AUDITOR GENERAL'S REPORT

On THE FINANCIAL STATEMENTS of the LIBERIA ACCELERATED ELECTRICITY EXPANSION PROJECT (LACEEP) IDA 52520

For the Period July 1, 2017-June 30, 2018

December 2018

Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.
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Auditor General’s Report on the Audit of the
Liberia Accelerated Electricity Expansion Project (LACEEP)
For the period June 1, 2017 to June 30, 2018

Mr. John Ashley
Chief Executive Officer (CEO)
Liberia Accelerated Electricity Expansion Project -
Additional Financing (LACEEP-AF)
Liberia Electricity Corporation (LEC)
Monrovia, Liberia

December 31, 2018

Dear Mr. Ashley;

AUDITOR GENERAL’S REPORT ON THE ACCELERATED ELECTRICITY EXPANSION PROJECT (LACEEP) FOR THE PERIOD ENDED JUNE 30, 2018

Qualified Opinion
We have audited the financial statements of the Liberia Accelerated Electricity Expansion Project (LACEEP) for the period ended June 30, 2018. These financial statements comprise the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual amounts for the fiscal period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual amounts and a summary of other explanatory notes of LACEEP for the period then ended June 30, 2018 in accordance with International Public Sector Accounting Standard (IPSAS) Cash Basis of Accounting.

Basis for Qualified Opinion
An amount of US$33,522 captured in the financials of Consolidated LACEEP for the fiscal period ended June 30, 2018 as prior year adjustment could not be supported by any documentation.

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). 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 Liberia Accelerated Electricity Expansion Project (LACEEP) in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Responsibilities of LACEEP Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standard (IPSAS) Cash Basis of Accounting, 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 Management Team’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 PMT or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the PMT financial reporting process.

Auditor’s Responsibility 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 and 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 ISSAI is 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.

Monrovia, Liberia
December 2018
Auditor General’s Report on the Audit of the
Liberia Accelerated Electricity Expansion Project (LACEEP)
For the period June 1, 2017 to June 30, 2018

Liberia Accelerated Electricity Expansion Project
Liberia Electricity Corporation, GOL

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Chief Financial Officer
LACEEP/LEC

Chief Executive Officer
LACEEP/LEC
### Liberia Accelerated Electricity Expansion Project (LACEEP)

Consolidated Statements of Cash Receipts and Payment

<table>
<thead>
<tr>
<th>Account</th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RECEIPT/PAYMENTS CONTROLED BY ENTITY</td>
<td>PAYMENTS BY EXTERNAL PARTY</td>
</tr>
<tr>
<td>TITLE/DESCRIPTION</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>NOTES</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Bank-IDA Credit</td>
<td>384,952.62</td>
<td>3,622,861.26</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>384,952.62</td>
<td>3,622,861.26</td>
</tr>
<tr>
<td>PAYMENTS</td>
<td>520,358.10</td>
<td>3,622,861.26</td>
</tr>
<tr>
<td>Consultancy</td>
<td>286,098.05</td>
<td>-</td>
</tr>
<tr>
<td>Training</td>
<td>28,028.00</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>6,150.00</td>
<td>-</td>
</tr>
<tr>
<td>Works</td>
<td>151,784.31</td>
<td>3,622,861.26</td>
</tr>
<tr>
<td>Operating cost</td>
<td>48,297.74</td>
<td>-</td>
</tr>
<tr>
<td>Total Payments</td>
<td>520,358.10</td>
<td>3,622,861.26</td>
</tr>
<tr>
<td>Net Increase/Decrease</td>
<td>(135,405.48)</td>
<td>-</td>
</tr>
<tr>
<td>Cash at Beginning of the year July 1, 2017</td>
<td>150,845.25</td>
<td>-</td>
</tr>
<tr>
<td>ADD: prior period adjustment</td>
<td>33,522.00</td>
<td>-</td>
</tr>
<tr>
<td>Cash at the end of year June 30, 2018</td>
<td>48,961.77</td>
<td>-</td>
</tr>
</tbody>
</table>
### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE LACEEP
FOR THE PERIOD ENDED JUNE 30, 2018
CLASSIFICATION OF PAYMENTS BY FUNCTIONS (Note 7)

<table>
<thead>
<tr>
<th>Account Title/Description</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual Amount</th>
<th>Difference: Final Budget and Actual</th>
<th>Percentage Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>%</td>
</tr>
<tr>
<td><strong>Cash Inflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA-World Bank Funds</td>
<td>4,007,813.88</td>
<td>4,007,813.88</td>
<td>4,007,813.88</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Balance B/F</td>
<td>150,845.25</td>
<td>150,845.25</td>
<td>150,845.25</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Other receipts</td>
<td>33,522.00</td>
<td>33,522.00</td>
<td>33,522.00</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>4,192,181.13</strong></td>
<td><strong>4,192,181.13</strong></td>
<td><strong>4,192,181.13</strong></td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension of Electricity &amp; distribution</td>
<td>3,088,517.71</td>
<td>3,088,517.71</td>
<td>3,088,517.71</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Rehabilitation of off-loading, transport, &amp; HFO storage facilities</td>
<td>870,707.58</td>
<td>870,707.58</td>
<td>870,707.58</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Technical Assistance to strength MLME capacity</td>
<td>150,809.73</td>
<td>150,809.73</td>
<td>150,809.73</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Operational cost for LEC’s project Management Team</td>
<td>33,184.34</td>
<td>33,184.34</td>
<td>33,184.34</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>4,143,219.36</strong></td>
<td><strong>4,143,219.36</strong></td>
<td><strong>4,143,219.36</strong></td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Net Cash Flows</strong></td>
<td><strong>48,961.77</strong></td>
<td><strong>48,961.77</strong></td>
<td><strong>48,961.77</strong></td>
<td></td>
<td>0%</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS

1. General Information and Accounting Policies
   The principal addresses of the reporting entities are:
   Liberia Accelerated Electricity Expansion Project
   Ministry of Lands Mines Energy (MLME) and Liberia Electricity Cooperation (LEC)
   Capitol Hills and Water side
   Monrovia, Liberia

   (a) Basis of Preparation
   These financial statements have been prepared in accordance with the requirements of the
   Public Financial Management Act, 2009 and comply with the Cash Basis International Public
   Sector Accounting Standard (Cash Basis IPSAS).

   (b) Reporting Entity
   The financial statements are for the Liberia Accelerated Electricity Expansion Project.

   (c) Reporting Currency and Translation of Foreign Currencies

   (i) Functional and Presentation Currency
   The functional currencies are the Liberian Dollar and the United States Dollar and
   the reporting currency is the United States Dollar. Items included in the financial
   statements are measured in the currency of the primary economic environment in
   which the entity operates.

   (ii) Translation of Transactions in Foreign Currency
   Foreign currency transactions are translated into United States Dollar using the
   exchange rates circulated by the Central Bank of Liberia (CBL).

   (d) Reporting Period
   The reporting period for these financial statements is July 1, 2017 to June 30, 2018.

   (e) Payment by external third parties
   The World Bank made direct payments for the rehabilitation of HFO storage facilities and the
   construction of Transmission and Distribution System (T&D) which are disclosed in the
   Payments by external third parties.
## 2 World Bank IDA Credit

<table>
<thead>
<tr>
<th>Dates</th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 10, 2016</td>
<td>169,573.00</td>
<td></td>
</tr>
<tr>
<td>May 17, 2016</td>
<td>166,873.00</td>
<td></td>
</tr>
<tr>
<td>Oct 18, 2016</td>
<td>837,409.22</td>
<td></td>
</tr>
<tr>
<td>Dec 5, 2016</td>
<td>333,562.51</td>
<td></td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>28,187.98</td>
<td></td>
</tr>
</tbody>
</table>

IDA Replenishment 384,952.62 -
Direct payments:
MBH Power PVT LTD 1,890,870.51 -
Zhongmei Engineering Group Ltd 861,283.17 -
CHEC 870,707.58 -

Total 4,007,813.88 1,535,605.71

## 3 Consultancy

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Consultancy</td>
<td>100,488.12</td>
<td>109,908.30</td>
</tr>
<tr>
<td>Local Consultancy</td>
<td>185,609.93</td>
<td>942,315.04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>286,098.05</strong></td>
<td><strong>1,052,223.34</strong></td>
</tr>
</tbody>
</table>

## 4 Training

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building-Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>15,175.00</td>
<td>142,885.86</td>
</tr>
<tr>
<td>DSA, Hotel &amp; Accommodation</td>
<td>9,120.00</td>
<td>19,113.00</td>
</tr>
<tr>
<td>Total</td>
<td>28,028.00</td>
<td>197,915.27</td>
</tr>
</tbody>
</table>

## 5 Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer &amp; office equipment</td>
<td>5,400.00</td>
<td></td>
</tr>
<tr>
<td>Furniture &amp; fixtures</td>
<td>750.00</td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,150.00</td>
<td></td>
</tr>
</tbody>
</table>
### 6 Works

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBH Power PVT LTD</td>
<td>1,938,803.02</td>
<td>3,462,706.43</td>
</tr>
<tr>
<td>Zhongmei Engineering Group Ltd</td>
<td>952,984.97</td>
<td>6,189,974.05</td>
</tr>
<tr>
<td>China Harbor Engineering Company</td>
<td>870,707.58</td>
<td>3,994,221.59</td>
</tr>
<tr>
<td>Sawyer &amp; Associates</td>
<td>12,150.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,774,645.57</strong></td>
<td><strong>13,646,902.07</strong></td>
</tr>
</tbody>
</table>

### 7 Operation Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017/2018</th>
<th>FY 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refreshment/Consumables</td>
<td>-</td>
<td>1,717.00</td>
</tr>
<tr>
<td>Tools/Accessories</td>
<td>-</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Petty cash</td>
<td>-</td>
<td>112,682.24</td>
</tr>
<tr>
<td>Traveling &amp; Transport</td>
<td>-</td>
<td>4,242.00</td>
</tr>
<tr>
<td>Printing &amp; Stationery</td>
<td>298.75</td>
<td>2,019.11</td>
</tr>
<tr>
<td>Advertisement &amp; Publicity</td>
<td>-</td>
<td>19,173.00</td>
</tr>
<tr>
<td>Fuel &amp; Lubricant</td>
<td>1,578.47</td>
<td>12,028.96</td>
</tr>
<tr>
<td>Repair &amp; maintenance</td>
<td>7,620.50</td>
<td>23,909.00</td>
</tr>
<tr>
<td>Rent</td>
<td>-</td>
<td>5,820.00</td>
</tr>
<tr>
<td>Bank charges</td>
<td>-</td>
<td>15,628.73</td>
</tr>
<tr>
<td>Communication &amp; Internet</td>
<td>5,605.00</td>
<td>4,675.00</td>
</tr>
<tr>
<td>Project Management</td>
<td>350.00</td>
<td>-</td>
</tr>
<tr>
<td>General Rev. Account</td>
<td>26,645.60</td>
<td>82,072.08</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48,297.74</strong></td>
<td><strong>285,467.12</strong></td>
</tr>
</tbody>
</table>