

**REPUBLIC OF NAURU WHOLE OF
GOVERNMENT**



FINANCIAL STATEMENTS

for the Year Ended 30 June 2014

STATEMENT OF RESPONSIBILITY

In accordance with Section 10 of the Audit Act 1973, we are pleased to present the Financial Statements of the Government of Nauru for the Year Ended 30 June 2014

Basis of Work

We hereby declare that:

- We have been responsible for the preparation of these Financial Statements and the judgments made in them.
- We are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In our opinion these Financial Statements fairly reflect the financial position and operations of the Government of Nauru for the Year Ended 30 June 2014.

Limitation of Information and Work

Compiling these statements has been hindered by the limited information available since the last financial accounts prepared for Government was the FY1995/1996. In the circumstances, this financial statements may not be comprehensive as we may not have become aware of all facts or informations. However, as declared above, these financial statements fairly reflect the true and accurate financial position and operations of Government.

The Financial Statements were authorised for issue by the Honorable Minister for Finance on the XXXXX

Hon. David Adeang
Minister of Finance

Mr Martin Hunt
Secretary for Finance

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 30/06/2014

The accompanying notes form part of these financial statements.

	Notes	<u>2013/14</u> <u>Actual</u>	<u>2013/14</u> <u>Budget</u>	<u>2012/13</u> <u>Actual</u>
<u>RECURRENT INCOME</u>				
Fishing Licenses	11	19,892,930	14,861,988	13,485,194
Custom Duties	12	18,711,235	18,183,657	10,169,626
Fuel Sales	13	15,634,819	15,093,746	5,597,615
Ronphos Royalties		3,898,993	1,183,350	1,062,748
Ronphos Dividends		2,051,503	2,603,370	0
Civil Aviation Revenue	14	3,931,599	3,003,733	749,440
Port Fees		3,419,262	2,250,461	1,109,534
Warehouse Sales		46,838	1,944,020	35,900
Telecom Tax & Dividends		301,988	764,340	369,491
Visa Revenues		15,967,945	18,000,000	84,940
Income from other SOE's		290,243	2,371,698	187
Other Income	15	7,964,331	10,646,894	2,113,282
General Budget Support		3,355,958	8,669,810	0
TOTAL RECURRENT INCOME		95,467,644	99,577,067	34,777,956
<u>RECURRENT EXPENDITURE</u>				
Salary - Local	16	9,500,762	10,965,775	7,929,197
Staff Costs - Expatriates	17	4,149,304	5,137,843	2,759,442
Staff Training		375,529	537,484	325,745
Business Travel		2,610,540	2,500,788	1,421,413
Printing & Stationery		311,448	403,316	391,991
Office & House Rentals	18	1,640,783	1,745,820	933,389
Land Lease		2,832,707	3,191,288	1,644,250
Plants & Equipments (including R&M)	19	2,555,172	2,942,914	1,726,181
Special Projects		4,184,111	4,795,925	3,058,432
Warehouse Procurement		519,917	524,020	425,002
Fuel Purchase	20	23,306,417	25,177,058	14,967,548
Telephone & Internet		550,312	669,033	514,423
Membership Fees		253,146	366,826	347,852
Social Welfare	21	1,948,788	2,079,890	1,229,708
Scholarships		629,181	665,684	490,261
Overseas Medical Expenses		3,668,604	3,710,000	1,955,032
Public Debts		23,292,804	23,374,714	8,538,704
Subsidies & Donations		984,552	955,030	2,239,618
Miscellaneous Expenses	22	3,609,403	9,727,202	7,020,253
TOTAL RECURRENT EXPENDITURE		86,923,480	99,470,610	57,918,440
RECURRENT SURPLUS / (DEFICIT)		8,544,164	106,457	(23,140,484)
<u>OTHER REVENUE AND EXPENDITURE</u>				
Gain (Loss) on Nauru Donor Funds Operation	5	(1,402,272)		0
Doubtful Debts Expense		0		0
TOTAL OTHER REVENUE AND EXPENDITURE		(1,402,272)		0
TOTAL SURPLUS / (DEFECIT)		7,141,892		(23,140,484)

STATEMENT OF ASSETS AND LIABILITIES
Prepared in accordance with Audit Act s10
For the Year Ended 30/06/2014

The accompanying notes form part of these financial statements.

	Notes	<u>2013/14</u>	<u>2012/13</u>
GOVERNMENT EQUITY			
Surplus / (Deficit)		7,141,892	(23,140,484)
Retained Earnings		(38,931,055)	(15,790,571)
TOTAL GOVERNMENT EQUITY		<u>(31,789,163)</u>	<u>(38,931,055)</u>
REPRESENTED BY:			
ASSETS			
Current Assets			
Cash & Cash Equivalents	1	15,781,967	5,804,428
Special Funds	2	5,161,735	159,786
Debtors	3	13,763,641	16,086,935
Total current assets		<u>34,707,343</u>	<u>22,051,148</u>
Non-Current Assets			
Plant and Equipments	4	1,322,935	0
Buildings	4	21,671,500	0
Development Funds (Aggregate)	5	16,820,119	17,517,004
Total Non-Current Assets		<u>39,814,554</u>	<u>17,517,004</u>
TOTAL ASSETS		<u>74,521,896</u>	<u>39,568,152</u>
LIABILITIES			
Less Current Liabilities			
Accounts Payables		8,602,067	21,395
Creditors - Domestic Debts	6	10,973,167	23,955,504
Creditors - External Debts	7	7,227,000	7,358,000
Total current liabilities		<u>26,802,235</u>	<u>31,334,899</u>
Less Non-Current Liabilities			
Domestic Debts (Loans/Borrowings)	8	66,681,825	37,487,308
External Debts (Loans/Borrowings)	9	12,827,000	9,677,000
Total non-current liabilities		<u>79,508,825</u>	<u>47,164,308</u>
TOTAL LIABILITIES		<u>106,311,060</u>	<u>78,499,207</u>
TOTAL NET ASSETS		<u>(31,789,163)</u>	<u>(38,931,055)</u>

STATEMENT OF CHANGES IN EQUITY**For the Year Ended 30/06/2014**

The accompanying notes form part of these financial statements.

	Notes	<u>30/06/2014</u>	<u>30/06/2013</u>
Retained Earnings as at 1 July		(38,931,055)	(15,790,571)
Movements reflected on Income Statement			
Net Surplus/(Deficit) for the period		7,141,892	(23,140,484)
Accumulated Funds as at 30 June		<u><u>(31,789,163)</u></u>	<u><u>(38,931,055)</u></u>

**STATEMENT OF REVENUE AND EXPENDITURE BY HEADS
For the Year Ended 30/06/2014**

The accompanying notes form part of these financial statements.

Budget Approved on Cash Basis

Head	Head of Expenditure / Government Function	2013/14	2013/14	2012/13
		Actual	Budget	Actual
RECURRENT REVENUE				
1	Presidency and State House (including GIO)	0	0	5,000
2	Ministerial	0	0	340
3	Chief Secretariat	97,932	25,700	77,447
4	Post and Philately	0	66,220	0
5	Audit	200	0	0
6	Parliament	897	0	0
7	GON Warehouse	48,096	1,944,020	36,809
11	Finance Secretariat	473,621	44,000	33,325
12	Finance -Public Debt	3,000,126	5,000,000	1,000,040
13	Bureau of Statistics	593	0	0
15	Nauru Revenue Office	18,823,941	10,844,966	2,130,087
16	Finance - Other Payments	25,763,254	37,561,220	6,743,276
21	CIE	38,499	127,750	114,993
31	Fisheries	21,792,673	14,978,420	13,492,469
41	Police	22,479	6,500	10,340
43	Justice - Secretariat	1,123,722	1,164,575	406,959
44	Judiciary	6,744	12,000	9,937
45	Border Control	16,327,562	18,105,000	8,321,665
46	Correctional Services	140	0	30
51	Education	28,288	80,367	8,790
52	Youth Affairs	0	0	0
61	Health	50,840	28,200	27,802
62	Sports	21,630	2,500	875
71	Foreign Affairs - Secretariat	1,251	0	0
72	Foreign Affairs - Brisbane	0	0	0
73	Foreign Affairs - Suva	0	0	0
74	Foreign Affairs - New York	0	0	0
75	Foreign Affairs - Taiwan	0	0	0
81	Home Affairs	0	0	0
82	Women's Affairs	0	0	0
83	Media Bureau	66,515	50,000	17,547
84	Lands & Survey	10,760	2,793,897	10,517
85	Lands Committee	3,173	2,000	1,563
86	Department of Land Management	0	0	0
91	Transport Secretariat	0	0	0
92	Lands Transport	36,329	57,700	45,467
93	Maritime Transport	3,428,876	2,250,461	1,118,505
94	DCA	3,935,919	3,009,733	750,030
95	ICT	363,411	1,421,838	414,144
96	Fire & Rescue	176	0	0
TOTAL RECURRENT REVENUE		95,467,644	99,577,067	34,777,956

STATEMENT OF REVENUE AND EXPENDITURE BY HEADS

For the Year Ended 30/06/2014

The accompanying notes form part of these financial statements.

Budget Approved on Cash Basis

<u>Head</u>	<u>Head of Expenditure / Government Function</u>	<u>2013/14</u> <u>Actual</u>	<u>2013/14</u> <u>Budget</u>	<u>2012/13</u> <u>Actual</u>
<u>Head</u>	<u>Head of Expenditure / Government Function</u>	<u>2013/14</u> <u>Actual</u>	<u>2013/14</u> <u>Budget</u>	<u>2012/13</u> <u>Actual</u>
RECURRENT EXPENDITURE				
1	Presidency and State House (including GIO)	852,744	854,609	734,909
2	Ministerial	1,101,415	1,116,296	548,234
3	Chief Secretariat	3,294,909	3,309,607	4,106,908
4	Post and Philately	131,241	143,442	102,787
5	Audit	160,763	209,210	116,240
6	Parliament	674,629	1,016,725	853,481
7	GON Warehouse	617,079	635,186	466,491
11	Finance Secretariat	1,099,421	1,132,038	206,153
12	Finance -Public Debt	23,292,803	23,374,714	8,538,704
13	Bureau of Statistics	54,357	100,102	63,193
15	Nauru Revenue Office	311,992	294,407	166,505
16	Finance - Other Payments	26,110,505	33,961,521	23,258,505
21	CIE	390,438	472,266	292,066
31	Fisheries	1,363,356	1,456,798	824,832
41	Police	1,216,168	1,457,072	733,670
43	Justice - Secretariat	1,716,008	2,454,994	858,057
44	Judiciary	433,934	501,026	305,960
45	Border Control	197,583	225,736	161,527
46	Correctional Services	366,976	360,256	317,502
51	Education	4,830,607	5,278,170	2,935,321
52	Youth Affairs	79,907	131,765	81,831
61	Health	6,736,466	7,209,382	4,937,895
62	Sports	182,101	248,668	144,757
71	Foreign Affairs - Secretariat	411,434	424,035	314,478
72	Foreign Affairs - Brisbane	635,960	693,493	418,860
73	Foreign Affairs - Suva	233,148	729,836	98,076
74	Foreign Affairs - New York	1,057,311	1,006,183	181,325
75	Foreign Affairs - Taiwan	196,465	212,483	79,029
81	Home Affairs	822,535	848,853	65,841
82	Women's Affairs	84,590	74,035	52,495
83	Media Bureau	322,836	351,194	287,353
84	Lands & Survey	3,295,494	3,702,678	1,828,583
85	Lands Committee	169,047	175,562	139,089
86	Department of Land Management	57,319	90,395	0
91	Transport Secretariat	140,096	66,434	46,155
92	Lands Transport	795,782	1,157,955	847,279
93	Maritime Transport	1,458,142	1,702,466	1,002,230
94	DCA	955,490	1,112,973	861,532
95	ICT	734,079	763,881	711,975
96	Fire & Rescue	338,349	414,165	228,611
TOTAL RECURRENT EXPENDITURE		86,923,479	99,470,610	57,918,440
RECURRENT SURPLUS / (DEFICIT)		8,544,164	106,457	(23,140,484)
OTHER REVENUE AND EXPENDITURE				
Gain (Loss) on Nauru Development Funds Operation (Aggregate)		(1,402,272)		
Doubtful Debts Expense		0		
TOTAL OTHER REVENUE AND EXPENDITURE		(1,402,272)		
TOTAL SURPLUS / (DEFECIT)		7,141,892		

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

1 REPORTING ENTITY

1.0 GOVERNMENT OF NAURU

The Financial Statements of the Government of Nauru represent the financial activities undertaken by Government Departments including Foreign diplomatic posts.

All State of Enterprises (SOE's) which include Ronphos Corporation, Nauru Rehabilitation Corporation (NRC), Eigigu, Nauru Utilities Corporation (NUC) and Our Airline are not consolidated into the Government of Nauru Accounts.

2 BASIS OF PREPARATION

The Statement of Income and Expenditure and the Statement of Assets and Liabilities are prepared on an accrual basis, and does not include non-cash items such as accruals and provisions. This is consistent with the last GON financial account (1995/1996) policy where statements were prepared using historical cost convention under a modified cash basis.

The Financial Statements are presented in Australian dollars, and all monetary values are rounded to whole dollars, unless mentioned otherwise.

2.1 STATEMENT OF COMPLIANCE

These Financial Statements are prepared pursuant to the Section 10 of the Audit Act, 1973 which requires the Minister responsible for the public accounts to transmit certain statements of accounts to the Audit Office. The Statements are in accordance with generally accepted accounting practice in Nauru (Nauru GAAP) as determined by the Government of Nauru. Where necessary Nauru GAAP looks to the International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Standards (IFRS) to guide general accounting policy.

2.2 TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Both the functional and presentation currencies of the Government of Nauru are the Australian dollar. Transactions in foreign currencies are initially recorded in the Australian dollar at the exchange rates provided by Westpac on the dates of the transactions.

At balance date, monetary assets and liabilities held in Foreign Currency are translated at the exchange rates ruling at the balance date. Resulting exchange differences are recognised in the Income Statement.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

2.3 BUDGET AMOUNTS

The Financial Statements show as comparatives the amounts appropriated by the original annual Appropriation Act and also supplementaries that relates to the current financial year. . Appropriations are all on cash basis.

2.4 CHANGES IN ACCOUNTING POLICIES

Changes in accounting policies are applied retrospectively, and comparatives are restated. The effect of these changes, if any, is disclosed in Note 24.

New accounting policies may be adopted for types of transactions that have become material to the Financial Statements for the first time. These are not considered changes in accounting policies. Likewise, some accounting policies may be reworded to better reflect the treatment of transactions; such rewording is also not considered a change in accounting policies.

2.5 MATERIAL PRIOR YEAR ERRORS

If errors are detected that have a material impact on prior years, then these are applied retrospectively, and comparatives are restated. Any material prior year errors identified in the preparation of these accounts will be adjusted to better reflect in this years financial statements.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

3 ACCOUNTING POLICIES

3.0 BASIS OF PREPERATION

The Statement of Income and Expenditure and the Statement of Assets and Liabilities are prepared on cash basis, and does not include non-cash items such as accruals and provisions.

3.1 REVENUE

Revenue is recognised when earned or becomes receivable. Revenue is measured at the fair value of consideration received or receivable.

Fishing Licenses

Revenue related to he granting of Fishing Licenses to foreign fishing vessels fishing in Nauru's Exclusive Economic Zone is recorded in the period it relates to.

Custom Duties

Import Duties - Taxes, normally at a percentage of the cost of the imported good based on cost plus freight, paced on all imports to Nauru and levied at the Port of entry.

Exercise Duties - Special taxes on imported goods that the Government may wish to discourage consumption of such tobacco, alcohol and sugar.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

Fuel Sales

Revenue related to the sale of fuel is recorded at the period it relates to.

Ronphos Royalties & Dividends

Revenue related to the royalties on Ronphos operation and dividends received from declared profit of Ronphos Corporation are all recorded in the period it relates to.

Civil Aviation

Revenue related to the granting of landing fees to foreign air flight charter using Nauru's airfield as well as Our Airline is recorded in the period it relates to.

Port Fees

Revenue related to the granting of vessels entry into the Port of Nauru and other fees from the Ports operation are recorded at the period it relates to.

Visa Revenues

Revenue related to the granting of visa fees for all foreigners entering Nauru on either business and fees for refugees and workers at the Regional Processing Center (RPC) are recorded in the period it relates to.

Other Income

All other income including those from SOE's related to general budget support and various operational activities of the Government are recorded in the period it relates to.

3.2 AID ACCOUNTING

External Assistance and Grants

Direct budget support funding from donors is recognised at the time of receipt.

Aid funding received from donor agencies for projects in Nauru is recognised as revenue within the individual donor fund account, distinctly separate to the Government Consolidated Fund at time of receipt.

Grants in Kind

Nauru often receives grants in kind. These are often in the form of technical assistance, office equipment, investments in major infrastructure projects and property plant and equipment which are beyond the financial resources of the Government of Nauru.

These grants in kind are not recognised within these accounts, however where value is known, these amounts are recorded in the Government annual Budget documentation as external budgetary assistance.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

3.3 EXPENDITURE

Expenditure is recognised when incurred. This is generally upon receipt of goods or receipt of invoice.

Staff Local & Expatriates

Wage and salary expenses for local staffs and expatriates are recognised in the period incurred.

Business Travel

Expenditures incurred in the operation of the Government's business travel commitments are recognised in the period it relates to.

Land Lease

Payments made to land owners for their land being leased by Government are recognised at the point that funds are paid to the recipient and in the period they relates to.

Special Projects

Expenditures incurred in the operation of the Government' special projects are recognised in the period incurred.

Fuel

Expenditures incurred in acquiring fuel as part of the Government grants and subsidies scheme to the Nauru Utilities Corporation (NUC) to assist them in providing fuel services are recognised at the point that funds are paid to the fuel supplier.

Miscellaneous Expenditure

All other miscellaneous expenditures related to advertising, purchasing of provisions, purchasing supplies, nionor equipemtns and social welfare payment are recored in the period which it relates to.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

3.4 ASSETS

The Government of Nauru records both Financial and Non-financial assets.

Current Assets

An asset is deemed to be current if it is liquid or expected to be made liquid within 12 months.

Cash & Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors

Debtors are measured at their expected realisable value, which is generally the original amount less a provision for amounts uncollected after 365 days. Bad debts are usually written off when approved by Parliament.

Non-Current Assets

Non-Current Assets are presented at their fair value.

The Nauru Development Funds account (aggregate) is recognised as a Non-Current Asset, reflecting the Government's agreement with donor partners to utilise development funds in line with approved donor agreements.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2014

3.5 LIABILITIES

Creditors

Creditors are recognised on receipt of an approved invoice.

Contingent Liability

Contingent liabilities are not reflected in the statements as they are not considered legitimate debts at this point in time as they still subject to legal court rulings.

Employee Entitlements

The Government does not recognise employee entitlement liabilities such as annual leave in these accounts.

Public Debt

All Public Debt is measured and presented at fair value.

4.0 SUBSEQUENT EVENTS

There is currently a court case involving the Government of Nauru with Frebird Company in relation to outstanding bond repayments. This could materially affect the Government of Nauru's Financial Statements for the year if it is proven to be a legitimate debt. Until that is resolved, the value of that debt is to be recorded at balance date as part of contingent liabilities (Note 10).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2014

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

STATEMENT OF BALANCES ON DEPOSIT ACCOUNTS

Prepared in accordance with Audit Act s10

For the Year Ended 30/06/2014

	<u>Financial Year Ending</u>	
	<u>30/06/2014</u>	<u>30/06/2013</u>
Consolidated Fund Accounts with NRO		
RON Treasury Account	84,543	469,406
RON Fuel Account	691,861	56,158
Treasury Donor Fund Account	(26,345)	120,000
Superannuation	16,544	7,810
Government RPC Land Rental & Aerodrome	65,108	57,071
Government Pending Salaries	139,087	38,105
Curator	93,124	6,502
Government Provident Fund	15,135	0
Total Consolidated NRO Cash account balances	1,079,056	755,052
Consolidated Fund Accounts with Westpac		
RON Treasury Account	10,002,148	1,346,547
RON Fuel Account	646,146	488,163
Westpac Business One Account	416,955	1,115,440
USD RON Treasury	2,776,923	1,607,139
Total Consolidated GON Cash account balances	13,842,172	4,557,290
Mission Imprests Consolidated Fund Accounts		
Imprest account - Brisbane Consulate Office	428,133	88,717
Imprest account - Suva Office	132,284	158,737
Imprest account - New York Office	68,205	135,406
Imprest account - Taiwan Office	232,117	109,227
Total Foreign Mission Cash account balances	860,739	492,087
Total Cash Balances as at 31/12/2012	15,781,967	5,804,428

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2

STATEMENT OF SPECIAL FUND BALANCES
Prepared in accordance with Audit Act s10
For the Year Ended 30/06/2014

	Financial Year Ending	
	<u>30/06/2014</u>	<u>30/06/2013</u>
Special Funds		
Yaren Aircraft Leasing Corporation (USD)		
Opening Balance	10	10
Net Year Movements	0	0
Closing Balance	10	10
Yaren Aircraft Leasing Corporation (AUD)		
Opening Balance	1,927	87,823
Net Year Movements	2,808	(85,896)
Closing Balance	4,735	1,927
Pacific Aircraft Leasing Corporation (Palco)		
Opening Balance	125,776	1,591,525
Net Year Movements	(1,591)	(1,465,749)
Closing Balance	124,185	125,776
Meneng Aircraft Leasing Corporation (Malco)		
Opening Balance	0	0
Net Year Movements	0	0
Closing Balance	0	0
Nauru Fisheries Saving		
Opening Balance	32,073	0
Net Year Movements	733	32,073
Closing Balance	32,806	32,073
Nauru Trust Fund		
Opening Balance	0	0
Net Year Movements	5,000,000	0
Closing Balance	5,000,000	0
Total Special Funds balance as at 30/06/2014	<u>5,161,735</u>	<u>159,786</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3

STATEMENT OF DEBTORS

Prepared in accordance with Audit Act s10
For the Year Ended 30/06/2014

CURRENT DEBTORS

Personal Debts

Accountable Allowances

Notes	Financial Year Ending	
	30/06/2014	30/06/2013
	40,079	50,741
Total Accountable Allowances	40,079	50,741

Government Housing Scheme

Sean Brechtefield
Wesson Fritz
Masina Adire
Patrina Dabana
John Deidenang
Albert Teimetsi
Jansen Agir
Russel Jay Aiyunge
Ramarakha Detenamo
Anne Scotty
Randolph Scotty
Belasco Gobure
Farah Kosam
Sandra Tannang

Notes	Financial Year Ending	
	30/06/2014	30/06/2013
	19,988	19,988
	5,373	5,373
	40,000	40,000
	1,875	1,875
	21,475	21,475
	40,000	40,000
	23,931	23,931
	34,598	34,598
	26,485	26,485
	22,503	22,503
	40,000	0
	40,000	0
	40,000	0
	40,000	0
Total Government Housing Scheme	396,228	236,228

Others

Custom Duties
Port Fees
Landing Charges
Fuel Sales
RPC Fees

Notes	Financial Year Ending	
	30/06/2014	30/06/2013
	1,531,351	1,154,190
	1,023,716	792,814
	215,845	7,220
	127,950	29,539
	768,000	
Total Others	3,666,861	1,983,763

Bank of Nauru

SOE's/Government

Ronphos

Notes	Financial Year Ending	
	30/06/2014	30/06/2013
	9,660,472	13,816,202
Total Private	9,660,472	13,816,202
TOTAL DEBTORS	13,763,640.71	16,086,934.54

NOTE 4

LIST OF GOVERNMENT ASSETS

Prepared in accordance with Audit Act s10
For the Year Ended 30/06/2014

	Notes	Financial Year Ending	
		30/06/2014	30/06/2013
Plant & Equipments			
Furniture		343,188	0
Air-conditioning		84,922	0
Motor Vechiles		894,825	0
Total Plant & Equipments		1,322,935	0

	Notes	Financial Year Ending	
		30/06/2014	30/06/2013
Buildings			
Parliament House		796,000	0
GON Administration Offices		673,500	0
Media Centre		95,500	0
Court House		203,500	0
Airport Terminal		1,842,000	0
Fisheries Offices and Workshop		1,141,000	0
Fish Markets		107,500	0
Republic of Nauru (RON) Hospital		1,431,000	0
Nurses Quarters		116,000	0
Nauru Public Health Centre		1,047,000	0
Nauru Secondary School (NSS)		8,741,000	0
Nauru Primary School		1,084,000	0
Yaren Primary School		256,000	0
Boe Infant School		277,500	0
Nibok Infant School		139,000	0
Anetan Infant School		117,000	0
Meneng Infant School		205,000	0
Naoero Disabled Centre		414,500	0
Police Head Quarters		2,883,000	0
Fire Station		101,500	0
Total Buildings		21,671,500	0
Total Government Assets		22,994,435	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5				
STATEMENT ON BALANCE OF GON DEVELOPMENT FUND ACCOUNTS BY AGGREGATE RECEIPTS AND PAYMENTS				
Prepared in Accordance with Audit Act s10				
For the Year Ended 30/06/2014				
<i>The accompanying notes form parts of these financial statements.</i>				
Account Number	Donor	T/Payments	T/Receipts	Movements
034002 858102	AusAID Account	11,862,713	10,045,933	(1,816,780)
034002 124483	CIE - Nauru GEF Small GRA	17,313	0	(17,313)
034002 858225	CIE	315,015	229,319	(85,697)
034001 139624	Development Fund	73,276	11,941	(61,335)
034705 401977	EU RON Treasury	8	184,458	184,450
034002 858241	EU Rep5	86	0	(86)
034002 159395	GF R7 HIV/AIDS	19,714	0	(19,714)
034002 858305	Japan NPGA	86	129,400	129,314
034002 858081	JICA	65,098	103,988	38,890
034001 146189	Nauru Disabled	0	76	76
034002 858057	NZAID	1,765,556	1,994,567	229,011
034002 283302	Pacific NCD Program	12,347	198	(12,149)
034002 858620	RON Australian Sports	93,745	124,986	31,241
034002 858110	RON SPC	86	0	(86)
034002 124475	RON UNCCD	86	0	(86)
034002 124491	WHO - Global Fund	3913	0	(3,913)
034002 858217	World Health Organisation	9,413	11,403	1,990
034002 858284	World Diabetes	86	0	(86)
	Net Income (Payments-Receipts)	14,238,542	12,836,270	(1,402,272)
	Other Expenses (Non-Project Related)			0
				Net Cash movement for 2013/14 -1,402,272
	Development Funds (Aggregate) Statement Balances as at 30/06/13			17,517,004
	less Unpresented Cheques as at 30/06/13			705,387
	2013/2014 TDF Movement			-1,402,272
	Development Funds (Aggregate) Statement Balances as at 30/06/14			16,820,119

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF GOVERNMENT LIABILITIES

For the Year Ended 30/06/2014

The accompanying notes form part of these financial statements.

CURRENT LIABILITIES

NOTE 6

DEBTS - DOMESTIC

	Notes	Financial Year Ending	
		30/06/2014	30/06/2013
Pending Salary - Local		9,640,000	17,744,000
Pending Salary - Expatriate		0	348,000
Nauru Superannuation Board Entitlements (A&B)		0	2,899,000
Provident Fund (A&B)		0	0
Land Lease (Arrears)		0	851,000
Court Order		0	61,000
Eigigu - Accomodation		1,333,167	2,052,504
	Arrears	10,973,167	23,955,504
	Total Domestic Arrears	10,973,167	23,955,504

NOTE 7

DEBTS - EXTERNAL

	Notes	Financial Year Ending	
		30/06/2014	30/06/2013
Pacific Asian Express (PAE) Shipping		2,060,000	2,123,000
Reach Global Services		232,000	232,000
AIRWAYS NZ		0	1,000
Japan Post Service		2,060,000	2,060,000
Universal Postal Union		1,053,000	1,053,000
SPC		210,000	253,000
International Telecommunication Union (ITU)		737,000	737,000
International Civil Aviation Organisation		576,000	576,000
SPREP		146,000	156,000
ACP		124,000	124,000
Global Forum on Tax Transparency (OECD)		21,000	21,000
SPTO		8,000	14,000
SPBEA		0	3,000
Asian Pacific Parliamentary Union (APPU)		0	5,000
	External Debts	7,227,000	7,358,000
	Total External Debts	7,227,000	7,358,000

NON-CURRENT LIABILITIES

NOTE 8

DOMESTIC (LOANS & BORROWINGS)

	Notes	Financial Year Ending	
		30/06/2014	30/06/2013
Bank of Nauru (Net Private Sector)		36,911,570	37,487,308
NPRT (unconsolidated)		26,865,764	0
Ronphos (unconsolidated)		2,904,491	0
	Domestic (Loans & Borrowings)	66,681,825	37,487,308

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30/06/2014

The accompanying notes form part of these financial statements.

NOTE 9

EXTERNAL (LOANS & BORROWINGS)

Republic of Taiwan

Menen Hotel Loan

Debt Outstanding

Principal repayment

Taiwan Exlm Bank Comercial Loan

Debt Outstanding

Principal

		Financial Year Ending	
Notes	<u>30/06/2014</u>	<u>30/06/2013</u>	
	751,000	751,000	
	751,000		
	8,926,000	8,926,000	
	2,399,000		
External (Loans & Borrowings)	<u>12,827,000</u>	<u>9,677,000</u>	

NOTE 10

STATEMENT OF CONTINGENT LIABILITIES

For the Year Ended 30/06/2014

	Notes	Financial Year Ending	
		30/06/2014	30/06/2013
Contingent liabilities			
Pacific Asian Express (PAE) Shipping		2,060,000	2,123,000
Firebird Company		31,242,826	31,242,826
Total Contingent Liabilities		33,302,826	33,365,826

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11

FISHING LICENSES

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Support Vessel Charges	589,193	73,274	0
U.S Multilateral Fisheries Treaty	1,524,754	2,732,901	0
F.S.M Arrangement Fee	2,856,104	1,263,868	0
Access Fees - License	435,857	888,680	44,593
Access Fees - Fishing Days	10,897,384	9,623,337	0
Bilateral Fishing Agreement with Taiwan	3,033,380	0	13,440,602
Project Development Fund Revenue (FFA)	556,258	279,928	0
	19,892,930	14,861,988	13,485,194

NOTE 12

CUSTOM DUTIES

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Customs and Excise Duty - Tobacco	1,772,403	2,583,400	1,158,310
Customs and Excise Duty - Alcohol	1,087,235	1,303,300	632,162
Customs and Excise Duty - Sugar	1,036,210	315,000	232,715
Customs and Excise - Machinery/Vehicle/Equip.	1,990,627	1,541,013	156,067
Customs and Excise Duty - Other	12,353,476	4,500,000	5,972,029
Customs and Excise Duty - Petrol Sales	277,796	1,507,490	1,096,115
Customs and Excise Duty - Diesel Sales	193,488	4,695,707	922,228
Customs and Excise Duty - JetA1	0	1,737,747	0
	18,711,235	18,183,657	10,169,626

NOTE 13

FUEL SALES

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Petrol Sales	4,007,299	2,512,483	1,807,480
Diesel Sales	8,224,329	4,650,275	2,702,036
Jet A1 Sales	3,403,191	6,930,988	1,088,099
Fuel Sales - Japan NPGA	0	1,000,000	0
	15,634,819	15,093,746	5,597,615

NOTE 14

CIVIL AVIATION REVENUE

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
D.C.A-Pax Levy	954,875	390,000	255,201
D.C.A.-Departure Taxes	986,860	780,000	219,100
D.C.A.-Air Navigation Fees	568,394	760,000	103,998
D.C.A.-Landing Fees	1,421,460	959,000	171,141
D.C.A.-Rental Fees	10	114,733	0
	3,931,599	3,003,733	749,440

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15

OTHER INCOME

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Licenses-Drivers etc	60,628	29,000	41,161
Corporation Fees and Licenses	51,819	98,225	3,262
Licenses-Trading	97,075	63,850	100,570
Liquor Licensing Board	34,561	18,000	24,240
Gaming / Bingo Licenses	526,724	433,500	445,676
Licenses-Dogs etc	-	2,500	-
Birth Certificate	30,850	6,000	18,381
Death Certificate	460	200	360
Marriage Certificate	4,130	500	1,620
Motor Vehicle Inspection Fees	360	40,000	80
Motor Cycle Inspection Fees	70	10,000	-
Registration Fees-Motor Cars	635	1,000	505
Registration Fees-Motorcycles	25	300	15
Passport Fees and Photographs	130,338	75,000	54,294
Visa Check up	9,289	5,400	9,167
Police Clearance	16,553	6,500	9,210
Miscellaneous Revenue	5,671,440	8,400,509	1,065
Bus Services	35,779	5,750	1,247,827
Quarantine Fees	185,601	30,000	41,439
Court Fines and Fees	1,008,366	1,012,000	39,425
Service Fees	11,342	44,000	5,948
Sale of Maps	426	240	12,356
Charges for Counterparts	290	6,000	110
Tent Hire	-	2,500	637
Food Handler Check up	8,458	13,200	875
PO Box Rentals	-	1,220	5,586
Philatelic Bureau Sales	-	15,000	-
Reimb-Accountable Allowances	(815)	170,000	-
Advertising Revenue	63,528	50,000	14,832
Canteen Fees	50	(1,600)	18,224
Spectacles,Drugs etc	9,258	5,400	3,320
International Settlement-Comms Traffic	-	50,000	3,895
Medical Services	7,092	2,700	-
Domain .nr Revenue	-	50,000	9,203
	7,964,331	10,646,894	2,113,282

NOTE 16

SALARY - LOCAL

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Salaries & Allowances - (MP's)	169,509	180,796	141,539
HE Salary & Allowances	11,693	11,713	10,554
Salary - Local	8,494,655	9,374,289	7,285,253
Allowances - Staff Contract	448,314	897,227	225,119
Overtime - local	376,592	501,750	266,731
	9,500,762	10,965,775	7,929,197

NOTE 17

STAFF COSTS - EXPATRIATES

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Salary Expatriate	2,724,336	3,000,310	1,874,776
Salaries Other contracts - Expatriate	825,359	901,444	707,531
Consultants fees	599,609	1,236,089	177,135
	4,149,304	5,137,843	2,759,442

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18

OFFICE & HOUSE RENTALS

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
House Rental	1,238,209	1,313,150	716,062
Office Rental	402,575	432,670	217,327
	<u>1,640,783</u>	<u>1,745,820</u>	<u>933,389</u>

NOTE 19

PLANTS & EQUIPMENTS (including R&M)

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
R&M - Buildings	265,400	353,206	103,205
R&M - Office Equipment	22,819	36,395	12,119
R&M - Office Premises	81,160	62,508	27,327
R&M - Motor Vehicles	6,384	10,327	337,052
R&M - Plant	517,163	691,413	36,764
R&M - Aerodrome	56,241	49,340	98,347
R&M - Nauruan House	0	0	0
Plant & Equipment Purchases	1,606,005	1,739,725	1,111,367
	<u>2,555,172</u>	<u>2,942,914</u>	<u>1,726,181</u>

NOTE 20

FUEL PURCHASE

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Purchase of Petrol	2,943,542	3,004,567	1,896,400
Purchase of Diesel	14,037,455	14,240,563	10,326,624
Purchase of JetA1	6,195,889	6,930,989	2,400,629
Purchase of Fuel - Other	131	940	0
Purchase of Fuel - Japan NPGA	129,400	1,000,000	343,894
	<u>23,306,417</u>	<u>25,177,059</u>	<u>14,967,548</u>

NOTE 21

SOCIAL WELFARE

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Social Welfare - Birth Claims	36,350	37,000	35,500
Social Welfare - Death Claims	208,800	200,000	124,000
Social Services - Aged Pensions	1,054,200	1,142,700	637,900
Social Services - Super Contributors	99,673	103,025	101,060
Social Services - Super Ex MP's	31,665	31,665	30,448
Social Services - Disability Payments	518,100	565,500	300,800
	<u>1,948,788</u>	<u>2,079,890</u>	<u>1,229,708</u>

NOTE 22

MISCELLANEOUS EXPENSES

	<u>2013/14</u> Actual	<u>2013/14</u> Budget	<u>2012/13</u> Actual
Recruitment	10,471	11,300	7,542
Uniforms & Protective Clothing	125,579	156,823	31,533
Legal Fees - External	187,932	248,790	371,118
Travel - Staff	416,209	527,627	334,442
Travel - Accountable Allowances	50,839	170,000	127,073
Entertainment	165,222	184,415	65,233
Official Celebrations	76,937	88,478	37,252
Protocol	41,902	39,660	26,629
TVET Supplies	27,825	61,367	5,855
Stores	144,035	233,614	92,886
Electricity	1,089,454	989,758	636,072
Freight	13,637	62,430	38,455

NOTES TO THE FINANCIAL STATEMENTS

Medical Expenses	3,181	7,000	400
Health & Hygiene Projects	11,947	17,000	9,996
Educational Expenses - Special	7,929	10,000	4,593
Insurance	72,214	73,208	17,335
Bank Charges	13,318	26,315	4,678
Local Transport	176,182	187,460	10,930
Public Works	139,104	258,720	13,421
Rations - Hospital and Correctional Services	127,182	171,192	70,062
Correctional Services Supplies	10,866	9,760	4,517
Carriage of Mail	907	6,941	374
Postage	19,805	16,307	2,696
Library/Periodicals	6,923	8,300	511
Survey Supplies	1,055	2,000	1,351
Lease & Charter Payments	166,913	192,816	31,093
Family Court Expenses	700	2,000	1,950
Safe House	2,086	3,497	2,282
Trust Fund	-	5,000,000	-
Development Fund	-	-	-
Contingency fund	499,052	960,423	5,069,974
	3,609,403	9,727,202	7,020,253

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23

REQUIREMENTS OF THE AUDIT ACT WITH ZERO BALANCE

Statement of Provident Fund (Nil Balances/Non-exist)
Statement of Court Trust Fund (Nil balances/Non-exist)
Statement of Fisheries Economic Development Fund (Nil balances/Non-exist)
Statement of Interstate Accounts (Nil balannces/Non-exist)

NOTE 24

EVENTS AND DECISIONS WITH SIGNIFICANT ACCOUNTING IMPACTS

CHANGES IN ACCOUNTING POLICIES

There have been changes in accounting policies for the Year Ended 30 June 2014.

Inclusion of the operational Movement of the Nauru Development Funds (Aggregate)

In the last financial statements which was the FY1995/96, the annual movement of the balance of the Nauru Development Funds (Aggregate) Account was adjusted directly to retained earnings.

- In these 2013/14 Annual Financial Statements, the movement of the Development (aggregate) fund account resulting from various donor operations has been reflected on the Income Statement, and detail presented in the Notes to the Financial Statements (Note 5).