

# Audited Project Financial Statements

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Project Number: 46382-001  
Loan/Grant Number: 3346/3347  
Period covered: 1 Oct 2019 to 30 Sep 2020

## PALAU: North Pacific Regional Connectivity Investment Project

Prepared by Belau Submarine Cable Corporation

For the Asian Development Bank  
Date accepted by ADB: 16 April 2021

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 Access to Information Policy and as agreed between ADB and the Republic of Palau Ministry of Finance

**BELAU SUBMARINE CABLE CORPORATION  
NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT  
(FINANCED BY ADB LOAN NO. 3346-PAL AND 3347-PAL)**

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**STATEMENTS PROJECT ACCOUNT  
AND  
INDEPENDENT AUDITORS' REPORT**

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**Years Ended September 30, 2020 and 2019**



**BURGER · COMER · MAGLIARI**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Belau Submarine Cable Corporation:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the North Pacific Regional Connectivity Investment Project (the "Project") financed by Asian Development Bank Loan No.'s 3346-PAL and 3347-PAL, which comprises the statements of project account for the years ended September 30, 2020 and 2019, and the related notes to the financial statements. The Project is administered by the Belau Submarine Cable Corporation (BSCC), which is a component unit of the Republic of Palau.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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.

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## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial statements of project account for years ended September 30, 2020 and 2019, in accordance with the cash basis of accounting. Further, in our opinion, the loan proceeds have been used, in all material respects, for purposes of the project and in accordance with the conditions of the loan agreements.

## ***Basis for Opinion***

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## ***Reporting Entity***

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the loan proceeds and disbursements of the Project and are not intended to present fairly the financial position and results of operations of the Belau Submarine Cable Corporation in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the Project's basic financial statements. The Other Supplementary Information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of BSCC's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary 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 February 19, 2021 on our consideration of the BSCC's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing on internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Project management's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce Comer Magliola". The signature is written in a cursive style with a large initial 'B'.

February 19, 2021

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL and 3347-PAL)**

Statements of Project Account  
For the Years Ended September 30, 2020 and 2019

	2020		2019	
	Loan 3346	Loan 3347	Loan 3346	Loan 3347
Receipts:				
Loan proceeds - Direct	\$ 576,371	\$ 297,549	\$ 405,808	\$ 230,735
Disbursements:				
Spur to Connect SEA-US Cable System	-	-	-	-
IRU	-	-	-	-
CLS Construction and Fitout	-	-	-	-
Project Management Unit	38,152	19,048	16,475	8,225
Interest and Commitment Charges	-	-	7,435	24,897
Fibre Optic Extension	538,219	278,502	381,898	197,613
Modular Building, Design and Implement	-	-	-	-
Complete Loop to Secure Cap A Connection	-	-	-	-
Total disbursements	<u>576,371</u>	<u>297,549</u>	<u>405,808</u>	<u>230,735</u>
Net change in cash	-	-	-	-
Cash at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the statements of project account.

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL and 3347-PAL)**

Notes to Statements of Project Account  
September 30, 2020 and 2019

(1) Organization

Belau Submarine Cable Corporation (BSCC), a component unit of the Republic of Palau (ROP), was created on September 15, 2015, under the provisions of Republic of Palau Public Law (RPPL) 9-47 and was approved and signed into law by the President of the Republic of Palau on September 21, 2015. (as amended, the “Incorporation Act”). In accordance with the Incorporation Act, the initial shareholders of BSCC is the Government of the Republic of Palau. The law created a wholly-owned government corporation governed by a Board of Directors comprising five (5) members appointed by the President of the ROP, with the advice and consent of the Senate of the Olbiil Era Kelulau (ROP National Congress). The Board members serve terms of four (4) years and may be reappointed by the President with the advice and consent of the ROP National Congress.

The sole shareholder of BSCC is the government of the Republic of Palau, and the statute stipulates that BSCC is not to be opened up to other shareholders or any public-private partnership arrangements for the first ten (10) years of its existence.

The primary purpose of BSCC is to procure, operate, own, and manage a submarine fiber optic cable on behalf of the government of the Republic of Palau.

Financing for the project is through loans from the Asian Development Bank (ADB) to the government of the Republic of Palau, and from internal resources of the government. The Executing Agency for the project is the Ministry of Finance, while Belau Submarine Cable Corporation is the Implementing Agency.

During March 2016, BSCC and ADB entered into an agreement for the North Pacific Regional Connectivity Investment Project (Project Agreement), which provides for the establishment of a submarine cable connection from Palau to the submarine cable system owned by the SEA-US Consortium that connects to the international cable hub in Guam (the “Project”).

Under the Project Agreement, ADB has agreed to:

- a) Lend ROP \$16,470,000 on the condition that the proceeds of the loan be made available to BSCC, which agrees to undertake certain obligations towards ADB under the agreement (“Ordinary Operations Loan Agreement”), and
- b) Lend ROP, in various currencies, equivalent to Special Drawing Rights (SDR 6,032,000) or \$8,530,000 on the condition that the proceeds of the loan be made available to BSCC, which agrees to undertake certain obligations towards ADB under the agreement (“Special Operations Loan Agreement”).

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL and 3347-PAL)**

Notes to Statements of Project Account  
September 30, 2020 and 2019

(1) Organization, Continued

Also, in March 2016, ROP executed a subsidiary loan agreement with BSCC to re-lend the amounts disbursed by ADB to ROP under the same terms and conditions provided in the Ordinary and Special Operations Loan Agreements.

The accumulated funds drawn down from these loans totaled \$20,244,149 and \$19,370,542 as of September 30, 2020 and 2019, respectively. The accompanying statements are prepared from inception and to the years ended September 30, 2020 and 2019 and include only the activities of the project.

As of September 30, 2020 and 2019, amounts available under the Ordinary and Special Operations Loan Agreements that may be drawn in subsequent years approximate \$3.1 million and \$1.6 million and \$3.7 million and \$1.9 million, respectively. Given the uncertainty in predicting when additional drawdowns will occur, presentation of future principal and interest amortization is not possible at this time.

(2) Organization and Summary of Significant Accounting Principles

Basis of Accounting

The Project uses the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis differs from accounting principles generally accepted in the United States of America primarily because receipts (revenues) are recognized when received rather than when earned and disbursements (expenses) are recognized when paid rather than when the obligation is incurred. Commitments are recorded separately from the accounting records and are not recorded in these financial statements. Payments for project expenditures have been made using the Direct Payments method following ADB's withdrawal application method.

Cash

Cash is stated at nominal values.

Foreign Currencies

Transactions involving foreign currencies have been recorded in United States dollars using the rates of exchange ruling on the date of the transaction.



**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL and 3347-PAL)**

Notes to Statements of Project Account  
September 30, 2020 and 2019

(3) Description of the Project

The Project entails the construction of a low latency submarine fiber optic cable linking the Republic of Palau to a branching unit on the SEA-US submarine cable system. SEA-US provides connectivity between the mainland USA (via Guam and Hawaii) and the Philippines and Indonesia. BSCCnet provides a link between Ngeremlengui in Palau and Piti in Guam, for onward interconnection to global networks.

The Project includes the construction of a Cable Landing Station (CLS) in Ngeremlengui, including a 120-foot tower to support customer IP Radio equipment, Beach Manhole (BMH), beach bulkhead, armored conduits linking the BMH and the bulkhead, mains, auxiliary diesel and back-up battery power systems and sea, ground and station earths. It also includes the construction of a submarine fiber optic spur from the BMH to BU3a on SEA-US, including all CLS submarine line terminating equipment, power feed equipment, network protection equipment and network management systems and equipment, plus industry standard spares. Construction was completed as of September 30, 2018.

During December 2018, BSCC engaged a third-party to construct a fiber optic cable extension linking the Cable Landing Station at the Ngeremlengui Cable Landing Station Customer Access Point (CAP-N) to a new Capacity Access Point in Airai. The construction, which has a contract value of \$1.5 million, will be funded by the existing loan facilities with ADB. The connection, which will provide a medium to long-term solution for customer access, aims for greater network capacity to support anticipated future demand.

(4) Indefeasible Right of Use (IRU) Agreement

In February 2016, BSCC and a third-party IRU provider entered into an agreement for the acquisition of the executive right to use the optical wavelength channels in the IRU provider's fiber between the Guam Cable Landing Station and the West Subsystem near the coast of Palau (the "Branching Unit"), as required for BSCC's use of capacity in such optical wavelength channels to transmit telecommunication traffic (the "Purchased Waves"); as well as the exclusive right to connect the submarine fiber optic cable spur to the Branching Unit and to connect to the optical add-drop multiplexer inside the Branching Unit.

The agreement is effective for 25 years starting on the date BSCC issues its notice of acceptance to the IRU provider of the first activated Purchased Wave's conformity to all applicable requirements (the "IRU RFS date").

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
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Notes to Statements of Project Account  
September 30, 2020 and 2019

(4) Indefeasible Right of Use (IRU) Agreement, continued

Total purchase price is \$6.7 million and was fully paid as of September 30, 2018. The amortization of the IRU commenced in November 2017, which was the IRU RFS date. The Corporation recognized amortization expense in the amount of \$266,661 for the years ended September 30, 2020 and 2019, respectively.

(5) Compliance with Debt Covenants

Management is of the opinion that compliance with applicable debt covenants has occurred for the years ending September 30, 2020 and 2019.

(6) Project Financing Status

The cumulative schedule of project financing as of September 30, 2020 and 2019 are as follows:

*September 30, 2020*

Components	Funded by ADB			Funded by ROP	Grand Total
	Loan 3346	Loan 3347	Total ADB		
Spur to Connect SEA-US Cable System	\$ 6,451,455	\$ 3,338,310	\$ 9,789,765	\$ 293,693	\$ 10,083,458
IRU	4,393,246	2,273,288	6,666,534	199,996	6,866,530
CLS Construction and Fitout	443,220	229,345	672,565	20,177	692,742
Project Management Unit	746,398	372,839	1,119,237	33,577	1,152,814
Interest and Commitment Charges	355,000	196,816	551,816	16,554	568,370
Fibre Optic Extension	951,749	492,483	1,444,232	43,327	1,487,559
Total	<u>\$ 13,341,068</u>	<u>\$ 6,903,081</u>	<u>\$ 20,244,149</u>	<u>\$ 607,324</u>	<u>\$ 20,851,473</u>

*September 30, 2019*

Components	Funded by ADB			Funded by ROP	Grand Total
	Loan 3346	Loan 3347	Total ADB		
Spur to Connect SEA-US Cable System	\$ 6,451,455	\$ 3,338,310	\$ 9,789,765	\$ 293,693	\$ 10,083,458
IRU	4,393,246	2,273,288	6,666,534	199,996	6,866,530
CLS Construction and Fitout	443,483	229,478	672,961	20,189	693,150
Project Management Unit	707,983	353,659	1,061,642	31,849	1,093,491
Interest and Commitment Charges	355,000	197,129	552,129	16,564	568,693
Fibre Optic Extension	413,530	213,981	627,511	18,825	646,336
Total	<u>\$ 12,764,697</u>	<u>\$ 6,605,845</u>	<u>\$ 19,370,542</u>	<u>\$ 581,116</u>	<u>\$ 19,951,658</u>

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL and 3347-PAL)**

Cumulative Statements of Project Account  
September 30, 2020 and 2019

	Cumulative	
	2020	2019
Receipts:		
Loan proceeds - Direct	\$ 20,244,149	\$ 19,370,542
Disbursements:		
Spur to Connect SEA-US Cable System	9,789,765	9,789,765
IRU	6,666,534	6,666,534
CLS Construction and Fitout	672,565	672,961
Project Management Unit	1,119,237	1,061,642
Interest and Commitment Charges	551,817	552,129
Fibre Optic Extension	1,444,230	627,511
Modular Building, Design and Implement	-	-
Unallocated	-	-
Total disbursements	20,244,149	19,370,542
Net change in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	\$ -	\$ -

See accompanying Independent Auditors' Report.

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL)**

Statement of Cumulative Withdrawal Applications Submitted to Asian Development Bank  
September 30, 2020

W.A. No.	Process Date	Application Details	Amount
1	03/22/16	GTI Corporation dba GTI Telecom	\$ 1,689,017
2	03/11/16	NEC	814,379
3	06/16/16	NEC	407,189
		ADB	8,031
4	06/17/16	McCann Consulting International	5,003
5	08/09/16	McCann Consulting International	20,010
6	08/12/16	NEC	488,627
7	08/10/16	GTI Corporation dba GTI Telecom	368,513
8	10/28/16	McCann Consulting International	68,045
9	10/28/16	Melekau Environmental Consulting	6,670
10	10/28/16	NEC	1,621,758
11	11/10/16	GTI Corporation dba GTI Telecom	245,675
12	11/10/16	McCann Consulting International	21,022
13	06/27/17	NEC	18,847
14	02/27/17	NEC	251,314
15	02/21/17	Flexenclosure	39,528
	02/21/17	Flexenclosure	5,534
16	01/24/17	GTI Corporation dba GTI Telecom	122,838
17	02/17/17	Flexenclosure	59,292
18	02/08/17	McCann Consulting International	21,022
	12/01/16	ADB	37,291
19	03/10/17	Surangel & Sons	32,686
	03/10/17	Unadjusted difference	263
20	02/27/17	NEC	814,379
21	02/27/17	McCann Consulting International	42,044
22	03/10/17	Flexenclosure	39,528
	03/10/17	Flexenclosure	8,301
23	03/17/17	McCann Consulting International	42,044
24	03/28/17	NEC	1,384,444
25	04/17/17	GTI Corporation dba GTI Telecom	214,966
26	05/16/17	Surangel & Sons	21,589
27	08/07/17	Surangel & Sons	19,128
	06/01/17	ADB	64,993
	06/01/17	ADB	7,004
28	06/28/17	McCann Consulting International	21,022
29	07/31/17	Surangel & Sons	34,586
30	10/10/17	Flexenclosure	5,534
31	10/18/17	McCann Consulting International	21,022
	10/18/17	McCann Consulting International	21,022
32	10/10/17	Flexenclosure	5,534
	10/10/17	Flexenclosure	2,767

See accompanying Independent Auditors' Report.

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL)**

Statement of Cumulative Withdrawal Applications Submitted to Asian Development Bank  
September 30, 2020

W.A. No.	Process Date	Application Details	Amount
	10/10/17	Flexenclosure	\$ 39,528
	10/10/17	Flexenclosure	19,764
33	09/22/17	McCann Consulting International	42,044
34	10/19/17	McCann Consulting International	42,044
35	11/07/17	Surangel & Sons	76,619
36	10/30/17	NEC	200,235
37	11/10/17	McCann Consulting International	21,022
38	11/22/17	GTI Corporation dba GTI Telecom	1,752,238
39	11/24/17	McCann Consulting International	46,690
40	11/28/17	NEC	321,630
	12/01/17	ADB	84,318
	12/01/17	ADB	10,967
41	01/10/18	Globe Telecom	7,908
42	01/11/18	McCann Consulting International	42,044
43	01/11/18	McCann Consulting International	40,020
44	02/05/18	Surangel & Sons	43,178
45	03/01/18	Globe Telecom	15,816
46	06/14/18	NEC	128,652
47	04/17/18	Globe Telecom	7,908
48	04/26/18	McCann Consulting International	40,020
	04/26/18	McCann Consulting International	21,022
	04/26/18	McCann Consulting International	8,237
49	06/14/18	McCann Consulting International	42,044
50	06/14/18	McCann Consulting International	16,475
	06/14/18	McCann Consulting International	8,237
51	06/27/18	Surangel & Sons	22,808
	06/01/18	ADB	131,533
		ADB	3,427
	12/01/18	ADB	7,435
52	01/22/19	McCann Consulting International	16,475
53	04/25/19	G & C Underground Services	381,898
55	10/08/19	G & C Underground Services	80,543
56	12/10/19	McCann Consulting International	18,676
57	12/10/19	G & C Underground Services	114,419
58	12/10/19	G & C Underground Services	114,419
59	03/02/20	G & C Underground Services	114,419
60	05/11/20	G & C Underground Services	114,419
61	09/03/20	McCann Consulting International	19,476
		Total	<u>\$ 13,341,068</u>

See accompanying Independent Auditors' Report.

**BELAU SUBMARINE CABLE CORPORATION  
NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT  
(FINANCED BY ADB LOAN NO. 3347-PAL)**

Statement of Cumulative Withdrawal Applications Submitted to Asian Development Bank  
September 30, 2020

W.A. No.	Process Date	Application Details	Amount
1	22/03/16	GTI Corporation dba GTI Telecom	\$ 873,983
2	11/03/16	NEC	421,401
3	16/06/16	NEC	210,700
		ADB	4,959
4	17/06/16	McCann Consulting International	2,498
5	09/08/16	McCann Consulting International	9,990
6	12/08/16	NEC	252,841
7	10/08/16	GTI Corporation dba GTI Telecom	190,684
8	28/10/16	McCann Consulting International	33,972
9	28/10/16	Melekau Environmental Consulting	3,330
10	28/10/16	NEC	842,802
11	10/11/16	GTI Corporation dba GTI Telecom	127,125
12	10/11/16	McCann Consulting International	10,495
13	27/06/17	NEC	9,753
14	27/02/17	NEC	126,420
15	21/02/17	Flexenclosure	20,454
	21/02/17	Flexenclosure	2,864
16	24/01/17	GTI Corporation dba GTI Telecom	63,562
17	17/02/17	Flexenclosure	30,681
18	08/02/17	McCann Consulting International	10,495
	01/12/16	ADB	18,889
19	10/03/17	Surangel & Sons	16,517
	10/03/17	Unadjusted difference	133
20	27/02/17	NEC	421,401
21	27/02/17	McCann Consulting International	20,990
22	10/03/17	Flexenclosure	20,454
	10/03/17	Flexenclosure	4,296
23	17/03/17	McCann Consulting International	20,990
24	28/03/17	NEC	716,382
25	17/04/17	GTI Corporation dba GTI Telecom	111,234
26	16/05/17	Surangel & Sons	11,171
27	07/08/17	Surangel & Sons	9,898
	01/06/17	ADB	36,800
28	28/06/17	McCann Consulting International	10,495
29	31/07/17	Surangel & Sons	17,897
30	10/10/17	Flexenclosure	2,864
31	18/10/17	McCann Consulting International	10,495
	18/10/17	McCann Consulting International	10,495
32	10/10/17	Flexenclosure	2,864
	10/10/17	Flexenclosure	1,432
	10/10/17	Flexenclosure	20,454
	10/10/17	Flexenclosure	10,227

See accompanying Independent Auditors' Report.

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3347-PAL)**

Statement of Cumulative Withdrawal Applications Submitted to Asian Development Bank  
September 30, 2019

W.A. No.	Process Date	Application Details	Amount
33	22/09/17	McCann Consulting International	\$ 20,990
34	19/10/17	McCann Consulting International	20,990
35	07/11/17	Surangel & Sons	39,646
36	30/10/17	NEC	103,612
37	10/11/17	McCann Consulting International	10,495
38	22/11/17	GTI Corporation dba GTI Telecom	906,697
39	24/11/17	McCann Consulting International	23,310
40	28/11/17	NEC	166,428
	01/12/17	ADB	41,233
	01/12/17	ADB	7,881
41	10/01/18	Globe Telecom	4,092
42	11/01/18	McCann Consulting International	20,990
43	11/01/18	McCann Consulting International	19,980
44	05/02/18	Surangel & Sons	22,343
45	01/03/18	Globe Telecom	8,184
46	14/06/18	NEC	66,571
47	17/04/18	Globe Telecom	4,092
48	26/04/18	McCann Consulting International	19,980
	26/04/18	McCann Consulting International	10,495
	26/04/18	McCann Consulting International	4,113
49	14/06/18	McCann Consulting International	20,990
50	14/06/18	McCann Consulting International	8,225
	14/06/18	McCann Consulting International	4,113
51	27/06/18	Surangel & Sons	11,802
	01/06/18	ADB	62,471
	01/12/18	ADB	24,584
52	22/01/19	McCann Consulting International	8,225
53	25/04/19	G & C Underground Services	197,613
55	08/10/19	G & C Underground Services	41,677
56	10/12/19	McCann Consulting International	9,324
57	10/12/19	G & C Underground Services	59,206
58	10/12/19	G & C Underground Services	59,206
59	02/03/20	G & C Underground Services	59,206
60	11/05/20	G & C Underground Services	59,206
61	03/09/20	McCann Consulting International	9,724
		Total	<u>\$ 6,903,081</u>

See accompanying Independent Auditors' Report.

**BELAU SUBMARINE CABLE CORPORATION**  
**NORTH PACIFIC REGIONAL CONNECTIVITY INVESTMENT PROJECT**  
**(FINANCED BY ADB LOAN NO. 3346-PAL and 3347-PAL)**

Project Account Schedule of Budget versus Actual  
As of September 30, 2020

The original scope was complete by end the fiscal year ended September 30, 2020, and the scope expansions were yet to incur significant costs. Therefore, the table below effectively presents the original scope budget vs original scope actual expenditures by loan funding as follows:

	ADB Loan No. 3346-PAL		
	Budget	Disbursed	Over (Under) Difference
Spur to Connect SEA-US Cable System	\$ 6,451,455	\$ 6,451,455	\$ -
IRU	4,393,246	4,393,246	-
CLS Construction and Fitout	443,221	443,220	(1)
Project Management Unit	860,150	746,398	(113,752)
Interest and Commitment Charges	355,000	355,000	-
Fibre Optic Extension	3,106,843	951,749	(2,155,094)
Modular Building, Design, Implement	859,085	-	(859,085)
Unallocated	1,000	-	(1,000)
<b>Total Project Cost</b>	<b>\$ 16,470,000</b>	<b>\$ 13,341,068</b>	<b>\$ (3,128,932)</b>

	ADB Loan No. 3347-PAL		
	Budget	Disbursed	Over (Under) Difference
Spur to Connect SEA-US Cable System	\$ 3,338,536	\$ 3,338,310	\$ (226)
IRU	2,273,328	2,273,288	(40)
CLS Construction and Fitout	229,426	229,345	(81)
Project Management Unit	426,577	372,839	(53,738)
Interest and Commitment Charges	196,816	196,816	-
Fibre Optic Extension	1,512,101	492,483	(1,019,618)
Modular Building, Design, Implement	423,834	-	(423,834)
Unallocated	2,107	-	(2,107)
<b>Total Project Cost</b>	<b>\$ 8,402,725</b>	<b>\$ 6,903,081</b>	<b>\$ (1,499,644)</b>

See accompanying Independent Auditors' Report.