

Audited Project Financial Statements

Project Number: 47381
Loans 3267/3268(SF)
Period covered: 17 September to 31 December 2015

BAN: Mahaweli Water Security Investment Program – Tranche 1

Prepared by the Ministry of Mahaweli Development and Environment
for the Asian Development Bank
Received on 7 July 2016

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 Water Resources.



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மகாவலி நீர்ப் பாதுகாப்புக்கான முதலீட்டுத் திட்டம்
Mahaweli Water Security Investment Program



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மகாவலி அபிவிருத்தி மற்றும் சுற்றாடல் அமைச்சு
Ministry of Mahaweli Development & Environment

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திட்ட முகாமைத்துவப் பணிமனை
Program Management Unit

නො. 493 1/1, ටී. ඩී. ජයා මාවත, කොළඹ 10.

இல.493 1/1, டி. பி. ஜெயா மாவத்தை கொழும்பு 10.

No. 493 1/1, T. B. Jayah Mawatha, Colombo 10.

☎ Program Director: 0112 675811 ☎ Consultant: 0112 675810 ☎ General Office: 0112 675810 ☎ Office Fax: 0112 675810 @ pdadbproject@gmail.com

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திகதி }
Date }

07.07.2016

Mr. Lance Gore
Senior Water Resources Specialist
SEAR
Asian Development Bank

Sub: Report of the Auditor General on the Financial Statements of the Mahaweli Water Security Investment Program – Tranche 1 Project for the First Accounting Period from 17 September 2015 to 31 December 2015

Enclosed herewith please find the aforementioned Report for your information and necessary action.

Eng. N. A. Sisira Kumara
Program Director (MWSIP)
Ministry of Mahaweli Development and Environment

Eng. N. A. Sisira Kumara
Program Director (MWSIP)
Mahaweli Water Security Investment Programme
No. 493 1/1, T. B. Jayah Mawatha,
Colombo 10

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18 JUL 2016
PROJECT ADMINISTRATION UNIT
SAER

PIU Office : (UECP)
Upper Elahera Canal Project
Address - UEC Project Office
Mahaweli Authority of Sri Lanka,
Madatugama.
Telephone No. 025-3248604
Fax No. 025-3248604
e-mail - dardmasiri_2000@yahoo.co.uk

PIU Office : (NWPCP)
North Western Province Canal Project
Address - Irrigation Department
P.O. Box. 44,
Kurunegala.
Telephone No. 037-3970783
Fax No. 037-2222532
e-mail - rajasoka3@yahoo.com

PIU Office : (MLBCRP)
Minipe LB Canal Rehabilitation Project
Address - DIE Office
Irrigation Department,
Hasalaka.
Telephone No. 055-2257205/ 0718199519
Fax No. 055-2257205
e-mail - mediwaka.susantha@yahoo.com

PD Office : (ISEWPIP)
Improving System Efficiency & Water
Productivity Improvement Project
Address - 11, Jawatta Road,
Colombo 05.
Telephone No. 0718-101628
Fax No. 0112-554063
e-mail - dealwis.lalith@yahoo.com



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

IEN/B/MWSIP/4/15/55

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

20 June 2016

The Secretary

Ministry of Mahaweli Development and Environment

Report of the Auditor General on the Financial Statements of the Mahaweli Water Security Investment Programme –Tranche 1 Project for the first accounting period from 17 September 2015 to 31 December 2015

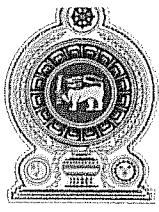
The English version of the above mentioned report is sent herewith.

H.M.Gamini Wijesinghe

Auditor General

- Copies -
1. Secretary, Ministry of Finance
 2. Project Director, Mahaweli Water Security Investment Programme – Tranche 1 Project





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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

IEN/B/MWSIP/4/15/55

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

30 June 2016

The Secretary
Ministry of Mahaweli Development and Environment

Report of the Auditor General on the Financial Statements of the Mahaweli Water Security Investment Programme –Tranche 1 Project for the first accounting period from 17 September 2015 to 31 December 2015

The audit of financial statements of the Mahaweli Water Security Investment Programme – Tranche 1 Project for the first accounting period from 17 September 2015 to 31 December 2015 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Article 4.06 (a) of Loan Agreement No. 3267 – (SRI) and Article 4.03 (a) of Loan Agreement No 3268 (SF) dated 17 September 2015 entered into between the Democratic Socialist Republic of Sri Lanka (GOSL) and the Asian Development Bank (ADB).

1.2 Implementation, Objectives, Funding and Duration of the Project

According to the Loan Agreements of the Project, the Ministry Mahaweli Development and Environment is the Executing Agency and the Sri Lanka Mahaweli Authority and Department of Irrigation are the Implementing Agencies of the Project. The objective of the Project is to secure access to water resources for agricultural and drinking purposes in Project area. As per the Loan Agreements, the estimated total cost of the Project US\$ 190 million equivalent to Rs 26,720.80 million and out of that US\$ 150 million equivalent to Rs 21,095.36 million was agreed to be provided by the Asian Development Bank. The Project commenced its activities in June 2015 and scheduled to be completed by December 2019.



1.3 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1.4 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. 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 Project'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 Project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. The examination also included such tests as deemed necessary to assess the following.

- (a) Whether the systems and controls were adequate from the point of view of internal control so as to ensure a satisfactory control over Project management and the reliability of books, records, etc. relating to the operations of the Project.
- (b) Whether the expenditure shown in the financial statements of the Project had been satisfactorily reconciled with the enhanced financial reports and progress reports maintained by the Project.

- (c) Whether adequate accounting records were maintained on a continuing basis to show the expenditure of the Project from the funds of the Government of Sri Lanka and the Lending Agency, the progress of the Project in financial and physical terms, the assets and liabilities arising from the operations of the Project, the identifications of the purchases made out of the Loans, etc.
- (d) Whether the initial deposit, withdrawals from and the replenishments to the Special (Dollar) Account had been truly and fairly disclosed in the books and records maintained by the Project and the balance as at 31 December 2015 had been satisfactorily reconciled with the accounting records of the Central Bank of Sri Lanka (CBSL) as at that date.
- (e) The Statements of Expenditure (SOEs) submitted could be fairly relied upon to support the applications for reimbursement in accordance with the requirements specified in the Loan Agreements.
- (f) Whether the withdrawals under the Loan had been made in accordance with the specifications laid down in the Loan Agreements.
- (g) Whether the funds, materials and equipment supplied under the Loans had been utilized for the purposes of the Project.
- (h) Whether the expenditure had been correctly identified according to the classification adopted for the implementation of the Project.
- (i) Whether the financial statements had been prepared on the basis of Sri Lanka Accounting Standards.
- (j) Whether the financial covenants laid down in the Loan Agreements had been complied with.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that,

- (a) the Project had maintained proper accounting records for the first accounting period ended 31 December 2015 and the financial statements give a true and fair view of the state of affairs of the Project as at 31 December 2015 in accordance with Sri Lanka Accounting Standards,
- (b) the funds provided had been utilized for the purposes for which they were provided,
- (c) the initial deposit, withdrawals from and the replenishments to the Special (Dollar) Account had been truly and fairly disclosed in the books and records maintained by the Project and the balance as at 31 December 2015 had been satisfactorily reconciled with the accounting records of the Central Bank of Sri Lanka (CBSL) as at that date.
- (d) the Statements of Expenditure (SOEs) submitted could be fairly relied upon to support the applications for reimbursement in accordance with the requirements specified in the Loan Agreements,
- (e) the financial covenants laid down in the Loan Agreements had been complied with.

3. Financial and Physical Performance

3.1 Utilization of Funds

Certain significant statistics relating to the financing, budgetary provision for the year under review and the utilization of funds up to 31 December 2015 are shown below.

Source	Amount agreed for financing in the Loan Agreement		Allocation made in the Budget Estimate for the year under review	Funds utilized as at 31 December 2015	
	US\$ million	Rs. million	Rs. million	US\$ million	Rs. million
ADB	76	10,688.32	63.45	-	-
- Loan No 3267	74	10,407.04	400.00	2.3	332.50
- Loan No 3268	40	5,625.44	75.00	0.5	71.54
	<u>190</u>	<u>26,720.80</u>	<u>538.45</u>	<u>2.8</u>	<u>404.04</u>

3.2 Physical Progress

The following observations are made.

- According to the Action Plan, a sum of Rs. 561 million had been allocated to carry out field works, procurement of equipments for operations and maintenance purposes and recruit expert panel and other special assistance for the Project. However, those activities had not been implemented even as at 31 December 2015.
- The overall physical progress of the activities of Project as at 31 December 2015 was remained as 0.3 per cent eventhough it was expected to achieve physical progress of 02 per cent as at that date.

3.3 Extraneous Expenses

It was observed that a sum of Rs. 1.5 million had been spent on procurement of air conditioners and other equipments for the building constructed for the use of Project Operating Unit of the Line Ministry had been charged as a cost of the Project.

3.4 Human Resources Management

According to the Facility Administration Manual, the staff of the Project Monitoring Unit should be comprised with 143 cadre positions. However, according to the Letter dated 27 July 2015 of the Department of Management Services 158 cadre positions had been approved. Out of those, only 30 officers including Project Directors, Project Accountants and Engineers had only been recruited as at 31 December 2015.



H.M.Gamini Wijesinghe
Auditor General

Mahaweli Water Security Investment Programme - Tranche 1

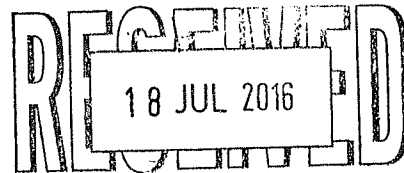
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER - 2015

**ADB - Loan Number -3267 SRI - Ordinary Operations
and**

ADB - Loan Number - 3268 SRI - Special Operations

Ministry of Mahaweli Development and Environment

ASIAN DEVELOPMENT BANK



18 JUL 2016

PROJECT ADMINISTRATION UNIT
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Mahaweli Water Security Investment Programme - Tranche 1
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER - 2015

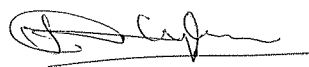
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Ministry of Mahaweli Development and Environment

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1

Financial Position as at 31st December, 2015.

Non Current Assets	Note		Rs.	US \$
Property Plant and Equipment	03		2,103,599	
Project Development Cost				
Other Project Related Cost		14,958,138		
Advance payments to Lameyer International - Consultancy		387,328,412		
payments to Lameyer International				
Consultancy - 1st Payment - December		8,360,697	395,689,109	410,647,247
				<u>412,750,846</u>
Current Asset				
Central Bank Imprest Accounts				
ADB - L/N 3267 SRI - Ordinary Operations			965,828,517	6,704,242
ADB - L/N 3268 SRI - Special Operations			984,198,778	6,831,758
				<u>1,950,027,294</u>
				<u>2,362,778,140</u>
Accumulated Fund				
GOSL - Contribution			71,539,015	
Revaluation of Imprest Accounts				
ADB - L/N 3267 SRI - Ordinary Operations		5,928,561		
ADB - L/N 3268 SRI - Special Operations		5,529,625		
				<u>11,458,186</u>
				82,997,201
Non Current Liabilities				
ADB Loan				
Loan No. 3268				
Direct Payment		332,502,232		
Special Operations - Imprest Release by the CBSL		978,669,153		6,831,758
ADB - L/N 3268 SRI - Special Operations			1,311,171,384	
Loan No. 3267				
Ordinary Operations		959,899,955		6,704,242
			2,271,071,340	
				<u>2,354,068,541</u>
Current Liabilities				
Accrued Expenses	04		8,709,599	
				<u>8,709,599</u>
				<u>2,362,778,140</u>



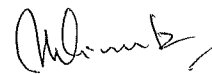
D. Abeysooriya
Finance Manager

Dilus Abeysooriya
Project Accountant - PMU
Water Resources Development
Investment Programme.



Eng. N.A. Sisira Kumara
Project Programme Director

Eng. N.A. Sisira Kumara
 Programme Director (MWSIP)
Mahaweli Water Security Investment Programme
 No. 493/1, T B Jayah Mawatha,
 Colombo 10

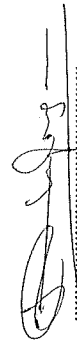


Udaya R. Seneviratne
Secretary to the Ministry

Udaya R. Seneviratne
 Secretary
 Ministry of Mahaweli Development
 and Environment
 No: 500, T.B. Jaya Mawatha,
 Colombo - 10:

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1
Expenditure Account for the year ended 31st December, 2015.

	Note	Total	Financed By		
			ADB Funds	Loan No. 3268	GOSL Funds
			Loan No. 3267		
Investment Cost	05	402,613,273	-	332,502,232	70,111,041
Recurrent Cost	06	10,137,573	-	-	10,137,573
Contingencies		-	-	-	-
Financial Charges During the Implementation		-	-	-	-
Total Expenditure of the Project		Rs. 412,750,846	-	332,502,232	80,248,614



D. Abeysooriya
Finance Manager

Dilus Abeysooriya
Project Accountant - PMU
Water Resources Development
Investment Programme.



Eng. N.A. Sisira Kumara
Project Programme Director

Date :

Eng. N.A. Sisira Kumara
Programme Director (MWSIP)
Mahaweli Water Security Investment Programme
No. 493/1, T B Jayah Mawatha,
Colombo 10



Udaya R. Seneviratne
Secretary to the Ministry

Udaya R. Seneviratne
Secretary
Ministry of Mahaweli Development
and Environment
No. 500, T.B. Jaya Mawatha,
Colombo 10

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1

Cash Flow Statement for the year ended 31st December, 2015.

Receipts			Rs.
GOSL - Contribution			71,539,015
Net receipts during the year			<u><u>71,539,015</u></u>
Cash flow -Investment Activities			
Civil Works			4,372,125
Mechanical and Electrical Equipment	(Property, Plant and Equipment)		1,999,929
Environment and Social Mitigation			448,440
Consulting Services			387,328,412
Incremental PMU and PLU Salaries			6,313,494
Training			5,443
Equipment Operation and Maintenance			<u>3,573,404</u>
Net Cash flow - Investment Activities			<u><u>(404,041,247)</u></u>
Cash flow - Financing Activities			
Obtaining Loans			
ADB - L/N 3268 SRI - Special Operations	Direct Payment	332,502,232	
ADB - L/N 3268 SRI - Special Operations	Imprest Release to CBSL	978,669,153	
ADB - L/N 3268 SRI - Special Operations	Currency Revaluation	<u>5,529,625</u>	1,316,701,009
ADB - L/N 3267 SRI - Ordinary Operations	Imprest Release to CBSL	959,899,955	
ADB - L/N 3267 SRI - Ordinary Operations	Currency Revaluation	<u>5,529,625</u>	<u>965,429,580</u>
Net Cash flow - Financing Activities			<u><u>2,282,130,590</u></u>
<i>Increase / (Decrease) in cash and cash equivalents</i>			1,949,628,358
Cash and cash equivalents at the beginning of the year			-
Cash and cash equivalents he end as at 31.12.2015	Note - A		<u><u>1,949,628,358</u></u>
Note - A			
Imprest Accounts at Central Bank of Sri Lanka			
ADB - L/N 3267 SRI - Ordinary Operations			984,198,778
ADB - L/N 3268 SRI - Special Operations			<u>965,429,580</u>
	Rs.		<u><u>1,949,628,358</u></u>

Mahaweli Water Security Investment Programme - Tranche 1
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER - 2015

Notes to the Financial Statement

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Ministry of Mahaweli Development and Environment

MINISTRY OF MAHAWELI DEVELOPMENT AND ENVIRONMENT
MAHAWELI WATER SECURITY INVESTMENT PROGRAMME – TRANCHE 1

Notes to the financial statement for the year ended 31st December, 2015.

1. PROGRAMME INFORMATION

1.1 General

The Investment program was approved by ADB on 24 June 2015, its first tranche was approved by ADB President on 2 July 2015, and the loan agreements were signed by ADB and Ministry of Finance on 17 September 2015. It will support the government finance Phase 1 of the government's planned two-phased North Central Province Canal Program (NCCP) that will complete outstanding investments of the Mahaweli Development Program. The investment program's financing will be under a \$675 million multi tranche financing facility amounting to \$453 million ADB contribution, \$114 million co financing, and \$108 million government contribution. The investment program will be implemented over 10 years from 2015 to 2024. It will comprise three tranches financing the following projects, time-sliced under each tranche:

- i. The Upper Elahera Canal Project (UECP) comprises two components. The first component is the 9km Kaluganga – Moragahakanda Transfer Canal (including a 8km tunnel) that transfers water between the Kaluganga and Moragahakanda Reservoirs. The second component is the Upper Elahera Canal that connects the Moragahakanda Reservoir to the existing reservoirs: Huruluwewa, Manankattiya, Eruwewa and Mahakanadarawa via 82km of canals (including a 26km tunnel). These reservoirs supply water to existing irrigation and water supply schemes.
- ii. The North Western Province Canal Project (NWPCP) will construct 96km of new and upgraded canals (including a 940m tunnel) and two new 25m tall earth gravity dams impounding the Mahakithula and Mahakirula Reservoirs. It will transfer water from the Dambulu Oya River and the existing Nalanda and Wemedilla Reservoirs to command existing irrigation and water supply reservoirs.
- iii. Minipe Left Bank Canal Rehabilitation Project (MLBCRP), located in the downstream reaches of the Mahaweli River, will: (a) add upstream storage by heightening the headwork's weir by 3.5m, (b) construct new intake gates to the left bank canal and emergency spill weirs to both left and right bank canals; and (c) rehabilitate the 74km Minipe Left Bank Canal to improve conveyance and reliability of service to existing farmers.

MINISTRY OF MAHAWELI DEVELOPMENT AND ENVIRONMENT

MAHAWELI WATER SECURITY INVESTMENT PROGRAMME – TRANCHE 1

Notes to the financial statement for the year ended 31st December, 2015.

The investment program also supports preparation of Phase 2 projects that will develop additional transfer canals and reservoirs to allow additional water be diverted from the Mahaweli River and extend the system to additional existing reservoirs in the North Central Province. The government plans to implement Phase 2 from 2018-2030 under separate financing, possibly with ADB's support. It may comprise the following projects:

- (i) Kalinganuwara Pumping Complex Project;
- (ii) Lower Uma Oya Reservoir Project;
- (iii) Randenigala – Kalu Ganga Transfer Canal Project; and
- (iv) North Central Province Canal Project.

The investment program's impact will be improved agricultural production and sustained economic growth in the North Central, central, North Western and Eastern Provinces. Its outcome will secure access to water resources for agricultural and non-agricultural purposes in the project areas. The outputs will be

- (i) Output 1: New and improved water conveyance and storage infrastructure developed,
- (ii) Output 2: Systems for improving water resources management and productivity developed, and
- (iii) Output 3: Efficient multi-disciplinary investment program management operational. Each tranche of the MLF finances facilitate respective slices of the investment project.

Output 2 will address the key non-structural sector priorities through two consulting packages. Firstly the "Improving System Efficiencies and Water Productivity" package investigates existing inefficiencies within the existing conveyance and irrigation systems, and also constraints to improving water productivity, and will recommend on-farm and system-wide improvements. Structural recommendations will be incorporated into civil packages for implementation under subsequent tranches and possibly under Phase 2. The second consulting package, "Strengthening Institutions With Integrated Water Resources Management," will recommend programs for modernizing policy and governance frameworks, and institutional strengthening to improve national water resources planning and operational procedures.

MINISTRY OF MAHAWELI DEVELOPMENT AND ENVIRONMENT

MAHAWELI WATER SECURITY INVESTMENT PROGRAMME – TRANCHE 1

Notes to the financial statement for the year ended 31st December, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statement are set out below. These policies have consistently applied to all the year presented, unless otherwise stated.

2.1. Basis of Preparation

These financial statement have been prepared in accordance with the Sri Lanka Accounting Standard issued by the Institute of Chartered Accountants of Sri Lanka. These Financial Statements are Presented in Sri Lankan Rupees (Rs .) and all financial information presented in Sri Lanka Rupees has been rounded to the nearest rupee.

2.2. Comparative Information

No comparative information is shown as the programme commenced its activities in November, 2015 after signing of the loan agreement.

2.3. Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Programme's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are not taken to Income and Expenditure Account. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.4. Revenue

All revenue collected by the project is transferred to the Consolidated Fund as a Revenue.

2.5. Income Tax

The income tax is not applicable.

2.6. Borrowing costs

All borrowing costs are recognised in Expenditure in the period in which they are incurred.

MINISTRY OF MAHAWELI DEVELOPMENT AND ENVIRONMENT

MAHAWELI WATER SECURITY INVESTMENT PROGRAMME – TRANCHE 1

Notes to the financial statement for the year ended 31st December, 2015.

2.7. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Air Conditioners	Over 05 Years
Tools and Equipment	Over 10 Years
Computers and Accessories	Over 04 Years
Office Equipment	Over 10 Years

No depreciation is provided for the year of purchases but full year depreciation is provided for the year of disposal

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.8. Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short – term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks.

2.9. Retirement Benefit Obligations

a) Defined Contribution Plans

As per circulars issued by the Management Services Department of the Treasury, the entitled officers are contributed 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1

Notes to the Financial Statements for the year ended 31st March, 2015.

Note - 01

Property Plant and Equipment

Cost	Balance as at the beginning	Additions	Balance as at 31.12.2015.
USB Adapter	-	2,250	2,250
Prolink UPS	-	4,400	4,400
UPS for Computers	-	31,000	31,000
Office Equipment	-	71,816	71,816
Photo Copy Machine	-	362,970	362,970
Fans	-	19,900	19,900
Air Conditioners	-	1,503,053	1,503,053
Grass Cutters	-	12,500	12,500
Fax Machines	-	32,560	32,560
Scanner	-	7,650	7,650
Multy Media Project	-	55,500	55,500
Rs.	-	2,103,599	2,103,599

Depreciation

	Balance as at the beginning	Charged for the year	Balance as at 31.12.2015.
USB Adapter	-	-	-
Prolink UPS	-	-	-
UPS for Computers	-	-	-
Office Equipment	-	-	-
Photo Copy Machine	-	-	-
Fans	-	-	-
Air Conditioners	-	-	-
Grass Cutters	-	-	-
Fax Machines	-	-	-
Scanner	-	-	-
Multy Media Project	-	-	-
Rs.	-	-	-

Net Value

	Balance as at the beginning	Balance as at 31.12.2015.
USB Adapter	-	2,250
Prolink UPS	-	4,400
UPS for Computers	-	31,000
Office Equipment	-	71,816
Photo Copy Machine	-	362,970
Fans	-	19,900
Air Conditioners	-	1,503,053
Grass Cutters	-	12,500
Fax Machines	-	32,560
Scanner	-	7,650
Multy Media Project	-	55,500
Rs.	-	2,103,599

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1

Notes to the Financial Statements for the year ended 31st March, 2015.

Note - 02

Accrued Expenses

	Total	PMU	NWP	UECP	MLBCR
Water	21,933	21,933			
Security	9,002	9,002			
Janitorial	17,538	17,538			
Electricity	80,957	80,169	788		
Telephone	17,748	10,602	2,381	4,765	
Consultancy	8,360,697	8,360,697			
EPF	79	79			
Stationery	30,045	30,045			
Paper Ad.	57,720	57,720			
Subsistence	10,210			10,210	
Equipment	103,670				103,670
Rs.	8,709,599	8,587,785	3,169	14,975	103,670

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1
Expenditure Account for the year ended 31st December, 2015.

Notes to the Financial Statements for the year ended 31st March, 2015.

Note - 05 Investment Cost

Main Code	Sub Code	Sch. No.	Total	PMU	GOSL Funds			ADB Direct Payments
					MLBCR	NWPC	UECP	
1000	1100	01	4,372,125	-	3,456,406	230,627	685,091	-
	1200	02	2,103,599	1,503,053	480,210	77,886	42,450	-
	1300	03	448,440	448,440	-	-	-	-
	1400	04	395,689,109	63,186,878	-	-	-	332,502,232
Rs.			402,613,273	65,138,371	3,936,615	308,513	727,541	332,502,232

Note - 06 Recurrent Cost

Main Code	Sub Code	Sch. No.	Total	PMU	GOSL Funds			ADB Direct Payments
					MLBCR	NWPC	UECP	
2000	2100	05	6,313,573	4,730,266	24,258	821,589	737,460	-
	2200	06	-	-	-	-	-	-
	2300	06	5,443	-	-	5,443	-	-
	2400	07	3,818,557	1,813,748	1,142,797	374,782	487,231	-
Rs.			10,137,573	6,544,014	1,167,055	1,201,814	1,224,691	-

Abbreviations

PMU	Project Management Unit
UECP	Upper Elahera Canal Project
MLBCR	Minipe Left Bank Canal Project
NWPC	North West Project Canal

Mahaweli Water Security Investment Programme - Tranche 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER - 2015

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Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.

Sch - 01	Civil Works	Main Code	Sub Code	Total	PMU	GOSL Funds			ADB Direct Payments
						MLBCR	NWPC	UECP	
		1000	1100	4,141,497	-	3,456,406	-	685,091	-
				230,627	-	-	230,627	-	-
				Rs. 4,372,125		3,456,406	230,627	685,091	-
Sch - 02	Mechanical and Electrical Equipment	Main Code	Sub Code	Total	PMU	GOSL Funds			ADB Direct Payments
						MLBCR	NWPC	UECP	
		1000	1200	2,250	-	2,250	-	-	-
				4,400	-	4,400	-	-	-
				71,816	-	40,130	31,686	-	-
				362,970	-	362,970	-	-	-
				19,900	-	-	19,900	-	-
				31,000	-	-	26,300	4,700	-
				1,503,053	1,503,053	-	-	-	-
				12,500	-	-	-	12,500	-
				32,560	-	14,960	-	17,600	-
				7,650	-	-	-	7,650	-
				55,500	-	55,500	-	-	-
				Rs. 2,103,599	1,503,053	480,210	77,886	42,450	-

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Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.

Sch - 03 Environment and Social Mitigation

Main Code	Sub Code	Director - Provincials Environment Authority	Total	PMU	MLBCR	GOSL Funds Project Offices NWPC	UECP	ADB Direct Payments
1000	1200		448,440	448,440	-	-	-	-
			Rs.	448,440	-	-	-	-

Sch - 04 Consulting Services

Main Code	Sub Code	Lameyer International - Consultancy	Total	PMU	MLBCR	GOSL Funds Project Offices NWPC	UECP	ADB Direct Payments
1000	1400		395,689,109	63,186,878	-	-	-	332,502,232
			Rs.	63,186,878	-	-	-	332,502,232

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Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.

Sch - 05 Incremental PMU and PLU Salaries

Main Code	Sub Code	Total	PMU	GOSL Funds Project Offices			ADB Direct Payments
				MLBCR	NWPC	UECP	
2000	2100	6,178,877	4,729,215	-	726,912	722,750	-
	Personal Emoluments	12,402	1,051	-	11,351	-	-
	Overtime	122,294	-	24,258	83,326	14,710	-
	Travelling and Subsistence						
		Rs.	6,313,573	4,730,266	24,258	821,589	737,460

Sch - 06 Training

Main Code	Sub Code	Total	PMU	GOSL Funds Project Offices			ADB Direct Payments
				MLBCR	NWPC	UECP	
2000	2300	5,443	-	-	5,443	-	-
	Providing Meals for Training						
		Rs.	5,443	-	5,443	-	-

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Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.

Sch - 07 Equipment Operation and Maintenance

Main Code	Sub Code	Total	PMU	GOSL Funds			ADB Direct Payments
				Project Offices	NWPC	UECP	
2000	2400			MLBCR			
				132,500	113,145	107,294	-
	Fuel	522,139	169,200				
	Telephone	85,852	64,474	686	8,432	12,261	-
	Electricity	411,072	381,572	1,500	7,419	20,581	-
	Rubber Stamp	27,085	6,675	8,950	8,380	3,080	-
	Stationery and Consumables	315,823	202,784	58,573	32,716	21,749	-
	Vehicle Repairs and Maintenance	1,295,818	395,840	491,444	204,691	203,843	-
	Refreshment	151,587	148,952	-	-	2,635	-
	Water	127,339	127,194	-	-	145	-
	Repairs and Maintenance of Equipment	87,919	87,919	-	-	-	-
	Building Repair	440,941	-	440,941	-	-	-
	Labour Charges - Cleaning	124,490	70,152	-	-	54,338	-
	Travelling and Substance	1,000	1,000	-	-	-	-
	Advertisement	104,340	104,340	-	-	-	-
	Security Service	21,810	21,810	-	-	-	-
	Vehicle Hire Charges	29,951	-	-	-	29,951	-
	Sundry Expenses	71,391	42,044	8,202	-	21,145	-
Rs.		3,818,556	1,823,956	1,142,797	374,783	477,020	-

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1
Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.

Sch - 08 Mode of Finance

	Direct Payments made by ADB				Payment from Imprest Account at CBSL	Loan No. 3268	Payment from GOSL Funds	Total
	Loan No. 3267	Loan No. 3268	Loan No. 3267	Loan No. 3268				
Investment Cost	-	332,502,232	-	-	-	-	70,111,041	402,613,273
Recurrent Cost	-	-	-	-	-	-	10,137,573	10,137,573
Contingencies	-	-	-	-	-	-	-	-
Financial Charges During the Implementation	-	-	-	-	-	-	-	-
Rs.	-	332,502,232	-	-	-	-	80,248,614	412,750,846

Sch - 09 Reconciliation with Treasury Print outs

	Direct Payments made by ADB				Payment from Imprest Account at CBSL	Loan No. 3268	Payment from GOSL Funds	Total
	Loan No. 3267	Loan No. 3268	Loan No. 3267	Loan No. 3268				
Total Expenditure	-	332,502,232	-	-	-	-	80,248,614	412,750,846
Less:								
Direct Payments	-	(332,502,232)	-	-	-	-	-	(332,502,232)
Accrued Expense	-	-	-	-	-	-	(8,709,579)	(8,709,579)
Expenditure as per the Treasury Print Outs	-	-	-	-	-	-	71,539,035	71,539,035
Rs.	-	-	-	-	-	-	71,539,035	71,539,035

Note

Direct payment made by ADB has not been accounted by the Treasury due to non availability of budgetary provisions.

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1
Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.

Sch - 10 Reconciliation of Central Bank Imprest Account
L/N-3267 - Sub Ledger-182

Receipt	USD	LKR	Exchange Rate
Received on 10.12.2015	6,704,242	959,899,955	143.1780
Add			
Revaluation Surplus -End of the Month of December	-	5,928,561	
Balance as at 31.12.2015			
	Rs.	6,704,242	965,828,517

Note

No withdrawal or Payment during the year 2015

Sch - 11 Reconciliation of Central Bank Imprest Account
L/N-3268 -Sub Ledger-183

Receipt	USD	LKR	Exchange Rate
Received on 10.12.2015	6,831,758	978,669,153	143.1780
Add			
Revaluation Surplus -End of the Month of December	-	5,529,625	
Balance as at 31.12.2015			
	Rs.	6,831,758	984,198,778

Note

No withdrawal or Payment during the year 2015

Ministry of Mahaweli Development and Environment
Mahaweli Water Security Investment Programme - Tranche 1
Expenditure Account for the year ended 31st December, 2015.

Schedules to the Financial Statements for the year ended 31st March, 2015.
Sch - 12 Release of ADB Loan Funds

	OCR - Loan		ADF - Loan	
	L/No : 3267	US \$	L/No : 3268	SDR
Total Loan Amount	76,000,000		53,558,000	
Direct payment made by ADB to Lameyer International	-		1,679,962	SDR
Imprest released to the CBSL	6,704,242		6,831,758	US \$

Notes :

- 1 The ADF Loan (No. 3268) Should be repaid to ADB with instalments December and June of each year respectively commencing from December 2020 to June 2040
The Value of an Instalment is SDR 1,339,700/=, the total number of Instalments are forty (40) and total value is SDR 53,588,000/=
- 2 The OCR Loan (No. 3267) Should be repaid to ADB with instalments December and June of each year respectively commencing from December 2020 to June 2041
The Instalment share is Expressed as 2.380952 , the total number of Instalments are forty two (42) and total instalment share is 100.

Sch - 13 Advance Payments to the Lameyer International

ADB - Direct Payment					
ADB Direct Payments	ERO		SLR	Total SL R	SDR
	L/No : 3268				
L/No : 3268	1,102,090	-	160,962,844	171,539,387	
	-		160,962,844	160,962,844	
	1,102,090		160,962,844	332,502,232	1,679,962
GOSL Payments					
Cash Payments	-		26,203,254	26,203,253.73	
Remittance through the Bank	179,410			28,622,927	
	1,281,500		187,166,098		
Balance as at 31.12.2015				387,328,412	
Less:					
Advance recovered from the payment for the month of December					
			(42,717)	(35,887,753)	
			(6,238,870)	(6,238,870)	
Adjusted Balance as at 31.12.2015			180,927,228	345,201,790	

Invoice No.
2
2a