

The Water and Sewerage Authority

Project Name:

WASA Modernization and Wastewater Infrastructure Rehabilitation

IDB Loan Contract No: 2600/OC-TT

PROJECT NUMBER:TT-L1018

Financial statements

**For the year ended
30 September 2019**

Water and Sewerage Authority
IDB Loan 2600/OC-TT - Wastewater Infrastructure Rehabilitation Program

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Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Background

On November 30, 2011 a contract (referred to as 'the Loan Contract' or 'the Loan') between the Government of the Republic of Trinidad and Tobago ('Borrower') and the Inter-American Development Bank ('Bank' or 'the IDB') was entered into for the execution of a program for the Water and Sewerage Authority's Modernization and Wastewater Infrastructure Rehabilitation (referred to as 'the Program' or 'the Project').

The general objective of the Program is to improve the environmental conditions in Trinidad and Tobago ('T&T') by increasing the amount of wastewater treated, and to improve the Water and Sewerage Authority's ('WASA' or 'the Executing Agency') efficiency, by supporting the reorganization of its personnel structure and reduction in personnel costs.

The specific objectives of the Program are:

1. The takeover, refurbishment, upgrade, integration or decommissioning of Malfunctioning Wastewater Treatment Facilities.
2. The rationalization of WASA's personnel.
3. The improvement of WASA's Wastewater Management operational and maintenance performance.

Pursuant to Section 3.05 of the Loan Contract, the IDB approved on May 05, 2017 an extension of the Disbursement Period to April 03, 2020. This extension will allow execution of activities which includes construction of a Wastewater Treatment Plant at Trincity and construction designs of the proposed Maloney Wastewater Treatment Plant.

Original Cost of the Program

The total cost of the Program is estimated to be the equivalent of Fifty Million United States of America dollars (US\$ 50,000,000).

Original table of cost (expressed in United States dollars)

Component		Bank US\$	Total US\$
1.0 Project Administration			
1.1 Project Management		200,000	200,000
2.0 Direct Costs			
2.1 Improvement of T&T's Wastewater System		28,935,000	28,935,000
2.2 Re-organization of WASA		20,000,000	20,000,000
2.3 Institutional Strengthening of WASA		625,000	625,000
3.0 Concurrent Costs			
3.1 Program Auditing		150,000	150,000
3.2 Program Monitoring		15,000	15,000
3.3 Program Evaluation		75,000	75,000
Total		50,000,000	50,000,000

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

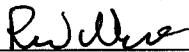
Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the financial statements of the Loan which comprise the Statement of Cumulative Cash Flows for the period ended September 30, 2019, the Statements of Cumulative Investments for the period then ended, and a Summary of Significant Accounting Policies and other explanatory information;
- Ensuring that the Project's Management keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Project's assets, detection/prevention of fraud, and the achievement of the Project's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, Management utilized the basis considered most appropriate for its financial reporting requirements under the Loan Contract.

Management affirms that it has carried out its responsibilities as outlined above.



Ms. Rachelle Wilkie
Director of Finance (Ag)

January 30, 2020

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Revised Investment Program

In May 2017, the Program was realigned such that the undisbursed funds from the Original Program of US\$29.8 was redirected to support the following projects:

- South West Tobago Wastewater Upgrade Project – upgrade of the existing Samaan Grove and Bon Accord Waste Stabilization Ponds ('WSP') at an estimated cost of US \$16.4 Mn with an implementation timeframe of 12 – 18 Months;
- Provision of Consultancy Services for the Detailed Designs and Bid Documents of the Maloney Wastewater Treatment Plant and Phase 2 Collection System at an estimated cost of US \$2.1 Mn;
- Design/Construct Trincity Wastewater Treatment Plant to expand and upgrade at an estimated cost of US \$8.8 Mn;
- Continuation of Existing Contracts under Loan 2600 relating to Program Evaluation and Auditing.

The Table of Cost for the undisbursed sum of the Loan as at September 30, 2019 is set out below.

Category	Current Approved Amount	Revised Approved amount	Available Balance
01.00.00-PROJECT ADMINISTRATION	200,000	-	-
01.01.00-PROJECT MANAGEMENT	200,000	-	-
02.00.00-DIRECT COSTS	49,560,000	49,825,000	18,483,686
02.01.00-IMPROVEMENT WASTEWATER SYSTEMS	28,935,000	29,700,000	18,471,888
02.02.00-RE-ORGANIZATION OF WASA	20,000,000	20,000,000	-
02.03.00-INSTITUTIONAL STRENGTHENING WASA	625,000	125,000	11,798
03.00.00-CONCURRENT COSTS	240,000	175,000	93,561
03.01.00-PROGRAM AUDITING	150,000	100,000	51,834
03.02.00-PROGRAM MONITORING	15,000	-	-
03.03.00-PROGRAM EVALUATION	75,000	75,000	41,726
<i>*Anticipos De Fondos</i>	-	-	(10,454,994)
	50,000,000	50,000,000	8,122,252

**Independent auditor's report
to the Board of Directors of Water and Sewerage Authority**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements, on pages 6 to 19, which comprise the statement of cumulative cash flows, the statement of cumulative investments, and a summary of significant accounting policies and other explanatory information for the loan (Ref: 2600/OC-TT), executed by the Water and Sewerage Authority, and financed with funds from the Inter-American Development Bank Loan Agreement No. 2600/OC-TT and local counterpart funds from the Government of Trinidad and Tobago as of and for the period ended September 30, 2019.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Project as September 30, 2019 and its cash flows for the year then ended in accordance with the prescribed format as stipulated in the IDB's Guide for Financial Reports and External Audits for Operations Financed by the Inter-American Development Bank.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IDB's Guide for Financial Reports and External Audits for Operations Financed by the Inter-American Development Bank, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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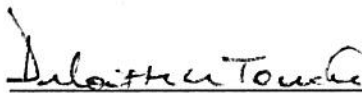
Independent auditor's report (continued)
to the Board of Directors of Water and Sewerage Authority

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche
Derek Mohammed & ICATT #862

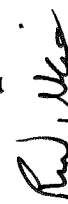
Port of Spain
Trinidad

January 30, 2020

**Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program**

**Statement of Cash Flows
For the year ended September 30, 2019**

	Notes	US\$ IDB	US\$ Local As at September 30, 2019	US\$ Cumulative	US\$ IDB	US\$ Local As at September 30, 2018	US\$ Cumulative
Cash Received							
Cumulative cash received at the beginning of the period		33,564,089	-	33,564,089	29,564,089	-	29,564,089
Amounts received during the period							
Advances from IDB (dd Jun 28 2018)	6	12,677,459	-	12,677,459	4,000,000	-	4,000,000
Reimbursement of funds		-	-	-	-	-	-
Cumulative cash received at the end of period		46,241,548	-	46,241,548	33,564,089	-	33,564,089
Disbursements							
Cumulative disbursements at the beginning of the period		31,289,723	-	31,289,723	25,498,421	-	25,498,421
Activity during the year disbursements requested							
Direct Costs							
Improvement of T&T's Wastewater System		810,133	-	810,133	5,779,490	-	5,779,490
Institutional Strengthening of WASA	5	-	-	-	(1,395)	-	(1,395)
Concurrent Costs							
Program Auditing		47,055	-	47,055	-	-	-
Program Evaluation		-	-	-	13,207	-	13,207
-Return of Funds to the IDB		-	-	-	-	-	-
- Foreign Exchange loss on return of funds to the IDB		-	-	-	-	-	-
Cash disbursements for current fiscal year		9,857,188	-	9,857,188	5,791,302	-	5,791,302
Cumulative disbursements at the end of the period		41,146,911	-	41,146,911	31,289,723	-	31,289,723
Available cash as of end of period		5,094,637	-	5,094,637	2,274,366	-	2,274,366



Ms. Rachelle Wilkie
Director of Finance (Ag)

January 30, 2020

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Statement of Cumulative Investment
For the year ended September 30, 2019

Category	Notes	Opening Cumulative US\$	Movement during the period US\$	Closing Cumulative US\$
Direct Costs				
<u>Improvement of T&T's Wastewater System</u>				
- Construction supervision		570,305	901,764	1,472,069
- Construction of two sewerage systems in South West Tobago- Samaan Grove Package 1		2,932,493	2,247,713	5,180,206
- Construction of two sewerage systems in South West Tobago- Samaan Grove Package 2		1,468,916	1,881,009	3,349,925
- Construction of two sewerage systems in South West Tobago - Bon Accord Package 1		1,226,142	2,474,322	3,700,464
- Construction of two sewerage systems in South West Tobago - Bon Accord Package 2		556,530	1,436,600	1,993,130
Re-organization of WASA		20,000,000	-	20,000,000
Institutional strengthening of WASA	10	113,202	-	113,202
Concurrent Costs		57,961	47,055	105,016
Program Auditing		24,687	47,055	71,742
Program Evaluation		33,274	-	33,274
		26,925,549	9,857,188	36,782,737



Ms. Rachelle Wilkie
 Director of Finance (Ag)

January 30, 2020

The accompanying notes found on ages 8-21 form an integral part of these financial statements.

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

1. Executing agency

The program is executed by WASA in its capacity as Executing Agency. WASA was established by an Act of Parliament, 16 of 1965 that was fully proclaimed on September 1, 1965, to manage the Water and Sewerage Sectors of Trinidad and Tobago. The Executing Agency has a reporting responsibility to its Line Ministry, the Ministry of Public Utilities, the Inter-American Development Bank ('the Bank' or 'IDB') and the Ministry of Planning and Development, in its capacity as Focal Point for IDB operations with the Government and as the Borrower's Representative.

2. Summary of significant accounting policies

Basis of Preparation

The Financial Statements have been prepared using a cash basis. Cash accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the entity, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

Foreign currency translation

The Project's accounting records are maintained in Trinidad and Tobago dollars ('TT\$'). These Financial Statements are presented in United States dollars ('US\$') in accordance with the requirements of the Loan Contract. All disbursements from the Loan resources to the Central Bank of Trinidad and Tobago ('CBTT') are made in US\$. As such, the reporting currency as per the Loan Contract is in US\$. Any transfers from the Government of the Republic of Trinidad and Tobago ('GORTT') to the Authority's designated Bank account at the First Citizens Bank is made in local currency. Consequently, any conversions or translations are made using the CBTT issued Foreign Exchange Rates. All direct disbursements made by the IDB are quoted in US dollars.

3. Fixed assets

Project expenditure on fixed assets is recognized when cash is paid to the contractor for the purchase or construction of assets. There were no purchases of fixed assets as at September 30, 2019..

4. Available cash balance

The operations of the project are financed from the project bank accounts held with First Citizen's Bank Limited and the Central Bank of Trinidad and Tobago. Available cash as per project bank accounts are detailed below.

Represented by:	2019 US\$	2018 US\$
Central Bank of Trinidad and Tobago	5,244,149	3,276,352
First Citizens Bank Limited TT\$ account (TT\$ 696,027 translated at an exchange rate of 6.7564)	102,955	103,017
First Citizens Bank Limited US\$ account	250	250
	<u>5,347,354</u>	<u>3,379,619</u>

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

5. Advance of funds

As per Article 4.07 of the Loan Contract, the IDB may provide Advances of Funds to the Borrower or Executing Agency to meet the liquidity needs of the Project to cover eligible projected expenditure for a period of up to six (6) months. During the reporting period advances were transferred via wire to the Project's Bank Account at the Central Bank of Trinidad and Tobago, account No.01-207-20-061-00-00-00 as follows:

	2019 US\$	2018 US\$
Opening Balance of Advances	4,616,199	5,000,000
Advances provided during the year	12,677,459	4,000,000
Justifications accepted by IDB during the year	(6,838,664)	(4,383,801)
Closing Balance of Advances	10,454,994	4,616,199

6. Disbursements pending justification

As at September 30, 2019, the amount pending justification to be submitted to the IDB amounted to US\$ 5,360,114. See details below:

No of Days	Total US\$	Invoice No.	Supplier	Amount US\$
0-30 days	1,497,369	19-290	Amcoweld Engineering Services Limited	(53,695)
		8070/5603	Trinidad Contractors Limited	(126,196)
		19-0704	LMCS Limited	(54,832)
		WASA 001	Sinohydro Corporation Limited	(564,651)
		WASA 002	Sinohydro Corporation Limited	(304,074)
		013A	BRLi	(94,560)
		014A	BRLi	(94,560)
		015A	BRLi	(94,560)
		016A	BRLi	(94,560)
		015D	BRLi	(7,872)
		016D	BRLi	(4,218)
		017D	BRLi	(3,591)
31-60 days	2,269,049	19-217	Amcoweld Engineering Services Limited	(291,817)
		19-218	Amcoweld Engineering Services Limited	(454,830)
		19-266	Amcoweld Engineering Services Limited	(122,414)
		19-0702	LMCS Limited	(767,660)
		8070/5593	Trinidad Contractors Limited	(109,069)
		19-0705	LMCS Limited	(136,006)
		19-0703	LMCS Limited	(296,648)
		017A	BRLi	(40,503)
61-90 days	287,610	013B	Engineering Consultants Limited	(50,103)
		8070/5591	Trinidad Contractors Limited	(170,719)
		8070/5587	Trinidad Contractors Limited	(116,891)
Over 90 days	1,306,085	19-0502	LMCS Limited	(281,865)
		8070/5585	Trinidad Contractors Limited	(167,465)
		19-0503	LMCS Limited	(282,444)
		19-125	Amcoweld Engineering Services Limited	(74,895)
		8070/5586	Trinidad Contractors Limited	(414,039)
		5,081,008,974	Deloitte and Touche	(23,576)
		014	BRLi	(15,716)
		020	BRLi	(46,084)
USD 5,360,114				(5,360,114)

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

7. Justification of advances

For the fiscal year 2018 2019 the following Justification of Advances were accepted by the IDB.

<u>Justification #</u>	2019 US\$	2018 US\$
Justification 7	-	1,688,950
Justification 8	-	1,098,438
Justification 9	-	1,596,413
Justification 6	1,105,173	-
Justification 11	1,277,521	-
Justification 12	1,805,290	-
Justification 13	1,008,395	-
Justification 14	1,642,285	-
	<u>6,838,664</u>	<u>4,383,801</u>

8 Financing costs

Finance charges:

The Public Debt Unit, Treasury Division of the Ministry of Finance is responsible for the payment of Credit Fees, Interest and Loan Installments

Disbursement period:

The period for the final disbursement of the resource of the Financing shall expire five (5) years from the effective date of the Loan Contract.

Amortization

The Loan shall be completely repaid by the Borrower in Semi-Annual, consecutive and as far as possible equal installments. The first installment shall be paid five (5) years and six (6) months from the date of signature of the Loan Contract, taking into account the provisions of Article 3.01 of the General Conditions, and the last installment shall be paid no later than twenty-five (25) years from the same date. Installments are due and payable biannually on May 30 and November 30 of each calendar year.

Interest

- The Borrower shall pay interest on the daily outstanding Loan Balances at a rate determined pursuant to the provisions of Article 3.04 of the General Conditions for a Single Currency Facility Loan with a LIBOR-Based Interest Rate.
- Interest shall be payable to the Bank semi-annually. Beginning six (6) months after the date of signature of the Loan Contract, taking into account the provisions of Article 3.01 of the General Conditions.
- The Borrower may request that all or part of the outstanding balance of the Loan with a LIBOR-Based Interest Rate be converted to a Fixed Interest Rate, or that all or part of the outstanding balance of the Loan with a Fixed Interest Rate be reconverted to a LIBOR-Based Interest Rate, pursuant to Article 3.04 of the General Conditions of the Loan Contract.
- As of September 30, 2019 the applicable interest rate was 3.42% (Prior Year 3.4%).

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

8 Financing costs (continued)

Credit fee

The Borrower shall pay the Bank a credit fee at a percentage that will be established by the Bank on a periodic basis as a result of its review of financial charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology in ordinary capital loans, provided that under no circumstance may it exceed the percentage contemplated in Article 3.02 of the General Conditions. As at September 30, 2019 the Credit Fee was 0.50% (Prior Year 2018 0.50%).

The following table discloses the interest and credit fees paid to date on the loan:

Fees as at	Due date for payment	Credit Fees US\$	Interest US\$	Principal US\$	Total US\$
31-Mar-12	30-May-12	41,667	-	-	41,667
		41,667	-	-	41,667
1-Oct-12	30-Nov-12	34,952	-	-	34,952
31-Mar-13	30-May-13	37,858	108,554	-	146,412
		72,810	108,554	-	181,364
16-Oct-13	30-Nov-13	37,666	117,979	-	155,645
15-Apr-14	30-May-14	31,467	140,181	-	171,648
		69,133	258,160	-	327,293
16-Oct-14	30-Nov-14	32,087	140,024	-	172,111
15-Apr-15	30-May-15	31,564	139,298	-	170,862
		63,651	279,322	-	342,973
16-Oct-15	30-Nov-15	37,283	123,478	-	160,761
15-Apr-16	30-May-16	105,169	206,290	-	311,459
		142,452	329,768	-	472,220
16-Oct-16	30-Nov-16	74,906	193,746	-	268,653
15-Apr-17	30-May-17	73,851	209,179	-	283,030
		148,757	402,925	-	551,683
16-Oct-17	30-Nov-17	62,509	279,907	633,212	975,628
15-Apr-18	30-May-18	61,490	312,699	633,212	1,007,401
		123,999	592,606	1,266,424	1,983,029
21-Oct-18	11-Nov-18	54,016	465,761	633,212	1,152,989
5-Apr-19	30-May-19	23,091	713,570	1,096,475	1,833,136
		77,107	1,179,331	1,729,687	2,986,125
Total		739,575	3,150,665	2,996,112	6,886,353

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

9. Value Added Tax (VAT)

WASA has exempt status for Value Added Tax ('VAT') and is therefore eligible to recover from the Board of Inland Revenue ('BIR') all VAT paid during its ordinary course of operations. Consequently, such payments are not considered as eligible expenditure for loan financing in keeping with the IDB's Financing Parameters as agreed with the Government of the Republic of Trinidad and Tobago.

	2019	2018
	US\$	US\$
VAT recoverable at the beginning of the year	696,645	6,211
VAT paid during the year	939,563	690,434
VAT recoverable at end of the year	1,636,208	696,645

10. Fiscal space allocation

An Inter Departmental Adjustment (IDA) Voucher will be required to bring to account the Expenditure against the Allocation for the Multi Phase Wastewater Rehabilitation Program Phase 1. The Ministry of Public Utilities is the agency responsible for the voting of expenditure for the fiscal period.

	2019	2018
	US\$	US\$
Fiscal year allocation	6,16,471	6,660,352
Prior year expenditure (no warrants issued)	1,247,696	(1,377,901)
Current year expenditure	9,857,188	5,412,985
	11,10,884	4,035,084
Warrants received	(6,186,751)	(2,787,388)
Variance	4,918,134	1,247,696

Warrants received for Fiscal Year 2018/2019 detailed below:

Warrant No.	2019	2018
	US\$	US\$
49 of 2018	-	378,318
98 of 2018	-	1,848,018
140 of 2018	-	561,052
45 of 2019	1,769,948	-
84 of 2019	3,152,369	-
84 of 2019	1,264,434	-
	6,186,751	2,787,388

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

12. Reconciliation of loan resources

NAME OF EXECUTING AGENCY: Water and Sewerage Authority
Loan Contract or Technical Cooperation Agreement number: LO 2600/OC-TT
Date: September 30, 2019

Date: September 30, 2019

		As at Sep 30, 2019	As at Sep 30, 2018
I	AVAILABLE BALANCE OF THE REVOLVING FUND OR ADVANCES (2)	3,379,619	5,159,158

Detail	Amount TTD	Exchange Rate	Amount in Project Currency	Amount in Project Currency
Available balance in the project currency account as of: 30-Sep-18 Bank: FCB Account No.: TTD Account 202 2355	695,667	6.7570	102,955	103,017
Available balance in the local currency account as of: 30-Sep-18 Bank: FCB Account No.: US\$ Account 202 2354	1,689	6.7570	250	250
Available balance in the local currency account as of: 30-Sep-18 Bank: CENTRAL BANK OF TRINIDAD AND TOBAGO Account No.: 01-20720-061-00-00-00	35,434,717	6.7570	5,244,149	3,276,352

II	EXPENSES OR PAYMENTS PENDING JUSTIFICATION /3	5,298,314	2,341,589
Expenses or payments pending justification in this request			
Expenses or payments pending justification and not included in this request as per the project accounting records.		5,298,314	2,341,589
III	TOTAL OF REVOLVING FUND OR ADVANCES PENDING JUSTIFICATION (I+II)	10,645,668	5,721,208
IV	BALANCE OF THE REVOLVING FUND OR ADVANCES AS PER IDB ACCOUNTING (LMS 1 REPORT)	10,454,994	4,616,199
Percentage justified			
V	DIFFERENCES (IV-III) /4	(190,673)	(1,105,009)
VI	IDENTIFICATION OF DIFFERENCES /4	(190,673)	(1,105,009)

	Detail	Amount	Exchange Rate	Total Amount in Project Currency	Total Amount in Project Currency
	Funds to be transferred to WASA Account for reimbursement of Institutional Strengthening			55,641	55,641
	Exchange Rate Difference-Return of Funds			73,219	73,219
	Funds deposited for Opening Of FCB USD Account			250	250
	Balance in Account after transfer of First Advance to WASA			246	246
	Releases from IDF to be Reimbursed to the MPU			35,303	35,303
	Releases from IDF to be Reimbursed by IDB for payments to Allan Cunningham			(33,273)	33,273
	Bank Charges			(324)	(270)
	Payments made to BRLI for Pre-Contracting Services in 2014 and 2015-Loan 2600 from WASA Recurrent account to be reimbursed			61,799	61,799
	Funds to be reimbursed to WASA IDF Account for Advance payments Southwest Tobago			850,826	850,826
	Exchange Rate Difference for Amcoweld Invoice 17-317 and LMCS Invoice - 17-0901			129	129
	Foreign Exchange Rate Movement arising from the rate recorded relating to the Releases Received for Mid Term Consultant vs the rate recorded for payments for Mid Term Consultant			(1,921)	(1,921)
	South West Tobago Return Of Funds			(852,473)	-
	Foreign Exchange Rate adjustment arising from the rate recorded relating to the FCB TTD account as at September 30 2018 vs the rate recorded on the bank . Adjustment to the rate made			1,251	(3,486)

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

12. Reconciliation of loan resources (continued)

We hereby certify that: a) the expenses specified in number II were made for the purposes set forth in the Contract/Agreement; and b) the documentation supporting the expenses made with resources from the Revolving Fund or Advances and pending justification is available for IDB inspection.

Amisha Hosein

Amisha Hosein

Amisha Hosein

Cost Monitoring Supervisor

Joanne Balfour 29.01.2020

Joanne Balfour

Joanne Balfour

Manager, Project Accounting

Christine Gildharry

Christine Gildharry

CHRISTINE GILDHARRY

Senior Manager, Capital Programme Management

Natasha Andrews
Natasha Andrews

NATASHA ANDREWS

Head, Financial Planning and Management

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

13. Outstanding liabilities

The following table shows the outstanding liabilities as at September 30, 2019.

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Liabilities at the beginning of fiscal year	542,671	-
Liabilities incurred during fiscal year	9,870,246	5,957,050
Liabilities paid during fiscal year	<u>(9,857,188)</u>	<u>(5,414,379)</u>
Outstanding liabilities at the end of Fiscal Year	<u>555,729</u>	<u>542,671</u>

14. Reconciliation of statement of cash flow balance and statement of cumulative investments

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Disbursements made as per statement of cash flows	41,146,911	31,289,723
Reconciling Items:		
Direct payments by IDB	31,200	31,200
Payments by CBTT - not recorded in SOCF	-	-
Return of funds to IDB	(4,395,246)	(4,395,246)
Exchange rate difference	<u>(128)</u>	<u>(128)</u>
Disbursement as per statement of cumulative investments	<u>36,782,737</u>	<u>26,925,549</u>

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

15. Reconciliation of available cash balance with statement of cash flow balance

	2019	2018
	US\$	US\$
Amount per statement of cash flows	5,094,637	2,274,366
Add:		
Releases received		
Exchange rate differences	129	129
Justified payment made through IDF	-	850,826
Exchange Rate – Return of Funds to MPU for Southwest Tobago	1,648	-
Unjustified payment made through IDB Loan 2890 Account	33,274	33,274
Unjustified payment made through WASA Operating account	95,098	95,098
Funds to be transferred to WASA Account for reimbursement of Institu	55,641	-
Exchange Rate	73,218	127,661
	259,008	1,106,988
Less:		
Pending Justification to be reimbursed by the IDB		
Bank Charges	(324)	(340)
Institutional Strengthening Component – Adjustments	-	(1,395)
Exchange Rate Movement	(5,967)	(1,735)
	(6,291)	(1,735)
Available cash held at banks	5,347,354	3,379,619

16. Reconciliation by Category of Investment of the Program's Records with the IDB's Records

	2019	2018
	US\$	US\$
Closing balance as per Wasa Program's Records	36,782,737	26,925,550
Less: pending justification	(5,360,114)	(2,341,589)
Add: exchange rate differences	129	129
Add: Anticipo De Fondos	10,454,994	4,616,199
Closing Balance as per IDB's Record (LMS 1 Executive Financial Summary)	41,877,748	29,200,289

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

17. Return of Funds to Ministry of Public Utilities South West Sewerage Upgrade

On March 8, 2017 the Ministry of Public Utilities, through the Infrastructure Development Fund, disbursed a cheque in the sum of USD 920,233 (TTD 6,257,032 at Exchange Rate 6.7994) for payment to two contractors, Amcoweld Engineering Services Limited and LMCS Limited under the Southwest Tobago Sewerage Upgrade, Phase 1 project for mobilization fees. A total amount of USD 850,826 (TTD 5,765,532) was paid to the above mentioned contractors.

On May 5, 2017, this project was placed under the Inter-American Development Bank (IDB) Loan 2600/OC-TT. Consequently, the IDB was required to reimburse the Development Programme Southwest Tobago Sewerage Upgrade, Phase 1.

On February 25, 2019, the amount of USD 852,473 (TTD 5,765,532) was returned to the Treasury Suspense account from Central Bank Account No. 01-20720-061-00-00-00. This resulted in an exchange Rate movement of USD 1,648 being recorded. See analysis below:

	TTD	Exchange Rate	USD
<u>South West Tobago Reconciliation</u>			
Paid through IDF Account Samaan Grove Package 1 and 2			
Amcoweld - 17-146-1	3,028,444	6.7964	445,595
LMCS - 17-0502	2,737,088	6.7544	405,230
	5,765,532	-	850,826
Returned to MPU from CBTT Account:			
Samaan Grove Package 1 and 2	5,765,532	6.7633	852,473
<i>Difference (Exchange Rate Movement)</i>	-	-	(1,648)

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

18. Analysis by category of investment of the Program's records with the IDB's records (VAT exclusive)

CATEGORY	Cumulative Balance as per:		Variance	Explanation for Variances		
	WASA Program Records (Statement of Cumulative Investments)	IDB's Records (LMS 1 Executive Financial Summary)		Pending Justification	Exchange Rate	Other Differences
1. Project Administration	-	-	-	-		
1.1 Project Management	-	-	-	-		
2. Direct Costs	36,677,721	31,341,314	(5,336,407)	(5,274,738)	129	(61,800)
				(281,865)		19-0502
				(167,465)		8070/5585
				(282,444)		19-0503
				(74,895)		19-125
				(291,817)		19-217
				(454,830)		19-218
				(122,414)		19-266
				(53,695)		19-290
				(767,660)		19-0702
				(414,039)		8070/5586
				(170,719)		8070/5591
				(116,891)		8070/5587
				(109,069)		8070/5593
				(126,196)		8070/5603
				(136,006)		19-0705
				(296,648)		19-0703
				(54,832)		19-0704
				(564,651)		WASA 001
				(304,074)		WASA 002
				(94,560)		013A
				(94,560)		014A
				(94,560)		015A
				(94,560)		016A
				(40,503)		017A
				(7,872)		015D
				(4,218)		016D
				(3,591)		017D
				(50,103)		013B
						BRLI - Invoice 014
						BRLI - Invoice 020
					41	Understatement on SOCI-Invoice# 17-317
					88	Understatement on SOCI-Invoice# 17-0901
2.1 Improvement of T&T Waste Water	16,564,519	11,228,112	(5,336,407)			

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program

Note to the Financial Statements
For the year ended September 30, 2019

18. Analysis by category of investment of the Program's records with the IDB's records (VAT exclusive) (continued)

CATEGORY	Cumulative Balance as per:		Variance	Explanation for Variances			Remarks
	WASA Program Records (Statement of Cumulative Investments)	IDB's Records (LMS 1 Executive Financial Summary)		Pending Justification	Exchange Rate	Other Differences	
2.2 Re-organization of WASA	20,000,000	20,000,000	-				
2.3 Institutional Strengthening	113,202	113,202	-				
3. Concurrent Costs	105,016	81,439	(23,577)	(23,576)	-	-	
3.1 Program Auditing	71,742	48,166	(23,576)	(23,576)	-	-	5081008974
3.2 Program Monitoring	33,274	33,274	-	-			
Anticipos De Fondos	-	10,454,994	10,454,994	-			
	36,782,737	41,877,748	5,095,011	(5,298,314)	129	(61,800)	

Water and Sewerage Authority **IDB Loan 2600/OC-TT – Wastewater Infrastructure Rehabilitation Program**

Note to the Financial Statements **For the year ended September 30, 2019**

19. Commitments

As at September 30, 2019; the following contracts (including variations) to the value of US \$20,952,965 have been entered into by the Authority and the details of these contracts are as follows:

Contract Description	Original Contract Amount	Revised Contract Amount	Undisbursed Balance at Beginning of Year	Payments for FY 2017/2018	Closing Balance on Contract	Variations for FY 2018 2019	Payments for FY 2018/2019	Closing Balance on Contract as at Jun 30, 2019
Component 2.1								
TTA 1373 Improvement of T&T Wastewater System - Construction Supervision Services	1,164,229	1,164,229	1,140,801	446,106	694,695	469,652	901,764	262,583
TTB 0167 Construction of Two Sewer Systems centered on the Bon Accord and Samaan Grove Waste Stabilization Ponds in South West Tobago - Samaan Grove Package 1	4,869,035	4,869,035	4,304,014	2,367,472	1,936,542	453,609	2,247,713	142,438
TTB 0168 Construction of Two Sewer Systems centered on the Bon Accord and Samaan Grove Waste Stabilization Ponds in South West Tobago - Samaan Grove Package 2	4,332,482	4,332,482	3,668,489	804,922	2,863,567	409,350	1,881,009	1,391,907
TTB 0201 Construction of Two Sewer Systems centered on the Bon Accord and Samaan Grove Waste Stabilization Ponds in South West Tobago - Bon Accord Package 1	3,682,550	3,682,550	-	1,424,528	2,258,022	412,653	2,474,322	196,353
TTB 0200 Construction of Two Sewer Systems centered on the Bon Accord and Samaan Grove Waste Stabilization Ponds in South West Tobago - Bon Accord Package 2	2,185,422	2,185,422	-	358,144	1,827,278	216,401	1,436,600	607,079
TTA 2263 Design and Construction of the Trincity Wastewater Treatment Plant	-	-	-	-	9,345,157	-	868,725	8,476,432
	16,233,718	16,233,718	9,113,304	5,401,172	18,925,261	1,961,664	9,810,133	11,076,792
Component 3.1								
Provision of External Auditing Services	89,000	89,000	64,313	-	64,313	-	47,055	17,258
Provision of Consultancy Services for the Mid Term Evaluation	35,000	35,000	14,934	13,207	1,727	-	-	1,727
	124,000	124,000	79,247	13,207	66,040	-	47,055	18,985
Total	16,357,718	16,357,718	9,192,551	5,414,379	18,991,301	1,961,664	9,857,188	11,095,777