

**GOVERNMENT OF BELIZE, MINISTRY OF
INFRASTRUCTURE DEVELOPMENT &
HOUSING George Price Highway
Rehabilitation Project
FINANCIAL REPORT LOAN CONTRACT
NO. 3344/OC-BL and EU/CIF Grant No.
EDF/2015/362-165**

*Financial Statements for the Six and a Half Months
Ended October 15, 2021 and Year Ended March 31,
2021 and Independent Auditors' Report*

**GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT AND
HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165**

TABLE OF CONTENTS

	<u>Page</u>
Financial Statements and notes:	
Cost and Financing Plan	1
Objective and Scope of the Audit	2
Independent Auditors' Report	3 - 4
Statements of Cash Received and Disbursements Made	5 - 6
Statements of Cumulative Investments	7 - 8
Notes to Financial Statements	9 - 20
Independent Auditors' Report on the System of Internal Controls	21 - 22
Report on the System of Internal Controls	23
Independent Auditors' Report on Compliance with Financial and Accounting Contractual Clauses and the Project's Operating Regulations	24
Report on the Contractual Clauses	25
Management Letter	26 - 27

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

Cost and Financing
(in US\$ 000)

Component	IDB	CIF (*)		Local	Total
	(US\$000)	(€000)	(US\$000)	(US\$000)	(US\$000)
Component 1: . Civil works & maintenance	23,954	4,800	5,280	1,528	30,762
Replacement of Roaring Creek Bridge including approaches	3,476	2,600	2,860	-	6,336
Rehabilitation of GPH, environmental and social mitigation measures, utilities relocation	18,522	2,200	2,420	-	20,942
Construction supervision	1,800	-	-	-	1,800
2 years maintenance	156	-	-	156	312
Land acquisition	-	-	-	1,372	1,372
Component 2: Institutional Strengthening	400	-	-	-	400
MIDH strengthening	400	-	-	-	400
Component 3. Engineering & administration	2,646	200	220	-	2,866
Administration (PEU Staff)	1,747	-	-	-	1,747
Studies and designs	449	-	-	-	449
Monitoring & Evaluation	350	-	-	-	350
Communication strategy and Financial audits	100	200	220	-	320
Total	27,000	5,000	5,500	1,528	34,028

(*) The cost table was calculated using an approximate exchange rate of €1=US\$1.10 in order to determine the estimated project cost in one single currency. The final cost of the project will be reported at its end, using actual amounts spent in US Dollars and in Euros. Balances from Euro to US at October 15, 2021 has been converted at 1.1779 as per Central Bank of Belize rates. An equivalent in US dollars will be calculated based on current exchange rates applicable at the time of payments.

The Project officially commenced operations on November 17, 2015 and was estimated to meet its objective within five (5) years of the signing of the Loan contract, that is, November 17, 2020. An extension was granted and is scheduled to be completed October 15, 2021.

The project is also comprised of a Management Agreement which exists between the European Commission representing the European Union and the Inter-American Development Bank signed on February 6, 2017 which involves supporting activities financed with the EU Contribution.

The Financial statements and notes of the Project for the six and a half months ended October 15, 2021 follows.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 (IN US DOLLARS AND EUR)

OBJECTIVE OF AUDIT

The objective of our audit is to provide IDB and EU with the assurance that Project resources are being managed in accordance with the terms of Loan Contract No. 3344/OC-BL and EU/CIF Grant No. EDF/2015/362-165 (accorded by CIF Management Agreement FED/2016/382-917 and CIF implementing agreement), 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 and Statement of Cumulative Investments present fairly, in all material respects, the cash received and disbursements made for period ended October 15, 2021 in accordance with the "Cash Basis of Accounting";
2. To obtain a sufficient understanding of the George Price Highway Rehabilitation Project'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 George Price Highway Rehabilitation Project complied, in all material respects, with the terms of the loan and grant 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 Project;
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 Project is reasonably presented and in accordance with the "Cash Basis of Accounting" and IDB's requirements;
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 Project funds.

**INDEPENDENT AUDITORS' REPORT ON THE STATEMENT OF
CASH RECEIPTS AND DISBURSEMENTS MADE
AND STATEMENT OF CUMULATIVE INVESTMENTS
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF GRANT No. EDF/2015/362-165**

To: Government of Belize, Ministry of Infrastructure Development & Housing

Program: George Price Highway Rehabilitation Project

Opinion

We have audited the accompanying financial statements of the George Price Highway Rehabilitation Project executed by the Government of Belize through the Ministry of Infrastructure Development & Housing and financed with funds from Inter-American Development Bank (IDB) Loan Contract No. 3344/OC-BL and Grant from the European Commission – Caribbean Investment Facility EU/CIF Grant No. EDF/2015/362-165 as of and for the six and a half months ended October 15, 2021, which comprise the Statement of Cash Received and Disbursements as of the six and a half months ended October 15, 2021 and Statement of Cumulative Investments and the notes to the financial statements, which include a summary of the relevant accounting policies.

In our opinion, the accompanying Financial Statements of the George Price Highway Rehabilitation Project for the six and a half months ended on October 15, 2021 have been prepared in all material respects, in accordance with the financial reporting requirements of the contractual clause, Article 8.01, Loan Contract No. 3344/OC-BL, EU/CIF Grant No. EDF/2015/362-165 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Government of Belize, Ministry of Infrastructure Development & Housing the Executing Agency of the Loan Contract No. 3344/OC-BL and the George Price Highway Rehabilitation Project 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.

Emphasis of Matter-Basis of Accounting, and Restriction and 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 George Price Highway Rehabilitation Project in accordance with the requirements of the Loan Contract No. 3344/OC-BL and EU/CIF Grant No. EDF/2015/362-165 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

hlb.bz

Partners: Claude Burrell, CPA, CISA, CDPSE | Giacomo Sanchez, CPA

40 Central American Blvd | Belize City | Belize C.A.

TEL: +501 227 3020 **EMAIL:** info@hlab.bz

HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

the Executing Agency of the Project, IDB and the European Commission, and should not be distributed to other parties other than the Bank, European Commission or the Executing Agency 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.

Responsibilities of Management for the Financial Statements

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. 3344/OC -BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB and the grant agreement. 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Report on other legal and/or regulatory requirements

We did not observe any situation suggesting noncompliance with the financial clauses in the Inter-American Development Bank Loan Contract No. 3344/OC-BL and EU/CIF Grant No. EDF/2015/362-165 during the period examined by us.



Chartered Accountants
Belize City, Belize
November 9, 2021

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING

GEORGE PRICE HIGHWAY REHABILITATION PROJECT


LOAN CONTRACT NO: 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165

STATEMENTS OF CASH RECEIVED AND DISBURSEMENTS MADE

FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS)

	Notes	Six and a Half Months Ended October 15, 2021				Year Ended March 31, 2021			
		IDB	CIF	Local Counter part	Total	IDB	CIF	Local Counter part	Total
		\$	\$	\$	\$	\$	\$	\$	\$
CASH RECEIVED									
Accumulated cash at beginning of period		24,481,822	5,864,500	1,105,164	31,451,486	19,481,822	2,907,750	839,524	23,229,096
Activity during the period									
REQ18 (Advances)	6.	2,518,178	-	20,300	2,538,478	5,000,000	2,956,750	265,640	8,222,390
Interest received		-	-	-	-	-	-	-	-
Total cash received	10.	27,000,000	5,864,500	1,125,464	33,989,964	24,481,822	5,864,500	1,105,164	31,451,486
DISBURSEMENTS MADE									
Cumulative cash at beginning of period		24,002,890	4,798,322	1,105,164	29,906,376	17,384,472	2,936,079	839,524	21,160,075
Activity during the period									
Payments for goods and services		2,997,110	435,121	20,300	3,452,531	6,618,418	1,862,243	265,640	8,746,301
Total cash disbursements	6.	27,000,000	5,233,443	1,125,464	33,358,907	24,002,890	4,798,322	1,105,164	29,906,376
Program Receipts Less Disbursements	9.	-	631,057	-	631,057	478,932	1,066,178	-	1,545,110
Reimbursable from (MIDH to the Program)/ The Program to MIDH	5.	625,105	122,892	-	747,997	91,320	434,416	-	525,736
AVAILABLE CASH AS OF END OF PERIOD	3.	625,105	753,949	-	1,379,054	570,252	1,500,594	-	2,070,846


Project Manager


Chief Executive Officer,
Ministry of Infrastructure Development &
Housing

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING

GEORGE PRICE HIGHWAY REHABILITATION PROJECT

LOAN CONTRACT NO: 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165


STATEMENTS OF CASH RECEIVED AND DISBURSEMENTS MADE

FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN EUR)

	Notes	Six and a Half Months Ended October 15, 2021				Year Ended March 31, 2021			
		IDB	CIF	Local Counter part	Total	IDB	CIF	Local Counter part	Total
		€	€	€	€	€	€	€	€
CASH RECEIVED									
Accumulated cash at beginning of period		22,256,202	5,000,000	1,004,694	28,260,896	17,710,747	2,500,000	763,204	20,973,951
Activity during the period									
REQ 18 (Advances)	6.	2,289,253	-	18,455	2,307,708	4,545,455	2,500,000	241,490	7,286,945
Interest Received		-	-	-	-	-	-	-	-
Total cash received	10.	24,545,455	5,000,000	1,023,149	30,568,604	22,256,202	5,000,000	1,004,694	28,260,896
DISBURSEMENTS MADE									
Cumulative cash at beginning of period		21,820,807	4,102,813	1,004,694	26,928,314	15,804,064	2,525,447	763,204	19,092,715
Activity during the period									
Payments for goods and services		2,724,648	361,073	18,455	3,104,176	6,016,743	1,577,366	241,490	7,835,599
Total cash disbursements	6.	24,545,455	4,463,886	1,023,149	30,032,490	21,820,807	4,102,813	1,004,694	26,928,314
Program Receipts Less Disbursements	9.	-	536,114	-	536,114	435,395	897,187	-	1,332,582
Reimbursable from (MIDH to the Program)/ The Program to MIDH	5.	568,277	103,965	-	672,242	83,017	361,806	-	444,823
AVAILABLE CASH AS OF END OF PERIOD	3.	568,277	640,079	-	1,208,356	518,412	1,258,993	-	1,777,405


Project Manager

R. E. CHAN


Chief Executive Officer,
Ministry of Infrastructure Development &
Housing

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING

GEORGE PRICE HIGHWAY REHABILITATION PROJECT

LOAN CONTRACT NO: 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165


STATEMENTS OF CUMULATIVE INVESTMENTS

FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS)

INVESTMENT CATEGORY/ COMPONENTS	CUMULATIVE AT THE END OF MARCH 31, 2021				MOVEMENTS DURING THE PERIOD ENDED OCTOBER 15, 2021				CUMULATIVE AT THE END OF OCTOBER 15, 2021			
	IDB	CIF	Local Counterpart	Total	IDB	CIF	Local Counterpart	Total	IDB	CIF	Local Counterpart	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Component I: Civil Works & Maintenance												
1.1 Replacement of Roaring Creek Bridge	2,875,413	2,390,112	-	5,265,525	9,619	311,024	-	320,643	2,885,032	2,701,136	-	5,586,168
1.2 Rehabilitation of George Price Highway	16,715,878	2,347,393	-	19,063,271	2,450,554	122,892	-	2,573,446	19,166,432	2,470,285	-	21,636,717
1.3 Construction Supervision	3,061,857	-	-	3,061,857	383,642	-	-	383,642	3,445,499	-	-	3,445,499
1.4 Two-year Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Land Acquisition	-	-	1,105,164	1,105,164	-	-	20,300	20,300	-	-	1,125,464	1,125,464
TOTAL	22,653,148	4,737,505	1,105,164	28,495,817	2,843,815	433,916	20,300	3,298,031	25,496,963	5,171,421	1,125,464	31,793,848
Component II: Institutional Strengthening												
2.1 Ministry of Works Strengthening	73,736	-	-	73,736	15,449	-	-	15,449	89,185	-	-	89,185
TOTAL	73,736	-	-	73,736	15,449	-	-	15,449	89,185	-	-	89,185
Component III: Engineering & Administration												
3.1 Administration	1,186,734	-	-	1,186,734	100,879	-	-	100,879	1,287,613	-	-	1,287,613
3.2 Studies & Designs	6,245	-	-	6,245	-	-	-	-	6,245	-	-	6,245
3.3 Monitoring & Evaluation	34,579	-	-	34,579	21,869	-	-	21,869	56,448	-	-	56,448
3.4 Communication Strategy & Audits	48,448	18,727	-	67,175	15,053	-	-	15,053	63,501	18,727	-	82,228
TOTAL	1,276,006	18,727	-	1,294,733	137,801	-	-	137,801	1,413,807	18,727	-	1,432,534
CONTINGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
TRANSLATION LOSS	-	42,090	-	42,090	45	1,205	-	1,250	45	43,295	-	43,340
TOTAL INVESTMENT	24,002,890	4,798,322	1,105,164	29,906,376	2,997,110	435,121	20,300	3,452,531	27,000,000	5,233,443	1,125,464	33,358,907



Project Manager



Chief Executive Officer,
Ministry of Infrastructure Development
& Housing

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING

GEORGE PRICE HIGHWAY REHABILITATION PROJECT

LOAN CONTRACT NO: 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165


STATEMENTS OF CUMULATIVE INVESTMENTS

FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN EUR)

INVESTMENT CATEGORY/ COMPONENTS	CUMULATIVE AT THE END OF MARCH 31, 2021				MOVEMENTS DURING THE PERIOD ENDED OCTOBER 15, 2021				CUMULATIVE AT THE END OF OCTOBER 15, 2021			
	IDB	CIF	Local Counterpart	Total	IDB	CIF	Local Counterpart	Total	IDB	CIF	Local Counterpart	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Component I: Civil Works & Maintenance												
1.1 Replacement of Roaring Creek Bridge	2,614,012	2,073,700	-	4,687,712	8,746	257,108	-	265,854	2,622,758	2,330,808	-	4,953,566
1.2 Rehabilitation of George Price Highway	15,196,252	2,013,142	-	17,209,394	2,227,777	103,965	-	2,331,742	17,424,029	2,117,107	-	19,541,136
1.3 Construction Supervision	2,783,506	-	-	2,783,506	348,765	-	-	348,765	3,132,271	-	-	3,132,271
1.4 Two-year Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Land Acquisition	-	-	1,004,694	1,004,694	-	-	18,455	18,455	-	-	1,023,149	1,023,149
TOTAL	20,593,770	4,086,842	1,004,694	25,685,306	2,585,288	361,073	18,455	2,964,816	23,179,058	4,447,915	1,023,149	28,650,122
Strengthening												
2.1 Ministry of Works Strengthening	67,033	-	-	67,033	14,045	-	-	14,045	81,078	-	-	81,078
TOTAL	67,033	-	-	67,033	14,045	-	-	14,045	81,078	-	-	81,078
Component III: Engineering & Administration												
3.1 Administration	1,078,849	-	-	1,078,849	91,708	-	-	91,708	1,170,557	-	-	1,170,557
3.2 Studies & Designs	5,677	-	-	5,677	-	-	-	-	5,677	-	-	5,677
3.3 Monitoring & Evaluation	31,435	-	-	31,435	19,881	-	-	19,881	51,316	-	-	51,316
3.4 Communication Strategy & Audits	44,043	15,971	-	60,014	13,685	-	-	13,685	57,728	15,971	-	73,699
TOTAL	1,160,004	15,971	-	1,175,975	125,274	-	-	125,274	1,285,278	15,971	-	1,301,249
CONTINGENCIES		-	-	-	-	-	-	-	-	-	-	-
TRANSLATION LOSS		-	-	-	41	-	-	41	41	-	-	41
TOTAL INVESTMENT	21,820,807	4,102,813	1,004,694	26,928,314	2,724,648	361,073	18,455	3,104,176	24,545,455	4,463,886	1,023,149	30,032,490



Project Manager



Chief Executive Officer,
Ministry of Infrastructure Development
& Housing

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

1. PROGRAM STATUS

The Government of Belize (hereinafter referred to as 'the Borrower') received a loan from the Inter-American Development Bank and Grant from the European Commission-Caribbean Investment Facility to finance a portion of the cost of the George Price Highway Rehabilitation Project. The total contribution to the project is US\$34,028,000 consisting of US\$27,000,000 from Inter American Development Bank; US\$5,500,000 (EUR 5,000,000) from European Commission-Caribbean Investment Facility; and US\$1,528,000 from Government of Belize local counter-part.

The project is financially administered in three (3) components: Component 1 - Civil works and maintenance, Component 2 - Institutional strengthening, and Component 3 - Engineering & administration. The project is technically administered by the monitoring tools which includes Project Execution Plan (PEP), Annual Operation Plan (AOP), Financial Plan (FP) and Procurement Plan (PP).

Component 1 was divided into three (3) Lots/Sections with one lot being assigned the construction of the new Roaring Creek Bridge and the other two Lots/Sections being assigned to the road rehabilitation. This component also includes the land acquisition of work areas and the supervision of the project and subsequently a two-year maintenance of the roads.

The original project was split into three lots as follows: Section I Construction of Roaring Creek Bridge was awarded to M&M Engineering Consultants Limited in the sum of US\$5,673,411.59; Section II Roaring Creek to Iguana Creek Junction was awarded to Teichroeb & Sons Limited in the sum of US\$10,270,411.60; and Section III Iguana Creek Junction to Santa Elena Town was awarded to Imer Hernandez Development Company Limited in the sum of US\$9,506,467.95.

Project Sections (Lots)				
Construction Section	Length	Contractor	Original Contract Amount (US)	Revised Contract Amount (US)
Section I: Construction of Roaring Creek Bridge	0+000 to 0+485km	M&M Engineering Consultants Limited	\$ 5,673,411.59	\$ 5,790,801.59
Section II: Roaring Creek to Iguana Creek Junction	0+485 to 15+870km	Teichroeb & Sons Limited	\$ 10,270,411.60	\$ 13,602,242.98
Section II: Iguana Creek Junction to Santa Elena	15+870 to 32+450km	Imer Hernandez Development Co Ltd	\$ 9,506,467.95	\$ 11,890,339.53

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

1. PROGRAM STATUS (CONTINUED)

Lot 1: Section I Construction of new Roaring Creek Bridge

This lot included the construction of the new Roaring Creek Bridge alongside the existing bridge that has been upgraded. The new bridge is a 95m long, 3-span reinforced concrete structure with two lanes and sidewalks on both sides of the carriageway. The approaches to the new bridge either side are 200m lengths with 3m high embankment on the eastern approach and a retaining wall structure on the western side.

Lot 2: Section II Roaring Creek to Iguana Creek Junction

The section rehabilitated is 15.385km long, starting on the western bank of Roaring Creek at km0+485 to just before the Iguana Creek Junction. The finished road width is 2 lanes of 3.5m with a 1.5m paved shoulder and a 0.5m gravel verge. This rehabilitated road in its inception showed deterioration in the latter half of the Lot, with the most common defects include edge cracking and shoulder drop-off. The large near vertical drops of the hill in the Z-curves (in Teakettle) was trimmed to improve the road alignment in this area due to safety concerns. The works included the reconstruction of 32 cross-culverts, 35 side road culverts and 317 access culverts.

Lot 3: Section III Iguana Creek Junction to Santa Elena Town

This section is 16.580km in length, starting just before the Iguana Creek Junction and extending to the Santa Elena Roundabout. The finished road width will be 2 lanes of 3.5m with a 1.5m paved shoulder and a 0.5m gravel verge. This section also shows deterioration in sections particularly in the villages with edge cracking and lane drop-offs. These defects for the most part include patching, depressions, weathering, and ravelling. Drainage is addressed by replacing of some of the existing culverts to mitigate against flooding. The works includes the reconstruction of 25 cross-culverts, 48 side road culverts and 285 access culverts.

Supervision Services: IMC Worldwide

The specialized supervision firm hired to supervise Section I-III is IMC Worldwide Inc in the sum of US\$1,912,514.50.

Component 2 consists in providing trainings to strengthen the knowledge and expertise of the Ministry of Infrastructure Development & Housing.

Component 3 is divided into four (4) sub-components: administration, studies/designs, monitoring/evaluation, and communication strategy & financial audits.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

1. PROGRAM STATUS (CONTINUED)

Component 1

The Contract No. 315 of 17/18 for Section I (M&M Engineering Consultant Ltd) was signed on December 18, 2017 in the contract sum of US\$5,673,411.59; with end date April 30, 2019 as per Amendment 1. There were Amendment 2 to Section I for extension of time to additional six (6) months with end date December 2019 and with additional cost of US\$117,390. Amendment 3 signed May 7, 2020 replaced the new end date to March 31, 2020. The contract is considered completed and paid as October 15, 2021 to the contractor is 100% (US\$5,586,168.12).

The Contract No. 380 of 17/18 for Section II (Teichroeb & Sons Ltd) was signed on January 24, 2018 with initial end date of July 2019 for a duration of 18 months and with a contract sum of US\$10,270,411.60. There were Amendment to Section II to include additional works and the construction of the Iguana Creek Roundabout with a revised end date of August 2020 and new sum of US\$12,760,734.55. Amendment 2 was signed April 3, 2020 to increase the contract value to US\$13,260,734.55. Amendment 2 of the contract allowed for sectional completion of the works where the works under the original contract were accepted as substantially completed while the construction of the roundabout was allotted 8 months to be complete beyond December 31, 2019. During FY2020-2021, there was Amendment 3 increasing the contract value to US\$13,602,242.98 and the Intended Completion Dates to the work chainage. The contract is ongoing and paid as at October 15, 2021 to the contractor is 97.5% (US\$13,263,500.05). The retention balance will be paid at the end of the defects liability period from IDB Loan 4616/OC-BL (Additional Financing George Price Highway).

The Contract No. 280 of 2018/ 2019 for Section III (Imer Hernandez Development Company Ltd) was signed on March 28, 2019 with end date of October 2020 for a duration of 18 months and with a contract sum of US\$9,506,467.95. There was Amendment 1 dated 18 December 2019 to the contract which adjusted the Site Location of the work section (chainage). Amendment 2 dated 18 January 2021 adjusted the Intended Completion Date from October 22, 2020 to June 22, 2021. There was Amendment No. 3 signed on June 18, 2021 to increase the contract value to US\$11,890,339.53. The work is ongoing and paid as at October 15, 2021 to the contractor is 70% (US\$8,373,218.63). The remaining balance is to be paid from IDB Loan 4616/OC-BL (Additional Financing George Price Highway).

The Road Maintenance contracting have been delayed since there were extensions of time for Section 1, 2 and 3.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

1. PROGRAM STATUS (CONTINUED)

The Supervision Firm hired to oversee the civil works for Section I to III is IMC Worldwide Inc. with an initial contract sum of US\$1,912,514.50 for twenty four (24) months. The contract value and expiration of contract was Amended on July 17, 2021 to the sum of US\$3,215,266.67 and forty-seven (47) months, respectively. In FY2020-2021, Amendment 2 was approved on June 30, 2021 increasing the contract sum to US\$3,328,486.92 to accommodate the extension of time and the defect liabilities reports. In addition, Amendment 3 was approved on January 18, 2021 increasing the value to US\$3,917,433.72 and the expiration date to June 2, 26, 2022, that is, total of fifty-five (55) months to the contract period. The supervision firm has been paid US\$3,445,499.13 as of October 15, 2021.

The Project has acquired all land required for road works for the three sections, processed all compensations to the fruit vendors to restore their livelihood, which is aligned to IDB Policy of Project Affected Person (PAP). There is only one legal case against the project for Section I.

Component 2

The PMU conducted one (1) trainings during Fiscal Year 2021-2022, that is, IRF Training: Advances in Pavement Design, Analysis and Construction in the sum of US\$15,448.51.

Component 3

The PMU as part of the administration aspect has been staffed with the following consultants: Program Coordinator, Financial Specialist, Procurement Specialist, Accounts Clerk and Administrative Assistant.

The PMU acquired the Testing Equipment for water, air & noise. Likewise, the unit processed payments for the Portable Truck Axle Scale & Accessories and also TSS Portable Handheld.

This project is considered closed and all remaining balances will be paid from IDB Loan 4616/OC-BL (Additional Financing George Price Highway).

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in United States dollars (US) and Euro currency (EU) under the historical cost convention and conformity with "Financial Reporting under the Cash Basis of Accounting". 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 Project'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.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (a) Cash Basis of Accounting - The financial statements have been prepared using the cash basis of accounting, recognizing revenue when the cash is received and recognizing expenses when the cash has been disbursed. This accounting policy differs from the IPSAS under which transactions should be recorded when they occur and not when they are paid. However, the IPSAS have been applied to circumstances such as those discussed in chapter "Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting."
- (b) Currency - The program's accounting records are maintained in local currency and US dollars. The official exchange rate for reporting purposes is fixed at BZ\$2 = US\$1. In order to calculate the Euro currency, the cash received in local currency in a specific commercial bank account, is converted at the rate of exchange in effect at the time of receipt of these funds or at the rate of exchange at a time close to the transaction date, such as, the effective rate on the last day of the preceding month or the monthly average. Balances from Euro to US at October 15, 2021 has been converted at 1.1779 as per Central Bank of Belize rates. The original budget was calculated using an approximate exchange rate of €1 = US\$1.10. The final cost of the project will be reported at its end, using actual amounts spent in US Dollars and in Euros.
- (c) All costs related to the Project's activities are classified, where appropriate, according to the work plan budget for the period.
- (d) No depreciation is charged on fixed assets acquired with Project funds.
- (e) The Project's Statement of Cash Receipts and Disbursements reflects activities relating to IDB Loan No. 3344 OC-BL, EU/CIF Grant No. EDF/2015/362-165 and counterpart contribution.
- (f) The IDB Project's funds are deposited into account #311093, GOB/ IDB Civil Works - George Price Highway at the Central Bank of Belize upon IDB's approval.
- (g) The EU Project's funds are deposited into account #312042 George Price Highway Rehabilitation at the Central Bank of Belize.

3. CASH AND BANK BALANCES

The available cash balance as of October 15, 2021, as held in the Project's bank account.

	<u>2021</u>			
IDB FUNDS				
Central Bank of Belize a/c # 311093	<u>BZ</u>	<u>US</u>	<u>EUR</u>	
Statement balance at October 15, 2021	\$ 1,250,210	\$ 625,105	€ 568,277	
Total cash and bank balance	\$ 1,250,210	\$ 625,105	€ 568,277	

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)

3. CASH AND BANK BALANCES (CONTINUED)

CIF-EU FUNDS		2021		
Central Bank of Belize a/c # 312042	BZ	US		EUR
Statement balance at October 15, 2021	\$ 1,507,897	\$ 753,949	€	640,079
Total cash and bank balance	\$ 1,507,897	\$ 753,949	€	640,079
Total Cash Balances	\$ 2,758,107	\$ 1,379,054	€	1,208,356

The exchange rate gain or loss that results from a difference of the exchange rate when the funds are received versus when they are converted to local currency to make payments for eligible expenses is accounted for as an exchange rate differential allocated to finance charges.

4. ADVANCES PENDING JUSTIFICATION

At October 15, 2021, the amount pending justification relating to EU - CIF funds US\$631,057 (€536,114) which represents disbursement requests awaiting processing or expenditures incurred but not included in these requests. See note 5.

At October 15, 2021, the amount used and pending justification relating to IDB funds was US\$2,997,071. Amounts was approved on October 19, 2021.

5. ADVANCES AND JUSTIFICATION

IDB FUNDS	2021		2021
	US		EUR
Balance in Bank Accounts at October 15, 2021	\$ 625,105	€	568,277
Funds Already Used	2,997,071		2,724,611
Reconciled Revolving Fund Balance	3,622,176		3,292,888
Advance Fund Balance per LMS1	(2,997,071)		(2,724,611)
	625,105		568,277
Explained Difference (see below) *	(625,105)		(568,277)
Difference	\$ -	€	-

* The US\$625,105 (€568,277) has been used by the Government of Belize for George Price Highway Rehabilitation Project expenses and are thus reimbursable to MIDH by the GPHRP and pending justification to the IDB.

CIF-EU FUNDS	2021		2021
	US		EUR
Balance in Bank Accounts at October 15, 2021	\$ 753,949	€	640,079
Funds Already Used and Pending Justification	(122,892)		(103,965)
Reconciled Revolving Fund Balance	\$ 631,057	€	536,114

As at October 15, 2021; GOB has provided an advance of €103,965 (US\$122,892) for the payment to contractor which is reimbursable to MIDH.

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS AND EUR)

5. ADVANCES AND JUSTIFICATION (CONTINUED)

Advance Fund Balance as per LMS1

Opening Balance Inter-American Development Bank Funds			Advance & Justification (project Life)	Advances Received	Advances Justified	Advances Unjustified	Advances Received	Advances Justified	Advances Unjustified
LMS/CBB	Value dates	Request	Beneficiary	ANT	ANJ	Balance	ANT	ANJ	Balance
201608706	10-Mar-16	REQ01	GOB/IDB CIVIL WORKS	\$ 173,361		\$ 173,361	€ 157,601		€ 157,601
201717478	08-May-17	REQ02			\$ (157,678)	15,683		€ (143,344)	14,257
201717984	10-May-17	REQ03	GOB/IDB CIVIL WORKS	75,958		91,641	69,053		83,310
201744636	02-Oct-17	REQ04			(86,630)	5,011		(78,754)	4,556
201759701	12-Dec-17	REQ05	GOB/IDB CIVIL WORKS	3,750,000		3,755,011	3,409,091		3,413,647
201822108	25-May-18	REQ06	IMC Worldwide Inc. (DPS)	382,503	(382,503)	3,755,011	347,730	(347,730)	3,413,647
201823831	06-Jun-18	REQ07			(3,188,764)	566,248		(2,898,876)	514,771
201823941	07-Jun-18	REQ08	GOB/IDB CIVIL WORKS	3,000,000		3,566,248	2,727,273		3,242,045
201861927	14-Dec-18	REQ09	GOB/IDB CIVIL WORKS		(2,843,552)	722,696		(2,585,047)	656,997
201862165	17-Dec-18	REQ10	GOB/IDB CIVIL WORKS	5,000,000		5,722,696	4,545,454		5,202,451
201932819	12-Jul-19	REQ11	GOB/IDB CIVIL WORKS		(5,618,298)	104,398		(5,107,544)	94,907
201932935	16-Jul-19	REQ12	GOB/IDB CIVIL WORKS	2,600,000		2,704,398	2,363,636		2,458,543
201962020	03-Dec-19	REQ13	GOB/IDB CIVIL WORKS		(1,978,211)	726,187		(1,798,373)	660,170
201962756	06-Dec-19	REQ14	GOB/IDB CIVIL WORKS	4,500,000		5,226,187	4,090,909		4,751,079
202035759	14-Aug-20	REQ15	GOB/IDB CIVIL WORKS		(4,791,939)	434,248		(4,356,308)	394,771
202036475	14-Aug-20	REQ16	GOB/IDB CIVIL WORKS	5,000,000		5,434,247	4,545,455		4,940,227
2021034530	05-Jul-21	REQ17			(4,955,354)	478,893		(4,504,868)	435,358
2021034631	08-Jul-21	REQ18	MINISTRY OF INFRASTRUCTURE	2,518,178		2,997,071	2,289,253		2,724,611
2021050242	19-Oct-21	REQ 19			(2,997,071)			(2,724,611)	-
Closing Balance				\$ 27,000,000	\$ (27,000,000)	\$ -	€ 24,545,455	€ (24,545,455)	€ -

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS and EUR)

5. ADVANCES AND JUSTIFICATION (CONTINUED)

Opening Bal. EU FUNDS			Advance & Justification (project Life)	Advances Received	Advances Justified	Advances Unjustified	Advances Received	Advances Justified	Advances Unjustified
LMS/CBB	Value dates	Request	Beneficiary	ANT	ANJ	Balance	ANT	ANJ	Balance
	31-Aug-18	DEP01	GOB/EU GEORGE PRICE HIGHWAY REHABILITATION	\$ 2,907,750	\$ -	\$ 2,907,750	€ 2,500,000	€ -	€ 2,500,000
201932819	12-Jul-19	REQ11	GOB/EU GEORGE PRICE HIGHWAY REHABILITATION		(472,307)	2,435,443		(410,860)	2,089,140
201962020	03-Dec-19	REQ13	GOB/EU GEORGE PRICE HIGHWAY REHABILITATION		(1,240,566)	1,194,877		(1,099,591)	989,549
	31-Jul-20	DEP02	GOB/EU GEORGE PRICE HIGHWAY REHABILITATION	2,956,750	-	4,151,627	2,500,000	-	3,489,549
202035759	26-Aug-20	REQ15	GOB/EU GEORGE PRICE HIGHWAY REHABILITATION		(1,357,714)	2,793,913		(1,217,796)	2,271,753
		REQ15B			(10,479)	2,783,434			2,271,753
2021034530	05-Jul-21	REQ17			(1,675,166)	1,108,268		(1,374,565)	897,188
2021050242	19-Oct-21	REQ19			(433,916)	674,352		(361,074)	536,114
Closing Balance				\$ 5,864,500	\$ (5,190,148)	\$ 674,352	€ 5,000,000	€ (4,463,886)	€ 536,114

BY FISCAL PERIOD	IDB Fund		EU-CIF Funds	
Advances & Justifications	US	EUR	US	EUR
Opening Balance of Advance (April 1, 2021)	\$ 5,434,247	€ 4,940,225	\$ 2,783,434	€ 2,271,753
Advance Recorded & Justified	(7,952,425)	(7,229,477)	(2,109,082)	(1,735,639)
Advance Received	2,518,178	2,289,253	-	-
Translation loss			(43,295)	
Closing Balance of Advances (October 15, 2021)	\$ -	€ -	\$ 631,057	€ 536,114

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS AND EUR)

6. LOCAL COUNTERPART FUNDS

	Cumulative as at March 31, 2021	Period Ended October 15, 2021	Cumulative as at October 15, 2021	Year Ended March 31, 2021	Period Ended October 15, 2021	Cumulative as at October 15, 2021
	US	US	US	EUR	EUR	EUR
Advance Fund/ Replenishments (page 5 - 6)	\$ 1,105,164	\$ 20,300	\$ 1,125,464	€ 1,004,694	€ 18,455	€ 1,023,149
Direct Payments	-	-	-	-	-	-
Total	\$ 1,105,164	\$ 20,300	\$ 1,125,464	\$ 1,004,694	€ 18,455	€ 1,023,149

The Government of Belize had committed to contributing a sum of US\$1,528,000 (€1,389,091). As of October 15, 2021, the Government has contributed a sum of US\$1,125,464 (€1,023,149), which equates to 74% of the total committed. Local counterpart funding is concentrated in the land acquisition, compensation to affected persons and projected maintenance components.

7. PRIOR PERIOD ADJUSTMENT

There is no prior period adjustment applicable to these financial statements.

8. PROCUREMENT STATUS OF GOODS AND SERVICES

Status of Processes (October 15, 2021)	# Processes	Amount US	Amount EUR	%
Not Started	0	\$ -	€ -	0%
Ongoing/Underway	0	669,093	608,266	2%
Awarded and completed	38	33,358,907	30,032,490	98%
Total	38	\$ 34,028,000	€ 30,640,755	100%

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING

GEORGE PRICE HIGHWAY REHABILITATION PROJECT

LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS AND EUR)

9. RECONCILIATION BETWEEN THE STATEMENT OF RECEIPTS AND DISBURSEMENTS AND THE STATEMENT OF CUMULATIVE INVESTMENTS

	Cumulative as at March 31, 2021 US	Six and a Half Months Ended October 15, 2021 US	Cumulative as at October 15, 2021 US	Cumulative as at March 31, 2021 EUR	Six and a Half Months Ended October 15, 2021 EUR	Cumulative as at October 15, 2021 EUR
Disbursements made by the PMU as per Statement of Cumulative Investments	\$ 23,620,387	\$ 2,997,110	\$ 26,617,497	€ 21,473,078	€ 2,724,645	€ 24,197,723
Direct Disbursements made by the IADB as per Statement of Cumulative Investment	382,503	-	382,503	347,728	-	347,728
Cumulative Investment	24,002,890	2,997,110	27,000,000	21,820,807	2,724,645	24,545,451
Total Cash Received and Direct Payments via IADB	\$ 24,481,822	\$ 2,518,178	\$ 27,000,000	€ 22,256,202	€ 2,289,250	€ 24,545,452
Less: Cumulative Disbursements for the period	(24,002,890)	(2,997,110)	(27,000,000)	(21,820,807)	(2,724,645)	(24,545,452)
Receipts Less Disbursements	\$ 478,932	\$ (478,932)	\$ -	€ 435,395	€ (435,395)	€ -

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING

GEORGE PRICE HIGHWAY REHABILITATION PROJECT

LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED MARCH 31, 2021 (IN US DOLLARS AND EUR)

10. RECONCILIATION BY INVESTMENT CATEGORIES BETWEEN THE PROGRAM'S RECORDS AND THE IDB'S RECORDS

CATEGORY	Cumulative Balance as per:		Variance	Cumulative Balance as per:		Variance	Explanation for Variances
	Program's Records (Statement of Cumulative Investments)	IDB's Records (LMS 1 Executive Financial Summary)		Program's Records (Statement of Cumulative Investments)	IDB's Records (LMS 1 Executive Financial Summary)		
Component I: Civil Works & Maintenance							
1.1 Replacement of Roaring Creek Bridge	\$ 2,885,032	\$ 2,875,412	\$ 9,620	€ 2,622,756	€ 2,614,011	€ 8,745	
1.2 Rehabilitation of George Price Highway	19,166,432	16,715,879	2,450,553	17,424,029	15,196,254	2,227,775	
1.3 Construction Supervision	3,445,499	3,061,856	383,643	3,132,272	2,783,505	348,766	
1.4 Two-year Maintenance	-	-	-	-	-	-	
1.5 Land Acquisition	-	-	-	-	-	-	
TOTAL	25,496,963	22,653,147	2,843,816	23,179,057	20,593,770	2,585,287	
Component II: Institutional Strengthening							
2.1 Ministry of Works Strengthening	89,185	73,736	15,449	81,077	67,033	14,045	
TOTAL	89,185	73,736	15,449	81,077	67,033	14,045	
Component III: Engineering & Administration							
3.1 Administration	1,287,613	1,186,774	100,839	1,170,557	1,078,885	91,672	
3.2 Studies & Designs	6,245	6,245	-	5,677	5,677	-	
3.3 Monitoring & Evaluation	56,448	34,579	21,869	51,316	31,435	19,881	
3.4 Communication Strategy & Audits	63,501	48,448	15,053	57,728	44,044	13,685	
TOTAL	1,413,807	1,276,046	137,761	1,285,279	1,160,042	125,237	
Foreign Exchange Translation	45	-	45	41	-	41	
Total at October 15, 2021	\$ 27,000,000	\$ 24,002,929	\$ 2,997,071	€ 24,545,455	€ 21,820,845	€ 2,724,610	Funds pending justification, see also REQ 19 in note 5.

**GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS AND EUR)**

11. SUBSEQUENT EVENTS

The following are reimbursements pending to the Government of Belize as at October 15, 2021 for capital expenditures incurred by GPHR from both IDB and EU financing:

IDB Funds

The Program Management Unit requested from the Ministry of Finance the approval of Reimbursement #17 in the sum of BZ\$1,250,209.68 (US\$625,104.84) as per PMU Letter Ref DPW/GPHRP/34/1/21 (08) Vol. VI dated September 7, 2021.

EU Funds

The Program Management Unit requested from the Ministry of Finance the approval of Reimbursement #10 in the sum of BZ\$245,784.66 (US\$122,892.33) as per PMU Letter Ref DPW/GPHRP/34/1/21 (25) Vol. VI dated October 27, 2021.

12. AUTHORIZATION DATE

The financial statements were authorized on November 9, 2021 by a Representative from Ministry of Infrastructure Development & Housing and the George Price Highway Rehabilitation Project Manager.

* * * * *



**INDEPENDENT AUDITORS' REPORT ON THE
SYSTEM OF INTERNAL CONTROLS
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT NO. 3344/OC-BL AND EU/CIF GRANT NO. EDF/2015/362-165**

To: Government of Belize, Ministry of Infrastructure Development & Housing

Program: George Price Highway Rehabilitation Project

We have audited the Statement of Cash Received and Disbursements for the six and a half months ended October 15, 2021 and the Statement of Cumulative Investments as of and for the six and a half months ended October 15, 2021, for the George Price Highway Rehabilitation Project, entered into by the Government of Belize and the Inter-American Development Bank and Grant from the European Commission - Caribbean Investment Facility (EU/CIF), executed by the Ministry of Infrastructure Development & Housing and have issued our report thereon dated November 9, 2021.

This report complements our opinion on the referenced financial statements.

The Management of the George Price Highway Rehabilitation Project is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risks of financial information misstatements and safeguard the assets of the project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of system of internal control policies and procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are protected against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the contract, and transactions are recorded properly to permit the preparation of fair and true financial statements. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Project's financial statements for the six and a half months ended October 15, 2021, we obtained an understanding of the system of internal controls. With respect to the system of internal controls, we obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation and we assessed control risk in order to determine our auditing procedures for the purpose of expressing an opinion on the Project's financial

hlb.bz

Partners: Claude Burrell, CPA, CISA, CDPSE | Giacomo Sanchez, CPA

40 Central American Blvd | Belize City | Belize C.A.

TEL: +501 227 3020 **EMAIL:** info@hblb.bz

HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

statements and not to provide an opinion on the system of internal controls. Accordingly, we do not express such an opinion.

We noted no matter involving the system of internal control and its operation that we consider to be reportable condition under International Standards of Auditing. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the system of internal control that, in our judgment, could adversely affect the ability of the George Price Highway Rehabilitation Project to record, process, summarize, and report financial data consistent with assertions of management in the Statement of Cash Received and Disbursements, the Statement of Cumulative Investments.

A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that significant errors or irregularities in amounts that would be material in relation to the program's financial statements may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions.



Chartered Accountants
Belize City, Belize
November 9, 2021

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
REPORT ON THE SYSTEM OF INTERNAL CONTROLS
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS)

Control Objective	In Compliance/ or Not in Compliance
Purchase Orders are properly prepared, authorized and filed. Also, PO's issued relate to budgeted activities.	In Compliance
The Administrative assistant verifies that items on the PO's are the items invoiced and received.	In Compliance
Disbursement Requests were properly authorized and submitted; funds received were correctly recorded in the approved chart of accounts.	In Compliance
Project assets acquired exist, are in good working condition, and there are controls in place to properly track their transfer from one individual to another.	In Compliance
Perform timely reconciliation of bank accounts.	In Compliance



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH FINANCIAL AND
ACCOUNTING CONTRACTUAL CLAUSES AND THE PROJECT'S OPERATING
REGULATIONS
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT NO. 3344/OC-BL AND EU/CIF GRANT NO. EDF/2015/362-165**

To: Government of Belize, Ministry of Infrastructure Development & Housing

Program: George Price Highway Rehabilitation Project

We have audited the Statement of Cash Received and Disbursements for the six and a half months ended October 15, 2021 and the Statement of Cumulative Investments as of and for the six and a half months ended October 15, 2021, for the George Price Highway Rehabilitation Project, entered into by the Government of Belize and the Inter-American Development Bank and Grant from the European Commission- Caribbean Investment Facility, executed by the Ministry of Infrastructure Development & Housing and have issued our report thereon dated November 9, 2021.

In relation to our audit, we determined compliance with most financial and accounting contractual clauses and articles within the Special Conditions and General Conditions of Loan Contract No. 3344/OC-BL and EU/CIF Grant No. EDF/2015/362-165, for the six and a half months ended October 15, 2021. We have examined the Special Conditions described in Part One, Chapters 1 to 7, the General Conditions described in Part Two, Chapter 1 to 10 and the grant agreement.

We conducted our audit in accordance with International Standards on Auditing and the requirements of the Inter-American Development Bank. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Program has complied with the pertinent loan contractual clauses, applicable laws and regulations and the provisions contained in the Project's Operating Regulations. The audit also includes examining, on a test basis, the appropriate evidence. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, there was no instance of noncompliance that occurred in violation on the part of the Executing Agency with respect to the financial and accounting contractual clauses of Loan Contract No. 3344/OC- BL and EU/CIF Grant No. EDF/2015/362-165 and the Project's Operating Regulations.

A handwritten signature in blue ink that reads 'HLB Belize LLP'.

**Chartered Accountants
Belize City, Belize
November 9, 2021**

hlb.bz

Partners: Claude Burrell, CPA, CISA, CDPSE | Giacomo Sanchez, CPA

40 Central American Blvd | Belize City | Belize C.A.

TEL: +501 227 3020 **EMAIL:** info@hlb.bz

HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

GOVERNMENT OF BELIZE, MINISTRY OF INFRASTRUCTURE DEVELOPMENT & HOUSING
GEORGE PRICE HIGHWAY REHABILITATION PROJECT
LOAN CONTRACT No. 3344/OC-BL AND EU/CIF Grant No. EDF/2015/362-165
REPORT ON THE CONTRACTUAL CLAUSES
FOR THE SIX AND A HALF MONTHS ENDED OCTOBER 15, 2021 AND YEAR ENDED
MARCH 31, 2021 (IN US DOLLARS)

Report on Contractual Clauses		
Section	Clause	Findings
ARTICLE 8.01. Financial Information and Internal Control Systems	(a) The Borrower or the Executing Agency, or the Contracting Agency, as the case may be, shall maintain: (i) a financial information system acceptable to the Bank that enables accounting, budgetary and financial record keeping, as well as the issuance of financial statements and other reports related to the resources of the Loan and other financial sources, as the case may be; and (ii) an internal control structure that enables effective Project management; provides reliability regarding the financial information and the physical, magnetic and electronic records and files; and enables the fulfillment of the provisions of this Contract.	In Compliance



November 9, 2021

Mr. Rolando Chan
Project Coordinator
Government of Belize, Ministry of Infrastructure
Development & Housing
George Price Highway Rehabilitation Project
City of Belmopan
Cayo District

Dear Mr. Chan

We have completed our audit of the Final Audit of George Price Highway Rehabilitation Project, (Loan Contract No. 3344/OC-BL and EU/CIF Grant No. EDF/2015/362-165) for the six and a half months ended October 15, 2021.

During the course of our audit, we examined the principal controls that management of the George Price Rehabilitation Project has established to enable it to ensure, as far as possible, the accuracy and reliability of its records and safeguard of its assets.

Kindly note, however, that the examination we carried out cannot be relied upon to disclose every weakness and for this reason the matters dealt with in this letter are not necessarily the only shortcomings which may exist in the system. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray what is in existence. The potential effectiveness of specific controls at the George Price Highway Rehabilitation Project is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

We have determined that no significant finding existed during the course of our audit on the Financial Statements taken as a whole that would be required to be communicated in this report.

We must commend the Project for its efforts in compliance with the guidelines stipulated in the Inter- American Development Bank Loan Contract No. 3344/OC-BL and EU/CIF Grant No. EDF/2015/362-165. We would also like to express our appreciation to the members of your staff who assisted us in completing our procedures. We greatly appreciate the opportunity to serve as your external independent auditors.

hlb.bz

Partners: Claude Burrell, CPA, CISA, CDPSE | Giacomo Sanchez, CPA

40 Central American Blvd | Belize City | Belize C.A.

TEL: +501 227 3020 **EMAIL:** info@hlb.bz

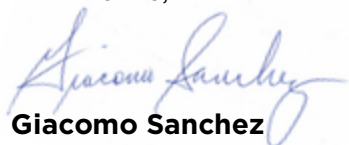
HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network



This report is intended solely for use by the Management of the George Price Highway Rehabilitation Project, The Government of Belize and the Representatives of the Inter-American Development Bank and the European Commission.

Please feel free to contact us whenever you feel we might be of assistance to you.

Sincerely,
HLB Belize, LLP



Giacomo Sanchez
Client Service Partner



40 Central American Blvd.
Belize City, Belize, C.A.

TEL: +501 227 3020

EMAIL: info@hlb.bz

WEB: www.hlb.bz