

Audited Project Financial Statements

Project Number: 44281
Loan Number: 2718
Period covered: 31 December 2013

Republic of Kiribati: Road Rehabilitation Project

Prepared by Ministry of Public Works and Utilities, Implementing Agency

For the Asian Development Bank
Date received by ADB: 26 July 2014

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Ministry of Finance and Economic Development, Executing Agency.



KIRIBATI NATIONAL AUDIT OFFICE

Audit for an Impact for the Public

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Independent Auditor's Report

To the readers of Kiribati Road Rehabilitation Project Financial statements for the period ended 31 December 2013

We have audited the financial statements of Kiribati Road Rehabilitation Project (KRRP) financed under the World Bank – IDA, Asian Development Bank, Pacific Region Infrastructure Facility Project (PRIF) and Government of Kiribati (GoK) which comprise the Statement of Cash Receipts and Payments as of December 31, 2013, and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

Management (EA) is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 7, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The KRRP Management's policy is to prepare the accompanying statements in the format agreed between the Donor's and the Government of Kiribati as noted in the Project Operation Manual for the Grant and Project Administration Manual for the Loan, on a cash receipts and disbursement basis in which cash is recognized when received and expenses are recognized when paid, rather than when incurred.

Opinion

In our opinion, the aforementioned financial statements and appended notes that were also the subject of the audit, presents fairly, in all material respects, the cash receipts and disbursements of KRRP for the year ended December 31, 2013 in accordance with the cash receipts and disbursements basis of accounting described in Note 7; and expenditure have been applied to the purpose intended for in the Grant and Loan agreement.

In addition:

With respect to Statements of Expenditure, adequate supporting documents have been maintained to support claims to the Donors for reimbursements of expenditure incurred; and which

expenditures are eligible for financing under IDA Grant H6450 KI/PRIF TF99624 KI/ADB LOAN 2718 KIR(SF).

The Designated Accounts page 6 give a true and fair view of the receipts collected and payments made during the year ended 31 December 2013; and these receipts and payments support Designated Account replenishments during the year.

24 June, 2014


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Ms. Matereta B Raiman
Auditor General
Kiribati National Audit Office
Bairiki
Tarawa



KIRIBATI ROAD REHABILITATION PROJECT

Funded by:

World Bank (International Development Association - IDA)

Pacific Region Infrastructure Facility (PRIF)

Asian Development Bank (ADB)

Government of the Republic of Kiribati (GoK)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

KIRIBATI ROADS REHABILITATION PROJECT

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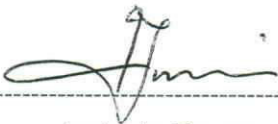
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KIRIBATI ROAD REHABILITATION PROJECT

The Financial Reports for the project over its third year of implementation ending 31 December 2013, are being presented for auditing.

In compliance with the project agreements the audit report is required to be submitted to the World Bank and donor partners by the 30th June 2014, and we would request your kind offices if the auditing could be completed by the due date.

All financial records for the project are held within the Kiribati Fiduciary Services Unit at the Ministry of Finance & Economic Planning.



Ioataake Timeon
Secretary for Public Works & Utilities



Reina Timau
Manager, KSFU

Date: 28th February 2014

KIRIBATI ROAD REHABILITATION PROJECT (KRRP)
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI/ADB LOAN 2718 KIR(SF)
STATEMENT OF RECEIPTS & PAYMENTS SUMMARY
For the Period Ended December 31, 2013

Account Description	Notes	31-Dec-13	AU\$	Cumulative
CASH RECEIPTS				
Direct Payment				
IDA Grant H6450-KI	1	\$ 6,070,775	\$	6,070,775
PRIF Grant TF99624-KI	2	\$ 1,272,255	\$	1,272,255
ADB Loan 2718 KIR(SF)	3	\$ 3,306,760	\$	4,208,591
Reimbursement				
IDA Grant H6450-KI		\$ -	\$	-
PRIF Grant TF99624-KI		\$ -	\$	-
ADB Loan 2718 KIR(SF)		\$ -	\$	-
Commitment				
IDA Grant H6450-KI		\$ -	\$	-
PRIF Grant TF99624-KI		\$ -	\$	-
ADB Loan 2718 KIR(SF)		\$ -	\$	-
Designated Account				
IDA Grant H6450-KI	4	\$ 570,153	\$	914,298
PRIF Grant TF99624-KI	5	\$ 18,332	\$	48,356
Government of Kiribati		\$ -	\$	-
Other Receipts (Interest Income)		\$ -	\$	-
Total Cash Receipts		\$ 11,238,275	\$	12,514,274
PAYMENTS (Per Grant Component)				
Component A				
IDA Grant H6450-KI	6	\$ 6,110,875	\$	6,110,875
PRIF Grant TF99624-KI	7	\$ 1,290,587	\$	1,290,587
ADB Loan 2718 KIR(SF)	8	\$ 3,287,184	\$	4,189,015
Component B				
IDA Grant H6450-KI	9	\$ 66,602	\$	87,082
PRIF Grant TF99624-KI	10	\$ 22,145	\$	22,195
ADB Loan 2718 KIR(SF)		\$ -	\$	-
Component C				
IDA Grant H6450-KI	11	\$ 437,826	\$	696,024
PRIF Grant TF99624-KI		\$ -	\$	-
ADB Loan 2718 KIR(SF)		\$ -	\$	-
Other Payments/ Bank Charges		\$ -	\$	-
Total Payments		\$ 11,215,220	\$	12,395,778
NET CASH RECEIPTS		\$ 23,055	\$	118,496
Add/Deduct: Foreign Exchange Gains/Losses		\$ -	\$	-
NET CHANGE IN CASH		\$ 23,055	\$	118,496

KIRIBATI ROAD REHABILITATION PROJECT
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI
WB DIRECT PAYMENT SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1

Direct Payment

IDA GRANT H6450 KI

MCCONNELL DOWELL

WA Date	Payment Value Date	WA No.	Invoice No.	US\$	AU\$	NZ\$	Local Currency AU\$	XE Exchange Rate	Equiv. Grant Currency (SDR)
6-Jun-13	21-Jun-13	007	IPC 01		\$ 376,233.25		\$ 376,233.25		235,904.95
	18-Jun-13	008	IPC 01	\$ 154,595.48			\$ 162,848.76	1.0533863191	101,289.73
	21-Jun-13	009	IPC 01			\$ 3,018,304.38	\$ 2,532,989.48	0.8392094253	1,593,416.33
5-Aug-13	9-Aug-13	010	IPC 02 & 03		\$ 152,362.62		\$ 152,362.62		89,297.39
	6-Aug-13	011	IPC 02 & 03	\$ 62,606.30			\$ 69,800.68	1.1149146676	41,320.20
	9-Aug-13	012	IPC 02 & 03			\$ 1,222,318.23	\$ 1,069,196.17	0.8747281519	632,701.12
3-Oct-13	8-Oct-13	014	IPC 04 & 05			\$ 764,290.47	\$ 671,578.75	0.8786957013	412,369.41
	9-Oct-13	015	IPC 04 & 05		\$ 95,269.22		\$ 95,269.22		58,583.05
	3-Oct-13	016	IPC 04 & 05	\$ 39,146.43			\$ 41,717.24	1.0656716796	25,434.79
3-Oct-13	10-Oct-13	017	Tonkins		\$ 64,800.00		\$ 64,800.00		40,059.27
29-Oct-13	1-Nov-13	019	Tonkins		\$ 43,200.00		\$ 43,200.00		26,823.91
29-Oct-13	1-Nov-13	020	IPC 06		\$ 28,244.52		\$ 28,244.52		17,537.69
	29-Oct-13	021	IPC 06	\$ 11,605.77			\$ 12,224.50	1.0533121734	7,516.69
	1-Nov-13	022	IPC 06			\$ 226,589.65	\$ 197,453.01	0.8714123128	122,529.26
9-Dec-13	16-Dec-13	023	IPC 07 & 08		\$ 62,487.41		\$ 62,487.41		36,675.05
	11-Dec-13	024	IPC 07 & 08	\$ 25,676.28			\$ 28,331.87	1.1034259033	16,649.23
	16-Dec-13	025	IPC 07 & 08			\$ 501,300.82	\$ 462,037.24	0.9216766122	270,227.34
							\$ 6,070,774.73		3,728,335.41

Note 2

Direct Payment

PRIF GRANT TF99624 KI

MCCONNELL DOWELL

WA Date	Payment Value Date	WA No.	Invoice No.	US\$	AU\$	NZ\$	Local Currency AU\$	XE Exchange Rate	Equiv. Grant Currency (USD)
6-Jun-13	21-Jun-13	004	IPC 01		\$ 81,517.21		\$ 81,517.21		\$ 77,416.89
	19-Jun-13	005	IPC 01	\$ 33,495.69			\$ 35,136.55	1.0489872725	\$ 33,495.69
	24-Jun-13	006	IPC 01			\$ 653,965.95	\$ 547,133.20	0.8366386599	\$ 508,850.91
5-Aug-13	9-Aug-13	007	IPC 02 & 03		\$ 33,011.90		\$ 33,011.90		\$ 29,476.33
	6-Aug-13	008	IPC 02 & 03	\$ 13,564.70			\$ 15,123.48	1.1149146676	\$ 13,564.70
	9-Aug-13	009	IPC 02 & 03			\$ 264,835.62	\$ 231,659.17	0.8747281519	\$ 208,849.37
3-Oct-13	8-Oct-13	010	IPC 04 & 05			\$ 165,596.27	\$ 145,508.73	0.8786957013	\$ 137,345.55
	9-Oct-13	011	IPC 04 & 05		\$ 20,641.66		\$ 20,641.66		\$ 19,465.09
	1-Nov-13	012	IPC 06			\$ 49,044.43	\$ 42,737.92	0.8714123128	\$ 40,623.50
9-Dec-13	16-Dec-13	013	IPC 07 & 08		\$ 13,538.94		\$ 13,538.94		\$ 12,251.39
	11-Dec-13	014	IPC 07 & 08	\$ 5,563.20			\$ 6,138.58	1.1034259033	\$ 5,563.20
	16-Dec-13	015	IPC 07 & 08			\$ 108,615.18	\$ 100,108.07	0.9216766122	\$ 90,270.08
							\$ 1,272,255.41		\$ 1,177,172.70

Note 3

KIRIBATI ROAD REHABILITATION PROJECT
LOAN 2718 KIR(SF)
ADB DIRECT PAYMENT SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

WA Date	Payment Value Date	ROUGHTON INTERNATIONAL					MCCONNELL DOWELL			US\$ Equiv paid by ADB	Local Currency AU\$	XE Exchange Rate
		WA No.	Invoice No.	US\$	AU\$	GBP	US\$	AU\$	NZ\$			
4-Feb-13	6-Feb-13	26	FN 20-21		\$ 5,634.36					\$ 5,874.95	\$ 5,634.36	
	6-Feb-13	27	FN 20-21			\$ 6,434.01				\$ 10,103.33	\$ 9,788.13	1.0322024013
	4-Feb-13	28	FN 20-21	\$ 9,743.33						\$ 9,743.33	\$ 9,349.00	1.0421791461
21-Mar-13	15-Apr-13	29	FN 23-24			\$ 2,048.38				\$ 3,140.37	\$ 3,022.02	1.0391641655
	15-Apr-13	30	FN 23-24		\$ 3,516.67					\$ 3,696.02	\$ 3,516.67	
	11-Apr-13	31	FN 23-24	\$ 7,671.00						\$ 7,671.00	\$ 7,262.82	1.0562017013
24-Apr-13	17-May-13	32	FN 25-26			\$ 3,183.42				\$ 4,847.71	\$ 4,979.14	0.9736038721
	15-May-13	33	FN 25-26	\$ 29,561.36						\$ 29,561.36	\$ 29,909.45	0.9883617317
	17-May-13	34	FN 25-26		\$ 1,666.33					\$ 1,649.33	\$ 1,666.33	
11-Jun-13	3-Jul-13	35	IPC 01					\$ 169,304.96		\$ 155,235.72	\$ 169,304.96	
	1-Jul-13	36	IPC 01				\$ 69,567.96			\$ 69,567.96	\$ 75,253.33	0.9244502324
	3-Jul-13	37	IPC 01						\$ 1,358,236.97	\$ 1,053,720.24	\$ 1,159,758.28	0.9085688441
29-Jul-13	29-Jul-13	38	FN 27			\$ 1,254.48				\$ 1,922.87	\$ 2,088.15	0.9208504502
	25-Jul-13	39	FN 27	\$ 68,591.14						\$ 68,591.14	\$ 74,636.62	0.9190011016
	29-Jul-13	40	FN 27		\$ 2,406.72					\$ 2,203.35	\$ 2,406.72	
14-Aug-13	14-Aug-13	41	IPC 02 & 03					\$ 68,563.18		\$ 63,132.98	\$ 68,563.18	
	12-Aug-13	42	IPC 02 & 03				\$ 28,172.84			\$ 28,172.84	\$ 30,707.89	0.9174462625
	14-Aug-13	43	IPC 02 & 03						\$ 550,043.21	\$ 442,729.78	\$ 484,450.28	0.9138807444
11-Sep-13	11-Sep-13	44	FN 28 & 29			\$ 3,151.05				\$ 4,929.82	\$ 5,294.06	0.9311982416
	9-Sep-13	45	FN 28 & 29	\$ 38,325.08						\$ 38,325.08	\$ 41,522.53	0.9229948292
	11-Sep-13	46	FN 28 & 29		\$ 16,713.33					\$ 15,386.29	\$ 16,713.33	
27-Sep-13	9-Oct-13	47	IPC 04 & 05						\$ 343,930.71	\$ 285,307.72	\$ 302,499.58	0.9431673239
	7-Oct-13	48	IPC 04 & 05				\$ 17,615.90			\$ 17,615.90	\$ 18,667.54	0.9436647384
	9-Oct-13	49	IPC 04 & 05					\$ 42,871.14		\$ 40,397.48	\$ 42,871.14	
1-Oct-13	15-Oct-13	50	FN 30 & 31		\$ 31,984.51					\$ 30,314.92	\$ 31,984.51	
	23-Oct-13	51	FN 30 & 31	\$ 61,639.35						\$ 61,639.35	\$ 63,992.38	0.9632294730
	15-Oct-13	52	FN 30 & 31			\$ 9,266.87				\$ 14,810.31	\$ 15,551.51	0.9523391898
22-Oct-13	7-Nov-13	53	IPC 06					\$ 12,710.03		\$ 12,047.84	\$ 12,710.03	
	5-Nov-13	54	IPC 06				\$ 5,222.60			\$ 5,222.60	\$ 5,506.28	0.9484799704
	7-Nov-13	55	IPC 06						\$ 101,965.34	\$ 84,355.93	\$ 89,090.77	0.9468537816
23-Oct-13	7-Nov-13	56	FN 32		\$ 19,469.56					\$ 18,455.19	\$ 19,469.56	
	5-Nov-13	57	FN 32	\$ 34,328.71						\$ 34,328.71	\$ 36,193.39	0.9484799704
	7-Nov-13	58	FN 32			\$ 3,332.64				\$ 5,323.23	\$ 5,622.02	0.9468537816
8-Nov-13	22-Nov-13	59	FN 33		\$ 19,469.57					\$ 18,328.65	\$ 19,469.57	
	20-Nov-13	60	FN 33	\$ 39,961.54						\$ 39,961.54	\$ 42,648.59	0.9369956560
	22-Nov-13	61	FN 33			\$ 11,027.08				\$ 17,783.37	\$ 19,407.06	0.9163350160
3-Dec-13	17-Dec-13	62	IPC 07 & 08						\$ 225,585.37	\$ 186,062.81	\$ 208,987.12	0.8903075653
	13-Dec-13	63	IPC 07 & 08				\$ 11,554.33			\$ 11,554.33	\$ 12,891.62	0.8962664308
	17-Dec-13	64	IPC 07 & 08					\$ 28,119.34		\$ 25,180.87	\$ 28,119.34	
5-Dec-13	17-Dec-13	65	FN 34		\$ 35,721.61					\$ 31,988.70	\$ 35,721.61	
	13-Dec-13	66	FN 34	\$ 53,496.12						\$ 53,496.12	\$ 59,687.74	0.8962664308
	17-Dec-13	67	FN 34			\$ 9,462.35				\$ 15,474.73	\$ 17,381.33	0.8903075653
	15-Mar-13	CAP	Loan Interest							\$ 4,266.03	\$ 4,100.60	1.0403424171
	15-Sep-13	CAP	Loan Interest							\$ 7,873.49	\$ 8,514.64	0.9247000217
										\$ 3,041,995.29	\$ 3,306,915.19	
Omitted 2012 Loan Interest included in 2013 Financial Statements												
1-Jan-13	15-Mar-12	CAP	Loan Interest							\$ 3,357.29	\$ 3,189.37	1.052649131
	15-Sep-12	CAP	Loan Interest							\$ 3,984.06	\$ 3,770.82	1.056550000
										\$ 7,341.35	\$ 6,960.19	
										\$ 3,049,336.64	\$ 3,313,875.38	
GJ 63	30-Jun-13	012	Adjustment	overstatement on posting of WA0012 on 28 Nov 2011 by A\$7,115.80							\$ 7,115.80	
											\$ 3,306,759.58	

KIRIBATI ROAD REHABILITATION PROJECT (KRRP)
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI/ADB LOAN 2718 KIR(SF)
STATEMENT OF FUNDS RECEIVED FOR DESIGNATED ACCOUNT REPLENISHMENT BY IDA & PRIF
For the Period Ended December 31, 2013

Note 4

Designated Account
IDA GRANT H6450 KI

Date	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB	Value Date	Equiv. Grant Currency (SDR)
25-Mar-13	004	ANZ Bank - Acct # 861742	Replenishment of expenses	\$ 84,288.51	\$ 84,288.51	11-Apr-13	58,632.80
6-Jun-13	005	ANZ Bank - Acct # 861742	Replenishment of expenses	\$ 83,396.21	\$ 83,396.21	19-Jun-13	58,012.10
5-Aug-13	013	ANZ Bank - Acct # 861742	Replenishment of expenses	\$ 112,034.53	\$ 94,329.46	12-Aug-13	55,923.98
22-Aug-13	018	ANZ Bank - Acct # 861742	Replenishment of expenses	\$ 174,566.79	\$ 167,526.35	11-Oct-13	104,837.49
9-Dec-13	026	ANZ Bank - Acct # 861742	Replenishment of expenses	\$ 140,612.48	\$ 140,612.48	16-Dec-13	82,528.14
					\$ 570,153.01		559,934.51
			Prior Years Receipts		\$ 344,144.60		222,378.41
			Cumulative Total		\$ 914,297.61		582,312.92

Note 5

Designated Account
PRIF GRANT TF99624 KI

Date	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB	Value Date	Equiv Grant Currency (USD)
9-Dec-13	016	ANZ Bank - Acct # 861742	Replenishment of expenses	\$ 18,331.93	\$ 18,331.93	16-Dec-13	\$ 16,588.56
					\$ 18,331.93		\$ 16,588.56
			Prior Years Receipts		\$ 30,024.00		29777.95
			Cumulative Total		\$ 48,355.93		\$ 46,366.51

TOTAL DRAWDOWNS

IDA GRANT H6450 KI

	AU\$	SDR
Direct Payments	\$ 6,070,774.73	3,728,335.41
Designated Account Replenishments	\$ 914,297.61	582,312.92
	\$ 6,985,072.34	4,310,648.33

PRIF GRANT TF99624 KI

	AU\$	US\$
Direct Payments	\$ 1,272,255.41	\$ 1,177,172.70
Designated Account Replenishments	\$ 48,355.93	\$ 46,366.51
	\$ 1,320,611.34	\$ 1,223,539.21

KIRIBATI ROADS REHABILITATION PROJECT
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI/ADB LOAN 2718 KIR(SF)
SUMMARY OF GRANT BALANCES AS PER WB STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2013

IDA GRANT H6450 KI



World Bank Monthly Disbursement Summary - December 2013

Country: Kiribati

Project: P122151 Kiribati Road Rehabilitation Project

Summary								
Loan:	IDA H6450-001 KI							
	The undisbursed balance on 01-Dec-2013:					9,095,431.43		
	The total posted in the month of December 2013:					406,079.76		
	The undisbursed balance on 31-Dec-2013:					8,689,351.67		
Loan status on December 31, 2013:								
	Commit Ccy	Total	Cancelled	Net	Disbursed	Undisbursed	Committed	Available
	XDR	13,000,000.00	0.00	13,000,000.00	4,310,648.33	8,689,351.67	0.00	8,689,351.67
	Total Disbursed as Percentage of Net Allocated Amount			33.16 %				

PRIF GRANT TF99624 KI



World Bank Monthly Disbursement Summary - December 2013

Country: Kiribati

Project: P122151 Kiribati Road Rehabilitation Project

Summary								
Loan:	TF 99624-001 KI							
	The undisbursed balance on 01-Dec-2013:					4,691,134.02		
	The total posted in the month of December 2013:					124,673.23		
	The undisbursed balance on 31-Dec-2013:					4,566,460.79		
Loan status on December 31, 2013:								
	Commit Ccy	Total	Cancelled	Net	Disbursed	Undisbursed	Committed	Available
	USD	5,790,000.00	0.00	5,790,000.00	1,223,539.21	4,566,460.79	0.00	4,566,460.79
	Total Disbursed as Percentage of Net Allocated Amount			21.13 %				

KIRIBATI ROAD REHABILITATION PROJECT (KRRP)
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI/ADB LOAN 2718 KIR(SF)
STATEMENT OF FUNDS PAID BY COMPONENT EXPENDITURE TODATE
For the Period Ended December 31, 2013

Component A

Notes	Expense Item	AU\$	Total AU\$
6	Road Reconstruction IDA	\$ 5,962,774.73	
	Dai Nippon Causeway Rehabilitation IDA	\$ 148,100.00	\$ 6,110,874.73
7	Road Reconstruction PRIF		\$ 1,290,587.34
8	Road Reconstruction ADB	\$ 2,710,938.92	
	Construction Design ADB	\$ 576,245.23	\$ 3,287,184.15
			\$ 10,688,646.22
	Prior Years Payments		\$ 901,831.22
	Cumulative Total		\$ 11,590,477.44

Component B

Notes	Expense Item	AU\$	Total AU\$
9	Road Safety Action Plan	64250.24	
	Action Plan Implementation	2351.99	\$ 66,602.23
10	Micro Enterprises (PRIF)		\$ 22,145.39
			\$ 88,747.62
	Prior Years Payments		\$ 20,529.82
	Cumulative Total		\$ 109,277.44

Note 11

Component C

	Expense Item	AU\$	Total AU\$
	Project Management Unit Staff		\$ 388,211.65
	PMU Operation Costs		
	Telecom & Internet	\$ 895.45	
	International	\$ 14,337.65	
	Office Supplies	\$ (1,347.60)	
	Fixed Assets	\$ 8,898.86	
	Equipment Maintenance	\$ 300.00	
	Meetings	\$ 652.90	
	ADB Loan Interest	\$ 19,575.43	
	Others	\$ 6,301.59	\$ 49,614.28
			\$ 437,825.93
	Prior Years Payments		\$ 258,197.68
	Cumulative Total		\$ 696,023.61

KIRIBATI ROAD REHABILITATION PROJECT (KAIP)
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI/ADB LOAN 2718 KIR(SF)

STATEMENT OF BALANCES
For the Period Ended December 31, 2013

Note 12

Accounts Receivable

	2013	2012
Atanteora Beiatou	\$ -	\$ 2,934.24
	<u>\$ -</u>	<u>\$ 2,934.24</u>

Note 13

Current Liabilities

	2013	2012
PAYE	\$ -	\$ 962.42
Kiribati Provident Fund	\$ -	\$ 761.52
	<u>\$ -</u>	<u>\$ 1,723.94</u>

Note 14

Accounts Payable

	2013	2012
Government No 1 Account	\$ 300.00	\$ 300.00
	<u>\$ 300.00</u>	<u>\$ 300.00</u>

DA BANK BALANCE

Bank Reconciliation at 31 December 2013

	Pooled
Balance per bank statement	\$ 121,127.33
Less: Unpresented Cheques	
DP 41 \$ 300.00	
180472 \$ 91.90	
180473 851.54	
180474 \$ 577.40	
180475 \$ 510.50	\$ 2,331.34
	<u>\$ 118,795.99</u>

FIXED ASSETS REGISTER SUMMARY

Fixed Assets procured under the project are treated as expenses. Generally, equipment and furniture procurement are classified as Fixed Assets, but in some cases the expense account will either reflect the name of the equipment bought, or reflect the heading of the expense account for which the assets have been bought.

All Fixed Assets will remain the property of the client at the end of the project, and as a requirement under the project agreements, all Fixed Assets procurement should be recorded.

This record summarizes the expense account under which the Fixed Assets have been bought and is supported by an actual Fixed Assets Register also attached to the accounts.

	2013	Prior Years	Cumulative
Government of Kiribati	\$ -	\$ 6,145.00	\$ 6,145.00
Fixed Assets Expense	\$ 8,898.86	\$ 16,497.41	\$ 25,396.27
Road Safety Action Plan	\$ (61.00)	\$ 20,479.82	\$ 20,418.82
	<u>\$ 10,850.86</u>	<u>\$ 43,122.23</u>	<u>\$ 51,960.09</u>

Notes to the Financial Statements

BACKGROUND

1. The Kiribati Road Rehabilitation Project (KRRP) officially commenced in August 2011, being the date when the IDA grant was made available. The closing date is currently set as 30 June 2016.
2. KRRP is funded jointly by the World Bank (WB; through its International Development Association – IDA), the Pacific Region Infrastructure Facility (PRIF), the Asian Development Bank (ADB) and the Government of the Republic of Kiribati (GoK), as follows:
 - IDA – Grant of Special Drawing Rights (SDR) 13.00 million (with estimated AU\$ equivalent of AU\$ 20.00 million); established through a Financing Agreement signed 5 May 2011.
 - PRIF – Grant of US\$ 5.79 million (with estimated AU\$ equivalent of AU\$ 5.79 million); established through a Financing Agreement signed 30 May 2011.
 - ADB – Loan of SDR 7.62 million (with estimated AU\$ equivalent of AU\$ 12.00 million), established through a Financing Agreement signed 17 March 2011.
 - GoK – contribution of US\$ 1.05 million (with estimated AU\$ equivalent of AU\$ 1.05 million).

GoK funding is provided to co-finance Component A.1 (ii) of KRRP (the causeway), funded from toll revenue.

PRIF has agreed to provide additional funding of US\$13.16m to cover the shortfall in the project costs while the Government of Kiribati pledged to increase its contributions up to US\$7.54m which will be considered a contingency, and used only when there is a need.

OBJECTIVES

3. The objectives of KRRP are to improve the condition of South Tarawa's main road network, and help strengthen road financing and maintenance capacity. There are three Parts to KRRP, as follows:
 - Part A – Reconstruction and/or rehabilitation of certain roads or road segments and associated works (including design and supervision services), along with the requisite safety improvements.
 - Part B – Implementation of a reform program to strengthen the road sector and contribute to more sustainable main road infrastructure in South Tarawa.
 - Part C – Project Support.

PROJECT IMPLEMENTATION & ADMINISTRATION

4. KRRP is implemented under the general oversight, monitoring and supervision of the Project Steering Committee (PSC). A Project Support Team (PST) is being established in Kiribati, to provide project management support to KRRP; it is envisaged that this support will be structured through the Kiribati Fiduciary Services Unit (KFSU), which is being established under the Ministry of Finance and Economic Development (MFED).

5. WB administers both the IDA and PRIF funding. A 'pooled' bank account ("Designated Account") has been established in Kiribati, to include both IDA and PRIF funding. In addition, larger payments under WB-administered funding may be made directly by WB and charged directly to the respective grant, rather than channeled through the Designated Account, in accordance with agreed WB procedures. All ADB funded payments were made, and charged to the loan, directly by ADB.
6. As per the Cost Table, under Part A certain costs are funded by either ADB, IDA or PRIF, with Part A.1(ii) funded jointly by IDA and GoK, and Part A.1(i) funded jointly by ADB, IDA and PRIF; under Part B, certain costs are funded by IDA and others by PRIF, with no joint funding; under Part C, all costs are funded by IDA. Costs are charged to the respective grant or loan in the respective grant or loan currency at exchange rates applied by the funder.

ACCOUNTING POLICY

7. The Financial Statements are prepared by KRRP under the historical cost convention and in accordance with the modified cash basis of accounting; expenditures are charged when paid except:
 - Advances (which are given for approved official purposes only) are charged against a Receivables Account initially, and are charged to expenditure based on advance acquittals with supporting documents; and
 - Payables are taken up for income tax and provident fund liabilities at the time of payment of salaries and are cleared through the settlement of the liabilities to the respective authorities, on a monthly basis.
8. The reporting currency is Australian Dollars (AU\$).
9. Transactions in currencies other than AU\$ are translated into AU\$ using the actual exchange rate applied by the bank (where the transactions are paid from the Designated Account). Where the transactions are paid directly by WB, the XE exchange rate at value date is used to convert the currency in which payment was made to Australian Dollars. For the ADB funding:
 - a. Payments against invoices in AU\$ are converted to AU\$ at 1 : 1
 - b. Payments against invoices in US\$ and GBP are converted to AU\$ based on the exchange rate as per www.xe.com on the value date
10. This is the third year of implementation for KRRP and the second set of Financial Statements to be prepared.

KIRIBATI ROAD REHABILITATION PROJECT
IDA GRANT H6450 KI/PRIF GRANT TF99624 KI/ADB LOAN 2718 KIR(SF)
FIXED ASSETS REGISTER
FOR THE PERIOD ENDED 31 DECEMBER 2013

KIRIBATI ROADS REHABILITATION PROJECT (KRRP)
IDA GRANT H742 KI/PRIF GRANT TF12678 KI

Fixed Assets Register: KFSU Office Equipment - funded by Government

Period Ended: December 2013

Item No.	Voucher No.	Supplier	Description	Description (inc Make/Model/Type)	Asset Serial No.	Quantity	Purchase Date	Purchase Price (Ccy)	Purchase Price (AUD)	Location/Assigned To	
1		Pintech	Computers	Dell Vostro PC with Dell Screen E1911c	9R85925	KRRP Computer 1	19-Jul-11	AUD	1,600.00	KFSU Office	PC Unit faulty but screen still working
2		Pintech	Computers	Dell Vostro PC with Dell Screen E1911c	CN-OCG4M-64180-155-1QKS	KRRP Computer Monitor 1	19-Jul-11	AUD	1,600.00	KFSU Office	PC Unit faulty but screen still working
3		KOES	Office Furniture	Office Desk	G085925	KRRP Computer Monitor 2	19-Jul-11	AUD	376.00	KFSU Office	
				Office Desk		KRRP Desk 1	1-Aug-11	AUD	376.00	KFSU Office	
				Office Desk		KRRP Desk 2	1-Aug-11	AUD	376.00	KFSU Office	
4		KOES	Office Equipment	2 Drawer Cabinet		KRRP Desk 3	1-Aug-11	AUD	320.00	KFSU Office	
				2 Drawer Cabinet		KRRP Cabinet 1	1-Aug-11	AUD	320.00	KFSU Office	
				2 Drawer Cabinet		KRRP Cabinet 2	1-Aug-11	AUD	320.00	KFSU Office	
5		KOES	Office Furniture	Plastic Chair		KRRP Cabinet 3	1-Aug-11	AUD	31.50	KFSU Office	
				Plastic Chair		KRRP Chair 1	1-Aug-11	AUD	31.50	KFSU Office	
				Plastic Chair		KRRP Chair 2	1-Aug-11	AUD	31.50	KFSU Office	
				Plastic Chair		KRRP Chair 3	1-Aug-11	AUD	31.50	KFSU Office	
				Plastic Chair		KRRP Chair 4	1-Aug-11	AUD	31.50	KFSU Office	1 chair missing - most probably mixed up within MFED
6		KOES	Office Equipment	Aurora Office Calculator		KRRP Calculator 1	1-Aug-11	AUD	58.00	KFSU Office	
				Aurora Office Calculator		KRRP Calculator 2	1-Aug-11	AUD	58.00	KFSU Office	
7		KOES	Office Equipment	Dell V313w (3 in 1 printer)	CN-OG2VPR-48734-18R-4P5S	KRRP Printer 1	1-Aug-11	AUD	480.00	KFSU Office	Printer unit damaged
		KOES	Office Equipment	Stapler		KRRP Stapler 1	1-Aug-11	AUD	43.00	KFSU Office	unit missing
				Stapler		KRRP Stapler 2	1-Aug-11	AUD	43.00	KFSU Office	unit missing
8		KOES	Office Equipment	Double Punch		KRRP Punch 1	1-Aug-11	AUD	24.50	KFSU Office	1 unit missing
				Double Punch		KRRP Punch 2	1-Aug-11	AUD	24.50	KFSU Office	
Total Amount (AU\$)									6,148.90		

Fixed Assets Register (Comp D: Operating Costs)

Period Ended: December 2013

Item No.	Voucher No.	Supplier	Description	Description (inc Make/Model/Type)	Asset Serial No.	Identification No.	Purchase Date	Ccy	Purchase Price (Ccy)	Purchase Price (AUD)	Location	Assign to
9		Toslin Electronic & Digital Enterprise	External Hard Disk	Buffalo - HD LB02	5518610805572G	KRRP Ext HDD	7-Oct-11	AUD	-	220.00	KFSU Office	KRRP Accountant (unit damaged beyond repair)
10		Pin Tech	VSAT Internet Satellite	RICS VSAT Internet Satellite System	0	MFED/KRRP VSAT	2-Dec-11	AUD	-	9,879.41	MFED HQ	IT Unit - MFED (procurement method to be properly verified)
11		Kiribati Office Equipment Supplies	Office Furniture	Office Desk	0	KRRP Desk 4	7-Oct-11	AUD	-	370.00	KFSU Office	KRRP Accountant
12					0	KRRP Desk 5	7-Oct-11	AUD	-	370.00	KFSU Office	KFSU Project Manager
13		Kiribati Office Equipment Supplies	Office Equipment	Fellowes Quasar 500 Binding Machine	100423 VA 0029973	KRRP Binding Machine	28-Nov-11	AUD	-	557.80	KFSU Office	KFSU Office
14				Fellowes Venus A3 Laminator	100810 VC 003495	KRRP Laminating Machine	28-Nov-11	AUD	-	536.20	KFSU Office	KFSU Office
15		Pin Tech	Computers	Dell PowerEdge R510 Server	00168 272 283 232	KFSU Server	12-Apr-12	AUD	-	4,859.00	MFED HQ	MFED IT Unit
16		Tentzenini	Computers	Lenovo Laptop & Bag	CS 12573636	KRRP Laptop 1	20-Apr-12	AUD	-	1,539.00	KFSU Office	KFSU Office (Equipment damaged)
17		IMBO Electrical Shop	Office Equipment	TCL 128TU Split Air Conditioner		KFSU AC 1	23-Jul-13	AUD	-	1,222.55	KFSU Office	KFSU Office
18		IMBO Electrical Shop	Office Equipment	TCL 128TU Split Air Conditioner		KFSU AC 2	23-Jul-13	AUD	-	1,222.55	KFSU Office	KFSU Office
19		Megabuy Australia Ltd	Computers	Sony SVI 202 Tap 20	4-466-747-41	KRRP Sony All in One 1	2-Dec-13	AUD	-	1,201.70	KFSU Office	KRRP Accountant
20		Megabuy Australia Ltd	Computers	Sony SVI 202 Tap 20	4-466-747-41	KRRP Sony All in One 2	2-Dec-13	AUD	-	1,201.70	KFSU Office	KFSU Records Officer
21		Megabuy Australia Ltd	Computers	Sony Laptop SVE1442JCGH	54508980 0001001	KRRP Laptop 2	2-Dec-13	AUD	-	1,108.18	KFSU Office	KFSU Project Manager
22		Megabuy Australia Ltd	Computers	Sony Laptop SVE1442JCGH	54508980 0001145	KRRP Laptop 3	2-Dec-14	AUD	-	1,108.18	KFSU Office	KFSU Procurement Officer
Total Amount (AU\$)										25,396.27		

Fixed Assets Register: (Component B - Road Safety Action Plan)

Period Ended: December 2013

Item No.	Voucher No.	Supplier	Description	Description (inc Make/Model/Type)	Asset Serial No.	Quantity	Purchase Date	Purchase Price (Ccy)	Purchase Price (AUD)	Location/Assigned To	
1		Armour Safety NZ Ltd	High Visibility Vests	High Visibility Vests for kids		100	1-Feb-12	NZD	984.94	Ministry of Education	MOE to be used as road safety teaching aids for school children - PV & Invoice missing
2		Active Safety NZ Ltd	Road Cones	Reflective Road Cones		50	10-Feb-12	NZD	1,156.38	Kiribati Police Service	Kiribati Police Headquarters - to be used by Traffic Unit
3		New Zealand Police	High Visibility Vests	High Visibility Vests		20	22-Feb-12	NZD	1,266.40	Kiribati Police Service	Kiribati Police Headquarters - to be used by Traffic Unit
4		Sheldon Hammond - Australia	Rechargeable Torches	Maglite ML125 LED Torch		16	28-Mar-12	AUD	2,994.58	Kiribati Police Service	Kiribati Police Headquarters - to be used by Traffic Unit
5		Applied Concepts - Dallas TX, USA	Traffic Radar Guns	Stalker II with accessories		8	5-Apr-12	USD	14,016.54	Kiribati Police Service	Kiribati Police Headquarters - to be used by Traffic Unit
Total Amount (AU\$)										20,418.82	