

TRINIDAD & TOBAGO
WATER AND SEWERAGE AUTHORITY
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WASA Trinidad & Tobago

@wasatnt

YOUR REF.

OUR REF: IDF-IDB/001/020/005/16/129

20th May 2016

Mr. Evan Cayetano

Water and Sanitation Specialist

Inter-American Development Bank

17 Alexandra Street

St. Clair

PO Box 68

Port of Spain

Dear Mr. Cayetano,

**Re: Audited Financial Statements of IDB Loan No. 2890/OC-TT – Multi-Phase Wastewater
Rehabilitation Program – Phase1**

Further to the completion of the Audit for the Fiscal Year 2014/2015, please find attached the Revised Audited Financial Statements received from the External Auditor, Deloitte and Touche, for the Audit of IDB Loan No. 2890/OC-TT – Multi-Phase Wastewater Rehabilitation Program – Phase 1.

This audit covered the second year of the execution of the loan.

Submitted for your information please.

Yours Faithfully

For and On Behalf of the

Water and Sewerage Authority

A handwritten signature in dark ink, appearing to read 'Alan Poon King', written over a horizontal dashed line.

Alan Poon King

Chief Executive Officer (Ag.)

cc: File

Water and Sewerage Authority
Inter-American Development Bank - Loan No. 2890/OC-TT
Multi-Phase Wastewater Rehabilitation Program - Phase 1

Financial Statements
September 30, 2015
(Expressed in United States dollars)

Water and Sewerage Authority
IDB Loan 2890/OC-TT - Multi-Phase Wastewater Rehabilitation Program – Phase 1

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Water and Sewerage Authority

IDB Loan 2890/OC-TT - Multi-Phase Wastewater Rehabilitation Program – Phase 1

Background

On January 19, 2013, a loan agreement between the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank ("IDB") was signed. On the November 17, 2013, the first disbursement of USD 24,200,382 was received under Loan Contract 2890/OC-TT – Multi-Phase Wastewater Rehabilitation Program – Phase 1 (the "Loan"). The total financing available under this Loan is two hundred and forty six million, five hundred thousand United States dollars (USD 246,500,000), the components of this loan are as follows:

- Project administration,
- Corporate governance,
- Customer information system,
- Audits,
- Contingencies,
- Direct costs and
- Concurrent costs

The general objective of this Loan is to improve the wastewater infrastructure in the identified priority catchments of Malabar and San Fernando, thereby positively impacting the environmental conditions of Trinidad and Tobago by increasing the volume of treated wastewater, and to improve efficiency of the Water and Sewerage Authority ("WASA").

The entire rehabilitation program is divided into three phases. On completion of all three phases, the program will ultimately provide wastewater services to over 220,000 persons in the Malabar and San Fernando catchments by the year 2035. Phase 1 construction works encompass the building of a new wastewater treatment plant ("WWTP") in Malabar and expansion of the wastewater treatment plant in San Fernando along with upgraded collection system networks for both Malabar and San Fernando catchments. The contract for this phase was awarded in two (2) packages, also referred to as the 'Project', is as follows:

1. Package 1 – Malabar Wastewater Treatment Plant and Collection System Construction Works
 - o *Construction of a 40ML/day wastewater treatment plant*
 - o *Construction of 3 lift stations*
 - o *Installation of approximately 10km of sanitary sewer pipe*
2. Package 2 – San Fernando Wastewater Treatment Plant and Collection System Construction Works
 - o *Construction of a 45ML/day wastewater treatment plant*
 - o *Installation of approximately 19.3km of sanitary sewer pipe*
3. Construction supervision Malabar and San Fernando Wastewater Treatment Plants and Collection Systems

WASA, under the regulations of the loan contract with the IDB undertook a rigorous tendering process to shortlist and subsequently procure competent contractors to execute and supervise the construction works in accordance with the requirements of the rehabilitation program. The complexities of the works under the contracts along with the stipulations of the IDB required that bid submissions be opened to international firms that have extensive experience in the areas of construction and supervision of wastewater treatment plants and collection systems. The contracts will be executed by international firms. It is estimated that over sixty percent of material and equipment for execution of works would require foreign procurement; this is based on the foreign currency requirements specified by bidders in their bid submissions.

Water and Sewerage Authority
IDB Loan 2890/OC-TT - Multi-Phase Wastewater Rehabilitation Program – Phase 1

Cost of the program

The total cost of the program is estimated to be the equivalent of two-hundred and forty-six million and five hundred thousand United States dollars (USD 246,500,000).

In order to achieve the aforementioned objectives, the Loan (Ref. 2890/OC-TT) will finance the following components:

Component 1 – Construction of San Fernando and Malabar Wastewater Treatment Plants

This component will finance the construction of two wastewater treatment plants and collection systems for the San Fernando and the Malabar catchment areas, which will require infrastructure works for the construction of these WWTPs together with trunk sewers collection systems from existing connections. Detailed designs for construction including bill of quantities, drawings and specifications of the works are fully developed. The access road and bridge required for the San Fernando Plant have been completed.

Component 2 – Institutional strengthening for WASA

This component will finance activities related to the initiation of policy and institutional reforms at WASA, as well as to institutional restructuring and capacity building. The specific activities comprised in this component include: (i) implementation of key actions to improve corporate governance (such as development of comprehensive corporate governance policies, improvement of the current information management policies and disclosure practices, training on risk management and controls systems, and establishment of a permanent financial statements team to strengthen auditing and internal control practices); (ii) implementation of key actions to improve commercial management services (including the purchase, installation, integration and implementation of a new billing system); and (iii) training activities on contract management of outsourced operations, operation and maintenance, and environmental management.

Water and Sewerage Authority
IDB Loan 2890/OC-TT - Multi-Phase Wastewater Rehabilitation Program – Phase 1

Original table of cost (expressed in United States dollars)

Category	Bank
1.0 Project administration	USD
1.1 Project management and supervision	1,000,000
1.2 Works supervision	5,445,000
2.0 Direct costs	
2.1 Construction of San Fernando and Malabar Wastewater Treatment Plants	210,942,000
2.2 Works cost escalation allocation	23,438,000
2.3 Institutional strengthening for WASA	4,255,000
3.0 Concurrent costs	
3.1 Auditing	200,000
3.2 Monitoring and evaluation	100,000
4.0 Unallocated	
4.1 Contingencies	1,120,000
Total	<u>246,500,000</u>
Percentage (%)	100

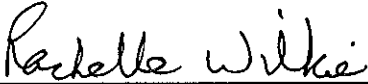
Water and Sewerage Authority
IDB Loan 2890/OC-TT – Multi-Phase Wastewater Rehabilitation Program – Phase 1

Statement of management's responsibilities

It is the responsibility of the Program Management team to prepare financial statements for the period of the program which present fairly, in all material respects, the statement of cumulative investments of the program as at the end of the period and of the statement of cumulative cash flows of the program for the period. It is also the project management team's responsibility to ensure that the program keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the program. They are also responsible for safeguarding the assets of the program.

The Program Management team is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Program Management team accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the cash basis of accounting. The Program Management team is of the opinion that the financial statements present fairly, in all material respects, the statement of cumulative investments of the program and its cash flows. The Program Management team further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.



Director (Ag.)

April 19, 2016

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

Report on the financial statements

We have audited the accompanying financial statements, on pages 7 to 21, 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: 2890/OC-TT), executed by Water and Sewerage Authority, and financed with funds from the Inter-American Development Bank Loan Agreement No. 2890/OC-TT and local counterpart funds from the Government of Trinidad and Tobago as of and for the period ended September 30, 2015.

Management's responsibility for the financial statements

The Program Management team is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting, and for such internal control as management determines is necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying financial statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing, and specific requirements of the Inter-American Development Bank. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes performing procedures to obtain evidence supporting 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. An audit also includes assessing the accounting principles used and significant estimates made by project management as well as evaluating the overall financial statement presentation. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

As described in Note 1, the statement of cumulative cash flows and the statement of cumulative investments were prepared using the cash basis of accounting.

Opinion

In our opinion, the financial statements of The Water and Sewerage Authority of Trinidad and Tobago, Loan 2890/OC-TT - Multi-Phase Wastewater Rehabilitation Program – Phase 1, for the year ending September 30, 2015, are prepared in all material aspects, in accordance with the basis of accounting described in note 1.

Cont'd...



Report on other legal and/or regulatory requirements

We did not observe any situations suggesting non-compliance with the financial clauses in the Inter-American Development Bank loan contract no. 2890/OC-TT during the period audited by us.

A handwritten signature in black ink, which appears to read "Deloitte & Touche".

Deloitte & Touche
Port of Spain,
Trinidad, West Indies

April 19, 2016

Water and Sewerage Authority
IDB Loan 2890/OC-TT – Multi-Phase Wastewater Rehabilitation Program – Phase 1

Statement of cumulative cash flows
for the period January 19, 2013 to September 30, 2015
(Expressed in United States dollars)

	Notes	USD IDB	USD Local For the year ended September 30, 2015	USD Cumulative	USD IDB January 19, 2013 to September 30, 2014	USD Local For the period	USD Cumulative
Cash received							
Cumulative cash received at the beginning of the period		24,200,382	999,749	25,200,131	-	-	-
Amounts received during the year							
Advances from IDB (see Note 6)		2,760,636	-	2,760,636	24,200,382	-	24,200,382
Advances from Government contributions		-	-	-	-	999,468	999,468
Advances from WASA		-	-	-	-	281	281
Cumulative cash received at the end of period		26,961,018	999,749	27,960,767	24,200,382	999,749	25,200,131
Disbursements							
Cumulative disbursements at the beginning of the period		1,628,970	242,538	1,871,508	-	-	-
Activity during the year							
Disbursements requested							
Construction of access road and bridge		508,565	-	508,565	1,616,920	-	1,616,920
Works supervision		480,768	-	480,768	-	-	-
Construction of Malabar WWTP		10,219,041	-	10,219,041	-	-	-
Construction of San Fernando WWTP		9,390,061	-	9,390,061	-	-	-
Payments – GORTT contribution		-	411,113	411,113	-	-	-
Corporate governance (Firm)		44,509	-	44,509	-	-	-
Corporate governance (Individual)		28,033	-	28,033	12,050	-	12,050

Continued...

Water and Sewerage Authority
IDB Loan 2890/OC-IT – Multi-Phase Wastewater Rehabilitation Program – Phase 1

Statement of cumulative cash flows (continued)
for the period January 19, 2013 to September 30, 2015
(Expressed in United States dollars)

	Notes	USD IDB	USD Local	USD Cumulative	USD IDB	USD Local	USD Cumulative
		For the year ended September 30, 2015			For the period January 19, 2013 to September 30, 2014		
Pending justification							
Pending expense reimbursement							
VAT on construction works (see Note 7)		-	3,393,399	3,393,399	-	242,538	242,538
Cumulative disbursements at the end of the period		22,299,947	4,047,050	26,346,997	1,628,970	242,538	1,871,508
Available cash as of end of period		4,661,071	(3,047,301)	1,613,770	22,571,412	757,211	23,328,623


 Director (Ag.)

April 19, 2016

Water and Sewerage Authority**IDB Loan 2890/OC-TT – Multi-Phase Wastewater Rehabilitation Program – Phase 1****Statement of cumulative investments****for the period January 19, 2013 to September 30, 2015****(Expressed in United States dollars)**

Investment category	USD 2015 investment	USD 2014 investment	USD Total investment
1.0 Project administration			
1.1 Project management and supervision	-	-	-
1.2 Works supervision	480,768	-	480,768
2.0 Direct cost			
2.1 Construction of access road and bridge to: San Fernando wastewater treatment plant	508,565	1,616,920	2,125,485
Construction of the Malabar WWTP	10,219,041	-	10,219,041
Construction of the Malabar WWTP – direct payments	5,207,741	-	5,207,741
Construction of the San Fernando WWTP	9,390,061	-	9,390,061
Construction of the San Fernando WWTP – direct payments	3,045,987	-	3,045,987
Payments – GORTT contribution	411,113	-	411,113
2.2 Institutional strengthening for WASA	28,033	12,050	40,083
Provision of Corporate Governance Services (Firm)	44,509	-	44,509
3.0 Concurrent cost			-
3.1 Auditing	-	-	-
3.2 Monitoring	-	-	-
4.0 Unallocated			
4.1 VAT on construction works	-	-	-
Total	29,335,818	1,628,970	30,964,788

Water and Sewerage Authority
IDB Loan 2890/OC-TT – Multi-Phase Wastewater Rehabilitation Program – Phase 1

Statement of cumulative investments
(schedule comparing actual and budgeted expenditure for the period)
(Expressed in United States dollars)

Investment category	USD Loan	2015		
		USD Budget allocation	USD Actual	USD Variance
1.0 Project administration				
1.1 Project management and supervision	1,000,000	-	-	-
1.2 Works supervision	5,445,000	864,098	480,768	(480,768)
2.0 Direct cost				
2.1 Construction of San Fernando & Malabar Wastewater Treatment Plants	210,942,000	24,233,692	29,988,315	(29,988,315)
2.2 Works cost escalation allocation	23,438,000	-	-	-
2.3 Institutional strengthening for WASA	4,255,000	132,534	84,592	(84,592)
3.0 Concurrent cost				
3.1 Auditing	200,000	-	-	-
3.2 Monitoring	100,000	-	-	-
4.0 Unallocated				
4.1 Contingencies	1,120,000	-	-	-
Total	246,500,000	25,230,324	30,553,675	5,323,351

Investment category	2014		
	USD Budget	USD Actual	USD Variance
1.0 Project administration			
1.1 Project management and supervision	-	-	-
1.2 Works supervision	864,098	-	864,098
2.0 Direct cost			
2.1 Construction of San Fernando & Malabar Wastewater Treatment Plants	24,233,692	1,616,920	22,616,772
2.2 Works cost escalation allocation	-	-	-
2.3 Institutional strengthening for WASA	132,534	12,050	120,484
3.0 Concurrent cost			
3.1 Auditing	-	-	-
3.2 Monitoring	-	-	-
4.0 Unallocated			
4.1 Contingencies	-	-	-
Total	25,230,324	1,628,970	23,601,354

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

1. Significant accounting policies

Cash basis accounting

The financial statements have been prepared using the 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.

Currency

The Project's accounting records are maintained in Trinidad and Tobago dollars. The financial statements are presented in United States dollars. In order to calculate the equivalent in US dollars, the receipts of cash in local currency at WASA's current account at First Citizen's Bank Limited, is converted at the rate of exchange in effect at the time of receipt of these funds from the Central Bank of Trinidad and Tobago (the "Central Bank"). Payments made are calculated at the rate of exchange prevailing on the effective date of payment. For direct disbursements made by the IDB, the amount paid is quoted in US dollars.

Fixed assets

Project expenditure on fixed assets is recognized when cash is paid to the contractor for the purchase or construction of assets. Depreciation is not recognized on fixed assets. As at September 30, 2015, no purchase of fixed assets was made during the fiscal period. As at September 30, 2015, a total of \$18,960 was spent on fixtures and fittings.

2. Funding

- a. On August 12, 2015, US \$10,041,767 ("Advance of Funds") was disbursed by IDB to the Government of Trinidad and Tobago into the designated project account at the Central Bank. As at September 30, 2015 these funds have not yet been disbursed to WASA.
- b. As at September 30, 2015, US \$2,760,637 (at an exchange rate of TTD 6.3725) was reimbursed to WASA for the Construction Supervision Cost, construction of the Malabar Wastewater Treatment Plant and Corporate Governance (Firm).

3. Available cash balance as at September 30, 2015

The operations of the projects are executed by project bank accounts at First Citizens Bank and Central Bank of Trinidad and Tobago. As at September 30, 2015, available cash as per project bank accounts totals US \$10,303,274 (2014: US \$281).

	2015	2014
Central Bank	10,041,767	-
First Citizens Bank TTD account	251,705	31
First Citizens Bank USD account	9,802	250
	<u>10,303,274</u>	<u>281</u>

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

3. Available cash balance as at September 30, 2015 (continued)

Cash balances are reconciled to the statement of cumulative cash flows below.

	2015	2014
Amount per statement of cumulative cash flows	1,613,770	23,328,623
Add: VAT	3,393,399	242,538
Land management services payment	345,755	-
TTEC payment	65,358	-
Advance of Funds #2	10,041,767	-
Less: Amount due from WASA	(3,047,301)	(22,571,412)
GORTT contribution brought forward	(757,212)	(999,468)
Less: Amounts to be reimbursed by IDB funds 2014/2015		
Payment to GEM invoice # 137/14	(320,493)	-
Payment to Fidel Cuellar	(26,124)	-
Payment to AECOM	(48,711)	-
Less: Other payments 2014/2015		
VAT payments	(370,446)	-
TTEC	(52,733)	-
Land management	(343,270)	-
Bank charges	(102)	-
Transfer from bank account for purchase of USD	(190,383)	-
Cash held at banks	<u>10,303,274</u>	<u>281</u>

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

4. Remaining loan funds

As at September 30, 2015, the amount of US \$215,946,325 remains outstanding for disbursement to the Government of Trinidad and Tobago from the IDB. This amount is the balance remaining to be spent. The respective investment categories pending disbursement from the IDB are:

Investment category	USD IDB
1.0 Project administration	
1.1 Project management and supervision	1,000,000
1.2 Works supervision	4,964,232
2.0 Direct cost	
2.1 Construction of San Fernando & Malabar Wastewater Treatment Plants	180,953,685
2.2 Works cost escalation allocation	23,438,000
2.3 Institutional strengthening for WASA	4,170,408
3.0 Concurrent cost	
3.1 Auditing	200,000
3.2 Monitoring	100,000
4.0 Unallocated	
4.1 Contingencies	1,120,000
	<u>215,946,325</u>

5. a. Outstanding revolving fund balance

As per Article 4.07 of the Loan Contract, the IDB can provide an Advance of Funds to the Central Bank of Trinidad and Tobago account for further disbursement funding to the executing agency in meeting its liquidity requirements for the purpose of undertaking projects.

As at September 30, 2015; advances outstanding were:

September 30, 2015 - US \$13,679,144

September 30, 2014 - US \$22,571,412

Expenses pending justification against this amount were:

September 30, 2015 - US \$1,736,943

September 30, 2014 - nil

See Note 10.

b. Advance of funds

An amount of US \$2.760 million (TTD \$17.59 million) was disbursed to the Authority on September 30, 2015, by the Ministry of the Environment and Water Resources from IDF F014 Vote. This will be drawn from the second advance of funds from the IDB.

The second advance of funds of US \$10.041 million was made during the fiscal year to the Central Bank account. This amount remains unjustified as at September 30, 2015. Also, the Central Bank account is under the full purview of the Ministry of Public Utilities and as such not in the general ledger account of the executing agency – the Water and Sewerage Authority.

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

5. b. **Advance of funds (continued)**

The amount of US \$2,760,636 relates to expenses incurred by the Authority for the Construction Supervision, the construction of the Malabar Wastewater Treatment Plant and Corporate Governance (Firm) Consultancy.

6. **Direct disbursements**

As at September 30, 2015, the total direct disbursements paid directly by the IDB for the construction of the San Fernando Wastewater Treatment Plant amounted to US \$5,207,741 and the total direct payments for the Malabar Wastewater Treatment Plant amounted to US \$3,045,987. See below for details.

Disbursement request number	IDB direct payment date	Contractor name	IDB payment amount	Total
4	6-Jul-15	Sinohydro Corporation Limited	2,025,781	
8	12-Aug-15	Sinohydro Corporation Limited	986,719	
9	17-Aug-15	Sinohydro Corporation Limited	831,087	
11	17-Sep-15	Sinohydro Corporation Limited	1,364,153	
		Total for San Fernando Wastewater treatment plant		5,207,740
10	7-Sep-15	AAA Wastewater Treatment Plant	2,493,414	
12	7-Sep-15	AAA Wastewater Treatment Plant	552,573	
		Total for Malabar Wastewater treatment plant		3,045,987
			8,253,727	8,253,727

7. **Expenses not eligible for reimbursement**

The Authority is exempt from Value Added Tax (VAT), consequently VAT paid out of the project funds cannot be treated as expenditure of the project. This amount is recovered from the Board of Inland Revenue. The Authority made VAT payments relating to construction supervision and construction works:

- VAT on IDB Funding – US \$3,339,399
- VAT on GORTT Funding – US \$22,650

Reconciliation of VAT paid and reimbursed to the Water and Sewerage Authority

	2015	2014
VAT recoverable at the beginning of the year	242,538	-
VAT paid during the year	3,393,399	242,538
	3,635,937	242,538
Amounts recovered from the Board of Inland Revenue	-	-
VAT recoverable at end of the year	3,635,937	242,538

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

8. Subsequent events

The following table shows the outstanding liabilities as at September 30, 2015

No.	Project Name	Reference No.	Amount USD
1	Provision of Corporate Governance Services	INV# 1C/FR-15-M003	18,631
2	Withholding Taxes for Corporate Governance Services	INV#1B/FR-15-026	4,516
3	Construction of an Access road and Bridge to the new San Fernando WWTP	INV# 58/15	115,619
4	Provision of construction supervision services	INV# 38217398	114,787
5	Provision of construction supervision services	INV# 38220095	114,787
6	Provision and Implementation of the CIS	INV# J006420A	1,226,254
7	Construction of Malabar Wastewater Treatment Plants	INV WASA 008 & 009	990,535
			<u>2,585,129</u>

Subsequently, the following amounts were paid:

- Amounts totaling US \$990,535 were paid on October 5, 2015, in relation to the construction of the Malabar Wastewater Treatment Plants.
- US \$4,516 was paid on October 13, 2015, in relation to withholding taxes for the Corporate Wastewater Rehabilitation Program.
- US \$115,619 was paid on October 30, 2015, in relation to construction of an access road and bridge to the new San Fernando WWTP.

9. Reconciliation of the statement of cumulative cash flows to the statement of cumulative investments

	2015 USD	2015 USD	2014 USD	2014 USD
Disbursements – made as per statement of cumulative cash flows		22,299,947		1,871,208
Add: Direct payments – construction of the Malabar WWTP	5,207,741			
Add: Direct payments – construction of the San Fernando WWTP	3,045,987			
Add: Payments for land management and TTEC services	<u>411,113</u>	8,664,841		
Less: Vat			<u>242,538</u>	242,538
Disbursements as per statement of cumulative investments		<u>30,964,788</u>		<u>1,628,970</u>

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

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

Category	Cumulative balance		Variance	Explanation of variance
	WASA Program's records (statement of cumulative investments)	IDB's records (LMS 1 executive financial summary)		
1. Project Administration	480,768	210,368	(270,400)	
1.1 Project Management and Supervision	-	-	-	
1.2 Works Supervision – Construction Supervision Services	480,768	210,368	(270,400)	Amount pending justification \$270,400
2. Direct cost	30,072,907	28,606,364	(1,466,543)	
2.1 Construction of San Fernando and Malabar wastewater treatment plants	29,988,315	28,566,281	(1,422,034)	Amount pending justification of \$320,493 on invoice # 137/14 and progress payment #4 for \$1,101,541 on invoice # WASA002
2.2 Works cost escalation allocation	-	-	-	
2.3 Institutional strengthening for WASA	84,592	40,083	(44,509)	Amount pending justification of \$44,509 on invoice #1A/FR-15-025 relating to first report submission for 10% of contract value
Grand total	30,553,675	28,816,732	(1,736,943)	

11. Completed Project – Access road and bridge

The works for the period ended September 30, 2015, amounting to USD 2,241,103 relate entirely to the construction of the access road and bridge for the San Fernando site. The date of completion of bridge was May 18, 2015.

12. GORTT Contribution

A sum of US \$411,113 has been classified as contribution from the GORTT. The Authority is currently in discussions with the IDB to have these expenditures reimbursed. The amount consists of the following:

	2015	2014
Land management and acquisition for the Malabar and San Fernando WWTPs	345,755	-
Relocation of cables at the San Fernando WWTP site by TTEC	65,358	-
	411,113	-

Water and Sewerage Authority
IDB Loan 2600/OC-TT – Modernization and Wastewater Rehabilitation Program – Phase 1

Notes to the financial statements
(Expressed in United States dollars)

13. Commitments

As at September 30, 2015, the following contracts to the value of US \$212,484,836 have been entered into by the WASA. The details of these contracts have been included below:

Supplier	W.T.C	Details	Amount	Balance on contract
Fidel Humberto Cuellar	53/2013	Provision of corporate governance services to assist in the corporate governance process	100,000	59,917
General Earth Movers Limited	326/2012	Construction of access road and bridge for the new San Fernando wastewater treatment plant	2,480,465	354,980
Safege Consulting Engineers	160/2013	Provision of corporate governance services for the multi-phase wastewater rehabilitation program - Phase 1	658,824	614,315
Sinohydro Corporaton Limited	147/2013	Construction of wastewater treatment plant and collection System - Phase 1 (Malabar)	96,154,112	80,727,330
Acciona Agua Atlatec	147/2014	Construction of wastewater treatment plant and collection system - Phase 1 (San Fernando)	101,660,542	89,224,493
AECOM Canada Limited	113/2013	Construction supervision services for multi-phase wastewater rehabilitation program- Phase 1	5,280,606	4,800,138
IBC World Trade Corporation	177/2013	Implementation of customer billing information system	6,150,287	6,150,287
Total			212,484,836	181,931,460

Water and Sewerage Authority
IDB Loan 2890/OC-TT – Modernization and Wastewater Rehabilitation Program Phase 1

SUPPLEMENTAL INFORMATION TO THE FINANCIAL STATEMENTS (UNAUDITED)

Addendum

Procurement activities

All procurement activities were made in accordance with the policies for the Selection and Contracting of Consultants Financed by the Inter-American Bank GN-2350-9 as well as policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank GN-2349-9.

The following table outlines the contracts under Loan 2890

Description of and Component of procurement contract	Cost (US \$)	Procurement Selection method ²	Prequalification (YES/NO)	Estimated Start Date
GOODS				
Equipment for sewer maintenance	200,000 (estimated)	ICB	No	April 2016
Equipment for water quality monitoring	250,000 (estimated)	ICB	No	December 2014
WORKS				
Construction of bridge and access road to the new San Fernando wastewater treatment plant	2,492,056 (contracted)	NCB	No	October 2013 (actual)
Construction (and operation) of San Fernando WWTP & collection system	129,387,444 (contracted)	ICB	Yes	December 2014
Construction (and operation) of Malabar WWTP & collection system	79,062,500 (contracted)	ICB	Yes	December 2014
NON CONSULTING SERVICES				
Environmental education campaign	50,000 (estimate)	WASA	No	February 2015
CONSULTING SERVICES				
Works supervision				
Supervision of construction of San Fernando and Malabar WWTP and collection system	4,918,353 (contracted)	QCBS	Yes	November 2014
Institutional strengthening of WASA				
Training for water quality monitoring	50,000 (estimated)	QCBS	Yes	December 2014
Training activities in O&M and BO contract management	100,000 (estimated)	QCBS	Yes	November 2016
Corporate governance individual consultant	100,000 (contracted)	QCII	No	August 2013
Corporate governance consulting firm	560,000 (contracted)	QCBS	Yes	November 2014
Customer database & billing engine and software integration (purchase and installation)	2,600,000 (estimated)	ICB	Yes	April 2015

² **Goods and Works:** ICB: International competitive bidding; NCB: national competitive bidding; **Consulting Firms:** QCBS: Quality- and cost-based selection; QCII: Selection based on comparison of qualifications of international individual consultants; **WASA:** This campaign will be performed by WASA's internal Environment and Regulatory Compliance department.

Water and Sewerage Authority
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Reconciliation of bank resources

Name of executing agency:
 Loan Contract or Technical Cooperation Agreement
 number:

Water and Sewerage Authority
 LO2890/OC-
 TT

Request number:

Date:

30/09/2015

I	Available balance of the revolving fund or advances (2)	10,303,285
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Detail	Amount	Exchange Rate	Amount in Project Currency
Available balance in the project currency account as of September 30th 2015: ___IDB___ Bank: Account: # 215 9046	-	6.4350	261,518
Available balance in the local currency account as of: ___CPF___ Bank: Account: # 01-20720-064-00-00-00	-	6.435	10,041,767

II	Expenses or payments pending justification /3	3,375,859
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Expenses or payments pending justification in this request	1,736,943
Expenses or payments pending justification and not in this request as per the project accounting records	1,638,917

III	Total of revolving fund or advances pending justification (I+II)	13,679,144
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IV	Balance of revolving fund or advances pending as per IDB accounting (LMS1 report)	13,679,144
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Percentage justified 25%

V	Differences (IV-III)	-
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VI	Identification of differences /4	-
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Details	Amount	Exchange Rate	Total Amount in Project Currency
Exchange rate	-	0.0000	-
Other differences			

Water and Sewerage Authority

IDB Loan 2890/OC-TT – Modernization and Wastewater Rehabilitation Program Phase 1

Reconciliation of bank 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.

Christine Roldan
Authorized Signature(s)

CHRISTINE ROLDAN
SENIOR MANAGER, CAPITAL
Name(s) and Title(s) PROGRAM
MANAGEMENT

- 1) Is the current account exclusively used for the Revolving Fund or Advances? YES ____ NO ____
- 2) Attach a copy of bank account statements for the accounts in which the resources from the Revolving Fund or Advances are deposited, their corresponding reconciliations, and the available balance of the Local Counterpart, if using the same current account as the Revolving Fund or Advances.
- 3) Attach a list of expenses or payments made with resources from the Revolving Fund or Advances and pending justification.
- 4) In the event of a difference, attach a reconciliation and the relevant explanation.