Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

ON THE FINANCIAL STATEMENTS AUDIT OF THE RURAL RENEWABLE ENERGY AGENCY (RREA) WITH PROJECT NAME LIBERIA RENEWABLE ENERGY ACCESS PROJECT (LIRENAP)

For the year ended December 31, 2025

June 2026

P. Garswa Jackson Sr. FCCA, CFIP, CFC
Auditor General, R.L.

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Acronyms/Abbreviations

Acronyms/Abbreviations	Meaning
AG	Auditor General
ADF	African Development Fund
AfDB	African Development Bank
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
GAC	General Auditing Commission
GOL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
LIRENAP	Liberia Renewable Energy Access Project
RREA	Rural Renewable Energy Agency
US$	United States Dollars

June 26, 2026

Hon. Samuel Nagbe
Executive Director
RURAL RENEWABLE ENERGY (RREA)
Newport Street
Monrovia, Liberia

RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE RURAL RENEWABLE ENERGY AGENCY (RREA) WITH PROJECT NAME LIBERIA RENEWABLE ENERGY ACCESS PROJECT (LIRENAP) FOR THE YEAR ENDED DECEMBER 31, 2025

Opinion

We have audited the accompanying financial statements of the Rural and Renewable Energy Agency (RREA) with project name Liberia Renewable Energy Access Project (LIRENAP) for the year ended December 31, 2025 financed through Project Number: P149683 which comprise the statements of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a Summary of significant Accounting Policies and other explanatory information.

In our opinion, the accompanying financial statements Project SAT Number P149683 present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2025, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the World Bank guideline 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.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. The RREA Management is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs 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 these financial statements.

P. Garswa Jackson Sr., FCCA, CFIP, CFC
Auditor General, R.L.

Monrovia, Liberia
June 2026

STATEMENT OF RESPONSIBILITIES

The Financial Statements as set out on pages 9 to 12 have been prepared in accordance with the provisions of the Public Financial Management Act of 2009 and in compliance with the Cash Basis International Public Sector Accounting Standards (Cash IPSAS), as adopted by the Government of Liberia.

In accordance with the provisions of the Public Financial Management (PFM) Act of 2009, I am responsible for the control of and accounting for public funds received, held, and expended for and on behalf of the Rural Renewable Energy Agency (RREA).

Under the provisions of the same Act, I am required to prepare quarterly and annual unaudited final accounts of the RREA to be submitted to the Minister of Finance and Development Planning, for the periods to which they relate. However, I have delegated the preparation of the unaudited final accounts to the Director of Finance for my transmittal to the Minister, as provided in the attendant Regulations of the Public Financial Management Act of 2009. Accordingly, I am pleased to submit the required public accounts of the RREA in compliance with the PFM Act and its attendant Regulations. I have provided, and will continue to provide, all the information and explanations as may be required in connection with the financial statements presented herein.

In preparing these Financial Statements, the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgment and estimates. To the best of my knowledge and belief, these Financial Statements agree with the books of accounts, which have been properly kept.

I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the provisions of the Public Financial Management (PFM) Act of 2009.

Mr. Samuel Nagbe
EXECUTIVE DIRECTOR
Rural Renewable Energy Agency (RREA)

29/06/2026
Date

Overview of the Financial Statements

The Rural and Renewable Energy Agency (RREA) with project name Liberia Renewable Energy Access Project for the reporting period January 1, 2025-December 31, 2025, had the following activities in the four components:

Component 1: Decentralization Electrification in Lofa County
Component 3: Technical Assistance to Strengthen Rural Electrician Institutions Component 3 Market Development of Stand-Alone Solar Systems
Component 4: Implementation of RAP

Receipts

The Rural and Renewable Energy Agency (RREA) with project name Liberia Renewable Energy Access Project for the reporting period January 1,2025 -December 31, 2025 did not receive any funds the World Bank-IDA Credit.

Payments

The Rural and Renewable Energy Agency (RREA) controlled from its bank accounts an amount of **US$1,378,014.62** of which the total of **US$1,063,652.11** was expended on the following activities: **US$975,357.31** was paid for Consultancy services and Operations expense amounted to US**$88,294.80**

MHorace

Prepared by Ms. Marthaline K. Horace
Position: Finance Director
Date: June 29, 2026

Approved by Mr. Samuel B. Nagbe
Position: Executive Director
Date: June 29, 2026

RURAL & RENEWABLE ENERGY AGENCY
EXECUTIVE DIRECTOR
REPUBLIC OF LIBERIA

Liberia Renewable Energy Access Project

Statements of Cash Receipts and Payment

For the period ended December 31, 2025

		FY 2025	FY 2024
		RECEIPT/PAYMENTS CONTROLED BY ENTITY	**RECEIPT/PAYMENTS CONTROLED BY ENTITY**
Account	**NOTES**	**US$**	**US$**
TITLE/DESCRIPTION			
RECEIPTS			
World Bank-IDA Credit	1	-	-
LIRENAP-IDA	**1**		
Total Receipts	**-**	**-**	**-**
Payments			
Operations			
Consultancy	**2**	975,357.31	659,236.68
Operations	**3**	88,294.80	216,864.88
Operations LIRENAP IDA	**3**		330.00
Fixed Assets	**4**	-	-
Total Payments		**1,063,652.11**	**876,431.56**
Net Increase/Decrease		**(1,063,652.11)**	**(876,431.56)**
Cash at Beginning of the year January 1,2024		**1,378,014.62**	**2,254,446.18**
Cash at the end of year December 31, 2025		**314,362.51**	**1,378,014.62**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

FOR THE Liberian Renewable Energy Access Project

FOR THE PERIOD ENDED December 31,2025

Account Title/Description	**Actual Amount**	**Final Budget**	**Original Budget**	**Difference: Final Budget and Actual**	**Percentage Variance (explain variance above 10%)**
	US$	**US$**	**US$**	**US$**	**%**
Cash Inflows					
Balance LIRENAP B/F	1,245,294.45	-	-	1,245,294.45	100%
Balance B/F IDA	132,656.05	-	-	132,656.05	100%
Petty Cash B/F	64.12	-	-	64.12	100%
LIRENAP	2,823,095.14	9,643,639.95	9,643,639.95	(6,820,544.81)	0%
IDA	-	156,289.11	156,289.11	(156,289.11)	0%
Total Receipts	**4,201,109.76**	**9,799,929.06**	**9,799,929.06**	**(5,598,819.30)**	
Cash Outflows					
Consultancy	3,798,452.45	9,179,080.73	9,179,080.73	5,380,628.28	90.41%
Operations	88,294.80	464,559.22	464,559.22	376,264.42	2.10%
Operations IDA		156,289.11	156,289.11	156,289.11	0%
Total Expenditure	**3,886,747.25**	**9,799,929.06**	**9,799,929.06**	**(5,913,181.81)**	102.3%
Net Cash Flows	**314,362.51**	-	**-**	**314,362.51**	

NOTES TO THE FINANCIAL STATEMENTS

1. General Information and Accounting Policies

The Rural and Renewable Energy Agency (RREA) is an Agency of the Government established and enacted into law on July 6, 2015 for the purpose of facilitating and accelerating the economic transformation of rural Liberia by promoting the commercial development and supply of modern energy services to rural areas with an emphasis on locally available renewable resources. One of the RREA's principal functions include planning and financing of rural energy projects for implementation by public, private, and community developers, including educating the public about renewable energy options and opportunities. The RREA is also mandated to manage the Rural Energy Fund (REFUND), a transparent financial management system through which all domestic and international resources intended for rural energy programs shall be managed to achieve universal energy access. The principal addresses of the entity is Newport Street, Monrovia, Liberia.

(a) Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the International Public Sector Accounting Standard (IPSAS) Cash Basis.

(b) Reporting Entity

The financial statements are for the Rural and Renewable Energy Agency

(c) Reporting Currency and Translation of Foreign Currencies

(i) Functional and Presentation Currency

The functional currencies are the Liberian Dollar and the United States Dollar, and the reporting currency is the United Sates Dollar. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

(ii) Translation of Transactions in Foreign Currency

Foreign currency transactions are translated into United States Dollar using the exchange rates circulated by the Central Bank of Liberia (CBL).

(d) Reporting Period

The reporting period for these financial statements is January 1,2025, to December 31, 2025.

(d) Payment by external third parties

During the period under review, World Bank made two direct payments on behalf of the project in the amount of **US$2,823,095.14** as seen below:

Date	Payee	Amount
3-Jul-25	Wilking Engineering Limited	955,641.50
27-Aug-25	International Consolidated Contract	2,134951.70
Total		**2,823,095.14**

2. Consultancy

Local Consultants	**FY 2025**	**FY 2024**
Infrastructure Engineer (Site)	23,800.00	-
Safeguard Specialist	-	500.00
Project Engineer	-	700.00
IT Officer	-	300.00
Finance Assistant	-	200.00
Social Development Officer	-	440.00
Electrical Engineer	-	500.00
Business Development Officer	-	440.00
Civil Engineer	-	440.00
Community Outreach Officer	19,414.00	16,953.00
Procurement Officer	-	500.00
Technical Assistance to Mini Grid	200.00	17,037.06
ES scoping report for solar PV plant sites (incl. ES permitting)	24,126.00	-
Total	**67,540.00**	**38,010.06**
Foreign Consultants		
Owner Engineer	57,952.72	132,865.32
Supply & installation of transmission & distribution networks including customer connections	437,102.13	372,077.39
Hydropower site restoration	229,035.12	-
Supply and Installation of Kaiha	29,633.60	
Owner Engineer Service	35,558.81	
Optimization Study for Generation mix - Kaiha 2 mini-grid (IDA)	118,534.93	116,283.91
Total	**907,817.31**	**621,226.62**
Grand Total	**975,357.31**	**659,236.68**

The amount of **US$975,357.31** represents payment to consultants of the Liberia Renewable Energy Access Project (LIRENAP) as remuneration.

3. Operations

Operations	FY 2025	FY 2024
Audit Service	5,756.00	10,085.00
Stationery & Supplies	846.00	195.00
Printing & Photocopying	70.00	400.00
In-country Travel & Road Show	52,323.00	61,904.00
Training & Capacity Building	6,370.80	3,514.00
Meeting /Workshop & conference	2,260.00	2,700.00
Security	-	3,300.00
Repair & Maintenance-Building	70.00	5,009.00
Equipment Maintenance	220.00	360.00
Vehicle/Motorbike/Gent	554.00	721.00
Vehicle Fuel	250.00	-
Vehicle registration	-	1,189.60
Servance		53,011.25
Water	50.00	205.00
Advertising or Promotional	750.00	400.00
Bank Charges	1,641.00	1,613.03
Other Related Project Cost	6,679.00	72,258.00
Land Acquisition, work & Monitor	10,455.00	
Total	**88,294.80**	**216,864.88**

Operations – LIRENAP- IDA

Operations	FY 2025	FY 2024
Bank Charges		330.00
RAP Execution	-	-
Total	**-**	**330.00**
Grand Total	**88,294.00**	**217,194.88**

The above breakdown of US$**88,294.00** was disbursed on the project's operations.

4. Fixed Assets

Fixed Assets	FY 2025	FY 2024
Computer monitor -smart TV	-	450.00
Total	**-**	**450.00**

There were no fixed assets acquired during the period of the audit.

Explanatory Notes to the Financial Statement

Explanatory Notes for Budget Variances

1. Cash Inflows Variance

a. LIRENAP Funding

Actual receipts amounted to **US$2,823,095.14** compared to a final budget of **US$9,643,639.95**, resulting in an under-receipt of **US$6,820,544.81**.

b. IDA Funding

No funds were received during the period against a budget of **US$156,289.11**, resulting in a variance of **US$156,289.11**.

c. Total Receipts

Total actual receipts were **US$4,201,109.76** against a budget of **US$9,799,929.06**, resulting in a shortfall of **US$5,598,819.30**.

2. Cash Outflows Variance

a. Consultancy (90.41% utilization)

Actual expenditure was **US$3,798,452.45** compared to a budget of **US$9,179,080.73**, resulting in an underspending of **US$5,380,628.28**.

b. Operations (2.10% utilization)

Actual expenditure was **US$88,294.80** compared to a budget of **US$464,559.22**, resulting in an underspending of **US$376,264.42**.

c. Operations – IDA

No expenditure was recorded under IDA operations despite a budget of **US$156,289.11**.

Explanation:

Since IDA funds were not disbursed during the period, no related expenditures were incurred.

d. Total Expenditure (102.3% variance noted in table)

Actual total expenditure amounted to **US$3,886,747.25** compared to a budget of **US$9,799,929.06**, resulting in an overall underspending of **US$5,913,181.81**.

3. Net Cash Flow

The project recorded a positive net cash flow of **US$314,362.51**.

Explanation:

The positive balance represents unutilized funds at year-end due to delayed implementation and pending activities, which will be carried forward to the next financial period.

Explanatory Notes for withholding Taxes withheld and paid.

During the period under review, the total amount of **US$104,416.22** were taxes withheld and paid on goods and services. **See the table below:**

Taxes withheld and paid.

Payee	Date	Memo	Amount
General Revenue Account	01/23/2025	Payment of withholding tax for the month Dec.2024	45,788.86
General Revenue Account	02/13/2025	Payment of withholding tax for the month Jan.2025	8,481.91
General Revenue Account	03/06/2025	Payment of withholding tax for the month February 2025	335.00
General Revenue Account	04/10/2025	Payment of Withholding tax for the month March 2025	4,802.02
General Revenue Account	05/15/2025	Payment of Withholding tax for the month April 2025	2,324.40
General Revenue Account	06/11/2025	Payment for withholding tax for May 2025	21,781.62
General Revenue Account	07/14/2025	Payment of Withholding tax for the month June 2025	6,079.02
General Revenue Account	08/14/2025	Payment of withholding tax for July 2025	335.00
General Revenue Account	09/05/2025	Payment of withholding tax for August 2025	712.30
General Revenue Account	10/13/2025	Payent of withholding tax for Sept 2025	3,634.56
General Revenue Account	11/18/2025	Payment of withholding tax for the month Oct. 2025	5,170.53
General Revenue Account	12/22/2025	Payment of withholding tax for November 2025	4,971.00
Total			**104,416.22**

4. Disclosure of Advance Payment Guarantee

Management wishes to disclose the total of **US$608,970.64** as the advanced payment guarantee related to the Joint Venture of ENCO (PVT) Ltd., Hydropower Power International (PVT) Ltd., and FUSO Corporation under the Liberia Renewable Energy Access Project (LIRENAP).