Authority	-	-	-	-	-	82,363	-	-	-	-	-	302,711	-	385,074
Total expenditures	-	-	-	146,112	2,228,622	12,256,126	144,957	30,712,369	655,925	8,268,960	509,583	39,892,399	-	94,815,053
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	2,361,732	(110,515)	(1,773,152)	66,166	316,040	-	173,052,887	-	173,913,158
Other financing sources (uses):														
Operating transfers in	-	-	-	-	-	-	110,515	-	35,032	-	-	1,189,054	-	1,334,601
Operating transfers out	-	-	-	-	-	(2,240,225)	-	-	-	-	-	(1,792,202)	-	(4,032,427)
Total other financing sources (uses), net	-	-	-	-	-	(2,240,225)	110,515	-	35,032	-	-	(603,148)	-	(2,697,826)
Net change in fund balances (deficits)	-	-	-	-	-	121,507	-	(1,773,152)	101,198	316,040	-	172,449,739	-	171,215,332
Fund balances (deficits) at the beginning of the year	40,380	690	1,593	(46,300)	-	40,225	47,135	8,377,969	665,852	2,665,953	21,784	9,037,513	-	20,852,794
Fund balances at the end of the year	$ 40,380	$ 690	$ 1,593	$ (46,300)	$ -	$ 161,732	$ 47,135	$ 6,604,817	$ 767,050	$ 2,981,993	$ 21,784	$ 181,487,252	$ -	$ 192,068,126

Republic of the Marshall Islands

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

September 30, 2024

Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes. A brief discussion of RepMar's Nonmajor Governmental Funds - Special Revenue Funds as of September 30, 2024, follows:

Public Works Fund

This fund was established under Public Law No. 2003-24 and accounts for all charges, fees and other monies collected or generated by the Ministry of Works, Infrastructure and Utilities.

COVID-19 Disaster Assistance Fund

This fund was established to account for all charges, fees and other monies collected or generated by the Office of the Chief Secretary from the operation of Quarantine Facilities in Honolulu, Kwajalein Atoll and Majuro Atoll.

Immigration (Bond) Fund

This fund accounts for the collection of all fees and charges levied under the Immigration Act of 2006 (Public Law No. 2006-62) as administered by the Ministry of Justice.

Land Registration Authority Fund

This fund accounts for the operations of the Marshall Islands Land Registration Authority. This Authority was established under Public Law No. 2001-26 to provide a legal framework for registration of land in the Marshall Islands in order to encourage investment and to protect land interest holders.

Labor (General) Fund

This fund accounts for the collection of all fees and charges levied under the Labor (Non-Resident Workers) Act of 2006 (Public Law No. 2006-60) as administered by the Ministry of Foreign Affairs and Trade.

Labor (Bond) Fund

This fund accounts for the collection of all bonds paid or forfeited by employers under the Labor (Non-Resident Workers) Act of 2006 (Public Law No. 2006-60) as administered by the Ministry of Foreign Affairs and Trade.

Ministry of Justice Fund

This fund accounts for specific operations of both the Department of Public Safety and Ministry of Justice, Immigration and Labor. This fund was established under Public Law No. 1989-70 and administers fees and fines, as collected by the courts with respect to violation of National Government laws, and any appropriations made by the Nitijela for related purposes.

Recycling Fund

This fund accounts for the collection of all fees and charges levied under the Styrofoam Cups and Plates, and Plastic Products Prohibition, and Container Deposit Act, 2016 (Public Law No. 2016-17) as administered by the RMI Environmental Protection Authority.

Resident Workers Training Account Fund

This fund was established under Public Law No. 1987-6 and accounts for all monies collected under the provisions of the Nonresident Workers Act of 1983 from employers who employ non-resident workers, and accounts for all financial transactions of the National Training Council.

National Training Fund

This fund was established under Public Law No. 1991-140 for the purpose of providing training, including vocational training and human resources development.

Sea Patrol Fund

This fund was established under Public Law No. 1991-143 and accounts for all charges, fees and fines generated and received by the Sea Patrol Division through the use of the patrol boat M.V. Lomor.

Transportation Services Fund

This fund was established under Public Law No. 2001-38 and accounts for all charges, fees and other monies collected or generated by the Ministry of Transportation, Communication and Information Technology through the use of their shipping vessels.

Registrar General Fund

This fund was established under Public Law No. 1992-4 and accounts for all charges, fees and monies collected or generated by the Ministry of Culture and Internal Affairs Registrar-General of Births, Deaths and Marriages.

Ministry of Internal Affairs Fund

This fund was established under Public Law No. 2003-84 and accounts for all charges, fees and monies collected or generated by Ministry of Culture and Internal Affairs through Radio V7AB, the Lands and Survey Division, the ID Card Section, the Sports and Recreation Division, and any other funds generated by the Ministry for a specific purpose.

Banking Commissioner Fund

This fund was established under Public Law No. 2019-114 and accounts for all activities of the Commissioner of Banking.

Four-Atoll Medical Fund

This fund accounts for transactions from the distribution of annual proceeds from the Nuclear Claims Trust Fund in accordance with Article II, Section 1(a) of the agreement between the Government of the United States and RepMar for the implementation of Section 177 of the Compact of Free Association.

Cultural and Historic Preservation Fund

This fund was established under Public Law No. 2022-53 within the Ministry of Cultural and Internal Affairs to amend the Historic Preservation Act 1991 and account for all activities of the Cultural Historic Preservation Office.

Marshall Islands Scholarship Grant and Loan Board

This fund was established under Public Law No. 1979-19 and accounts for all disbursements of scholarship funds.

Marshall Islands Judiciary Fund

This fund was established to account for all activities of the Marshall Islands Judiciary not accounted for within the General Fund.

Republic of the Marshall Islands

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Combining Balance Sheet

September 30, 2024

	10201	10222	10223	10202	10203	10204	10205	10206	10207	NTC	10208
	Public Works	COVID-19 Disaster Assistance	Immigration (Bond)	Land Registration Authority	Labor (General)	Labor (Bond)	Ministry of Justice	Recycling	Resident Workers Training Account	National Training	Sea Patrol
ASSETS											
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 398,986	$ -
Receivables, net:											
General	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	250,000	-
Due from other funds	338,924	11,851	839,430	18,118	914,168	482,500	749,337	535,149	1,537,387	-	9,055
Advances	750	-	-	-	15,098	-	94,000	-	-	-	-
Total assets	$ 339,674	$ 11,851	$ 839,430	$ 18,118	$ 929,266	$ 482,500	$ 843,337	$ 535,149	$ 1,537,387	$ 648,986	$ 9,055
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	$ 75	$ -	$ 500	$ -	$ 8,290	$ -	$ 625,832	$ -	$ -	$ -	$ -
Other liabilities and accruals	-	-	838,930	-	-	482,500	2,437	-	17,195	1,750	-
Total liabilities	75	-	839,430	-	8,290	482,500	628,269	-	17,195	1,750	-
Fund balances:											
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	339,599	11,851	-	18,118	920,976	-	215,068	535,149	1,520,192	647,236	9,055
Total fund balances	339,599	11,851	-	18,118	920,976	-	215,068	535,149	1,520,192	647,236	9,055
Total liabilities and fund balances	$ 339,674	$ 11,851	$ 839,430	$ 18,118	$ 929,266	$ 482,500	$ 843,337	$ 535,149	$ 1,537,387	$ 648,986	$ 9,055

Republic of the Marshall Islands

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Combining Balance Sheet, Continued

September 30, 2024

	10209	10210	10211	10219	10212	10224						
	Transportation Services	Registrar General	Ministry of Internal Affairs	Banking Commissioner	Four-Atoll Medical	Cultural and Historic Preservation	Marshall Islands Scholarship, Grant and Loan Board	Marshall Islands Judiciary	Health Care Revenue	Marshall Islands Health	Elimination	Total
ASSETS												
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,535,184	$ 615,574	$ -	$ -	$ -	$ 2,549,744
Receivables, net:												
General	-	-	-	-	589,653	-	-	-	-	-	-	589,653
Other	-	-	-	-	-	-	17,507	4,199	-	-	-	271,706
Due from other funds	42,808	391	221,955	171,175	97,635	8,600	-	-	-	-	-	5,978,483
Advances	-	-	3,745	45,706	-	-	-	-	-	-	-	159,299
Total assets	$ 42,808	$ 391	$ 225,700	$ 216,881	$ 687,288	$ 8,600	$ 1,552,691	$ 619,773	$ -	$ -	$ -	$ 9,548,885
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	$ -	$ -	$ -	$ 8,545	$ -	$ 1,000	$ -	$ 7,277	$ -	$ -	$ -	$ 651,519
Other liabilities and accruals	-	-	466	383	-	-	-	67,095	-	-	-	1,410,756
Total liabilities	-	-	466	8,928	-	1,000	-	74,372	-	-	-	2,062,275
Fund balances:												
Restricted	-	-	-	-	687,288	-	1,500	-	-	-	-	688,788
Committed	42,808	391	225,234	207,953	-	7,600	1,551,191	545,401	-	-	-	6,797,822
Total fund balances	42,808	391	225,234	207,953	687,288	7,600	1,552,691	545,401	-	-	-	7,486,610
Total liabilities and fund balances	$ 42,808	$ 391	$ 225,700	$ 216,881	$ 687,288	$ 8,600	$ 1,552,691	$ 619,773	$ -	$ -	$ -	$ 9,548,885

Republic of the Marshall Islands

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures By Function, and Changes in Fund Balances

Year ended September 30, 2024

	10201	10222	10223	10202	10203	10204	10205	10206	10207	NTC	10208
	Public Works	COVID-19 Disaster Assistance	Immigration (Bond)	Land Registration Authority	Labor (General)	Labor (Bond)	Ministry of Justice	Recycling	Resident Workers Training Account	National Training	Sea Patrol
Revenues:											
Fees and charges	$ 50,179	$ -	$ -	$ -	$ 244,860	$ -	$ 1,422,045	$ 870,355	$ 873,786	$ -	$ -
Interest	-	-	-	-	-	-	-	-	-	-	-
Sales	45,631	-	-	-	-	-	37,565	-	-	485	-
Total revenues	95,810	-	-	-	244,860	-	1,459,610	870,355	873,786	485	-
Expenditures by Function:											
Current:											
Judiciary	-	-	-	-	-	-	-	-	-	-	-
Office of the Chief Secretary	-	4,789	-	-	-	-	-	-	-	-	-
Office of the Attorney General	-	-	-	-	-	-	274,007	-	-	-	-
Ministries:											
Education, Sports and Training	-	-	-	-	-	-	-	-	247,799	415,120	-
Justice, Immigration and Labor	-	-	-	-	118,797	-	422,076	-	-	-	-
Finance, Banking and Postal Services	-	-	-	-	-	-	-	803,317	-	-	-
Works, Infrastructure and Utilities	77,485	-	-	-	-	-	-	-	-	-	-
Nuclear claims related	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	77,485	4,789	-	-	118,797	-	696,083	803,317	247,799	415,120	-
Excess (deficiency) of revenues over (under) expenditures	18,325	(4,789)	-	-	126,063	-	763,527	67,038	625,987	(414,635)	-
Other financing sources (uses):											
Operating transfers in	-	-	-	-	-	-	-	-	-	518,244	-
Operating transfers out	-	-	-	-	-	-	(1,059,610)	-	(268,244)	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	(1,059,610)	-	(268,244)	518,244	-
Net change in fund balances	18,325	(4,789)	-	-	126,063	-	(296,083)	67,038	357,743	103,609	-
Fund balances at the beginning of the year	321,274	16,640	-	18,118	794,913	-	511,151	468,111	1,162,449	543,627	9,055
Fund balances at the end of the year	$ 339,599	$ 11,851	$ -	$ 18,118	$ 920,976	$ -	$ 215,068	$ 535,149	$ 1,520,192	$ 647,236	$ 9,055

Republic of the Marshall Islands

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures By Function, and Changes in Fund Balances, Continued

Year ended September 30, 2024

	10209	10210	10211	10219	10212	10224						
	Transportation Services	Registrar General	Ministry of Internal Affairs	Banking Commissioner	Four-Atoll Medical	Cultural and Historic Preservation	Marshall Islands Scholarship, Grant and Loan Board	Marshall Islands Judiciary	Health Care Revenue	Marshall Islands Health	Elimination	Total
Revenues:												
Fees and charges	$ -	$ -	$ 1,130	$ 59,100	$ -	$ -	$ -	$ 127,393	$ -	$ -	$ -	$ 3,648,848
Interest	-	-	-	-	-	-	16,597	11,272	-	-	-	27,869
Sales	1,745	-	-	69,561	-	4,900	-	20,224	-	-	-	180,111
Total revenues	1,745	-	1,130	128,661	-	4,900	16,597	158,889	-	-	-	3,856,828
Expenditures by Function:												
Current:												
Judiciary	-	-	-	-	-	-	-	1,353,061	-	-	-	1,353,061
Office of the Chief Secretary	-	-	-	-	-	-	-	-	-	-	-	4,789
Office of the Attorney General	-	-	-	-	-	-	-	-	-	-	-	274,007
Ministries:												
Education, Sports and Training	-	-	-	-	-	-	2,038,004	-	-	-	-	2,700,923
Justice, Immigration and Labor	-	-	-	-	-	-	-	-	-	-	-	540,873
Finance, Banking and Postal Services	-	-	-	131,483	-	-	-	-	-	-	-	934,800
Works, Infrastructure and Utilities	-	-	-	-	-	-	-	-	-	-	-	77,485
Nuclear claims related	-	-	-	-	2,240,225	-	-	-	-	-	-	2,240,225
Total expenditures	-	-	-	131,483	2,240,225	-	2,038,004	1,353,061	-	-	-	8,126,163
Excess (deficiency) of revenues over (under) expenditures	1,745	-	1,130	(2,822)	(2,240,225)	4,900	(2,021,407)	(1,194,172)	-	-	-	(4,269,335)
Other financing sources (uses):												
Operating transfers in	-	-	-	-	2,240,225	-	2,690,524	1,083,234	-	-	(268,244)	6,263,983
Operating transfers out	-	-	-	-	-	-	-	-	-	-	268,244	(1,059,610)
Total other financing sources (uses), net	-	-	-	-	2,240,225	-	2,690,524	1,083,234	-	-	-	5,204,373
Net change in fund balances	1,745	-	1,130	(2,822)	-	4,900	669,117	(110,938)	-	-	-	935,038
Fund balances at the beginning of the year	41,063	391	224,104	210,775	687,288	2,700	883,574	656,339	-	-	-	6,551,572
Fund balances at the end of the year	$ 42,808	$ 391	$ 225,234	$ 207,953	$ 687,288	$ 7,600	$ 1,552,691	$ 545,401	$ -	$ -	$ -	$ 7,486,610

Republic of the Marshall Islands

FIDUCIARY FUNDS - PRIVATE PURPOSE TRUSTS

September 30, 2024

Private purpose trusts are used to report any trust arrangement not properly reported in a pension trust fund or an investment trust fund "under which principal and income benefit individuals, private organizations, or other governments." A brief discussion of RepMar's Private Purpose Trusts as of September 30, 2024, follows:

Marshall Islands Social Security Administration (MISSA)

This fund established MISSA under Public Law No. 1990-75, which administers the Marshall Islands Social Security Retirement Fund, to provide a financially sound social security system with pension benefits and early retirement.

Kwajalein Atoll Trust Fund

This fund accounts for funds received under the Interim Use Agreement, to be disbursed to various Kwajalein landowners.

Section 212 Kwajalein Landowners Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 212 and approved by Nitijela resolution 123 in accordance with the Military Use and Operating Rights Agreement.

Republic of the Marshall Islands

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trusts

September 30, 2024

Fund Number		**20102**	**20103**	
	Marshall Islands Social Security Admin.	Kwajalein Atoll Trust	Section 212 Kwajalein Landowners	Total
ASSETS				
Cash and cash equivalents	$ 8,814,435	$ -	$ -	$ 8,814,435
Time certificate of deposit	9,388,474	-	-	9,388,474
Receivables, net:				
Contributions	5,076,774	-	-	5,076,774
Other	628,044	-	-	628,044
Investments	107,617,629	-	-	107,617,629
Due from other funds	-	421,658	1,184,189	1,605,847
Capital assets, net of accumulated depreciation	473,151	-	-	473,151
Total assets	131,998,507	421,658	1,184,189	133,604,354
LIABILITIES				
Accounts payable	537,372	-	2,480	539,852
Other liabilities and accruals	8,597	-	-	8,597
Total liabilities	545,969	-	2,480	548,449
NET POSITION				
Restricted for:				
Social security benefits	131,452,538	-	-	131,452,538
Land use distributions	-	421,658	1,181,709	1,603,367
Total net position	$ 131,452,538	$ 421,658	$ 1,181,709	$ 133,055,905

Republic of the Marshall Islands

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trusts

Year ended September 30, 2024

Fund Number		**20102**	**20103**	
	Marshall Islands Social Security Admin.	Kwajalein Atoll Trust	Section 212 Kwajalein Landowners	Total
Additions:				
Contributions:				
Private employees	$ 19,139,985	$ -	$ -	$ 19,139,985
Government employees	7,260,779	-	-	7,260,779
Penalties and interest	479,214	-	-	479,214
Total contributions	26,879,978	-	-	26,879,978
Investment income:				
Net change in the fair value of investments	14,604,982	-	-	14,604,982
Interest and dividends	2,742,279	-	-	2,742,279
Investment income	17,347,261	-	-	17,347,261
Less investment expense	(190,951)	-	-	(190,951)
Net investment income	17,156,310	-	-	17,156,310
Other:				
Compact funding	-	-	25,167,600	25,167,600
Transfer in	1,190,400	-	-	1,190,400
Other	302,493	-	-	302,493
	1,492,893	-	25,167,600	26,660,493
Total additions	45,529,181	-	25,167,600	70,696,781
Deductions:				
Land use distributions	-	-	24,934,363	24,934,363
Benefits	21,752,927	-	-	21,752,927
Administrative expenses	1,391,582	-	-	1,391,582
Total deductions	23,144,509	-	24,934,363	48,078,872
Change in net position held in trust for:				
Social security benefits	22,384,672	-	-	22,384,672
Land use distributions	-	-	233,237	233,237
Net position at the beginning of the year	109,067,866	421,658	948,472	110,437,996
Net position at the end of the year	$ 131,452,538	$ 421,658	$ 1,181,709	$ 133,055,905

Republic of the Marshall Islands

FIDUCIARY FUNDS - CUSTODIAL

September 30, 2024

Custodial funds are used to report resources held by the reporting government in a purely custodial capacity and typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. A brief discussion of RepMar's custodial funds as of September 30, 2024, follows:

Judiciary Fund

This fund accounts for funds received by the High Court in a fiduciary capacity for deposits made by defendants for court cases.

Unclaimed Property Fund

This fund accounts for funds received in a fiduciary capacity for distribution to other individuals that primarily consists of Bank of Hawaii deposits and share dividends from United Micronesia Development Association.

Republic of the Marshall Islands

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds

September 30, 2024

Fund Number		**20201**	**20201**	
	Judiciary	Unclaimed Bank Deposits	UMDA Stock Buyout	Total
ASSETS				
Cash and cash equivalents	$ 1,096,626	$ -	$ -	$ 1,096,626
Time certificate of deposit	90,400	-	-	90,400
Due from other funds	-	93,737	70,747	164,484
Total assets	1,187,026	93,737	70,747	1,351,510
NET POSITION				
Restricted for:				
Individuals, organizations and other governments	$ 1,187,026	$ 93,737	$ 70,747	$ 1,351,510

Republic of the Marshall Islands

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds

Year ended September 30, 2024

Fund Number		**20201**	**20201**	
	Judiciary	Unclaimed Bank Deposits	UMDA Stock Buyout	Total
Additions:				
Investment earnings:				
Interest and dividends	$ 628	$ -	$ -	$ 628
Other	57,189	-	-	57,189
Total additions	57,817	-	-	57,817
Deductions:				
Other distributions	5,050	-	-	5,050
Administrative expenses	353	-	-	353
Total deductions	5,403	-	-	5,403
Change in net position held in trust for:				
Individuals, organizations and other governments	52,414	-	-	52,414
Net position at the beginning of the year	1,134,612	93,737	70,747	1,299,096
Net position at the end of the year	$ 1,187,026	$ 93,737	$ 70,747	$ 1,351,510

Republic of the Marshall Islands

NONMAJOR COMPONENT UNITS

September 30, 2024

Component units are legally separate organizations for which the elected officials of RepMar are financially accountable. A brief discussion of RepMar's Nonmajor Component Units as of September 30, 2024, follows:

Air Marshall Islands, Inc. (AMI)

AMI was granted a corporate charter by the Cabinet of RepMar on October 12, 1989 to provide domestic and international carrier service within and from the Marshall Islands. AMI is governed by a seven-member Board of Directors appointed by the President upon approval of the Cabinet of RepMar. RepMar provides financial support to AMI through legislative appropriations.

Majuro Atoll Waste Company, Inc. (MAWC)

MAWC was incorporated under the laws of the Republic of the Marshall Islands on January 30, 2007 to engage in, but not limited to, the collection and disposal of solid waste on Majuro Atoll. MAWC is governed by a five-member Board of Directors comprising the Secretary of Public Works or Secretary responsible for solid waste, the Councilman on the Executive Committee responsible for solid waste management on the Majuro Atoll Local Government, one member from a list of two or more nominations by the Marshall Islands Chamber of Commerce, one member from a list of two or more nominations by the Marshall Islands Tourism Association, and one member from a list of two or more nominations by the Marshall Islands Conservation Society. RepMar provides financial support to MAWC through legislative appropriations.

Marshall Islands Postal Services Authority (MIPSA)

MIPSA was created by the Postal Service Act of 1983 for the purpose of establishing an effective and efficient postal service for the Republic, both domestic and international, from three service outlets - the Uliga and Delap postal stations located on Majuro Atoll, and the Ebeye postal station located on Kwajalein Atoll. MIPSA is governed by a five-member Board of Directors appointed by the President upon approval of the Cabinet of RepMar. The Board of Directors, in turn, are responsible for the appointment of the Postmaster General who oversees the day-to-day operations of the Authority. RepMar provides financial support to MIPSA through legislative appropriations.

Marshall Islands Shipping Corporation (MISC)

MISC was established as a body corporate pursuant to the Marshall Islands Shipping Corporation Act of 2004 (Public Law No. 2005-41) to operate services for the transportation of goods, mails and passengers by sea and to carry on business as ship owners, charterers of ships and vessels, ship brokers, and shipping agents, and to make provision for purposes connected with the aforesaid matters. MISC is governed by a five-member Board of Directors appointed by the President upon approval of the Cabinet of RepMar. RepMar provides financial support to MISC through legislative appropriations.

National Environmental Protection Authority (EPA)

EPA was created by the National Environmental Protection Authority Act of 1984 (Public Law No, 1984-31, the Act). EPA began operations as a statutory corporation on December 19, 1984, in accordance with the Act. The objectives of EPA are to preserve and improve the quality of the environment of the Marshall Islands. EPA is governed by a chairman and four other members, all of whom are appointed by the President of RepMar. RepMar provides financial support to EPA through legislative appropriations.

Office of Commerce, Investment and Tourism (OCIT)

OCIT was established pursuant to the Office of Commerce, Investment and Tourism (Amendment) Act 2018 (Public Law No. 2018-57). OCIT began operations as a statutory corporation on November 25, 2013 upon receiving its first operational budget. The objectives of OCIT were to: (1) to investigate, study, develop and implement social and economic development programs and projects, alone or in conjunction with other governmental, private organizations, or agencies, for the betterment of the economic and social conditions of the inhabitants of the Republic; (2) encourage and develop, and manage, businesses of economic or social importance to the Republic, such as tourism, poultry farming and piggeries; and (3) conduct, on behalf of RepMar, such business enterprises as the RepMar Cabinet directs, on such terms and conditions as were agreed to between OCIT and the RepMar Cabinet; provided, however, in all decisions of the Board or the RepMar Cabinet, the protection of existing enterprises shall be given highest consideration. OCIT is governed by a seven-member Board of Directors appointed by the President upon approval of the Cabinet of RepMar. RepMar provides financial support to OCIT through legislative appropriations.

Tobolar Copra Processing Authority (TCPA)

TCPA was granted a corporate charter by the Cabinet of RepMar on August 13, 1977 for the primary purpose of engaging in the production, processing, and marketing of copra products. TCPA is governed by a six-member Board of Directors (with the President serving ex officio and without vote) appointed by the President upon approval by the Cabinet of RepMar. RepMar provides financial support to TCPA through legislative appropriations.

Republic of the Marshall Islands

NONMAJOR COMPONENT UNITS

Combining Statement of Net Position

September 30, 2024

	Air Marshall Islands, Inc.	Majuro Atoll Waste Company, Inc.	Marshall Islands Postal Service Authority	Marshall Islands Shipping Corporation	RMI National Environmental Protection Authority	Office of Commerce, Investment and Tourism	Tobolar Copra Processing Authority	Total
ASSETS								
Cash and cash equivalents	$ 2,418,635	$ 430,404	$ 833,194	$ 159,552	$ 454,980	$ 168,498	$ 839,948	$ 5,305,211
Receivables, net	360,223	273,475	27,721	251,210	40,093	147,129	403,577	1,503,428
Inventories	1,482,653	-	5,627	142,147	-	-	1,546,608	3,177,035
Other assets	529,848	1,500	7,598	548,128	-	-	12,450	1,099,524
Capital assets:								
Nondepreciable capital assets	-	-	-	-	-	-	47,303	47,303
Other capital assets, net of accumulated depreciation	14,265,081	1,731,928	98,392	17,327,460	67,360	70,353	855,958	34,416,532
Leased assets, net	56,522	-	220,280	126,263	-	-	125,748	528,813
Total assets	19,112,962	2,437,307	1,192,812	18,554,760	562,433	385,980	3,831,592	46,077,846
LIABILITIES								
Accounts payable	1,674,937	113,925	95,954	708,943	33,123	47,222	779,887	3,453,991
Other liabilities and accruals	1,496,799	60,636	78,207	226,053	10,487	54,279	101,025	2,027,486
Unearned revenue	71,268	-	23,800	-	46,603	-	-	141,671
Noncurrent liabilities:								
Due within one year	28,801	-	43,284	24,952	-	-	1,662	98,699
Due in more than one year	37,362	-	186,956	115,256	-	-	133,217	472,791
Total liabilities	3,309,167	174,561	428,201	1,075,204	90,213	101,501	1,015,791	6,194,638
NET POSITION								
Net investment in capital assets	14,255,440	1,731,928	88,432	17,313,515	67,360	70,353	894,130	34,421,158
Restricted	-	11,500	-	-	-	76,342	-	87,842
Unrestricted	1,548,355	519,318	676,179	166,041	404,860	137,784	1,921,671	5,374,208
Total net position	$ 15,803,795	$ 2,262,746	$ 764,611	$ 17,479,556	$ 472,220	$ 284,479	$ 2,815,801	$ 39,883,208

Republic of the Marshall Islands

NONMAJOR COMPONENT UNITS

Combining Statement of Revenues, Expenses, and Changes in Net Position

Year ended September 30, 2024

	Air Marshall Islands, Inc.	Majuro Atoll Waste Company, Inc.	Marshall Islands Postal Service Authority	Marshall Islands Shipping Corporation	RMI National Environmental Protection Authority	Office of Commerce, Investment and Tourism	Tobolar Copra Processing Authority	Total
Expenses	$ 7,140,199	$ 1,893,920	$ 1,250,276	$ 4,968,064	$ 1,683,904	$ 1,019,679	$ 11,094,882	$ 29,050,924
Program revenues:								
Charges for services	6,590,522	1,728,384	723,310	1,494,013	315,017	24,544	3,058,328	13,934,118
Operating grants and contributions	-	-	-	-	860,536	346,589	-	1,207,125
Capital grants and contributions	5,445,623	1,199,035	-	9,963,474	-	-	-	16,608,132
Total program revenues	12,036,145	2,927,419	723,310	11,457,487	1,175,553	371,133	3,058,328	31,749,375
Net program revenues (expenses)	4,895,946	1,033,499	(526,966)	6,489,423	(508,351)	(648,546)	(8,036,554)	2,698,451
General revenues:								
Payments from RepMar	694,400	-	-	3,284,730	455,788	625,995	8,047,929	13,108,842
Other	-	-	-	-	-	19,956	-	19,956
Total general revenues	694,400	-	-	3,284,730	455,788	645,951	8,047,929	13,128,798
Change in net position	5,590,346	1,033,499	(526,966)	9,774,153	(52,563)	(2,595)	11,375	15,827,249
Net position at the beginning of the year	10,213,449	1,229,247	1,291,577	7,705,403	524,783	287,074	2,804,426	24,055,959
Net position at the end of the year	$ 15,803,795	$ 2,262,746	$ 764,611	$ 17,479,556	$ 472,220	$ 284,479	$ 2,815,801	$ 39,883,208

Republic of the Marshall Islands

COMPACT OF FREE ASSOCIATION SECTOR GRANTS FUND

September 30, 2024

Section 211(a)(1) Education Sector Grant Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(a)(1) and approved by Nitijela resolution 123 to support and improve the educational system of the Republic of the Marshall Islands.

Supplemental Education Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, which takes the place of certain domestic grants once offered through the U.S. Department of Education, the U.S. Department of Health and Human Services and the U.S. Department of Labor.

Section 211(a)(2) Health Sector Grant Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(a)(2) and approved by Nitijela resolution 123 to support and improve the delivery of preventive, curative, and environmental healthcare services in the Republic of the Marshall Islands.

Section 211(a)(4) Capacity Building Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(a)(4) and approved by Nitijela resolution 123 to support the efforts in building an effective, accountable and transparent national and local government and other public sector institutions and systems in the Republic of the Marshall Islands.

Section 211(a)(5) Environment Sector Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(a)(5) and approved by Nitijela resolution 123 to increase environmental protection; establish and manage conservation areas; engage in environmental infrastructure planning, design construction and operation; and to involve the citizens of the Marshall Islands in the process of conserving their country’s natural resources.

Section 211(b)(1) Ebeye Special Needs Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(b)(1) and approved by Nitijela resolution 123 to support the special needs of the community at Ebeye, Kwajalein Atoll and other Marshallese communities within Kwajalein Atoll.

Section 261(h) Climate Fund

This fund accounts for United States Congress appropriations under United States Public Law 118-42, Title II, Article I, Section 261(h) whereby the U.S. government provided $20 million U.S. grant assistance deposit for a dedicated Climate Fund and a joint Climate Working Group to help the Republic of the Marshall Islands tackle severe climate change and sea-level rise threats.

Section 211(b)(3) Kwajalein Environment Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(b)(1) and approved by Nitijela resolution 123 to address the special needs of the community at Ebeye, Kwajalein Atoll, with respect to environmental protection issues.

Section 211(d)(1) Public Infrastructure Sector Grant Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(d)(1) and approved by Nitijela resolution 123. The aforementioned section requires no less than 30% and no more than 50% of the total amounts appropriated by the United States Congress under Section 211 to be made available in accordance with a list of specific projects included in the infrastructure improvement and maintenance plan prepared by RepMar.

Section 211(d)(2) Infrastructure Maintenance Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(d)(2) and approved by Nitijela resolution 123. The aforementioned section requires 5% of the total amounts appropriated by the United States Congress under Section 211(d)(1) to be set aside and made available, with an equal contribution from RepMar, as a contribution to an Infrastructure Maintenance Fund.

Section 211(e)(1) Disaster Assistance Emergency Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(e)(1) and approved by Nitijela resolution 123 to support the establishment of a disaster assistance emergency fund.

Section 211(b)(2) Landowners Special Needs Fund

This fund accounts for United States Congress appropriations under United States Public Law 99-239, as amended, Title II, Article I, Section 211(b)(1) and approved by Nitijela resolution 123 to support the special needs of the community at Ebeye, Kwajalein Atoll and other Marshallese communities within Kwajalein Atoll with emphasis on the Kwajalein Landowners.

Section 261(g) Supplemental Health Fund

This fund accounts for United States Congress appropriations under United States Public Law 118-42, Title II, Article I, Section 261(g) whereby the U.S. government provided appropriations targeting healthcare services, such as tuberculosis programs, immunization drives, and the Neighboring Islands Health Care Program in the Marshall Islands.

Section 261(a)(7) Enhanced Reporting and Accountability Fund

This fund accounts for United States Congress appropriations under United States Public Law 118-42, Title II, Article I, Section 261(a)(7) whereby the U.S. government provided appropriations to cover the administrative and operational costs of complying with strict Compact budgeting, financial accountability, and performance reporting requirements.

Section 261(i) Kwajalein Development Plan Fund

This fund accounts for United States Congress appropriations under United States Public Law 118-42, Title II, Article I, Section 261(i) whereby the U.S. government provided a $132 million grant to facilitate resilience and healthy communities throughout the Kwajalein Atoll. These funds support infrastructure and development projects described in the plan adopted by the Republic of the Marshall Islands (RMI) in March 2022.

Republic of the Marshall Islands

COMPACT OF FREE ASSOCIATION SECTOR GRANTS
Combining Balance Sheet

September 30, 2024

Fund Number	10401 Section 211(a)(1) Education	10402 Supplemental Education	10403 Section 211(a)(2) Health	10404 Section 211(a)(4) Capacity Building	10405 Section 211(a)(5) Environment	10406 Section 211(b)(1) Ebeye Special Needs	10407 Section 261(h) Climate	10408 Section 211(b)(3) Kwajalein Environment	10409 Section 211(d)(1) Public Infrastructure	10410 Section 211(d)(2) Infrastructure Maintenance	10411 Section 211(e)(1) Disaster Assistance	10412 Section 211(b)(2) Landowners Special Needs	10417 Section 261(g) Supplemental Health	10419 Section 261(a)(7) Enhanced Reporting and Accountability	10420 Section 261(i) Kwajalein Development Plan	Total
ASSETS																
Receivables:																
Federal agencies	$ 3,079,152	$ 2,518,805	$ 768,180	$ -	$ 17,334	$ 1,351,003	$ -	$ -	$ 8,915,199	$ 44,543	$ 251,660	$ 769,128	$ -	$ 2,449	$ -	$ 17,717,453
Due from other funds	-	-	143,683	163,374	-	1,952,024	20,141,864	136,706	-	3,701,807	5,070,827	1,392,559	20,000,000	-	132,545,173	185,248,017
Advances	109,818	172,284	103,372	-	9,733	266,107	-	1,450	7,325	-	-	6,587	-	-	-	676,676
Total assets	$ 3,188,970	$ 2,691,089	$ 1,015,235	$ 163,374	$ 27,067	$ 3,569,134	$ 20,141,864	$ 138,156	$ 8,922,524	$ 3,746,350	$ 5,322,487	$ 2,168,274	$ 20,000,000	$ 2,449	$ 132,545,173	$ 203,642,146
LIABILITIES AND FUND BALANCES																
Liabilities:																
Accounts payable	$ 330,065	$ 179,094	$ 47,301	$ -	$ 700	$ 481,170	$ -	$ 226	$ 342,180	$ -	$ -	$ 424,518	$ -	$ 519	$ -	$ 1,805,773
Other liabilities and accruals	417,986	205,386	328,330	-	-	117,859	-	17,406	26,904	-	-	7,750	-	1,930	-	1,123,551
Payable to federal agencies	814,160	-	527,873	-	-	2,394,256	-	34,709	3,064,375	207,017	-	1,515,912	-	-	-	8,558,302
Retention payable	-	-	-	-	-	424,244	-	-	597,696	21,305	-	22,546	-	-	-	1,065,791
Due to other funds	1,683,216	2,530,524	-	-	26,367	-	-	-	5,361,370	-	-	-	-	-	-	9,601,477
Total liabilities	3,245,427	2,915,004	903,504	-	27,067	3,417,529	-	52,341	9,392,525	228,322	-	1,970,726	-	2,449	-	22,154,894
Fund balances:																
Restricted	-	-	111,731	163,374	-	151,605	20,141,864	85,815	-	3,518,028	5,322,487	197,548	20,000,000	-	132,545,173	182,237,625
Unassigned (deficits)	(56,457)	(223,915)	-	-	-	-	-	-	(470,001)	-	-	-	-	-	-	(750,373)
Total fund balances (deficit)	(56,457)	(223,915)	111,731	163,374	-	151,605	20,141,864	85,815	(470,001)	3,518,028	5,322,487	197,548	20,000,000	-	132,545,173	181,487,252
Total liabilities and fund balances	$ 3,188,970	$ 2,691,089	$ 1,015,235	$ 163,374	$ 27,067	$ 3,569,134	$ 20,141,864	$ 138,156	$ 8,922,524	$ 3,746,350	$ 5,322,487	$ 2,168,274	$ 20,000,000	$ 2,449	$ 132,545,173	$ 203,642,146

Republic of the Marshall Islands

COMPACT OF FREE ASSOCIATION SECTOR GRANTS
Combining Statement of Revenues, Expenditures by Function,
and Changes in Fund Balances

Year ended September 30, 2024

Fund Number	10401	10402	10403	10404	10405	10406	10407	10408	10409	10410	10411	10412	10417	10419	10420	
	Section 211(a)(1) Education	Supplemental Education	Section 211(a)(2) Health	Section 211(a)(4) Capacity Building	Section 211(a)(5) Environment	Section 211(b)(1) Ebeye Special Needs	Section 261(h) Climate	Section 211(b)(3) Kwajalein Environment	Section 211(d)(1) Public Infrastructure	Section 211(d)(2) Infrastructure Maintenance	Section 211(e)(1) Disaster Assistance	Section 211(b)(2) Landowners Special Needs	Section 261(g) Supplemental Health	Section 261(a)(7) Enhanced Reporting and Accountability	Section 261(i) Kwajalein Development Plan	Total
Revenues:																
Federal and other grants	$ 10,798,867	$ 6,293,937	$ 6,841,894	$ -	$ 17,334	$ 6,705,606	$ 20,000,000	$ 279,640	$ 7,858,362	$ 89,789	$ -	$ 1,370,321	$ 20,000,000	$ 2,449	$ 132,000,000	$ 212,258,199
Interest and dividends	-	-	-	-	-	-	141,889	-	-	-	-	-	-	-	545,198	687,087
Total revenues	10,798,867	6,293,937	6,841,894	-	17,334	6,705,606	20,141,889	279,640	7,858,362	89,789	-	1,370,321	20,000,000	2,449	132,545,198	212,945,286
Expenditures by Function:																
Current:																
Ministries:																
Environment	-	-	-	-	-	-	25	-	-	-	-	-	-	-	-	25
Education, Sports and Training	9,838,852	6,517,852	-	-	-	2,638,662	-	-	298,829	-	-	-	-	-	-	19,294,195
Health and Human Services	-	-	7,364,598	-	-	1,800,096	-	-	73,628	-	-	-	-	-	-	9,238,322
Finance, Banking and Postal Servic	-	-	-	-	-	-	-	-	-	-	-	-	-	519	-	519
Foreign Affairs and Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	1,930	-	1,930
Works, Infrastructure and Utilities	-	-	-	-	-	2,067,967	-	-	7,553,099	63,285	-	1,370,321	-	-	25	11,054,697
Environmental Protection Authority	-	-	-	-	17,334	-	-	285,377	-	-	-	-	-	-	-	302,711
Total expenditures	9,838,852	6,517,852	7,364,598	-	17,334	6,506,725	25	285,377	7,925,556	63,285	-	1,370,321	-	2,449	25	39,892,399
Excess (deficiency) of revenues over (under) expenditures	960,015	(223,915)	(522,704)	-	-	198,881	20,141,864	(5,737)	(67,194)	26,504	-	-	20,000,000	-	132,545,173	173,052,887
Other financing sources (uses):																
Operating transfers in	632,187	-	522,704	-	-	-	-	-	34,163	-	-	-	-	-	-	1,189,054
Operating transfers out	(1,592,202)	-	-	-	-	(200,000)	-	-	-	-	-	-	-	-	-	(1,792,202)
Total other financing sources (uses), net	(960,015)	-	522,704	-	-	(200,000)	-	-	34,163	-	-	-	-	-	-	(603,148)
Net change in fund balances (deficits)	-	(223,915)	-	-	-	(1,119)	20,141,864	(5,737)	(33,031)	26,504	-	-	20,000,000	-	132,545,173	172,449,739
Fund balances at the beginning of the year	(56,457)	-	111,731	163,374	-	152,724	-	91,552	(436,970)	3,491,524	5,322,487	197,548	-	-	-	9,037,513
Fund balances (deficit) at the end of the year	$ (56,457)	$ (223,915)	$ 111,731	$ 163,374	$ -	$ 151,605	$ 20,141,864	$ 85,815	$ (470,001)	$ 3,518,028	$ 5,322,487	$ 197,548	$ 20,000,000	$ -	$ 132,545,173	$ 181,487,252