

Audited Project Financial Statements

Project Number: 40253-023

Loan Number: 2721-VIE

Period covered: 1 January 2016 to 31 December 2016

CAM/LAO/VIE: Greater Mekong Subregion Biodiversity Conservation Corridors Project

Prepared by Thua Thien Hue Provincial Project Management Unit, Thua Thien Hue Provincial People's Committee

For the Asian Development Bank
Date received by ADB: 16 October 2017

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Agricultural Project Management Board, Ministry of Agriculture and Rural Development.

**THUA THIEN HUE PROVINCIAL PROJECT MANAGEMENT UNIT
GREATER MEKONG SUBREGION BIODIVERSITY CONSERVATION
CORRIDORS PROJECT – PHASE II
Loan Agreement No. 2721-VIE(SF)**

AUDITED FINANCIAL STATEMENTS

For the year ended 31/12/2016



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PART I

FINANCIAL STATEMENTS

STATEMENT OF THE PROJECT MANAGEMENT UNIT

Thua Thien Hue Provincial Project Management Unit of Greater Mekong subregion biodiversity conservation corridors project – Phase 2 ("the PMU", "the Project Management Unit") presents this report together with the financial statements of the Greater Mekong subregion biodiversity conservation corridors project – Phase 2, the work done in Thua Thien Hue province ("the Project") for the year ended 31/12/2016.

Provincial Project Management Unit

The members of the Project Management Unit who held office during the year and at the date of this report are as follows:

Mr. Le Ba Phuc	Director
Mr. Nguyen Viet Hung	Deputy Director
Mr. Van Duc Chung	Project Coordinator
Mr. Tran Phuoc Loi	Chief Accountant
Ms. Tran Thi Thu Hang	Accountant

The Project Management Unit's Statement of Responsibility

The PMU is responsible for preparing the Project's financial statements, which give a true and fair view of the balances of assets, liabilities and funds as at 31/12/2016 as well as the receipts and disbursements of the Project, actual expenditure for the year ended 31/12/2016, in accordance with the accounting policies set out in Note 2 and Note 3 of the Notes to the financial statements and the covenants contained in Loan Agreement No. 2721-VIE(SF). In preparing these financial statements, the PMU is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Design and implement an effective internal control for the purpose of properly preparing and presenting the financial statements so as to minimize risks and frauds.

The PMU is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Project and ensuring that the funds have been used as intended for the Project. The PMU is also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The PMU confirms that they have complied with the above requirements in preparing these financial statements.

For and on behalf of the PMU,



Le Ba Phuc
Director

Thua Thien Hue, 15 August 2017

No 467/2017/UHY - BCKT

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To: **The Thua Thien Hue Provincial Project Management Unit
Greater Mekong subregion biodiversity conservation corridors project – Phase 2**

Auditor's Opinion

We have audited the accompanying Balance sheet as at 31/12/2016, Statement of receipts and disbursements, Statement of actual expenditure compared to budget, Statement of imprest account, Statement of loan withdrawals for the year ended 31/12/2016 and the Notes to the financial statements (collectively referred to as "the financial statements") of the Greater Mekong subregion biodiversity conservation corridors project – Phase 2 ("the Project"). The financial statements have been prepared by the Thua Thien Hue Provincial Project Management Unit using regulations on preparation and presentation of financial statements set out in Note 2 and Note 3 of the Notes to the financial statements.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the balances of assets, liabilities and funds as at 31/12/2016, its financial receipts and disbursements of the Project for the year then ended in accordance with regulations of preparation and presentation of financial statements set out in Note 2 and Note 3 of the accompanying Notes of financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Project Management Unit in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we would like to draw reader's attention to Note II and Note III of the Notes to the financial statements, which describe the regulations on preparation and presentation of financial statements. The financial statements are prepared to assist the Project to meet the requirements of the Asian Development Bank. As a result, the financial statements are not suitable for another purpose.

Responsibility of the Thua Thien Hue Provincial Project Management Unit for the Financial Statements

The Thua Thien Hue Provincial Project Management Unit of Greater Mekong subregion biodiversity conservation corridors project – Phase 2 ("the Project Management Unit") is responsible for the preparation and presentation of these financial statements in accordance with regulations on preparation and presentation of financial statements set out in Note II and Note III of the Notes to the financial statements and for such internal control as the Project Management Unit 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, the Project Management Unit is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Project Management Unit either intends to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS (Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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 ISAs 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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Project Management Unit.
- Conclude on the appropriateness of Project Management Unit's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Project Management Unit regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies (if any) in internal control that we identify during our audit.



Nguyen Thi Phuong Thao
Deputy General Director
Practicing Certificate No.0933-2014-112-1

For and on behalf of
UHY Auditing and Consulting Company Limited
Hanoi, 15 August 2017

Tran Thi Van Anh
Auditor
Practicing Certificate No. 0037-2016-112-1

BALANCE SHEET
As at 31/12/2016

	Note	31/12/2016 VND	31/12/2015 VND
ASSETS			
I. Current assets		1,637,425,999	7,504,169,729
Cash	6	786,036,499	6,755,769,729
Cash on hand		41,756,828	26,653,828
Cash in bank, state treasury		744,279,671	6,729,115,901
Accounts receivable		851,389,500	748,400,000
Other receivables		1,389,500	382,700,000
Advances to employee		30,000,000	43,700,000
Advances to supplier	7	820,000,000	322,000,000
II. Non - current assets		41,481,412,684	24,920,847,892
Tangible fixed assets		1,911,356,333	1,479,753,271
Cost		3,717,684,000	2,800,086,000
Accumulated depreciation		(1,806,327,667)	(1,320,332,729)
Intangible fixed assets		262,425,000	-
Cost		336,700,000	-
Accumulated amortization		(74,275,000)	-
Project implementing expenditures	8	39,307,631,351	23,441,094,621
Project implementing expenditures		39,662,577,700	23,545,624,470
Foreign exchange rate differences		(354,946,349)	(104,529,849)
TOTAL ASSETS		43,118,838,683	32,425,017,621

BALANCE SHEET (continued)

As at 31/12/2016

	Note	31/12/2016 VND	31/12/2015 VND
RESOURCES			
I. Liabilities		10,800,000	-
Payables to suppliers		10,800,000	-
II. Funds		43,108,038,683	32,425,017,621
Project funds		40,934,257,350	30,945,264,350
ADB fund	9	40,909,935,000	30,920,942,000
Other funds	10	24,322,350	24,322,350
Other fund		2,173,781,333	1,479,753,271
Funds for fixed assets acquisition		2,173,781,333	1,479,753,271
TOTAL RESOURCES		43,118,838,683	32,425,017,621

OFF-BALANCE SHEET ITEMS

Items	31/12/2016	31/12/2015
1. Foreign currencies		
USD	36,408.88	325,908.81



Le Ba Phuc
Director

Tran Phuoc Loi
Chief Accountant

Tran Thi Thu Hang
Preparer

Thua Thien Hue, 15 August 2017

THUA THIEN HUE PROVINCIAL PROJECT MANAGEMENT UNIT

Greater Mekong subregion biodiversity conservation corridors project – Phase 2

Loan Agreement No. 2721 - VIE(SF)

FINANCIAL STATEMENTS

For the year ended

31/12/2016

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the year ended 31/12/2016

No.	Contents	For the year ended 31/12/2016				Accumulated to 31/12/2016			
		ADB	Counterpart	Others (Note 10)	Total	ADB	Counterpart	Others (Note 10)	Total
I	RECEIPTS								
1	ADB fund	9,988,993,000	-	-	9,988,993,000	40,909,935,000	-	24,322,350	40,934,257,350
2	Counterpart fund	9,988,993,000	-	-	9,988,993,000	40,909,935,000	-	-	40,909,935,000
3	Other funds	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	24,322,350	24,322,350
II	DISBURSEMENTS								
1	Civil works	16,163,311,000	-	14,402,230	16,177,713,230	40,449,058,282	-	22,719,418	40,471,777,700
2		487,000,000	-	-	487,000,000	487,000,000	-	-	487,000,000
3	Transportation and Equipment	162,250,000	-	-	162,250,000	2,328,370,000	-	-	2,328,370,000
4	Good and Material	7,823,365,000	-	-	7,823,365,000	16,326,952,110	-	-	16,326,952,110
5	Improving Livelihoods	4,015,630,000	-	-	4,015,630,000	11,962,345,000	-	-	11,962,345,000
6	Consulting service	1,299,000,000	-	-	1,299,000,000	1,621,000,000	-	-	1,621,000,000
7	Capacity Building	794,589,000	-	-	794,589,000	2,722,597,500	-	-	2,722,597,500
8	Operating expenses	1,581,477,000	-	14,402,230	1,595,879,230	5,000,793,672	-	22,719,418	5,023,513,090
	Interest expense	-	-	-	-	-	-	-	-
III	OPENING BALANCE	6,635,194,718	-	16,005,162	6,651,199,880	-	-	-	-
IV	CLOSING BALANCE	460,876,718	-	1,602,932	462,479,650	460,876,718	-	1,602,932	462,479,650



Le Ba Phuc
Director

Thua Thien Hue, 15 August 2017

Tran Phuoc Loi
Chief Accountant

Tran Thi Thu Hang
Preparer

STATEMENT OF ACTUAL EXPENDITURE COMPARED TO BUDGET
For the year ended 31/12/2016

No.	Name of CAT	ADB fund		
		Authorized estimate budget (A)	Actual expenses (B)	Difference (A)-(B)
1	Civil works	26,724,000,000	-	26,724,000,000
3	Good and services	32,912,821,084	8,569,176,000	24,343,645,084
4	Improving Livelihoods	6,842,553,419	3,798,210,000	3,044,343,419
5	Consulting services	2,044,386,000	1,288,000,000	756,386,000
6	Capacity Building	1,279,185,000	866,589,000	412,596,000
7	Project Management	3,235,497,080	1,580,536,000	1,654,961,080
	Total	73,038,442,583	16,102,511,000	56,935,931,583



Le Ba Phuc
Director

Thua Thien Hue, 15 August 2017

Tran Phuoc Loi
Chief Accountant

Tran Thi Thu Hang
Preparer

STATEMENT OF IMPREST ACCOUNT
Thua Thien Hue Province

For the year	Ended 31/12/2016
Account Number	400201007056
Depository bank	Vietnam Bank for Agriculture and Rural development -
Address	Thua Thien Hue Branch
Loan Agreement No.	No. 10 - Hoang Hoa Tham - Hue City
Currency unit	2721-VIE(SF) USD

Amount

PART A: ACCOUNT ACTIVITY

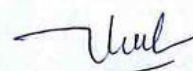
Opening balance (01/01/2016)	272,190.76
<u>Add:</u>	437,346.82
Total amount replenished by ADB	437,346.82
<u>Deduct:</u>	680,594.12
Total amount withdrawn	680,594.12
Closing balance (31/12/2016)	28,943.46

PART B: ACCOUNT RECONCILIATION

1 Amount advanced by the ADB	599,208.00
2 Deduct: Total amount recovered by the ADB	-
3 Present outstanding amount advanced to Imprest Account as at 31/12/2016	599,208.00
4 Closing balance of Imprest Account (31/12/2016)	28,943.46
5 Add: Amounts claimed and not yet credited	484,922.90
6 Add: Amounts withdrawn and not yet claimed	85,341.64
7 Deduct: Interest earned (if included in Imprest Account)	-
8 Add: Service charges (if not included in the lines 5 and 6 above)	-
9 Total advance to Imprest Account accounted for as at 31/12/2016	599,208.00


Le Ba Phuc
Director


Tran Phuoc Loi
Chief Accountant


Tran Thi Thu Hang
Preparer

Thua Thien Hue, 15 August 2017

STATEMENT OF SECOND GENERATION IMPREST ACCOUNT
Nam Dong District

For the year	Ended 31/12/2016
Account Number	4007201001834
Depository bank	Vietnam Bank for Agriculture and Rural development - Nam Dong Branch
Address	Khe Tre Town - Nam Dong District - Thua Thien Hue
Loan Agreement No.	2721-VIE(SF)
Currency unit	USD
	<u>Amount</u>
PART A: ACCOUNT ACTIVITY	
Opening balance (01/01/2016)	1,743.55
Add:	65,662.24
Total amount replenished by the PPMU	65,662.24
Deduct:	61,120.24
Total amount withdrawn	61,120.24
Closing balance (31/12/2016)	<u>6,285.55</u>
PART B: ACCOUNT RECONCILIATION	
1 Amount advanced by the PPMU	61,528.78
2 Deduct: Total amount recovered by the PPMU	-
3 Present outstanding amount advanced to Imprest Account as at 31/12/2016	<u>61,528.78</u>
4 Closing balance of Imprest Account (31/12/2016)	6,285.55
5 Add: Amounts claimed and not yet credited	-
6 Add: Amounts withdrawn and not yet claimed	55,243.23
7 Deduct: Interest earned (if included in Imprest Account)	-
8 Add: Service charges (if not included in the lines 5 and 6 above)	-
9 Total advance to Imprest Account accounted for as at 31/12/2016	<u>61,528.78</u>

STATEMENT OF SECOND GENERATION IMPREST ACCOUNT
 A Luoi District

For the year	Ended 31/12/2016
Account Number	40082010002540
Depository bank	Vietnam Bank for Agriculture and Rural development - A Luoi Branch
Address	Section 4 - A Luoi Town - A Luoi District - Thua Thien Hue
Loan Agreement No.	2721-VIE(SF)
Currency unit	USD

Amount

PART A: ACCOUNT ACTIVITY

Opening balance (01/01/2016)	51,974.50
Add:	515,957.75
Total amount replenished by the PPMU	515,957.75
Deduct:	566,752.38
Total amount withdrawn	566,752.38
Closing balance (31/12/2016)	<u>1,179.87</u>

PART B: ACCOUNT RECONCILIATION

1 Amount advanced by the PPMU	151,694.09
2 Deduct: Total amount recovered by the PPMU	-
3 Present outstanding amount advanced to Imprest Account as at 31/12/2016	<u>151,694.09</u>
4 Closing balance of Imprest Account (31/12/2016)	1,179.87
5 Add: Amounts claimed and not yet credited	-
6 Add: Amounts withdrawn and not yet claimed	150,514.22
7 Deduct: Interest earned (if included in Imprest Account)	-
8 Add: Service charges (if not included in the lines 5 and 6 above)	-
9 Total advance to Imprest Account accounted for as at 31/12/2016	<u>151,694.09</u>

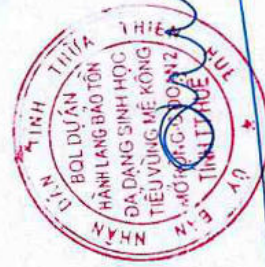
STATEMENT OF LOAN WITHDRAWALS
For the year ended 31/12/2016

Withdrawal Application			Amount demand								Amount disbursed			
No.	Date	Currency	Advance	Civil works	Equip ment	Materials	Improving Livelihoods	Consulting service	Capacity Building	Operating expenses	Total	Date	USD	Difference
Direct payment			-	-	-	-	-	-	-	-	-	-	-	-
Imprest account														
00008	30-11-15	USD	-	-	-	72,997.98	74,625.49	-	4,950.78	3,597.59	156,171.84	24/03/2016	156,161.84	10.00(**)
00009	01-03-16	USD	-	-	-	38,874.82	43,842.61	-	10,541.40	18,905.51	112,164.34	20/06/2016	112,154.34	10.00(**)
00010	06-01-16	USD	-	-	-	109,794.16	58,308.96	-	-	937.52	169,040.64	22/06/2016	169,030.64	10.00(**)
00011	31-07-16	USD	-	-	-	168,984.32	81,114.00	58,394.82	7,270.16	22,550.10	338,313.40		-	338,313.40(*)
00012	31-11-16	USD	-	-	-	49,455.23	42,466.71	-	27,487.16	27,200.40	146,609.50		-	146,609.50(*)
Total			-	-	-	440,106.51	300,357.77	58,394.82	50,249.50	73,191.12	922,299.72		437,346.82	484,952.90

Note:

(**) Differences due to: Bank's fee

(*) The application No. 00011 is dated 31/07/2016 and The application No. 00012 is dated 31/07/2016 but disburse in 2017.



Le Ba Phuc
Director

Thua Thien Hue, 15 August 2017

Tran Phuoc Loi
Chief Accountant

Tran Thi Thu Hang
Preparer

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Project will enhance transboundary cooperation and management of forest ecosystems between countries of the Greater Mekong Subregion (GMS). The GMS Governments, with support from ADB, have identified the most important biodiversity conservation landscapes in the subregion that are, vulnerable to increased development pressures and environmental degradation. In Viet Nam, the project will address the fragmentation of the biodiversity rich forest landscape of central Viet Nam which included the three provinces of Quang Nam, Quang Tri and Thua Thien Hue, impairing its ability to provide critical ecosystem services necessary for sustaining local livelihoods and investments in hydropower, transport, water and food-security enhancing sectors. The Project will promote sustainable resource use, and restore and enhance these productive landscapes. It will do so through conservation and development activities. The project will promote the sustainable use of natural resources, restore and enhance production of this scenic area. The project implementation period is projected from 5/2011 to 9/2019.

The project was implemented in 10 communes of Nam Dong and A Luoi districts of Thua Thien Hue province.

- Enhance capacities for central, provincial, district, communal levels in the project implementing areas in biodiversity corridor planning, corridor plan development and implementation.

- Conduct forest rehabilitation and reforestation to the connectivity of biodiversity corridors and increase the medium-rich forest areas in the 34 selected communes in the biodiversity corridor area.

- Propose solutions for livelihoods and Millennium development goals linked with small-scale infrastructure to contribute to reduce poverty and improve the living conditions of ethnic minorities in poor mountainous districts in the project area.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost. These financial statements are prepared per the requirements of the Asian Development Bank and in accordance with Vietnamese Accounting Standards, the public-sector administrative accounting policies issues under Decision No. 19/2006/QĐ-BTC dated 30/03/2006 enforcing the regulations on administrative accounting and Circular No. 185/2010/TT-BTC, dated 15/11/2010 providing guidance on amending and supplementing the public-sector administrative accounting regulations.

Accounting period

The Project's fiscal year begins on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Project Management Unit in the preparation of these financial statements, are as follows:

Receivables

Receivables are recognised on the basis of actual amounts at occurring transaction and amounts advance to suppliers in accordance with the terms of the contract.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Payables

Payables are recognised on the basis of actual expenditure occurred and work was had official acceptance by PMU and supplier.

Foreign currency translation

Transactions arising in foreign currencies are translated into Vietnam Dong (VND) at exchange rates ruling on the transaction date. Cash and liabilities balances denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date.

Recognition of funds and expenditures

Funds and expenditures are recognized when incurred. Details as follows:

- ADB fund are recognized when ADB directly fund to the first Imprest Account during the year.
- Project management costs are recognised on the accrual basis including actual expenses incurred and payables owed to the supplier.

Fixed assets and amortization

Cost of fixed assets is totally charged for the period in which they are acquired. However, their disclosure in the Balance sheet is simply for the purpose of management and amortization in accordance with Circular No.162/2014/TT-BTC dated 06/11/2014 by the Ministry of Finance issuing Regulation on management and amortization of fixed assets in the State agencies and public administrative units and State-funded organizations.

4. IMPREST ACCOUNT

First Generation Imprest Account and Second Generation Imprest Accounts are deposit accounts opened at Vietnam Bank for Agriculture and Rural development. Payments out of Imprest Accounts are for expenditures in accordance with the relevant covenants of Loan Agreement No. 2721-VIE(SF) dated 05/05/2011 and relevant regulations established by the ADB. Amounts withdrawn from the Imprest Account are used for the payments to contractors and operating expenses.

5. STATEMENT OF RECEIPTS AND DISBURSEMENTS

Statement of receipts and disbursements is prepared based on actual cash flows; Specifically:

Cash inflow is the actual cash flow received from the Asian Development Bank (ADB).

Cash outflow is the actual cash paid out by the Project management unit for the project's cost items of this year and the amount paid for the supplier during current year and from the previous fiscal year transferred.

Closing balance is based on the beginning balance plus cash inflows and minus cash outflow for the year. This balance is reconciled with the balance sheet items as at the end of the financial year as disclosed in Note 12.

Accumulated figures are presented on the accrual basis from the date that the Project commences operations to the financial statements date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CASH

	31/12/2016 VND	31/12/2015 VND
Cash on hand	41,756,828	26,653,828
- Provincial Project Office	36,811,000	-
- Nam Dong	508,328	19,418,328
- A Luoi	4,437,500	7,235,500
Imprest Accounts	742,652,740	6,713,117,740
- Provincial Project Office	459,153,740	5,654,656,740
- Nam Dong	143,012,000	38,166,000
- A Luoi	140,487,000	1,020,295,000
Interest Accounts	1,626,931	15,998,161
- Provincial Project Office	587,000	14,467,230
- Nam Dong	-	45,000
- A Luoi	1,039,931	1,485,931
Total	786,036,499	6,755,769,729

7. ADVANCE TO SUPPLIERS

	31/12/2016 VND	31/12/2015 VND
Huy Hoang Trading and Construction Company Limited	487,000,000	-
Hanoi Construction Trade and Service Consulting Joint Stock Company	333,000,000	322,000,000
Total	820,000,000	322,000,000

8. PROJECT IMPLEMENTING EXPENDITURES

	The year ended 31/12/2016 VND	Accumulated to 31/12/2016 VND
Civil works	-	-
Transportation and Equipment	-	2,328,370,000
Good and Material	8,569,176,000	16,337,752,110
Improving Livelihoods	3,802,410,000	11,962,345,000
Consulting service	1,288,000,000	1,288,000,000
Capacity Building	862,389,000	2,722,597,500
Operating expenses	1,594,978,230	5,023,513,090
Interest expense	-	-
Total	16,116,953,230	39,662,577,700
Foreign Exchange rate differences	(250,416,500)	(354,946,349)
Total	15,866,536,730	39,307,631,351

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. ADB FUND

	The year ended 31/12/2016		Accumulated to 31/12/2016	
	USD	VND equivalent	USD	VND equivalent
Imprest Bank Account	437,376.82	9,988,993,000	1,881,650.84	40,909,935,000
Total	437,376.82	9,988,993,000	1,881,650.84	40,909,935,000

10. OTHER FUNDS AND EXPENDITURES

	The year ended 31/12/2016 VND	Accumulated to 31/12/2016 VND
Receipts	-	24,322,350
Bank Interest	-	24,322,350
Disbursements	14,402,230	22,719,418
Bank fees	14,402,230	22,719,418
Opening balance	16,005,162	-
Closing balance	1,602,932	1,602,932

11. RECONCILIATION BETWEEN THE CLOSING BALANCE ON THE STATEMENT OF RECEIPTS AND DISBURSEMENTS AND THE CLOSING BALANCES OF ASSETS, LIABILITIES ON THE BALANCE SHEET AS AT 31/12/2016

	31/12/2016 VND
Ending Balance on Statement of receipts and disbursements	462,479,650
Ending Balance on Balance Sheet	432,479,650
Cash on hand	41,756,828
Cash in bank, state treasury	744,279,671
Other receivables	1,389,500
Foreign exchange rate differences	(354,946,349)

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. RECONCILIATION BETWEEN PROJECT IMPLEMENTING EXPENDITURES AND THE CLOSING BALANCES OF ASSETS, LIABILITIES ON THE BALANCE SHEET AS AT 31/12/2016

	31/12/2016 VND
Project implementing expenditures presented on Balance sheet	39,662,577,700
Including:	
Transportation and Equipment	2,328,370,000
Good and Material	16,337,752,110
Improving Livelihoods	11,962,345,000
Consulting service	1,288,000,000
Capacity Building	2,722,597,500
Project Management	5,023,513,090
Expenditure presented on Statement of receipts and disbursements = (1) - (2)+(3)	39,662,577,700
Accumulated expenditure to 31/12/2016 (1)	40,471,777,700
Closing balance of Receivables relating to expenditure as at 31/12/2016 (2)	820,000,000
Of which	
- Advances to supplier	820,000,000
Closing balance of payables relating to expenditure as at 31/12/2016 (3)	10,800,000
Of which	
- Payables to suppliers	10,800,000

13. COMPARATIVE FIGURES

The financial statements for the year ended at 31/12/2015 has been audited by UHY ACA auditing and consulting Co.,Ltd.



Le Ba Phuc
Director



Tran Phuoc Loi
Chief Accountant



Tran Thi Thu Hang
Preparer

Thua Thien Hue, 15 August 2017