

THE PARTICIPATORY COASTAL ZONE RESTORATION AND SUSTAINABLE MANAGEMENT IN THE EASTERN PROVINCE OF POST - TSUNAMI SRI LANKA PROJECT

1. Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, and except for the effects of the adjustments arising from the matters referred to in paragraph 5 of this report, I am of opinion that,

- a) the Project had maintained proper accounting records for the 4 months period ended 31 December 2010 and the financial statements give a true and fair view of the state of affairs of the Project as at 31 December 2010 in accordance with Generally Accepted Accounting Principles,
- b) the funds provided had been utilized for the purposes for which they were provided,
- c) the initial deposit, withdrawals from and replenishments to the Special (Dollar) Account for the 4 months period ended 31 December 2010 had been truly and fairly disclosed in the books and records maintained by the Project and the balance as at 31 December 2010 had been satisfactorily reconciled with the accounting records of the Central Bank of Sri Lanka as at that date, and
- d) the financial covenants laid down in the Grant Agreement had been complied with

2. Financial Statements

2.1 Financial Performance

According to the financial statements and information made available for audit, the expenditure on the Project for the first accounting period from 10 September to 31

