

June 21, 2013

Board of Directors
The Diving Seagull, Inc.:

Dear Members of the Board of Directors:

We have performed an audit of the financial statements of The Diving Seagull, Inc. (DSI) as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon dated June 21, 2013.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of DSI is responsible.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

Our responsibility under generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described in our engagement letter dated January 19, 2013. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the presentation of DSI’s basic financial statements and to disclaim an opinion on the required supplementary information for the year ended September 30, 2012 in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), in all material respects; and
- To report on DSI’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2012 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Board are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Board of their responsibilities.

We considered DSI’s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DSI’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of DSI’s internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in DSI's 2012 financial statements include management's estimate of the allowance for uncollectible accounts, which is determined based upon past collection experience and aging of the accounts; and management's estimate of depreciation expense, which is based on estimated useful lives of the respective capital assets. During the year ended September 30, 2012, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

MATERIAL CORRECTED MISSTATEMENTS

Material misstatements were brought to the attention of management as a result of our audit procedures and were corrected by management during the current period. We have attached to this letter, as Appendix I, a summary of misstatements corrected by management.

SIGNIFICANT ACCOUNTING POLICIES

DSI's significant accounting policies are set forth in Note 2 to DSI's 2012 financial statements. During the year ended September 30, 2012, there were no significant changes in previously adopted accounting policies or their application, except for the following pronouncements adopted by DSI:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and addresses issues related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this pronouncement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), which will improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of this pronouncement did not have a material effect on the accompanying financial statements.

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of DSI.

In December 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, which is designed to improve financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued in 1991 and 1999, respectively. The provisions of this statement are effective for periods beginning after June 15, 2012. Management does not believe that the implementation of this statement will have a material effect on the financial statements of DSI.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of DSI.

In July 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The provisions of this statement are effective for periods beginning after December 15, 2011. Management has not yet determined the effect of implementation of this statement on the financial statements of DSI.

In April 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this statement on the financial statements of DSI.

In April 2012, GASB issued Statement No. 66, *Technical Corrections - 2012*, which enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this statement on the financial statements of DSI.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which revises existing guidance for the financial reports of most pension plans, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The provisions in Statement 67 are effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2014. Management has not yet determined the effect of implementation of these statements on the financial statements of DSI.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

Critical accounting policies are those that are both most important to the portrayal of the DSI's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. DSI has not identified any critical accounting policies or practices.

ALTERNATE ACCOUNTING TREATMENTS

We had no discussions with management regarding alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the year ended September 30, 2012.

OTHER INFORMATION IN THE ANNUAL REPORTS

When audited financial statements are included in documents containing other information such as DSI's 2012 Annual Report, we will read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. We will read the other information in DSI's 2012 Annual Report and will inquire as to the methods of measurement and presentation of such information. If we note a material inconsistency or if we obtain any knowledge of a material misstatement of fact in the other information, we will discuss this matter with management and, if appropriate, with the Board.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to DSI's 2012 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2012.

MANAGEMENT'S REPRESENTATIONS

We have made specific inquiries of DSI's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations DSI is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Attachment II, a copy of the representation letter we obtained from management.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO OUR INITIAL ENGAGEMENT

Throughout the year, routine discussions were held or were the subject of correspondence with management regarding the application of accounting principles or auditing standards in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions or correspondence were not held in connection with our retention as auditors.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of DSI's management and staff and had unrestricted access to DSI's senior management in the performance of our audit.

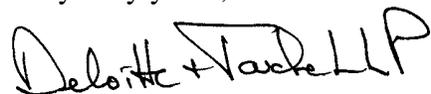
CONTROL-RELATED MATTERS

We have issued a separate report to you, dated June 21, 2013, wherein no matters involving DSI's internal control over financial reporting were considered to be material weaknesses under standards established by the American Institute of Certified Public Accountants, and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters were reported.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization, and the Office of the FSM National Public Auditor and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the staff and management of DSI for their cooperation and assistance during the course of this engagement.

Very truly yours,

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, stylized font.

Diving Seagull, Inc.			
Adjusting Journal Entries			
Fiscal Year Ended September 30, 2012			
#	Name	Debit	Credit
	1 AJE Increase in FV of investments		
1621	Citigroup Investments	48,467.00	-
7112	Gain on investments	-	48,467.00
		<u>48,467.00</u>	<u>48,467.00</u>
	To record increase in fair value of investments		
	2 AJE Increase in AFDA		
1351	Allowance for doubtful accts	-	1,012.00
7221	Bad debt expense	1,012.00	-
		<u>1,012.00</u>	<u>1,012.00</u>
	Increase allowance for doubtful accounts		
	3 AJE Reserve Andy and Patrick's AFDA		
7221	Bad debt expense	33,013.00	-
1224	Allowance for doubtful accounts for employee and directors	-	33,013.00
		<u>33,013.00</u>	<u>33,013.00</u>
	To reserve Andy and Patrick's accounts as doubtful		
	4 AJE Mfach engine in Deferred cost		
1431	Deferred costs	80,000.00	-
5511M	Repair & Maint - Mathwfach	-	80,000.00
		<u>80,000.00</u>	<u>80,000.00</u>
	To reverse AJE12-60 as building of Mfach engine is incomplete.		
	5 AJE Fuel on Mfach and Yap Seagull		
5411M	Fuel, Oil & Lube - Mathwfach	-	178,000.00
5412S	Fuel, Oil & Lube - Yap Seagull	-	172,000.00
1432	Fuel inventory	350,000.00	-
		<u>350,000.00</u>	<u>350,000.00</u>
	Estimated Fuel on board vessels as of September 30, 2012		
	6 AJE Prepaid fishing licenses		
5351M	Fish Fees and licenses - Fach	-	8,502.00
1421	Prepaid fishing licenses	8,502.00	-
		<u>8,502.00</u>	<u>8,502.00</u>
	Prepaid fishing licenses		
	7 AJE Unaccrued fishing fees		
2111	Accounts payable	-	245,093.04
5351M	Fish Fees and licenses - Fach	229,043.04	-
5351S	FishFees and license - Seagull	16,050.00	-
		<u>245,093.04</u>	<u>245,093.04</u>
	Unaccrued check no. 7034 relating to FY12.		

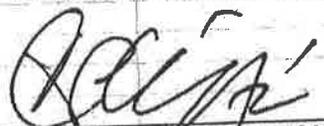
APPENDIX I, CONTINUED

#	Name	Debit	Credit
	8 AJE Unaccrued penalty fees		
2111	Accounts payable	-	50,000.00
5351M	Fish Fees and licenses - Fach	50,000.00	-
		<u>50,000.00</u>	<u>50,000.00</u>
	Unaccrued penalty fees for Mfach		
	9 AJE Additional mgmt fees (PY)		
5311M	Management fee - Mathawmarfach	-	36,947.00
5312S	Management fee - Yap Seagull	-	12,323.00
7913	Prior period adjustments	49,270.00	-
		<u>49,270.00</u>	<u>49,270.00</u>
	Additional mgmt fees assessed in FY12 for prior year trips.		
	10 AJE Reclass current portion of LTD		
2513	L/T debt - FSMDB Loan	239,884.00	-
2521	L/T debt - BOG Loan	415,678.00	-
2311	Current portion of L/T debt	-	655,562.00
		<u>655,562.00</u>	<u>655,562.00</u>
	To reclass current portion for F/S presentation		
	11 AJE Unaccrued interest on FSMDB		
2513	L/T debt - FSMDB Loan	-	1,865.52
7213	Interest expense - FSMDB new	1,865.52	-
		<u>1,865.52</u>	<u>1,865.52</u>
	Unposted JV#12-36		
	12 AJE Unaccrued FY11 invoice		
5511M	Repair & Maint - Mathwfach	-	40,123.00
7913	Prior period adjustments	40,123.00	-
		<u>40,123.00</u>	<u>40,123.00</u>
	Unaccrued FY11 invoice (GTR check #6589).		
	13 AJE Correct misposting of JV12-59		
5112S	Payroll - Yap Seagull	75,231.00	-
5512S	Repair & Maint - Yap Seagull	-	75,231.00
		<u>75,231.00</u>	<u>75,231.00</u>
	Correct misposting of JV12-59		
	14 AJE PY accrual for Yap S. payroll		
5112S	Payroll - Yap Seagull	-	75,231.00
7913	Prior period adjustments	75,231.00	-
		<u>75,231.00</u>	<u>75,231.00</u>
	FY12 shortfall in PY accrual for Seagull final payroll estimates.		

APPENDIX I, CONTINUED

#	Name	Debit	Credit
	15 AJE PY accrual for Mfach payroll		
5111M	Payroll - Mathawmarfach	53,933.00	-
7913	Prior period adjustments	-	53,933.00
		<u>53,933.00</u>	<u>53,933.00</u>
	FY12 Overage in PY accrual for Mfach final payroll estimates.		
	16 AJE Unaccrued FY11 invoice		
5411M	Fuel, Oil & Lube - Mathwfach	-	223,818.00
7913	Prior period adjustments	223,818.00	-
		<u>223,818.00</u>	<u>223,818.00</u>
	Unaccrued FY11 invoice dated 10/3/11 for 9/17/11 bunker delivery Ck. #6365		
	17 AJE Fuel on Mfach and Yap Seagull		
5411M	Fuel, Oil & Lube - Mathwfach	240,000.00	-
5412S	Fuel, Oil & Lube - Yap Seagull	135,000.00	-
7913	Prior period adjustments	-	375,000.00
		<u>375,000.00</u>	<u>375,000.00</u>
	Estimated Fuel on board vessels as of September 30, 2011		
	18 CAJE Correct FY10 misposting		
1223	Credit Card - Receivables	-	454.11
7911	Other income/expenses - Admin	454.11	-
		<u>454.11</u>	<u>454.11</u>
	To correct FY10 subledger mispostings - Charles Taman (\$300) and Ted Rutun (\$154.11.)		
	19 CAJE Adjust opening R/E		
39006	Prior period adjustment	777.27	-
7911	Other income/expenses - Admin	-	777.27
		<u>777.27</u>	<u>777.27</u>
	To adjust beginning retained earnings to agree to FY11 audit report.		
	20 CAJE Accrue for Cptn Lipanovich		
2111	Accounts payable	-	92,400.00
5112S	Payroll - Yap Seagull	92,400.00	-
		<u>92,400.00</u>	<u>92,400.00</u>

APPENDIX I, CONTINUED

#	Name	Debit	Credit
	<p>To record as a liability Capt. Lipanovich's invoice for his salary during the period May 2009 to February 2010 when the newly purchased Yap Seagull was undergoing drydock in Taiwan. The invoice was received in FY12, but the DSI Board of Directors did not approve the payment until its May 8, 2013 meeting. On May 9th 2013, DSI processed the payment to Captain Lipanovich via CK. #7365.</p>		
<p>We have reviewed the audit adjustments summarized above and agreed that they should be recorded in the general ledger as of September 30, 2012. These adjusting journal entries are the results of errors and not results of fraud, irregularities, or illegal acts.</p>			
			
<p>Carmen Kigimnang, General Manager</p>			
			
<p>Gertrude Gootinan, Accountant</p>			



DIVING SEAGULL, INCORPORATED.

June 21, 2013

Deloitte & Touche LLP
361 South Marine Corps Drive
Tamuning, Guam 96913-3911

We are providing this letter in connection with your audits of the statements of net assets of The Diving Seagull, Inc. as of September 30, 2012 and 2011 and the related statements of revenues, expenses, and changes in net assets and of cash flows for the years then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Diving Seagull, Inc. (the "Company") in conformity with accounting principles generally accepted in the United States of America.

We confirm that we are responsible for the following:

- a. The fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP);
- b. The fair presentation of the required supplementary information, including Management's Discussion and Analysis, accompanying the basic financial statements;
- c. The design, implementation, and maintenance of programs and controls to prevent and detect fraud;
- d. Establishing and maintaining effective internal control over financial reporting;
- e. Compliance with local and federal laws, rules and regulations, including compliance with the requirements of OMB Circular A-133, and provisions of grants and contracts relating to the Corporation's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations;
- f. The review and approval of the financial statements and related notes and acknowledge your role in the preparation of this information. Specifically, we acknowledge that your role in the preparation of the financial statements was a matter of convenience rather than one of necessity. We have reviewed the financial statement preparation assistance provided by you and acknowledge that the financial statements are prepared in accordance with GAAP. Our review was based on the use of the financial statement disclosure checklist for stand-alone business-type activities obtained from the Government Finance Officers Association.

Certain representations in this letter are described as being limited to matters that are material. Items are

DIVING SEAGULL, INCORPORATED.

considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with GAAP.
2. The Company has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
3. The Company has provided you:
 - a. Financial records and related data
 - b. Minutes of the meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
4. There have been no communications from the Yap State Government, or the FSM National Government, or regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
5. We believe the effects of the uncorrected financial statement misstatements detected in the current year that relate to the prior year presented, when combined with those misstatements aggregated by you during the prior-year audit engagement and pertaining to the prior year presented, are immaterial, both individually and in the aggregate, to the financial statements for the year ended September 30, 2012 taken as a whole.
6. The Company has not provided to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in DSI and do not believe that the financial statements are materially misstated as a result of fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the Company involving:
 - a. Management
 - b. Employees who have significant roles in the Company's internal control over financial reporting
 - c. Others, if the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, or others.
9. Significant assumptions used by us in making accounting estimates are reasonable.

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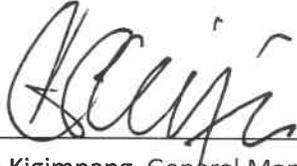
Except where otherwise stated below, immaterial matters less than \$55,600 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

10. The Company has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
11. The following, to the extent applicable, have been appropriately identified, properly accounted for, and disclosed in the financial statements:
 - a. Related parties and all the related-party relationships and transactions of which the Company is aware, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral).
12. In preparing the financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
 - a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
 - b. The effect of the change would be material to the financial statements.
13. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, except as noted in subsequent events.
 - b. Known actual or possible litigation and claims whose effects should be considered and accounted for and disclosed in the financial statements and that have not been disclosed to the auditor.
14. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of OMB Circular A-133, and provisions of grants and contracts relating to the Corporation's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. The Corporation is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.
15. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
16. The Company has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.

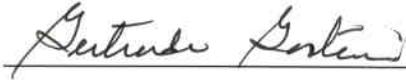
DIVING SEAGULL, INCORPORATED.

17. The Corporation does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk. Corporation has not experienced any losses on such accounts and management believes it is not exposed to any significant credit risk on its deposits.
18. Receivables and credit card receivables recorded in the financial statements represent valid claims against debtors for loan or reimbursement or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
19. Quantitative and qualitative information regarding the allowance for doubtful accounts has been properly disclosed in the financial statements.
20. All impaired loans receivables have been properly recorded and disclosed in the financial statements.
21. We believe that all expenditures that have been deferred to future periods are recoverable.
22. All documentation related to sales transactions is contained in customer files. We also confirm that:
 - a. We are not aware of any “side agreements” with any companies that are inconsistent with the applicable sales agreement, the customer’s purchase order, sales invoice, or any other documentation contained in the customer’s file. For the purposes of this letter, a “side agreement” is any agreement, understanding, promise, or commitment, whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral, by or on behalf of the Company (or any subsidiary, director, employee, or agent of the Company) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of the Company delivered to or generated by the Company’s Accounting and Finance Department. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of the Company that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance, or exchange rights would be a side agreement.
23. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the customer’s file.
24. Diving Seagull has not invested in Yap Cooperative Association shares as of the date of this letter.
25. Mathawmarfach and Yap Seagull require repairs and maintenance, but are not impaired. The net book value recorded in property and equipment is less than the recoverable amount.
26. Other than those described in Note 12 to the financial statements, no events have occurred after September 30, 2012, but before June 21, 2013, the date the financial statements were issued that require consideration as adjustments to, or disclosures in, the financial statements.

DIVING SEAGULL, INCORPORATED.



Carmen Kigimnang, General Manager



Gertrude Gootinan, Accountant

CC: BOARD OF DIRECTORS