Palestinian Authority
Ministry of Finance
Water Supply and Sanitation Improvements
for West Bethlehem Villages (WSSIP)
Trust Fund Grant Agreement - (TF 010431)
Ramallah – Palestine

Independent Auditor's Report and
Financial Statement for the period from
January 1, 2016 to February 28, 2017

Talal Abu-Ghazaleh & Co.
Certified Public Accountants
Palestinian Authority
Ministry of Finance
Water Supply and Sanitation Improvements
for West Bethlehem Villages (WSSIP)
Trust Fund Grant Agreement - (TF 010431)
Ramallah – Palestine

Table of Contents

- Independent Auditors’ Report ........................................ 1-3
- Statement of Financial Position as of February 28, 2017 – Exhibit ”A” ........................................ 4
- Statement of Revenues, Expenditures and Change in Fund Balance for the period from January 1, 2016 until February 28, 2017 – Exhibit ”B” ........................................ 5
- Statement of Designated Account No. 2208253 for the period from January 1, 2016 until February 28, 2017 – Exhibit ”C” ........................................ 6
- Notes to the Financial Statements ........................................ 7-11
INDEPENDENT AUDITOR’S REPORT

To M/s Ministry of Finance
Ramallah - Palestine

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of the Water Supply and Sanitation Improvements for West Bethlehem Villages (WSSIP) (TF 010431) which comprise the financial position as of February 28, 2017 and the related statement of revenues, expenditures and change in fund balance, statement of designated account No. 2208253 for the period from January 1, 2016 to February 28, 2017, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the project as of February 28, 2017, and the results of the Project’s operations for the year then ended in accordance with the basis of accounting policies specified in note (2).

In addition:

1. Expenditures reimbursed on basis of Expenditures are eligible to Bank/financing and are reflected on the project financial statements.
2. The designated account has been used exclusively for payment of eligible expenditures as reflected in the project financial statements,
3. The project’s accounting system (books and records) provides the basis for the preparation of the project financial statements, was established to record the financial transactions of the project, and was maintained by the project’s implementing agency.
4. The Project’s components have been implemented in compliance with the Grant Agreement.

Basis for our 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 Code of Ethics for Professional Accountants registered under Board of Auditing Profession, which are in conformity with the code of ethics of accountants registered under Palestinian Association of Certified Public Accountants, in line with the ethical requirements related to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with those requirements.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting policies specified in note (2) and with the requirements of World Bank manuals and guidelines, 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 have no realistic alternative but to do so.

Management is 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.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 company’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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate, with the management 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.

Report on Other Legal and Regulatory Requirements
The project keeps properly organized accounting records, we have also obtained all information and disclosures that we believe they are necessary to our audit and within the information available to us; there are no irregularities to regulations to the grant agreement which may materially effects the operations or the financial position of the project.

The engagement partner on the audit resulting in this independent auditor’s report is the Executive Director, Jamal Milhem.

Talal Abu-Ghazaleh & Co.
License # (251/1997)

Jamal Milhem, CPA
Certified Accountant License # (100/98)
Ramallah – Palestine
March 26, 2017
Palestinian Authority
Ministry of Finance
Water Supply and Sanitation Improvements for West Bethlehem Villages (WSSIP)
Trust Fund Grant Agreement - (TF 010431)
Ramallah – Palestine
Statement of Financial Position
As of February 28, 2017
Exhibit “A”

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(3)</td>
<td>--</td>
<td>152,779</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>--</td>
<td>152,779</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>--</td>
<td>152,779</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and fund balance</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance – Exhibit &quot;B&quot;</td>
<td></td>
<td>--</td>
<td>152,779</td>
</tr>
<tr>
<td><strong>Total liabilities and fund balance</strong></td>
<td></td>
<td>--</td>
<td>152,779</td>
</tr>
</tbody>
</table>

“The accompanying notes constitute an integral part of this statement”
Palestinian Authority  
Ministry of Finance  
Water Supply and Sanitation Improvements for West Bethlehem Villages  
Trust Fund Grant Agreement - (TF 010431)  
Ramallah – Palestine  
Statement of Revenues, Expenditures and Change in Fund Balance  
for the period from January 1, 2016 to February 28, 2017  
Exhibit “B”

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated Revenues (USD)</th>
<th>For the period from January 1, 2016 till February 28, 2017 (USD)</th>
<th>For the period from January 1, 2015 till December 31, 2015 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance payment</td>
<td>(4)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Received Replenishments</td>
<td>(4)</td>
<td>1,417,696</td>
<td>251,820</td>
</tr>
<tr>
<td>Direct Payments</td>
<td>(4)</td>
<td>2,232,304</td>
<td>989,272</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td>3,650,000</td>
<td>1,241,092</td>
</tr>
</tbody>
</table>

**Expenditures**

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated Expenditures (USD)</th>
<th>For the period from January 1, 2016 till February 28, 2017 (USD)</th>
<th>For the period from January 1, 2015 till December 31, 2015 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project’s expenditures</td>
<td>(5)&amp;(6)</td>
<td>(3,650,000)</td>
<td>(1,393,871)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td></td>
<td>(3,650,000)</td>
<td>(1,393,871)</td>
</tr>
</tbody>
</table>

Excess (shortage) of revenues over (under) expenditures | -- | (152,779) | (224,865) |
Fund balance- beginning of the period | -- | 152,779 | 377,644 |
Fund balance – End of period – Exhibit "A" | -- | -- | 152,779 |

“The accompanying notes constitute an integral part of this statement”
<table>
<thead>
<tr>
<th>Description</th>
<th>For the period from January 1, 2016 till February 28, 2017</th>
<th>For the period from January 1, 2015 till December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transferred to the designated account</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance payment from WB</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Replenishment Received</td>
<td>251,820</td>
<td>682,069</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>251,820</td>
<td>682,069</td>
</tr>
</tbody>
</table>

**Disbursed from the designated account**

<table>
<thead>
<tr>
<th>Description</th>
<th>For the period from January 1, 2016 till February 28, 2017</th>
<th>For the period from January 1, 2015 till December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursements</td>
<td>(404,599)</td>
<td>(906,934)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(404,599)</td>
<td>(906,934)</td>
</tr>
</tbody>
</table>

(Shortage) of cash inflows under cash outflows

<table>
<thead>
<tr>
<th>Description</th>
<th>For the period from January 1, 2016 till February 28, 2017</th>
<th>For the period from January 1, 2015 till December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents – beginning of the period</td>
<td>152,779</td>
<td>377,644</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents – End of the period</strong></td>
<td>(3)</td>
<td>152,779</td>
</tr>
</tbody>
</table>

“The accompanying notes constitute an integral part of this statement”
1. **Background:**
   The Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority (PA) has received financing amount of USD 3,650,000 equivalent from the World Bank toward the cost of the “Water Supply and Sanitation Improvements for West Bethlehem Villages Project”, and it intends to apply part of the proceeds to payments for goods, Works, related services and consulting services to be procured under this project.

   The objective of the Project is to improve, through a pilot project, the delivery of water and water services to rural populations of west Bethlehem villages that have been marginalized due to mobility restrictions.

   The Declaration of Effectiveness for the project was on August 24, 2014, the Grant Agreement closing date will be on March 31, 2014.

   The WB has approved a retroactive financing provision up to 100,000 USD for payment made prior to the signing date, the retroactive is from January 1, 2014.

   On March 31, 2014, an amendment letter was sent from World Bank to Palestinian National Authority to extend the closing date to June 30, 2016.

   On June 30, 2016, an amendment letter was sent from World Bank to Palestinian National Authority to extend the closing date to October 31, 2016.

   – The project has been closed out, and the balance of the designated bank account No. 2208253 was zero as of February 28, 2017.

   – These financial statements are the last financial statements issued for the project.

<table>
<thead>
<tr>
<th>Project component by categories:</th>
<th>Items</th>
<th>Amount USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, works, non consulting service, consulting service including audit, and training under part A and C of the project</td>
<td><strong>Component (1)</strong> : Feasibility study for the wastewater networks</td>
<td>300,000</td>
</tr>
<tr>
<td></td>
<td><strong>Component (2)</strong> : Detailed design of the water supply system</td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td><strong>Component (5)</strong> : Capacity building</td>
<td>200,000</td>
</tr>
<tr>
<td></td>
<td><strong>Component (1)</strong> : Feasibility study for the wastewater networks</td>
<td>300,000</td>
</tr>
<tr>
<td>2. Goods, works, non consulting service, consulting services including audit, and training under part B of the project</td>
<td><strong>Component (4)</strong> : Rehabilitation and improvements of the drinking water supply networks</td>
<td>2,750,000</td>
</tr>
<tr>
<td>3. Incremental operating cost:</td>
<td><strong>Component (3)</strong> : Project management</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>3,650,000</td>
</tr>
</tbody>
</table>
2. **Accounting Policies**
   - **Basis of accounting:**
     The financial statements are prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than International Financial Reporting Standards (IFRS). Receipts are recognized when cash provided by IDA is received by Palestinian Water Authority (PWA) and disbursements are recognized when the cash payments are made. In addition, receipts and disbursements are recognized by Palestinian Water Authority (PWA) when the cash is directly paid by IDA to the consulting firm.
   - **Foreign currencies translations:**
     The recording currency is USD. Transactions in foreign currencies are translated at the rate prevailing at the time of transaction. Monetary assets and liabilities in other currencies are translated into USD at exchange rates prevailing at the financial position date. Exchange differences arising from these translations are recorded in the statement of revenues and expenditures.

3. **Cash and cash equivalents:**
   This item consists of:

<table>
<thead>
<tr>
<th>Borrower reference</th>
<th>Value date</th>
<th>Amount</th>
<th>Replenishment (Designated)</th>
<th>Advance/Recovery</th>
<th>Direct payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>USD</td>
<td>account USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>IWBV-1</td>
<td>Sep 20, 2012</td>
<td>400,000</td>
<td>--</td>
<td>400,000</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-2</td>
<td>Oct 24, 2012</td>
<td>55,304</td>
<td>--</td>
<td>--</td>
<td>55,304</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>455,304</strong></td>
<td>--</td>
<td><strong>400,000</strong></td>
<td><strong>55,304</strong></td>
</tr>
<tr>
<td>IWBV-3</td>
<td>July 21, 2014</td>
<td>83,807</td>
<td>83,807</td>
<td>(14,093)</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>83,807</strong></td>
<td><strong>97,900</strong></td>
<td>(14,093)</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-5</td>
<td>April 21, 2015</td>
<td>216,633</td>
<td>216,633</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-6</td>
<td>April 27, 2015</td>
<td>221,107</td>
<td>--</td>
<td>--</td>
<td>221,107</td>
</tr>
<tr>
<td>IWBV-7</td>
<td>July 7, 2015</td>
<td>120,417</td>
<td>120,417</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-8</td>
<td>Sep 8, 2015</td>
<td>221,262</td>
<td>321,262</td>
<td>(100,000)</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-9</td>
<td>Sep 8, 2015</td>
<td>158,860</td>
<td>--</td>
<td>--</td>
<td>158,860</td>
</tr>
<tr>
<td>IWBV-10</td>
<td>Sep 8, 2015</td>
<td>110,256</td>
<td>--</td>
<td>--</td>
<td>110,256</td>
</tr>
<tr>
<td>IWBV-11</td>
<td>Oct 20, 2015</td>
<td>107,400</td>
<td>--</td>
<td>--</td>
<td>107,400</td>
</tr>
<tr>
<td>IWBV-12</td>
<td>Oct 20, 2015</td>
<td>233,925</td>
<td>--</td>
<td>--</td>
<td>233,925</td>
</tr>
<tr>
<td>IWBV-13</td>
<td>Nov 3, 2015</td>
<td>146,444</td>
<td>--</td>
<td>--</td>
<td>146,444</td>
</tr>
<tr>
<td>IWBV-14</td>
<td>Nov 30, 2015</td>
<td>123,757</td>
<td>246,756</td>
<td>(122,999)</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-15</td>
<td>Dec 17, 2015</td>
<td>117,412</td>
<td>--</td>
<td>--</td>
<td>117,412</td>
</tr>
<tr>
<td>IWBV-16</td>
<td>Dec 14, 2015</td>
<td>92,324</td>
<td>--</td>
<td>--</td>
<td>92,324</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>1,869,797</strong></td>
<td><strong>905,068</strong></td>
<td>(222,999)</td>
<td><strong>1,187,728</strong></td>
</tr>
<tr>
<td>IWBV-17</td>
<td>14-Mar-16</td>
<td>176,521</td>
<td>--</td>
<td>--</td>
<td>176,521</td>
</tr>
</tbody>
</table>

<p>| February 28, 2017 | December 31, 2015 |
| USD | USD |
| Bank of Palestine Ltd. Acc #2208253 | USD | -- | 152,779 |
| Total | -- | 152,779 |</p>
<table>
<thead>
<tr>
<th>Borrower reference</th>
<th>Value date</th>
<th>Amount USD</th>
<th>Received replenishment (Designated) USD</th>
<th>Advance/Recovery USD</th>
<th>Direct payment USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>IWBV-18</td>
<td>28-Mar-16</td>
<td>111,750</td>
<td>--</td>
<td>--</td>
<td>111,750</td>
</tr>
<tr>
<td>IWBV-19</td>
<td>13-Apr-16</td>
<td>100,162</td>
<td>--</td>
<td>--</td>
<td>100,162</td>
</tr>
<tr>
<td>IWBV-20</td>
<td>13-Jun-16</td>
<td>119,612</td>
<td>--</td>
<td>--</td>
<td>119,612</td>
</tr>
<tr>
<td>IWBV-21</td>
<td>28-Jun-16</td>
<td>151,487</td>
<td>151,487</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-22</td>
<td>7-Jul-16</td>
<td>164,566</td>
<td>--</td>
<td>--</td>
<td>164,566</td>
</tr>
<tr>
<td>IWBV-23</td>
<td>15-Aug-16</td>
<td>109,717</td>
<td>--</td>
<td>--</td>
<td>109,717</td>
</tr>
<tr>
<td>IWBV-24</td>
<td>19-Sep-16</td>
<td>91,124</td>
<td>104,030</td>
<td>(12,907)</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-25</td>
<td>26-Oct-16</td>
<td>103,472</td>
<td>--</td>
<td>--</td>
<td>103,472</td>
</tr>
<tr>
<td>IWBV-26</td>
<td>21-Nov-16</td>
<td>103,472</td>
<td>--</td>
<td>--</td>
<td>103,472</td>
</tr>
<tr>
<td>IWBV-27</td>
<td>19-Dec-16</td>
<td>9,209</td>
<td>147,898</td>
<td>(138,689)</td>
<td>--</td>
</tr>
<tr>
<td>IWBV-28</td>
<td>17-Mar-17</td>
<td>--</td>
<td>11,312</td>
<td>(11,312)</td>
<td>--</td>
</tr>
<tr>
<td><strong>Sub- Total</strong></td>
<td></td>
<td><strong>1,241,092</strong></td>
<td><strong>414,728</strong></td>
<td><strong>(162,907)</strong></td>
<td>989,272</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>3,650,000</strong></td>
<td><strong>1,417,696</strong></td>
<td>--</td>
<td><strong>2,232,304</strong></td>
</tr>
</tbody>
</table>
5. **Project's expenditures:**

a. This item represents the project’s disbursements by components versus categories:

<table>
<thead>
<tr>
<th>Components</th>
<th>2015 USD</th>
<th>2014 USD</th>
<th>2013 USD</th>
<th>2012 USD</th>
<th>Accumulated USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Component (2) : detailed design of the water supply system</td>
<td>493,104</td>
<td>83,807</td>
<td>9,312</td>
<td>55,304</td>
<td>641,527</td>
</tr>
<tr>
<td>2. Component (3) : Project management</td>
<td>49,602</td>
<td>63,328</td>
<td>8,262</td>
<td>4,582</td>
<td>200</td>
</tr>
<tr>
<td>3. Component (4) : Rehabilitation and improvement of drinking Water supply network</td>
<td>851,165</td>
<td>2,031,334</td>
<td>24,026</td>
<td>2,882,499</td>
<td>3,650,000</td>
</tr>
</tbody>
</table>

**Grand Total**

<table>
<thead>
<tr>
<th>2016 to February</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,393,871</td>
</tr>
<tr>
<td>2,094,662</td>
</tr>
<tr>
<td>92,069</td>
</tr>
<tr>
<td>13,894</td>
</tr>
<tr>
<td>55,504</td>
</tr>
<tr>
<td>3,650,000</td>
</tr>
</tbody>
</table>

b. **Actual Expenditure v/s. Budgeted Expenditure:**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Budget (USD)</th>
<th>Total Accumulated Expenditures (USD)</th>
<th>Balance (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, works, non consulting service, consulting service including audit, and training under part A and C of the project.</td>
<td>750,000</td>
<td>641,527</td>
<td>108,473</td>
</tr>
<tr>
<td>2. Goods, works, non consulting service, consulting service including audit, and training under part B of the project.</td>
<td>2,750,000</td>
<td>2,882,499</td>
<td>(132,499)</td>
</tr>
<tr>
<td>3. Incremental Operating Costs</td>
<td>150,000</td>
<td>125,974</td>
<td>24,026</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,650,000</strong></td>
<td><strong>3,650,000</strong></td>
<td><strong>--</strong></td>
</tr>
</tbody>
</table>
6. **Project expenditures:**
This item consists of:

<table>
<thead>
<tr>
<th>Service / Project</th>
<th>Accumulated USD</th>
<th>28.02.2017 USD</th>
<th>31.12.2015 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Services</td>
<td>493,329</td>
<td>344,906</td>
<td>148,423</td>
</tr>
<tr>
<td>Auditing fees</td>
<td>17,652</td>
<td>5,008</td>
<td>12,644</td>
</tr>
<tr>
<td>Capacity building</td>
<td>162,946</td>
<td>162,946</td>
<td>--</td>
</tr>
<tr>
<td>Advertising expenses</td>
<td>6,687</td>
<td>--</td>
<td>6,687</td>
</tr>
<tr>
<td>Commissions</td>
<td>454</td>
<td>156</td>
<td>298</td>
</tr>
<tr>
<td>Salaries</td>
<td>76,050</td>
<td>21,850</td>
<td>54,200</td>
</tr>
<tr>
<td>Rehabilitation and improvement of the drinking water supply networks</td>
<td>2,882,498</td>
<td>851,164</td>
<td>2,031,334</td>
</tr>
<tr>
<td>Fuel, communication and printing</td>
<td>10,384</td>
<td>7,841</td>
<td>2,543</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,650,000</strong></td>
<td><strong>1,393,871</strong></td>
<td><strong>2,256,129</strong></td>
</tr>
</tbody>
</table>

7. **Reconciliation between World Bank records and project records by categories.**

**Client connection Records**

**Amount Advanced Less Recovered**  --

**Add: Client connection balance by category**  3,650,000

Cat.1-Goods, works, non consulting service, consulting service including audit, and training under part A and C of the project.  641,527

Cat.2-Goods, works, non consulting service, consulting service including audit, and training under part B of the project  2,882,499

Cat.3-IncrementalOperatingCosts  125,974

**Total Client connection Records**  3,650,000

**Project Records**

**Cash at Bank**  --

**Add: Disbursements**  3,650,000

Cat.1-Goods, works, non consulting service, consulting service including audit, and training under part A and C of the project.  641,527

Cat.2-Goods, works, non consulting service, consulting service including audit, and training under part B of the project  2,882,499

Cat.3-IncrementalOperatingCosts  125,974

**Total Project Records**  3,650,000

"End of document"