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**GOVERNMENT OF BELIZE  
MINISTRY OF EDUCATION, YOUTH, SPORTS  
AND CULTURE:  
EDUCATION QUALITY IMPROVEMENT PROGRAM**

**FINANCIAL REPORT  
LOAN CONTRACT NO. 3186/OC-BL  
Financial Statements for the Years Ended  
March 31, 2018 and 2017 and  
Independent Auditors' Report**

**GOVERNMENT OF BELIZE  
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE  
EDUCATION QUALITY IMPROVEMENT PROGRAM  
LOAN CONTRACT NO. 3186/OC-BL  
AS OF MARCH 31, 2018 AND 2017 (IN US DOLLARS)**

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**INTRODUCTION**

The Government of Belize ("GOB") and the Inter-American Development Bank ("IDB") signed Loan Contract No 3186/OC-BL on September 30, 2014. The purpose of the contract is to cooperate in the execution of the Education Quality Improvement Program (the "Program").

The parties agree that the execution of the Program and the utilization of the resources of the Bank's financing will be carried out by the Borrower through the Ministry of Education, Youth, Sports and Culture (MOEYSC) hereinafter referred to as the "Executing Agency" and coordinated through the Program Executing Unit (PEU).

The Executing Agency will be responsible for the overall coordination and execution of the Program through:

1. The coordination of components, consultancies and key stakeholders;
2. The monitoring of progress and results;
3. Procurement and contracting of goods and services;
4. Processing of eligible payments;
5. Financial management;
6. IDB supervision-related activities;
7. Reporting to the IDB and other Government entities.

The Program's overarching objective is to support the Government of Belize in improving the quality of primary education, and the governance of the Belize education system. The specific objectives of the Program are as follow:

- i) Train approximately 80% of TEI pre-service instructors who teach methods courses in Mathematics, Science, and English Language Arts and 50% of in-service teachers at the primary level;
- ii) Train approximately 50% of primary school principals in instructional leadership and administration;
- iii) Develop and implement an Education Management Information System (EMIS) for the primary and secondary levels; and
- iv) Improve the profile of teacher candidates.

The Program's objectives will be achieved through investments in three components:

**Component I: Improving the Quality of Teachers (US\$4.4 million)**

The component aims to improve the quality of primary school teachers by raising the profile of teacher candidates, improving the quality of initial teacher education, and improving the skills of in-service teachers. To achieve this objective, the component is structured around three sub-components:

1. **Sub-component 1.1 – System for attracting and accepting higher quality entrants into teacher training.** The planned activities are: (i) Marketing campaign to attract higher profile candidates for teacher training; and (ii) Assessment of teacher training candidates to identify those who need remedial assistance during their teacher training.
2. **Sub-component 1.2 – Capacity-building of the TEIs in their training of primary education teachers.** The planned activities are: (i) Capacity building of TEI instructors and internship supervisors to improve teacher training in pedagogical practices in Math, Science, and English, focusing on how to link the teaching of content with concrete content specific pedagogy; and (ii) Training, mentoring and technical assistance to TEI department heads and administrators.



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INTRODUCTION (CONTINUED)

3. **Sub-component 1.3 – On-site and distance practical professional development.** The planned activities are: (i) Development of school level curriculum and lesson plans for Math, Science and English, based on the national curriculum. In Math, the Visible and Tangible TLMI model will be used, and similar student centered teaching approaches will be used in Science and English; (ii) Development of formative assessment instruments to enable the continuous assessment of student competencies. The formative assessment instruments will be aligned with the learning outcomes of the national primary curriculum and the school level curriculum; and (iii) Implementation of the lesson plans and formative assessments in the classrooms, including external training, tutoring and mentoring for principals and teachers currently in the classrooms.

**Component II: Governance of the Education System (US\$3.6 million).**

The component aims to create a quality assurance system to improve education policy planning and accountability mechanisms at various levels of the education system, including schools, the TEIs, and the MOEYS. To achieve this objective, the component is structured around two sub-components:

1. **Sub-component 2.1 – Strengthening of the Quality Assurance Role of TEIs.** The planned activities are: (i) Creation of a feedback system to strengthen the capacity of TEIs to monitor the quality of their services and outputs; (ii) Training, mentoring, and technical assistance to principals, department heads, and administrators of the TEIs on how to monitor and assure the quality of their services; and (iii) Development of an entry into profession exam for new teacher candidates.
2. **Sub-component 2.2 – School Quality Assurance System.** The planned activities are: (i) Training and technical assistance to principals to promote their leadership as the vehicle for improving school and student performance, including training on data collection and reporting processes, as well as the use of student data to identify teacher professional development needs and develop school improvement plans; (ii) Creation of an integrated EMIS with information on student enrollment and results, student and teacher attendance, school infrastructure, use of curricula and textbooks, teacher qualifications, etc., to enable planning and quality assurance at various levels of the system (schools, district education offices, and central level); (iii) Training and technical assistance to the MoEYSC and schools in the use of the EMIS for the purposes of quality assurance; and (iv) Training and technical assistance to increase parent participation in school management.

**Component III: Evaluation. Evaluation (US\$0.7 million).**

The component will finance the evaluation of the operation through two sub-components:

1. **Sub-component 3.1. – Evaluation of the pre-service teacher training.** The analysis will compare the results of the entry into teacher training exam with the entry into the profession exam. In addition, the entry mechanism for teacher training will be evaluated by applying non-cognitive and cognitive tests for all applicants to the teacher training.
2. **Sub-component 3.2. – Randomized control trial of the on-site practical professional development in primary schools.** The experiment will randomize all primary schools into a treatment and control group in order to learn whether the teacher training component has a causal effect on student learning.



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**INTRODUCTION (CONTINUED)**

The estimated total cost of the Program is the equivalent of US\$10,100,000 in accordance with the following investment categories and sources of financing:

**Cost and Financing**  
**(US Dollars)**

<b>Cost Table (US\$ , 000)</b>				
<b>Component/Subcomponent</b>	<b>IDB</b>	<b>Local Counterpart</b>	<b>Total</b>	<b>%</b>
<b>Component I: Improving the Quality of Teachers</b>	<b><u>4,391</u></b>		<b><u>4,391</u></b>	<b><u>44%</u></b>
1.1 System for attracting and accepting higher Quality Teacher Training Candidates.	1,501		1,501	15%
1.2 Capacity building of the TEIs in the training of primary education teachers.	595		595	6%
1.3 On-site Practical Professional Development.	2,295		2,295	23%
<b>Component II: Governance of the Education System</b>	<b><u>3,578</u></b>		<b><u>3,578</u></b>	<b><u>35%</u></b>
2.1 Strengthening of Quality Assurance Role of TEIs.	1,156		1,156	11%
2.2 School Quality Assurance System.	2,422		2,422	24%
<b>Component III: Evaluation</b>	<b><u>748</u></b>		<b><u>748</u></b>	<b><u>7%</u></b>
3.1 Data Collection, Evaluation of the pre-service teacher training.	348		348	3%
3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools.	400		400	4%
<b>Program Management</b>	<b><u>867</u></b>	<b><u>100</u></b>	<b><u>967</u></b>	<b><u>10%</u></b>
4.1 Executing Unit/Program Execution Support	682	100	782	8%
4.2 Midterm and Final Review, including ex-post economic analysis	60		60	1%
4.3 Audit	125		25	1%
<b>Contingency</b>	<b><u>416</u></b>		<b><u>416</u></b>	<b><u>4%</u></b>
<b>Total</b>	<b><u>10,000</u></b>	<b><u>100</u></b>	<b><u>10,100</u></b>	<b><u>100%</u></b>

The Program is estimated to meet its objectives within five (5) years of the signing of the loan contract, that is, by September 2019. The Program officially commenced operations on October 1, 2014.

The financial statements and notes of the Program for the year ended March 31, 2018 follow on pages 9 to 16.



**GOVERNMENT OF BELIZE  
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE  
EDUCATION QUALITY IMPROVEMENT PROGRAM  
LOAN CONTRACT NO. 3186/OC-BL  
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**OBJECTIVE OF AUDIT**

The objective of our audit is to provide IDB with the assurance that IDB resources are being managed in accordance with the terms of Loan Contract No. 3186/OC-BL, in an environment in which there are adequate management, administrative and financial controls.

Our audit was conducted in accordance with the requirements of Project Financial Reports and Audit Guidelines and in accordance with International Standards on Auditing. Accordingly, our auditing procedures included tests of accounting records and controls along with other procedures considered necessary in the circumstances.

The specific objectives of our audit were:

1. To express an opinion as to whether the Statement of Cash Received and Disbursements Made and Statement of Cumulative Investments present fairly, in all material respects, the cash received and disbursements made for the year ended March 31, 2018 in accordance with the requirements established in the contractual clause 8.01 of the Loan Contract No. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB;
2. To obtain a sufficient understanding of the Education Quality Improvement Program's internal controls and risk assessment procedures;
3. To report on material weaknesses in internal controls and inefficiencies encountered; and
4. To determine whether the Education Quality Improvement Program's complied, in all material respects, with the terms of the Loan agreement and any other applicable laws and regulations.

**SCOPE OF AUDIT**

The scope of our audit included:

1. An evaluation of the internal control system of the Program;
2. A review of the financial transactions and accounting records for the purpose of providing an opinion as to whether the financial information of the Program is reasonably presented and in accordance with the requirements established in the contractual clause 8.01 of the Loan Contract No. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB;
3. An evaluation of compliance with the financial, accounting and operational contractual clauses and regulations;
4. A review of the supporting documentation and controls related to the activities and investments financed, procurement of goods and contracting of works and consulting services; and
5. A review of procedures used to record, control and maintain goods acquired with Program funds.





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**INDEPENDENT AUDITORS' REPORT ON THE  
STATEMENT OF CASH FLOWS AND  
STATEMENT OF CUMULATIVE INVESTMENTS  
EDUCATION QUALITY IMPROVEMENT PROGRAM  
LOAN CONTRACT NO. 3186/OC-BL**

**To: Government of Belize, Ministry of Education,  
Youth, Sports and Culture**

**Program: Education Quality Improvement Program**

**Audit Opinion**

We have audited the accompanying financial statements of Education Quality Improvement Program carried out by the Government of Belize, Ministry of Education, Youth, Sports and Culture and financed with resources of the Loan Contract NO. 3186/OC-BL of the Inter-American Development Bank (IDB) and with contributions of the Government of Belize, which Statement of Cumulative Investments as of March 31, 2018, the Statement of Cash Received and Disbursements Made, and the notes to the financial statements prepared for the year ended on this date as well as the notes to the financial statements, which include a summary of the relevant accounting policies.

In our opinion, the accompanying Financial Statements of the Education Quality Improvement Program for the year ended on March 31, 2018 have been prepared in all material respects, in accordance with the financial reporting requirements of the contractual clause, Article 8.01, of the Loan Contract NO. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for projects financed by IDB.

**Basis of Audit 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 Government of Belize, Ministry of Education, Youth, Sports and Culture and the Education Quality Improvement Program in accordance with the ethical requirements that are relevant to our audit of the financial statements in Belize 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.

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**Independent Auditors' Report**  
**Page 2**

***Emphasis of Matter Paragraphs and Basis of Accounting, and Restriction on Distribution and Use***

Without modifying our opinion, we draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements have been prepared to assist the Education Quality Improvement Program in accordance with the requirements of the Loan Contract NO. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB. As a result, the financial statements may not be suitable for another purpose. Our report is intended only for the Executing Agency / Coordinator of the Project and the IDB, and should not be distributed to other parties other than the Bank or the Executing Agency / Coordinator of the Project. However, this report may become a public document, in which case its distribution would not be limited. Our opinion has not been modified in relation to this issue.

**Management's responsibility**

Management is responsible for the preparation of these financial statements in accordance with the requirements established in the contractual clause, Article 8.01, of the Loan Contract NO. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB. In addition, management is responsible for establishing internal controls as they determine necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**


Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the International Standards on Auditing 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 the financial statements.

**Chartered Accountants**  
**Belize City, Belize**  
**July 4, 2018**

**GOVERNMENT OF BELIZE, MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE**  
**EDUCATION QUALITY IMPROVEMENT PROGRAM**  
**LOAN CONTRACT NO. 3186/OC-BL**  
**STATEMENTS OF CASH RECEIVED AND DISBURSEMENTS**  
**YEARS ENDED MARCH 31, 2018 AND 2017 (IN US DOLLARS)**

	Note	March 31, 2018			March 31, 2017		
		IDB	Local Counterpart	Total	IDB	Local Counterpart	Total
		\$	\$	\$	\$	\$	\$
<b>CASH RECEIVED</b>							
Beginning Balance		5,019,508	80,262	5,099,770	2,925,641	47,370	2,973,011
Activity During the Period							
Advance Fund	3	200,000	-	200,000	300,000	-	300,000
Direct Payments		2,000,281	32,892	2,033,173	1,793,867	32,892	1,826,759
Interest Received		-	-	-	-	-	-
Other		-	-	-	-	-	-
<b>TOTAL CASH RECEIVED</b>	8	<b>7,219,789</b>	<b>113,154</b>	<b>7,332,943</b>	<b>5,019,508</b>	<b>80,262</b>	<b>5,099,770</b>
<b>DISBURSEMENT</b>							
Beginning Balance		4,769,137	80,262	4,849,399	2,716,619	47,370	2,763,989
Activity during the period							
Refunds		-	-	-	-	-	-
Payments for goods and services		2,317,407	32,892	2,350,299	2,052,518	32,892	2,085,410
Other		-	-	-	-	-	-
<b>TOTAL CASH DISBURSEMENTS</b>		<b>7,086,544</b>	<b>113,154</b>	<b>7,199,698</b>	<b>4,769,137</b>	<b>80,262</b>	<b>4,849,399</b>
<b>Program Receipts Less Disbursements</b>		133,245	-	133,245	250,371	-	250,371
<b>Reimbursable from (MoEYS to the Program)/ Program to MoEYS</b>	6	27,097	-	27,097	88,459	-	88,459
<b>AVAILABLE CASH BALANCE AS OF MARCH 31, 2018</b>	4	<b>160,342</b>	<b>-</b>	<b>160,342</b>	<b>338,830</b>	<b>-</b>	<b>338,830</b>

  
EQIP Senior Program Coordinator


  
Chief Executive Officer,  
Ministry of Education Youth, Sports and Culture


The accompanying notes on pages 9 to 16 form an integral part of these financial statements.



**GOVERNMENT OF BELIZE, MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE**  
**EDUCATION QUALITY IMPROVEMENT PROGRAM**  
**LOAN CONTRACT NO. 3186/OC-BL**  
**STATEMENTS OF CUMULATIVE INVESTMENTS**  
**YEARS ENDED MARCH 31, 2018 AND 2017 (IN US DOLLARS)**

INVESTMENT CATEGORY	CUMULATIVE AT THE END OF MARCH 31, 2017			MOVEMENTS DURING THE PERIOD ENDED MARCH 31, 2018			CUMULATIVE AT THE END OF MARCH 31, 2018		
	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
<b>Component I: Improving the Quality of Teachers</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
1.1 System for attracting and accepting higher Quality Teacher Training Candidates	644,031	-	644,031	689,195	-	689,195	1,333,226	-	1,333,226
1.2 Capacity building of the TEIs in the training of primary education teachers	344,186	-	344,186	344,186	-	344,186	2,065,118	-	2,065,118
1.3 On-site Practical Professional Development	1,376,746	-	1,376,746	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,364,963</b>	<b>-</b>	<b>2,364,963</b>	<b>1,033,381</b>	<b>-</b>	<b>1,033,381</b>	<b>3,398,344</b>	<b>-</b>	<b>3,398,344</b>
<b>Component II: Governance of the Education System</b>									
2.1 Strengthening of Quality Assurance Role of TEIs	298,412	-	298,412	89,738	-	89,738	388,150	-	388,150
2.2 School Quality Assurance System	1,797,542	-	1,797,542	1,004,837	-	1,004,837	2,802,379	-	2,802,379
<b>TOTAL</b>	<b>2,095,954</b>	<b>-</b>	<b>2,095,954</b>	<b>1,094,575</b>	<b>-</b>	<b>1,094,575</b>	<b>3,190,529</b>	<b>-</b>	<b>3,190,529</b>
<b>Component III: Evaluation</b>									
3.1 Data Collection, Evaluation of the pre-service teacher training	61,135	-	61,135	94,130	-	94,130	155,265	-	155,265
3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>61,135</b>	<b>-</b>	<b>61,135</b>	<b>94,130</b>	<b>-</b>	<b>94,130</b>	<b>155,265</b>	<b>-</b>	<b>155,265</b>
<b>Program Management</b>									
4.1 Executing Unit/Program Execution Support	213,024	80,262	293,286	44,642	32,892	77,534	257,666	113,154	370,820
4.2 Midterm and Final Review, including ex-post economic analysis	-	-	-	40,500	-	40,500	40,500	-	40,500
4.3 Audit	34,061	-	34,061	10,179	-	10,179	44,240	-	44,240
<b>TOTAL</b>	<b>247,085</b>	<b>80,262</b>	<b>327,347</b>	<b>95,321</b>	<b>32,892</b>	<b>128,213</b>	<b>342,406</b>	<b>113,154</b>	<b>455,560</b>
<b>CONTINGENCIES</b>	-	-	-	-	-	-	-	-	-
<b>FINANCE CHARGES</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL INVESTMENT</b>	<b>4,769,137</b>	<b>80,262</b>	<b>4,849,399</b>	<b>2,317,407</b>	<b>32,892</b>	<b>2,350,299</b>	<b>7,086,544</b>	<b>113,154</b>	<b>7,199,698</b>

  
**EQIP Senior Program Coordinator**

  
**Chief Executive Officer,**  
**Ministry of Education Youth, Sports and Culture**

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.



**GOVERNMENT OF BELIZE**  
**MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE**  
**EDUCATION QUALITY IMPROVEMENT PROGRAM**  
**LOAN CONTRACT NO. 3186/OC-BL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2018 AND 2017 (IN US DOLLARS)**

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**1. PROGRAM STATUS**

The Government of Belize (GoB) through the Ministry of Education, Youth, Sports, and Culture (MoEYSC), received a US\$10 Million loan from the Inter-American Development Bank (IADB), with the GoB providing counterpart funding in the amount of US\$100,000 as in-kind contribution for the estimated 60% of total work time for the Program Coordinator and the Program Assistant. The Loan Agreement (3186/OC-BL) was signed on September 30, 2014.

The Education Quality Improvement Program (EQIP) was approved on June 12, 2014 and gained eligibility on November 7, 2014. MoEYSC is the Executing Agency (EA) of the Program. On June 2017, the Project Executing Unit underwent to a transition of a new Senior Program Coordinator and is now being managed by Ms. Amilin Mendez. The Support staff comprises of: (i) Finance Specialist– Mrs. Hilma Chan-Link, (ii) Education Specialist–Mr. Ernest Raymond, and (iii) Administrative Assistant– Ms. Yvonne Eck.

The PEU's office was relocated in October 2017 to 1900 Constitution Drive, Diamond Building, third floor, City of Belmopan, Cayo District. During the 2017/2018 fiscal year, the program received a third advance of funds of USD200,000.00 and as of March 31, 2018, the total advance of funds received from the IADB was value at USD\$800,00.00. As of March 31, 2018, the project has been in execution for forty-two (42) months and the IADB has disbursed to date a total of US\$7,219,788.58 from the US\$10,000,000. The remaining undisbursed funds currently stand at US\$2,780,211.42.

During the financial period April 1, 2017 to March 31, 2018 the Program had entered into five (5) new contracts, and one (1) contract renewal.

The table below highlights all the contracts issued up to March 31, 2018.

CONTRACTOR	VALUE OF CONTRACT	PURPOSE OF CONTRACT
Community Systems Foundation	\$1,804,206.00	Creation of an Integrated Education Management Information System (EMIS)
Caribbean Examination Council (CXC)	\$654,303.59	Development and Implementation of a Teacher Profession Entry Exam
Dr. Michael Rosberg	\$25,896.00 per annum	Program Officer Resigned with effect from 26/3/2015
Dr. Roy Young	\$59,000.00	Survey Supervisor for Data Collection
Mount Saint Vincent University	\$3,441,863.90	Implementation of an Interactive Visible and Tangible Teaching Model for Science, English Language Arts, and Math
Simon Ferguson	\$212.50 monthly	Storage facility rental for housing surveys, etc.
Alexis Bryant	\$2,500.00	Design and Implementation of a Document Management System



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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED MARCH 31, 2018 AND 2017 (IN US DOLLARS)**

**1. PROGRAM STATUS (CONTINUED)**

<b>CONTRACTOR</b>	<b>VALUE OF CONTRACT</b>	<b>PURPOSE OF CONTRACT</b>
IT Care	\$8,167.47	Office Equipment
Grant Thornton, LLP	\$45,283.87	External Audit Services
Melanie Gladden	\$22,500.00	Procurement Specialist
The Angelus Press	\$6,337.25	Office Furniture
Carlos Gargiulo	\$85,000.00	Long Term International Consultant
Hilma Chan Link	\$22,500.00 per annum	Finance Specialist
Greg Nunez	\$24,000.00 per annum	Program Officer
Guerra Engineering Ltd.	\$1,235.25	1-AC unit 24K
University Research and Evaluation (Dr. Roy Young)	\$369,408.50	Data Enumerator Consultancy
Herald Media Partners Ltd.	\$633,360.00	Marketing Campaign for attracting higher quality teacher training candidates and for promoting the EQIP Program components and sub-components
Mount Saint Vincent University	\$926,655.00	Implementation of a Leadership training Program for a Primary School Administration, General and Local Manager
Centro International Detudes Pedagogique	\$366,900.00	Technical Assistance for the creation of a Feedback System for Teacher Education Institutes
Heuristica Educativa S.C. and Centro De Estudios Educativos,	\$310,000.00	Improving instructional quality and Teacher's effectiveness through a Video-Based evaluation of classroom practices
University Research and Evaluation- Old contract was cancelled and new contract was reissued	\$655,760.00	Application of Academic Achievement tests and survey instruments in Primary Schools and Teacher Education Institutes throughout Belize
Dr. Saad Chahine	\$48,274.00	Senior consultant for the Development and validation of learning assessments in Mathematics and Science
Dr. Christine Doe	\$45,856.00	Senior consultant for the Development and validation of learning assessments in English Language Arts
Susan Greene ( Contract was amended from \$39,000 to \$41,500)	\$41,500.00	Technical Assistance in conducting a Mid-Term review of the Education Quality Improvement Program
Grant Thornton, LLP	\$38,342.31	External Audit Services
Hilma Chan-Link- Contract Renewal	\$33,164.51	Finance Specialist



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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED MARCH 31, 2018 AND 2017 (IN US DOLLARS)**

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There are five (5) new procurement processes currently underway, which comprises of the following:

- 1) Motor Vehicle for the Teacher Education Department
- 2) Videography Equipment
- 3) Hiring of two national consultants to assist with the maintenance of OpenEMIS
- 4) Study of the alignment of teacher training programs against the approved teacher education standards.
- 5) Ex-Post Economic Analysis

There are three (3) contract amendment processes underway, which comprises of the following contract:

- 1) Improving instructional quality and Teacher's effectiveness through a Video-Based evaluation of classroom practices- Heuristica Educativa S.C. and Centro De Estudios Educativos.
- 2) Development and Implementation of a Teacher Profession Entry Exam- Caribbean Examination.
- 3) Creation of an Integrated Education Management Information System (EMIS) - Community Systems Foundation.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in United States dollars (USD) under the historical cost convention and conformity with International Public Sector Accounting Standard (IPSAS), "Financial Reporting under the Cash Basis of Accounting", issued by the Public Sector Committee of the International Federation of Accountants. The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period as for the financial statements. The official exchange rate for reporting purposes is fixed at BZ\$2 = US\$1.

The Program's accounting and financial reporting system aims to enable users to assess the accountability of the funds available for its activities. In order to satisfy this objective, the following accounting policies have been adopted.

- (a) The "cash basis" which is a comprehensive basis of accounting other than generally accepted accounting principles used in preparation of the financial statements. Cash received from the IDB is recognized when effectively deposited in the Program's bank account. Disbursements are recognized when they are paid.
- (b) All costs related to the Program's activities are classified, where appropriate, according to the work plan budget for the period.
- (c) No depreciation is charged on fixed assets acquired from Program's funds.
- (d) The Program's Statement of Cash Received and Disbursements Made reflects receipts and disbursements relating to IDB Loan Contract No. 3186/OC-BL.
- (e) The Program's funds are deposited in US dollars into account #311087, Education Quality Improvement Program of the Central Bank of Belize upon IDB's approval.



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**3. CASH AND BANK BALANCES**

The available cash balance as of March 31, 2018, as held in the Program's bank accounts is:

<b>Education Quality Improvement Program</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Central Bank of Belize Account No. 311087</b>		
Statement balance at March 31, 2018	<b>\$160,342</b>	<b>\$338,830</b>
Total cash and bank balance	<b><u>\$160,342</u></b>	<b><u>\$338,830</u></b>

During fiscal year 2018, available earned interest income equated to US\$0.00 and exchange rate earnings amounted to \$US 0.00.

**4. ADVANCES PENDING JUSTIFICATION**

Balance in Bank Accounts at March 31, 2018	<b>\$160,342</b>
Funds Already Used and Pending Justification	<b><u>(27,097)</u></b>
Reconciled Revolving Fund Balance	<b>133,245</b>
Advance Fund Balance perLMS1	<b>160,342</b>
	<b><u>\$ (27,097)*</u></b>

\*As at March 31, 2018, GOB has paid an amount of \$27,097 for EQIP expenses and are thus reimbursable to the GOB by EQIP Program and pending justification to the IADB.

**5. LOCAL COUNTERPART FUNDS**

	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2018</b>	<b>Cumulative as at March 31, 2018</b>
Advance Fund Float/ Replenishments (page 7)	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Direct Payments	<b>80,262</b>	<b>32,892</b>	<b>113,154</b>
	<b><u>\$80,262</u></b>	<b><u>\$32,892</u></b>	<b><u>\$113,154</u></b>

The Government of Belize has committed to contributing a sum of US\$100,000. As of March 31, 2018, the government has contributed a sum of \$113,154, which equates to 113 % of the total committed.



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**6. PRIOR PERIOD ADJUSTMENTS**

Adjustment No.1: Amount USD\$253,344 for sub-component 1.2 has been restated to USD\$299,844 and Amount USD\$46,500 for sub-component 3.2 has been restated to USD\$0. This is due to payment for video study, which was previously recorded under sub-component 3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools, being moved to its correct sub-component 1.1 System for attracting and accepting higher quality teacher training candidates as per the Loan Management System (LMS).

Adjustment No.2: Amount USD\$181,193 has been restated as USD\$49,335 and amount USD\$1,677,484 has been restated as USD\$1,797,542. As per the LMS, the payments corresponding to the University Research and Evaluation should be charged to sub-component 2.2 School quality assurance system instead of sub-component 3.1 Data Collection, Evaluation of the pre-service teacher training.

Adjustment No.3: Amount USD\$173,045 has been restated as USD\$213,024. It was noticed that the Administrative expenses were presented under sub-component 4.2 mid-term and final review instead of sub-component 4.1 Executing Unit/Program Execution Support.

**7. PROCUREMENT OF GOODS AND SERVICES**

<b>Status of Processes (to date)</b>	<b># Processes/ Contracts</b>	<b>Amount (US\$)</b>	<b>%</b>
Not started	5	212,387	2.14%
Underway	3	289,555	2.91%
Awarded (includes completed)	20	9,438,472	94.95%
<b>Total</b>	<b>28</b>	<b>9,940,414</b>	<b>100.00%</b>



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8. RECONCILIATION OF THE STATEMENT OF CASH RECEIVED AND  
 DISBURSEMENTS WITH THE STATEMENT OF CUMULATIVE INVESTMENTS

	Cumulative as at March 31, 2017	Year Ended March 31, 2018	Cumulative as at March 31, 2018
Disbursements made by the PEU as per statement of Statement of Cumulative Investments	\$ 349,629	\$ 317,126	\$ 666,755
Direct Disbursements by IADB, including capitalization of finance charges	4,419,508	2,000,281	6,419,789
<b>Cumulative Investments</b>	<b>\$4,769,137</b>	<b>\$2,317,407</b>	<b>\$7,086,544</b>
Total Cash Received and Direct Payments via IADB	\$5,019,508	\$2,200,281	\$7,219,789
Less: Cumulative Disbursements for the Period	(4,769,137)	(2,317,407)	(7,086,544)
<b>Available Cash Balance</b>	<b>\$ 250,371</b>	<b>\$ (117,126)</b>	<b>\$ 133,245</b>



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9. RECONCILIATION BY CATEGORY OF INVESTMENT OF THE PROGRAM'S RECORDS WITH THE IDB'S RECORDS

CATEGORY	Cumulative Balance as per:		Variance	Explanation for Variances
	Program's Records (Statement of Cumulative Investments)	IDB's Records (LMS 1 Executive Financial Summary)		
<b>Component I: Improving the Quality of Teachers</b>				
1.1 System for attracting and accepting higher Quality Teacher Training Candidates	\$ 989,038	\$ 989,038	\$ -	
1.2 Capacity building of the TEIs in the training of primary education teachers	344,186	344,186	-	
1.3 On-site Practical Professional Development	2,065,118	2,065,118	-	
<b>TOTAL</b>	<b>3,398,342</b>	<b>3,398,342</b>	-	
<b>Component II: Governance of the Education System</b>				
2.1 Strengthening of Quality Assurance Role of TEIs	388,149	388,149	-	
2.2 School Quality Assurance System	2,551,168	2,551,168	-	
<b>TOTAL</b>	<b>2,939,317</b>	<b>2,939,317</b>	-	
<b>Component III: Evaluation</b>				
3.1 Data Collection, Evaluation of the pre-service teacher training	406,476	248,883	157,593	Payments justified for University Research and Evaluation and Dr. Young were applied to LMS under Component 4 instead of component 3. This will be rectified via reconciliation of budget transfer.
3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools	-	-	-	
<b>TOTAL</b>	<b>406,476</b>	<b>248,883</b>	157,593	
<b>Program Management</b>				
4.1 Executing Unit/Program Execution Support	257,667	388,163	(130,496)	Payments justified for University Research and Evaluation and Dr. Young were applied to LMS under Component 4 instead of component 3. This will be rectified via reconciliation of budget transfer.
4.2 Midterm and Final Review, including ex-post economic analysis	40,500	40,500	-	
4.3 Audit	44,240	44,240	-	
<b>Total Disbursements</b>	<b>342,407</b>	<b>472,903</b>	(130,496)	
<b>Advance Fund Balance as at March 31, 2018:</b>	<b>133,245</b>	<b>160,342</b>	(27,097)*	Funds that are pending justification; see also note 4.
<b>Total at March 31, 2018</b>	<b>\$7,219,787</b>	<b>\$7,219,787</b>	\$ -	

\* Funds are pending justification. See note 4 above.



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**10. SUBSEQUENT EVENTS**

As at March 31, 2018 there were difference between the PEU and IDB which was corrected on May 4, 2018 in the amount of \$71,853. Remaining differences will be addressed via a budget transfer.

**11. AUTHORIZATION DATE**

The financial statements were authorized on July 4, 2018 by a Representative from MoEYSC and the EQIP Program Director.