

**REPUBLIC OF NAURU
WHOLE OF GOVERNMENT**



FINANCIAL STATEMENTS

for the Year Ended 30 June 2015

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 2015.

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 assurances 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 2015.

Limitation of Information and Work

With the GoN purely operates on a cash accounting basis, the incorporation of assets and liabilities in the set of statements delayed the completion as there are no agreed depreciation policies for the GoN. This could have an impact on the total fair net asset value being declared in the statements. However, in our opinion and 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 28th November 2016.

Hon. David Adeang
Minister of Finance

Mr Andy Cain
Secretary for Finance (Acting)

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 30/06/2015

The accompanying notes form part of these financial statements.

	Notes	<u>2014/15</u> <u>Actual</u>	<u>2014/15</u> <u>Budget</u>	<u>2013/14</u> <u>Actual</u>
<u>RECURRENT INCOME</u>				
Fishing Licenses	11	28,883,361	28,966,222	19,892,930
Custom Duties	12	8,923,352	17,936,957	18,711,235
Fuel Sales	13	16,656,396	11,954,803	15,634,819
Ronphos Royalties		0	7,295,200	3,898,993
Ronphos Dividends		0	2,067,047	2,051,503
Civil Aviation Revenue	14	1,706,835	2,503,933	3,931,599
Port Fees		1,295,761	1,000,461	3,419,262
Warehouse Sales		67,346	0	46,838
Telecom Tax & Dividends		601,898	764,340	301,988
Taxation Revenue		6,593,243	5,408,000	0
DJBC Operation		0	0	0
Other Income	15	3,685,831	5,425,896	7,964,331
Visa Revenues		18,370,310	19,440,110	15,967,945
Income from other SOE's		1,041,339	7,871,698	290,243
General Budget Support		7,335,990	4,669,810	3,355,958
TOTAL RECURRENT INCOME		95,161,662	115,304,477	95,467,644
<u>RECURRENT EXPENDITURE</u>				
Salary - Local	16	16,424,818	17,843,665	9,500,762
Staff Costs - Expatriates	17	7,793,417	9,476,350	4,149,304
Staff Training		460,238	642,558	375,529
Business Travel		3,528,158	3,982,836	2,610,540
Printing & Stationery		639,842	677,450	311,448
Office & House Rentals	18	2,975,629	3,086,468	1,640,783
Land Lease		6,642,183	6,645,835	2,832,707
Plants & Equipments (including R&M)	19	3,685,052	4,674,829	2,555,172
Special Projects		9,613,194	9,951,333	4,184,111
Warehouse Procurement		0	0	519,917
Fuel Purchase	20	17,735,288	22,521,415	23,306,417
Electricity Expenses		1,462,691	1,563,546	
Telephone & Internet		630,726	795,166	550,312
Membership Fees		504,631	601,673	253,146
Social Welfare	21	2,572,116	2,869,170	1,948,788
Scholarships		860,412	898,806	629,181
Overseas Medical Expenses		5,084,588	5,089,793	3,668,604
Public Debts		5,824,922	5,973,813	23,292,804
Subsidies & Donations		3,214,631	4,609,313	984,552
Miscellaneous Expenses	22	12,411,431	13,240,762	3,609,403
TOTAL RECURRENT EXPENDITURE		102,063,965	115,144,781	86,923,480
RECURRENT SURPLUS / (DEFICIT)		(6,902,303)	159,697	8,544,164
<u>OTHER REVENUE AND EXPENDITURE</u>				
Gain (Loss) on Nauru Donor Funds Operation	5	(127,109)		(1,402,272)
Doubtful Debts Expense		0		0
TOTAL OTHER REVENUE AND EXPENDITURE		(127,109)		(1,402,272)
TOTAL SURPLUS / (DEFECIT)		(7,029,413)		7,141,892

STATEMENT OF ASSETS AND LIABILITIES
Prepared in accordance with Audit Act s10
For the Year Ended 30/06/2015

The accompanying notes form part of these financial statements.

	Notes	<u>2014/15</u>	<u>2013/14</u>
GOVERNMENT EQUITY			
Surplus / (Deficit)		(7,029,413)	7,141,892
Retained Earnings		(31,789,163)	(38,931,055)
TOTAL GOVERNMENT EQUITY		<u>(38,818,576)</u>	<u>(31,789,163)</u>
REPRESENTED BY:			
ASSETS			
Current Assets			
Cash & Cash Equivalents	1	20,276,073	15,781,967
Special Funds	2	10,125,566	5,161,735
Debtors	3	19,834,427	13,763,641
Total current assets		<u>50,236,066</u>	<u>34,707,343</u>
Non-Current Assets			
Plant and Equipments	4	1,130,005	1,322,935
Buildings	4	20,555,151	21,671,500
Development Funds (Aggregate)	5	15,516,779	16,820,119
Total Non-Current Assets		<u>37,201,935</u>	<u>39,814,554</u>
TOTAL ASSETS		<u>87,438,001</u>	<u>74,521,896</u>
LIABILITIES			
Less Current Liabilities			
Accounts Payables		5,751,947	8,602,067
Creditors - Domestic Debts	6	9,202,341	10,973,167
Creditors - External Debts	7	6,863,000	7,227,000
Total current liabilities		<u>21,817,288</u>	<u>26,802,235</u>
Less Non-Current Liabilities			
Domestic Debts (Loans/Borrowings)	8	63,795,463	66,681,825
External Debts (Loans/Borrowings)	9	40,643,826	12,827,000
Total non-current liabilities		<u>104,439,289</u>	<u>79,508,825</u>
TOTAL LIABILITIES		<u>126,256,577</u>	<u>106,311,060</u>
TOTAL NET ASSETS		<u>(38,818,576)</u>	<u>(31,789,163)</u>

STATEMENT OF CHANGES IN EQUITY**For the Year Ended 30/06/2015**

The accompanying notes form part of these financial statements.

	Notes	<u>2015</u>	<u>2014</u>
Retained Earnings as at 1 July		(31,789,163)	(38,931,055)
Movements reflected on Income Statement			
Net Surplus/(Deficit) for the period		(7,029,413)	7,141,892
Accumulated Funds as at 30 June		<u><u>(38,818,576)</u></u>	<u><u>(31,789,163)</u></u>

STATEMENT OF REVENUE AND EXPENDITURE BY HEADS

For the Year Ended 30/06/2015

The accompanying notes form part of these financial statements.

Budget Approved on Cash Basis

Head	Head of Revenue & Expenditure / Government Function	2014/15	2014/15	2013/14
		Actual	Budget	Actual
RECURRENT REVENUE				
1	Presidency and State House (including GIO)	0	0	0
2	Ministerial	0	0	0
3	Chief Secretariat	77,718	29,700	97,932
4	Post and Philately	14,044	66,220	0
5	Audit	0	0	200
6	Parliament	0	0	897
7	GON WareHouse	66,087	0	48,096
11	Finance Secretariat	677,689	41,000	473,621
12	Finance -Public Debt	0	0	3,000,126
13	Bureau of Statistics	0	0	593
15	Nauru Revenue Office	15,984,885	15,971,266	18,823,941
16	Finance - Other Payments	24,560,499	41,497,804	25,763,254
21	CIE	18,308	127,750	38,499
31	Fisheries	31,039,748	29,010,144	21,792,673
41	Police	39,540	647,500	22,479
43	Justice - Secretariat	5,420,744	462,118	1,123,722
44	Judiciary	21,873	12,000	6,744
45	Border Control	13,046,569	19,595,110	16,327,562
46	Correctional Services	0	0	140
51	Education	2,475	105,036	28,288
52	Youth Affairs	0	0	0
61	Health	100,817	28,200	50,840
62	Sports	1,304	2,500	21,630
71	Foreign Affairs - Secretariat	0	0	1,251
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	255	0	0
81	Home Affairs	0	0	0
82	Women's Affairs	0	0	0
83	Media Bureau	12,671	50,000	66,515
84	Lands & Survey	7,669	2,885,897	10,760
85	Lands Committee	2,180	.	3,173
86	Department of Land Management	0	0	0
91	Transport Secretariat	639	0	0
92	Lands Transport	5,140	16,000	36,329
93	Maritime Transport	1,295,826	1,000,461	3,428,876
94	DCA	1,721,634	2,509,733	3,935,919
95	ICT	1,043,348	1,246,038	363,411
96	Fire & Rescue	0	0	176
TOTAL RECURRENT REVENUE		95,161,662	115,304,477	95,467,644

STATEMENT OF REVENUE AND EXPENDITURE BY HEADS

For the Year Ended 30/06/2015

The accompanying notes form part of these financial statements.

Budget Approved on Cash Basis

<u>Head</u> Head of Revenue & Expenditure / Government Function	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECURRENT EXPENDITURE			
1 Presidency and State House (including GIO)	3,324,680	3,374,563	852,744
2 Ministerial	2,765,482	2,849,813	1,101,415
3 Chief Secretariat	7,595,039	8,025,901	3,294,909
4 Post and Philately	142,830	169,324	131,241
5 Audit	219,179	257,780	160,763
6 Parliament	823,815	1,755,688	674,629
7 GON Warehouse	235,716	268,878	617,079
11 Finance Secretariat	1,999,718	2,217,996	1,099,421
12 Finance -Public Debt	5,825,922	5,973,813	23,292,803
13 Bureau of Statistics	48,240	87,605	54,357
15 Nauru Revenue Office	475,452	569,877	311,992
16 Finance - Other Payments	35,015,681	40,415,967	26,110,505
21 CIE	456,322	754,593	390,438
31 Fisheries	1,298,021	1,410,317	1,363,356
41 Police	2,333,464	2,426,931	1,216,168
43 Justice - Secretariat	3,363,182	3,986,980	1,716,008
44 Judiciary	1,277,519	1,523,832	433,934
45 Border Control	1,330,587	1,512,167	197,583
46 Correctional Services	382,931	449,993	366,976
51 Education	6,377,655	7,251,610	4,830,607
52 Youth Affairs	93,440	106,216	79,907
61 Health	8,715,648	9,024,141	6,736,466
62 Sports	154,775	286,332	182,101
71 Foreign Affairs - Secretariat	726,248	764,460	411,434
72 Foreign Affairs - Brisbane	669,880	710,132	635,960
73 Foreign Affairs - Suva	262,798	442,613	233,148
74 Foreign Affairs - New York	1,088,523	1,338,269	1,057,311
75 Foreign Affairs - Taiwan	244,310	288,411	196,465
81 Home Affairs	1,678,588	1,752,131	822,535
82 Women's Affairs	88,220	95,825	84,590
83 Media Bureau	365,055	383,053	322,836
84 Lands & Survey	6,354,377	6,897,867	3,295,494
85 Lands Committee	176,074	307,916	169,047
86 Department of Land Management	105,299	166,584	57,319
91 Transport Secretariat	102,123	83,719	140,096
92 Lands Transport	558,270	1,302,020	795,782
93 Maritime Transport	2,681,692	2,877,114	1,458,142
94 DCA	1,409,991	1,519,482	955,490
95 ICT	938,754	1,065,075	734,079
96 Fire & Rescue	358,464	449,793	338,349
TOTAL RECURRENT EXPENDITURE	102,063,965	115,144,781	86,923,479
RECURRENT SURPLUS / (DEFICIT)	(6,902,303)	159,697	8,544,164
OTHER REVENUE AND EXPENDITURE			
Gain (Loss) on Nauru Development Funds Operation (Aggregate)	-127,109		
Doubtful Debts Expense	0		
TOTAL OTHER REVENUE AND EXPENDITURE	(127,109)		
TOTAL SURPLUS / (DEFICIT)	(7,029,413)		

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2015

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 cash basis, and does not include non-cash items such as accruals and provisions. This is consistent with the last financial year (2013/2014) account policy where statements were prepared using historical cost convention under a cash basis.

All the statements are prepared in line with generally accepted accounting policies of going concern, consistency of presentation, materiality and aggregation, comparative information and presentation format of the financial statements.

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 2015

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.

There has been a change in the treatment of contingent liabilities. In the FY13/14, the Pacific Asian Express Shpping and Yen bond debt were considered as contingent liabilities for GoN. In this financial year set of statements, they have been confirmed as GoN debts and has been treated as GoN liabilities.

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 2015

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.

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 and Digicel are all recorded in the period it relates to.

Civil Aviation

Revenue related to the granting of anding 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.

Non-resident Withholding Tax

Revenue related to withholding employment tax for all non-residents working in Nauru are recorded in the period it relates to. The non-resident withholding tax is a new government initiative which started in September 2014.

Other Income

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

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2015

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 2015

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. The RPC land rentals also include in this category but all payments related to lands being used by RPC are all reimburse by

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, minor equipments and social welfare payment are recorded in the period which it relates to.

STATEMENT OF ACCOUNTING POLICIES

for the Year Ended 30 June 2015

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 after taking into consideration the annual depreciation rates. The method used for calculating annual depreciation in this set of statement is the straight line method based on the assessed fair value and the estimated remaining number of 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 2015

3.5 LIABILITIES

Creditors

Creditors are recognised on receipt of an approved invoice.

Contingent Liability

Contingent liabilities from the FY13-14 set of statements have now been treated as GoN confirm liabilities in this financial year set of statements.

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

No subsequent events known as at time of compiling the statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2015

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

STATEMENT OF REPUBLIC OF NAURU
Prepared in acc WHOLE OF GOVERNMENT
For the Year Ended 30/06/2015

	<u>Financial Year Ending</u>	
	<u>30/06/2015</u>	<u>30/06/2014</u>
Consolidated Fund Accounts with NRO		
RON Treasury Account	399,733	84,543
RON Fuel Account	0	691,861
Treasury Donor Fund Account	0	(26,345)
Superannuation	0	16,544
Government RPC Land Rental & Aerodrome	0	65,108
Government Pending Salaries	0	139,087
Curator	0	93,124
Government Provident Fund	0	15,135
Cash Holding Reserve	935,800	
Total Consolidated NRO Cash account balances	<u>1,335,533</u>	<u>1,079,056</u>
Consolidated Fund Accounts with Westpac		
RON Treasury Account	2,672,244	10,002,148
RON Fuel Account	133,637	646,146
Westpac Business One Account	1,113,966	416,955
USD RON Treasury	12,006,287	2,776,923
Community Solutions (Chq)	415,648	0
USD Account	2,134,661	0
Total Consolidated GON Cash account balances	<u>18,476,443</u>	<u>13,842,172</u>
Mission Imprests Consolidated Fund Accounts		
Imprest account - Brisbane Consulate Office	311,156	428,133
Imprest account - Suva Office	107,359	132,284
Imprest account - New York Office	42,720	68,205
Imprest account - Taiwan Office	2,863	232,117
Total Foreign Mission Cash account balances	<u>464,098</u>	<u>860,739</u>
Total Cash Balances at Year End	<u>20,276,073</u>	<u>15,781,967</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2

STATEMENT OF SPECIAL FUND BALANCES

Prepared | REPUBLIC OF NAURU

For the Ye WHOLE OF GOVERNMENT

Special Funds	Financial Year Ending	
	30/06/2015	30/06/2014
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	4,735	1,927
Net Year Movements	(3,216)	2,808
Closing Balance	1,519	4,735
Pacific Aircraft Leasing Corporation (Palco)		
Opening Balance	124,185	125,776
Net Year Movements	(173)	(1,591)
Closing Balance	124,012	124,185
Meneng Aircraft Leasing Corporation (Malco)		
Opening Balance	0	0
Net Year Movements	0	0
Closing Balance	0	0
Nauru Fisheries Saving		
Opening Balance	32,806	32,073
Net Year Movements	(32,781)	733
Closing Balance	25	32,806
Nauru Trust Fund		
Opening Balance	5,000,000	0
Net Year Movements	5,000,000	5,000,000
Closing Balance	10,000,000	5,000,000
Total Special Funds balance as at 30/06/2014	10,125,566	5,161,735

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3				
STATEMENT OF DEBTORS				
Prepared in accordance with Audit Act s10				
For the Year Ended 30/06/2015				
			Notes	Financial Year Ending
CURRENT DEBTORS				30/06/2015
				30/06/2014
Personal Debts				
	Accountable Allowances			16,750
				40,079
		Total Accountable Allowances		16,750
				40,079
			Notes	Financial Year Ending
				30/06/2015
				30/06/2014
Government Housing Scheme				
	Sean Brechtefield			19,988
	Wesson Fritz			5,373
	Masina Adire			40,000
	Patrina Dabana			1,875
	John Deidenang			21,475
	Albert Teimetsi			40,000
	Jansen Agir			23,931
	Russel Jay Aiyunge			34,598
	Ramarakha Detenamo			26,485
	Anne Scotty			22,503
	Randolph Scotty			40,000
	Belasco Gobure			40,000
	Farah Kosam			40,000
	Sandra Tannang			40,000
		Total Government Housing Scheme		396,228
				396,228
			Notes	Financial Year Ending
Others				30/06/2015
				30/06/2014
	Custom Duties			3,664,372
	Port Fees			1,064,939
	Landing Charges			614,131
	Fuel Sales			309,536
	RPC Fees			7,108,000
		Total Others		12,760,977
				3,666,861
			Notes	Financial Year Ending
Bank of Nauru				30/06/2015
				30/06/2014
SOE's/Government				
	Ronphos			6,660,472
				9,660,472
		Total Private		6,660,472
				9,660,472
		TOTAL DEBTORS		19,834,426.92
				13,763,640.71

NOTE 4

LIST OF GOVERNMENT ASSETS

Prepared in accordance with Audit Act s10
For the Year Ended 30/06/2015

REPUBLIC OF NAURU	Notes	Financial Year Ending	
Plant - WHOLE OF GOVERNMENT		<u>30/06/2015</u>	<u>30/06/2014</u>
Furniture		312,301.08	343,188
Air-conditioning		66,050.44	84,922
Motor Vechiles		751,653.00	894,825
Total Plant & Equipments		<u>1,130,005</u>	<u>1,322,935</u>

	Notes	Financial Year Ending	
Buildings		<u>30/06/2015</u>	<u>30/06/2014</u>
Parliament House		723,564	796,000
GON Administration Offices		560,352	673,500
Media Centre		79,456	95,500
Court House		184,982	203,500
Airport Terminal		1,688,385	1,842,000
Fisheries Offices and Workshop		1,086,660	1,141,000
Fish Markets		105,350	107,500
Republic of Nauru (RON) Hospital		1,251,603	1,431,000
Nurses Quarters		96,512	116,000
Nauru Public Health Centre		981,543	1,047,000
Nauru Secondary School (NSS)		8,562,611	8,741,000
Nauru Primary School		1,053,888	1,084,000
Yaren Primary School		212,992	256,000
Boe Infant School		256,141	277,500
Nibok Infant School		115,648	139,000
Anetan Infant School		97,344	117,000
Meneng Infant School		186,345	205,000
Naoero Disabled Centre		404,390	414,500
Police Head Quarters		2,822,937	2,883,000
Fire Station		84,448	101,500
Total Buildings		<u>20,555,151</u>	<u>21,671,500</u>
Total Government Assets		<u>21,685,155</u>	<u>22,994,435</u>

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 30/06/2015				
<i>The accompanying notes form parts of these financial statements.</i>				
REPUBLIC OF NAURU				
WHOLE OF GOVERNMENT	Donor	T/Payments	T/Receipts	Movements
034002 858102	AusAID Account	4,229,477	3,951,127	(278,350)
034002 124483	CIE - Nauru GEF Small GRA	86	0	(86)
034002 858225	CIE	315,015	229,319	(85,697)
034001 139624	Development Fund	232,584	51,485	(181,099)
034705 401977	EU RON Treasury	8	-	(8)
034002 858241	EU Rep5	42	0	(42)
034002 159395	GF R7 HIV/AIDS	4,156	0	(4,156)
034002 858305	Japan NPGA	86	0	(86)
034002 858081	JICA	116,833	-	(116,833)
034001 146189	Nauru Disabled	0	7,881	7,881
034002 858057	NZAID	1,448,932	2,000,961	552,029
034002 283302	Pacific NCD Program	12,649	35	(12,614)
034002 858620	RON Australian Sports	24,460	-	(24,460)
034002 858110	RON SPC	60	0	(60)
034002 124475	RON UNCCD	86	0	(86)
034002 124491	WHO - Global Fund	60	0	(60)
034002 858217	World Health Organisation	86	16,789	16,703
034002 858284	World Diabetes	86	0	(86)
	Net Income (Payments-Receipts)	6,384,705	6,257,596	(127,109)
	Other Expenses (Non-Project Related)			0
	Net Cash movement for 2014/15			-127,109
	Development Funds (Aggregate) Statement Balances as at 30/06/14			16,820,119
	less Unpresented Cheques as at 30/06/14			-1,430,449
	2014/2015 GDF Movement			-127,109
	Development Funds (Aggregate) Statement Balances as at 30/06/15			15,516,779

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF GOVERNMENT LIABILITIES

For the Year Ended 30/06/2015

The accompanying notes form part of these financial statements.

NOTE 6

DEBTS - DOMESTIC

	Notes	Financial Year Ending	
		2015	2014
Pending Salary - Local		0	9,640,000
Pending Salary - Expatriate		0	0
Nauru Superannuation Board Entitlements (A&B)		0	0
Provident Fund (A&B)		0	0
Land Lease (Arrears)		0	0
Court Order		0	0
Eigigu - Accomodation		1,333,167	1,333,167
Ronphos -		7,290,816	
NUC - Water & Electricity		578,358	
Arrears		<u>9,202,341</u>	<u>10,973,167</u>
Total Domestic Arrears		<u>9,202,341</u>	<u>10,973,167</u>

NOTE 7

DEBTS - EXTERNAL

	Notes	Financial Year Ending	
		2015	2014
Pacific Asian Express (PAE) Shipping		2,060,000	2,060,000
Reach Global Services		232,000	232,000
AIRWAYS NZ		0	0
Japan Post Service		2,060,000	2,060,000
Universal Postal Union		1,053,000	1,053,000
SPC		0	210,000
International Telecommunication Union (ITU)		737,000	737,000
International Civil Aviation Organisation		576,000	576,000
SPREP		0	146,000
ACP		124,000	124,000
Global Forum on Tax Transparency (OECD)		21,000	21,000
SPTO		0	8,000
SPBEA		0	0
Asian Pacific Parliamentary Union (APPU)		0	0
External Debts		<u>6,863,000</u>	<u>7,227,000</u>
Total External Debts		<u>6,863,000</u>	<u>7,227,000</u>

NON-CURRENT LIABILITIES

NOTE 8

DOMESTIC (LOANS & BORROWINGS)

	Notes	Financial Year Ending	
		2015	2014
Bank of Nauru (Net Private Sector)		34,526,786	36,911,570
NPRT (unconsolidated)		26,865,764	26,865,764
Ronphos (unconsolidated)		2,402,913	2,904,491
Domestic (Loans & Borrowings)		<u>63,795,463</u>	<u>66,681,825</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30/06/2015

The accompanying notes form part of these financial statements.

NOTE 9

EXTERNAL (LOANS & BORROWINGS)

Republic of Taiwan

Menen Hotel Loan

Debt Outstanding

Principal repayment

Yen-Bond Debt

Taiwan Exlm Bank Comercial Loan

Debt Outstanding

Principal

		Financial Year Ending	
	Notes	2015	2014
		0	751,000
		0	751,000
		31,242,826	-
		7,002,000	8,926,000
		2,399,000	2,399,000
External (Loans & Borrowings)		40,643,826	12,827,000

NOTE 10

STATEMENT OF CONTINGENT LIABILITIES

For the Year Ended 30/06/2015

	Notes	Financial Year Ending	
		<u>30/06/2015</u>	<u>30/06/2014</u>
Contingent liabilities			
Pacific Asian Express (PAE) Shipping		-	2,060,000
Firebird Company		-	31,242,826
Total Contingent Liabilities		<u>0</u>	<u>33,302,826</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
FISHING LICENSES	Actual	Budget	Actual
Support Vessel Charges	1,817,145	77,670	589,193
U.S Multilateral Fisheries Treaty	1,060,364	2,732,901	1,524,754
F.S.M Arrangement Fee	11,053,998	1,120,887	2,856,104
Purse Seine Revenue - Licensing	5,214,279	3,863,805	435,857
Purse Seine Revenue - Fishing	9,730,574	21,170,959	10,897,384
Bilateral Fishing Agreement with Taiwan	7,000	0	3,033,380
Project Development Fund Revenue (FFA)	0	0	556,258
	<u>28,883,361</u>	<u>28,966,222</u>	<u>19,892,930</u>

NOTE 12

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
CUSTOM DUTIES	Actual	Budget	Actual
Customs and Excise Duty - Tobacco	657,727	1,800,000	1,772,403
Customs and Excise Duty - Alcohol	1,627,558	840,000	1,087,235
Customs and Excise Duty - Sugar	228,304	515,000	1,036,210
Customs and Excise - Machinery/Vehicle/Equip.	628,096	1,541,013	1,990,627
Customs and Excise Duty - Other	5,181,055	5,300,000	12,353,476
Customs and Excise Duty - Petrol Sales	460,443	1,507,490	277,796
Customs and Excise Duty - Diesel Sales	140,169	4,695,707	193,488
Customs and Excise Duty - JetA1	0	1,737,747	0
	<u>8,923,352</u>	<u>17,936,957</u>	<u>18,711,235</u>

NOTE 13

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
FUEL SALES	Actual	Budget	Actual
Petrol Sales	4,440,162	3,787,594	4,007,299
Diesel Sales	7,850,241	4,976,998	8,224,329
Jet A1 Sales	4,365,993	2,190,211	3,403,191
Fuel Sales - Japan NPGA	0	1,000,000	0
	<u>16,656,396</u>	<u>11,954,803</u>	<u>15,634,819</u>

NOTE 14

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
CIVIL AVIATION REVENUE	Actual	Budget	Actual
D.C.A-Pax Levy	277,775	390,000	954,875
D.C.A.-Departure Taxes	286,475	780,000	986,860
D.C.A.-Air Navigation Fees	794,758	760,000	568,394
D.C.A.-Landing Fees	347,677	459,000	1,421,460
D.C.A.-Rental Fees	150	114,933	10
	<u>1,706,835</u>	<u>2,503,933</u>	<u>3,931,599</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15

OTHER INCOME

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
	Actual	Budget	Actual
Licenses-Drivers etc	67,778	29,000	60,628
Corporation Fees and Licenses	11,605	12,818	51,819
Licenses-Trading	144,035	68,700	97,075
Liquor Licensing Board	37,258	22,000	34,561
Gaming / Bingo Licenses	479,670	433,500	526,724
Licenses-Dogs etc	-	2,500	-
Birth Certificate	26,402	6,000	30,850
Death Certificate	550	200	460
Marriage Certificate	3,610	500	4,130
Motor Vehicle Inspection Fees	230	-	360
Motor Cycle Inspection Fees	525	-	70
Registration Fees-Motor Cars	90,235	1,000	635
Registration Fees-Motorcycles	11,390	300	25
Passport Fees and Photographs	82,705	95,000	130,338
Visa Check up	6,683	5,400	9,289
Police Clearance	39,455	10,000	16,553
Miscellaneous Revenue	2,408,836	4,242,933	5,671,440
Bus Services	3,635	3,635	35,779
Quarantine Fees	89,010	60,000	185,601
Court Fines and Fees	9,316	12,000	1,008,366
Service Fees	8,139	14,000	11,342
Sale of Maps	90	240	426
Charges for Counterparts	51,075	3,000	290
Tent Hire	825	2,500	-
Food Handler Check up	83,053	13,200	8,458
PO Box Rentals	8,320	1,220	-
Philatelic Bureau Sales	3,030	15,000	-
Reimb-Accountable Allowances	(6,411)	170,000	(815)
Advertising Revenue	12,690	50,000	63,528
Canteen Fees	125	3,150	50
Spectacles,Drugs etc	5,732	5,400	9,258
International Settlement-Comms Traffic	2,594	50,000	-
Medical Services	3,642	2,700	7,092
Domain .nr Revenue	-	90,000	-
	3,685,831	5,425,896	7,964,331

NOTE 16

SALARY - LOCAL

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
	Actual	Budget	Actual
Salaries & Allowances - (MP's)	523,919	694,536	169,509
HE Salary & Allowances	77,051	77,656	11,693
Salary - Local	14,107,685	15,159,025	8,494,655
Allowances - Staff Contract	1,537,025	1,718,562	448,314
Overtime - local	179,138	193,886	376,592
	16,424,818	17,843,665	9,500,762

NOTE 17

STAFF COSTS - EXPATRIATES

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
	Actual	Budget	Actual
Salary Expatriate	3,035,917	4,108,136	2,724,336
Salaries Other contracts - Expatriate	1,404,398	1,578,069	825,359
Consultants fees	3,353,102	3,790,145	599,609
	7,793,417	9,476,350	4,149,304

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
OFFICE & HOUSE RENTALS	Actual	Budget	Actual
House Rental	2,502,391	2,617,788	1,238,209
Office Rental	473,238	468,680	402,575
	<u>2,975,629</u>	<u>3,086,468</u>	<u>1,640,783</u>

NOTE 19

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
PLANTS & EQUIPMENTS (including R&M)	Actual	Budget	Actual
R&M - Buildings	-	353,206	265,400
R&M - Office Equipment	23,517	163,518	22,819
R&M - Office Premises	-	171,106	81,160
R&M - Motor Vehicles	-	264,545	6,384
R&M - Plant	367,548	1,081,126	517,163
R&M - Aerodrome	-	99,000	56,241
R&M - Nauruan House	0	0	0
Plant & Equipment Purchases	3,293,987	2,542,328	1,606,005
	<u>3,685,052</u>	<u>4,674,829</u>	<u>2,555,172</u>

NOTE 20

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
FUEL PURCHASE	Actual	Budget	Actual
Purchase of Petrol	2,190,411	4,008,238	2,943,542
Purchase of Diesel	13,568,706	15,495,647	14,037,455
Purchase of JetA1	1,974,865	1,984,590	6,195,889
Purchase of Fuel - Other	1,306	32,940	131
Purchase of Fuel - Japan NPGA	0	1,000,000	129,400
	<u>17,735,288</u>	<u>22,521,415</u>	<u>23,306,417</u>

NOTE 21

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
SOCIAL WELFARE	Actual	Budget	Actual
Social Welfare - Birth Claims	40,000	40,000	36,350
Social Welfare - Death Claims	178,543	200,000	208,800
Social Services - Aged Pensions	1,526,100	1,637,950	1,054,200
Social Services - Super Contributors	91,367	103,025	99,673
Social Services - Super Ex MP's	45,736	49,795	31,665
Social Services - Disability Payments	690,370	838,400	518,100
	<u>2,572,116</u>	<u>2,869,170</u>	<u>1,948,788</u>

NOTE 22

	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>
MISCELLANEOUS EXPENSES	Actual	Budget	Actual
Recruitment	111	1,000	10,471
Uniforms & Protective Clothing	64,094	105,996	125,579
Legal Fees - External	532,859	534,641	187,932
Travel - Staff	365,338	581,435	416,209
Travel - Accountable Allowances	26,956	70,000	50,839
Entertainment	219,720	228,171	165,222
Official Celebrations	94,267	95,680	76,937
Printing and Stationeries	-	-	-
Protocol	43,664	43,241	41,902
TVET Supplies	93,300	94,841	27,825
Stores	468,888	683,109	144,035
Electricity	-	-	1,089,454
Freight	52,620	61,550	13,637

NOTES TO THE FINANCIAL STATEMENTS

Medical Expenses	3,455	10,000	3,181
Health & Hygiene Projects	76,802	524,700	11,947
Educational Expenses - Special	7,811	10,000	7,929
Insurance	160,015	325,016	72,214
Bank Charges	19,761	38,633	13,318
Local Transport	336,994	514,466	176,182
Public Works	205,332	268,210	139,104
Rations - Hospital and Correctional Services	133,384	199,844	127,182
Correctional Services Supplies	2,613	5,760	10,866
Carriage of Mail	488	641	907
Postage	2,926	13,392	19,805
Library/Periodicals	-	8,000	6,923
Survey Supplies	1,578	2,000	1,055
Lease & Charter Payments	149,949	288,395	166,913
Family Court Expenses	1,100	2,000	700
R&M Buildings	1,500,478	-	
R&M Aerodrome	98,973	-	
R&M Office Premises	42,615	-	
R&M Motor Vehicles	112,593	-	
BoN Liquidation	2,384,784	2,950,000	
Safe House	5,572	7,241	2,086
Trust Fund	5,000,000	5,000,000	-
Development Fund	-	-	-
Contingency fund	202,391	572,800	499,052
	12,411,431	13,240,762	3,609,403

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 2015.

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

As per FY2013/14 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).