

Audited Project Financial Statements

Project Number: 41456-033
Loan/Grant Number: 2961
Period covered: 1 January 2018 – 31 December 2018

VIE: Water Sector Investment Program – Tranche 2

Prepared by DAKWACO

For the Asian Development Bank
Date received by ADB: 3 July 2019

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 Access to Information Policy and as agreed between ADB and Dak Lak PPC.



**BUON MA THUOT CITY AND
THREE ADJACENT DISTRICTS OF EAKAR;
BUON DON AND KRONG NANG
WATER SUPPLY DEVELOPMENT PROJECT**

Loan Number 2961 – VIE

AUDITED PROJECT FINANCIAL STATEMENTS
Fiscal year ended 31 December 2018

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REPORT OF THE PROJECT MANAGEMENT UNIT

Dak Lak Water Supply and Construction Investment Project Management Unit ("the Project Management Unit") presents this report and the Financial Statements of the Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project ("the Project") for the fiscal year ended 31 December 2018.

The Project

Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project is implemented under the Loan Number 2961 – VIE dated 23 May 2013 ("the Agreement") between the Socialist Republic of Vietnam and the Asian Development Bank ("ADB").

The Project Management Unit

Members of the Project Management Unit in the year and to the reporting date are:

Mr. Nguyen Khac Dan	Director	Appointed on 15/05/2019
Mr. Tran Van Thien	Director	Resigned on 15/05/2019
Mr. Tran Quoc Do	Chief Accountant	

Auditors

The auditors of AASC Limited have taken the audit of financial statements of the Project.

Responsibilities of the Project Management Unit

The Project Management Unit is responsible for preparing the Project's Financial statements, including Statement of Financial Position, Statement of Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account and Statement of Withdrawals and Reconciliation of Funds, which comply with the accounting policies described in the attached Notes to the Financial Statements. The Project Management Unit assures that the accounting policies are appropriately selected and consistently applied.

The Project Management Unit assures that the accounting records were fully maintained to prepare the financial statements in accordance with the applied accounting policies and to disclose, with reasonable accuracy at any time, the financial position of the Project.

The Project Management Unit is responsible for maintaining an effective internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and comply with relevant laws, regulations and other provisions of the agreement, including over the procurement progress, that could have a direct and material financial effect on the Project financial statements ("the Requirements").

In additional, the Project Management Unit is also responsible for complying with the Requirements applicable to the Project, in which:

- ▶ The funds have been used in accordance with the conditions of the Loan Agreement No. 2961 - VIE dated 23 May 2013;
- ▶ The Advance Account procedures have been operated in accordance with the Asian Development Bank's Loan Disbursement Handbook;
- ▶ Adequate supporting documents, with respect to Statement of Expenditures, have been fully maintained to support to the replenishment requests submitted to the Asian Development Bank. The expenditures are eligible and in right purposes of the Loan Agreement No. 2961 – VIE dated 23 May 2013.

Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang
Water Supply Development Project
Loan Number 2961 – VIE



On behalf of the Project Management Unit

Nguyen Khac Dan
Director

Dak Lak, 28 June 2019

No.: 280619.011/BCTC.FIS2

INDEPENDENT AUDITORS' REPORT ON THE PROEJCT FINANCIAL STATEMENTS

To: Dak Lak Water Supply and Construction Investment Project Management Unit

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report and its possible effect, the accompanying financial statements give a true and fair view of the financial position of the Project, including the balance of the Advance Account as at 31 December 2018, funds received and disbursements paid, movements of the Advance Account for the fiscal year ended 31 December 2018 in accordance with the basis of the principal accounting policies described in the Notes to the Financial Statements and the provisions of the Loan Number 2961 – VIE dated 23 May 2013.

We have audited the accompanying financial statements of the Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project ("the Project") which comprise Statement of Financial Position as at 31 December 2018, Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account and Staetement of Withdrawals and Reconciliation of Funds for the fiscal year ended 31 December 2018 and Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Qualified Opinion

The contractor (Dai Phu Thinh Co., Ltd.) has been awarded in a bid in the connection with the package DLCW02 – Water processing station with daily capacity of 35,000 m³, Buon Ma Thuot WTP transmission pipeline to booster pump station, where the related parties were in place (with other bidder - Toan Thang Loi Construction JSC). As a result, the associated expenditures of the mentioned contractor (Note 05) accumulated to 31/12/2018 of VND 116,657,714,754 are subject to a final approval of authorities.

We conducted our audit in accordance with the 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 qualified opinion.

Other Matter

Value added tax has been separately presented as a single item on Statement of Financial Position while it is not deductible as regulated by Circular No. 156/2013/TT-BTC dated 06 November 2013.

Our opinion is not qualified in respect of this matter.

Responsibilities of Management for the Project Financial Statements

The Project Management Unit is responsible for the preparation of the Project Financial statements in accordance with the principal accounting policies described in Notes to the Financial Statements, 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 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 management either intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities 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 the 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 management.
- ▶ Conclude on the appropriateness of management'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 the Project Management Unit regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit (if any).

AASC Limited



Do Manh Cuong

Deputy General Director

CPA Registered No.: 0744-2018-002-1

Hanoi, 28 June 2019

Nguyen Pham Hung

Auditor in-charge

CPA Registered No.: 2893-2015-002-1

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	31/12/2018 VND	31/12/2017 VND
CURRENT ASSETS		38,302,074,716	64,979,199,934
Cash on hand		363,652,584	12,509,005
Cash at bank	03	3,290,513,995	5,091,574,945
Value added tax (deductible input)		31,765,592,457	1,747,065,812
Other receivables		10,000,000	10,000,000
Advances to staff		26,550,000	26,550,000
Advances to contractors	04	2,845,765,680	58,091,500,172
NON-CURRENT ASSETS		346,574,980,825	27,441,926,696
Project Implementation Expenditures	05	346,574,980,825	27,441,926,696
TOTAL ASSETS		384,877,055,541	92,421,126,630
CURRENT LIABILITIES		68,960,679,744	2,423,657,383
Payables to contractors	06	68,633,752,295	2,291,110,651
Payables to staff		267,334,449	66,498,732
Other payables		59,593,000	66,048,000
FUNDS		315,916,375,797	89,997,469,247
Project Implementation Funds		315,082,290,029	89,452,685,550
- The Asian Development Bank	07	250,079,413,857	53,370,122,378
- Dak Lak Water Supply and Construction Investment One Member Limited Company		65,002,876,172	36,082,563,172
Foreign exchange differences	08	834,085,768	544,783,697
TOTAL RESOURCES		384,877,055,541	92,421,126,630

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Fiscal year ended 31 December 2018

	Note	Accumulated to 31/12/2017 VND	Year ended 31/12/2018 VND	Accumulated to 31/12/2018 VND
I. RECEIPTS		89,591,873,297	225,631,973,064	315,223,846,361
1. Received from the Asian Development Bank		53,370,122,378	196,709,291,479	250,079,413,857
2. Received from Dak Lak Water Supply and Construction Investment One Member Limited Company		36,082,563,172	28,920,313,000	65,002,876,172
3. Other receipts		139,187,747	2,368,585	141,556,332
II. DISBURSEMENTS		85,022,573,044	227,371,192,506	312,393,765,550
1. Resettlement and Land Acquisition		9,191,806,912	-	9,191,806,912
2. Civil works		49,033,281,667	218,096,456,303	267,129,737,970
3. Consulting services		18,097,699,320	7,387,413,214	25,485,112,534
4. Interest and commitment fees		4,941,423,878	950,999,846	5,892,423,724
5. Project management costs		2,217,041,997	831,473,142	3,048,515,139
6. Other disbursements	09	1,541,319,270	104,850,001	1,646,169,271
III. FOREIGN EXCHANGE DIFFERENCES		544,783,697	289,302,071	834,085,768
IV. RECONCILIATION AS AT CLOSING		5,114,083,950		3,664,166,579
<i>Presented by:</i>				
Cash on hand		12,509,005		363,652,584
Cash at bank		5,091,574,945		3,290,513,995
Other receivables		10,000,000		10,000,000
		5,114,083,950		3,664,166,579

STATEMENT OF BUDGET VERSUS ACTUAL DISBURSEMENTS

Fiscal year ended 31 December 2018

Categories	Budget Disbursements (*)			Actual Disbursements			Variance			Rate
	Loan number 2961-VIE	Counterpart fund	Total	Loan number 2961-VIE	Counterpart fund	Total	Loan number 2961-VIE	Counterpart fund	Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	
Civil Works	233,214,000,000	48,786,000,000	282,000,000,000	117,774,409,738	100,322,046,565	218,096,456,303	(115,439,590,262)	51,536,046,565	(63,903,543,697)	77%
Consulting Services	10,248,000,000	3,252,000,000	13,500,000,000	-	7,387,413,214	7,387,413,214	(10,248,000,000)	4,135,413,214	(6,112,586,786)	55%
Interest and commitment fees	2,000,000,000	-	2,000,000,000	950,999,846	-	950,999,846	(1,049,000,154)	-	(1,049,000,154)	48%
Project management	-	1,500,000,000	1,500,000,000	-	831,473,142	831,473,142	-	(668,526,858)	(668,526,858)	55%
Others	-	60,000,000	60,000,000	-	104,850,001	104,850,001	-	44,850,001	44,850,001	175%
	<u>245,462,000,000</u>	<u>53,598,000,000</u>	<u>299,060,000,000</u>	<u>118,725,409,584</u>	<u>108,645,782,922</u>	<u>227,371,192,506</u>	<u>(126,736,590,416)</u>	<u>55,047,782,922</u>	<u>(71,688,807,494)</u>	<u>76%</u>

(*) According to Decision No. 05/QĐ-CNĐTXĐ dated 15 January 2018 of Dak Lak Water Supply and Construction Investment One Member Limited Company on the investment funds plan in 2018.

STATEMENT OF ADVANCE ACCOUNT

For the period: from 01 January 2018 to 31 December 2018
Account No: 17702-000000436-4
Bank: Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch
Address: No. 35 Nguyen Tat Thanh, Buon Ma Thuot City, Dak Lak Province

	Note	USD	USD
PART A: ACTIVITIES			
Opening balance			208,200.75
Add: Total amounts deposited by the Asian Development Bank			3,386,273.01
Deduct: Total amounts withdrawn			(3,494,135.22)
Closing balance			<u>100,338.54</u>
PART B: RECONCILIATION			
1. Amount advanced by the Asian Development Bank			2,156,700.00
2. Add: Amount supplemented by the Asian Development Bank			-
3. Present outstanding amount advanced to			<u>2,156,700.00</u>
4. Closing balance			100,338.54
5. Add:			
Amounts withdrawn and not yet claimed	(i)	2,056,316.46	
Oversea bank charges		<u>45.00</u>	
			2,056,361.46
6. Total advances accounted for			<u>2,156,700.00</u>
(i) Including:			USD
Civil Works			1,629,290.16
Consulting services			427,026.30
			<u>2,056,316.46</u>

STATEMENT OF WITHDRAWALS AND RECONCILIATION OF FUNDS

Loan Number 2961 – VIE

Fiscal year ended 31 December 2018

Withdrawal applications		Amount claimed	Amount received	Variances	Note
No.	Date	(Civil works) (a)	(b)	(b-a)	
Advance account (USD)					
DL002	06/06/2018	1,748,894.67	1,748,879.67	(15.00)	(i)
DL008	20/11/2018	1,637,408.34	1,637,393.34	(15.00)	(i)
Total amounts in USD		3,386,303.01	3,386,273.01	(30.00)	
Direct payment (VND)					
DL003	01/06/2018	20,075,914,872	20,075,914,872	-	
DL004	13/08/2018	25,273,722,364	25,273,722,364	-	
DL005	17/09/2018	24,845,549,854	24,845,549,854	-	
DL006	21/11/2018	36,617,697,587	36,617,697,587	-	
DL007	14/11/2018	10,961,525,061	10,961,525,061	-	
Total amounts in VND		117,774,409,738	117,774,409,738	-	

(i) Bank charge

NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended 31 December 2018

1. Background

Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project ("the Project") is a sub-project of the Viet Nam Water Sector Investment Program – Project 2 ("the Program") implemented under the Loan Number 2961 – VIE dated 23 May 2013 ("the Agreement") between the Socialist Republic of Vietnam and the Asian Development Bank ("ADB").

Total budget of the Loan under the Agreement is USD 212,000,000 for 15 projects in 12 provinces, of which USD 207,000,000 is for 6 projects in Hai Phong, Quang Tri, Thua Thien Hue, Da Nang, Dak Lak and Binh Duong (the best preparation for the Project) and USD 5,000,000 for the remaining 9 projects. Dak Lak Water Supply and Construction Investment One Member Limited Company ("Dakwaco") is entitled to borrow USD 24,590,000 to implement the Project.

The main activities of the Project are:

- ▶ Constructing a water intake and pumping station on the Srepok River;
- ▶ Constructing a 6 km D700 raw water pipeline from the intake to the water treatment plant ("WTP");
- ▶ Constructing Buon Ma Thuot WTP capacity 35,000 m3/day in Krong Ana District;
- ▶ Constructing a 12.5 km D700 treated water gravity pipeline from the WTP to the Booster Pump Station location;
- ▶ Constructing a Booster Pump Station and 5,000 m3 storage reservoir;
- ▶ Constructing 130 km D700 transmission main;
- ▶ Installing 80km D90-50 distribution mains and 25,000 household connection in Buon Ma Thuot city;
- ▶ Constructing EaKar District Town WTP capacity 2,500 m3/day, 44km transmission and distribution mains;
- ▶ Constructing Buon Don District Town WTP capacity 1,000 m3/day, 22km transmission and distribution mains;
- ▶ Constructing Krong Nang District Town WTP capacity 1,600 m3/day, 34km transmission and distribution mains; and
- ▶ Implementing an Institutional Strengthening in Non-Revenue Water Management.

The Project officially came into operation on 18 September 2013 and is expected to close on 31 December 2020.

The Project is managed by Dak Lak Water Supply and Construction Investment Project Management Unit ("the Project Management Unit"), and its office is located at No. 339 Ton Duc Thang, Tan An Ward, Buon Ma Thuot City, Dak Lak Province.

2. Principal Accounting Policies

a. Basis of accounting

The annual accounting period commenced from 1st January to 31st December.

The financial statements are prepared under the requirements of the Asian Development Bank and in accordance with Vietnamese Accounting Standards and Circular No. 195/2012/TT-BTC dated 15 November 2012.

These financial statements are presented in Vietnam Dong (VND), except for Statement of Advance Account which is prepared in United State Dollar (USD) and Statement of Withdrawals and Reconciliation of Funds which is prepared in Vietnam Dong (VND) and United State Dollar (USD). Statement of Receipts and Disbursements is prepared on the cash basis.

Other financial statements are prepared in accordance with the principal accounting policies are summarized as below:

b. Foreign currencies

Funds received from the Asian Development Bank in foreign currency are converted into VND under selling exchange rate of Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch on the date of remittance made into the Advance Account or direct payment made to contractors.

Other transactions in foreign currencies are translated to VND under buying-exchange rate of Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are revalued under exchange rate of Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch at the reporting dates. All exchange differences from these transactions are recorded and presented as "Foreign exchange differences" on Statement of Financial Position.

c. Funds and Expenditures

Funds:

- ▶ Funds received from the Asian Development Bank are recorded when direct payments are made from the ADB to contractors/suppliers or remittance are made into the Advance Account. Of which, capitalization of interest charges and commitment fees are recognized upon announcement by the Vietnam Development Bank ("VDB");
- ▶ Funds received from Dak Lak Water Supply and Construction Investment One Member Limited are recorded when payments are made directly to contractors/suppliers or funds remitted to the Project Management Unit for settlement of the Project's activities.

Expenditures:

- ▶ The Project's expenditures are recorded when they are actually incurred, excluding value added tax that is recorded and presented separately on the Project's Financial statements and is declared by the Project Management Unit.

d. Advance Account and its interest

Advance Account is the deposit account in USD opened at Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch for the Project's activities. Payments made via the Advance Account are for eligible expenditures of the Project in accordance with provisions of the Loan Number 2961 – VIE dated 23 May 2013.

Interest of the Advance Account is considered as receipts of DAKWACO and initially recorded as Other payables in Statement of Financial Position and used to cover bank charges. They are recognized as fund on a systematic basis over the periods necessary to match them with bank charges which they are intended to compensate. At the end of the Project, outstanding interests will be returned to the DAKWACO. In case bank charges are not fully covered by the interests, it shall be settled by the counterpart funds (according to Circular No.111/2016/TT-BTC dated 30 June 2016).

3. Cash at bank

	31/12/2018	31/12/2017
	VND	VND
Advance Account (USD)	2,322,837,201	4,716,753,950
Deposit Account (VND)	967,676,794	374,820,995
	<u>3,290,513,995</u>	<u>5,091,574,945</u>

4. Advances to contractors

	31/12/2018 VND	31/12/2017 VND
Civil Works		
Dai Phu Thinh Co., Ltd. (i)	-	16,164,090,352
Vietnam Water and Environment Investment Corporation	-	10,709,203,014
Pumps Europe JSC	-	9,504,842,498
Water Supply Sewerage Construction and Investment JSC	-	7,701,429,273
Ha Huy JSC	-	3,992,968,297
Consulting Services		
EPTISA SERVICIOS DE INGENIERIA, S.L.	2,242,725,080	4,832,669,738
AAC Auditing and Accounting Co., Ltd	538,000,000	-
Resettlement and Land Acquisition		
Land development center of Dak Lak Province	-	2,633,368,000
Land development center of Ea Kar District	-	1,590,890,000
Land development center of Buon Don District	65,040,600	962,039,000
	2,845,765,680	58,091,500,172

(i) The awarded contractor of the package DLCW02 DLCW02 – Water processing station with daily capacity of 35,000 m3, Buon Ma Thuot WTP transmission pipeline to booster pump station.

5. Expenditures

5.1 Expenditures by funding and by categories

Category	Year ended 31/12/2018		
	Loan	Counterpart fund	Total
	Number 2961-VIE VND		
Resettlement and Land Acquisition	-	5,121,256,400	5,121,256,400
Civil Works (i)	302,077,575,053	-	302,077,575,053
Consulting Services	8,911,233,872	947,481,138	9,858,715,010
Interest and commitment fees	950,999,846	-	950,999,846
Project management costs	-	1,028,481,404	1,028,481,404
Others (ii)	-	96,026,416	96,026,416
	311,939,808,771	7,193,245,358	319,133,054,129

Category	Accumulated to 31/12/2018		
	Loan	Counterpart fund	Total
	Number 2961-VIE VND		
Resettlement and Land Acquisition	-	9,100,216,312	9,100,216,312
Civil Works (i)	302,077,575,053	-	302,077,575,053
Consulting Services	8,989,233,872	15,663,740,221	24,652,974,093
Interest and commitment fees	5,892,423,724	-	5,892,423,724
Project management costs	-	3,287,585,704	3,287,585,704
Others (ii)	-	1,564,205,939	1,564,205,939
	316,959,232,649	29,615,748,176	346,574,980,825

(i) Of which, VND 116,657,714,754 is related to the contractor mentioned at Note 4 and Note 6.

(ii) Including: Bomb/mine demining expenses, gender action expenses and bank charges.

Eligible disbursements funded by Loan Number 2961 - VIE dated 23 May 2013 with the rate as follows:

	Original	From 20/03/2017 (iii)
Civil works	82.70 % (including tax)	100.00 % (excluding tax)
Consulting services	84.00 % (including tax)	100.00 % (excluding tax)
Interest and commitment fees	100.00 %	100.00 %

(iii) As Official document No. 4529/BTC-QLN date 17 April 2019 by the Ministry of Finance, 100% eligible disbursements (excluding tax) stated on all withdrawal applications since 20 March 2017 are financed by the ADB fund.

5.2 Reconciliation between Project Implementation Expenditures on Statement of Financial Position and Disbursement on Statement of Receipts and Disbursements as at 31/12/2018

	VND	VND
Project Implementation Expenditures		346,574,980,825
Add:		
Value added tax deductible	31,765,592,457	
Advances to contractors	2,845,765,680	
Advances to staff	26,550,000	
Offset bid expenses	72,407,000	
Offset bank charges	9,556,332	
		34,719,871,469
Deduct:		
Payables to contractors	(68,633,752,295)	
Payables to staff	(267,334,449)	
		(68,901,086,744)
Disbursement accumulated to 31/12/2018		312,393,765,550

6. Payables to contractors

	31/12/2018	31/12/2017
	VND	VND
Civil Works		
Dai Phu Thinh Co., Ltd. (Note 4)	22,425,995,529	-
Water Supply Sewerage Construction and Investment JSC	22,314,833,339	-
Pumps Europe JSC	12,639,937,698	-
Vietnam Water and Environment Investment Corporation	5,779,717,531	-
Ha Huy JSC	2,955,858,725	-
Consulting Services		
CEN JSC.,	2,128,814,651	2,128,814,651
Others	388,594,822	162,296,000
	68,633,752,295	2,291,110,651

7. Funds received from the Asian Development Bank

	Year ended 31/12/2018		Accumulated to 31/12/2018	
	Original	Converted to VND	Original	Converted to VND
Advance account (USD)	3,386,303.01	77,983,881,895	5,543,003.01	126,412,580,395
Advance	-	-	2,156,700.00	48,428,698,500
Replenishment	3,386,303.01	77,983,881,895	3,386,303.01	77,983,881,895
Direct payment (VND)	117,774,409,738	117,774,409,738	117,774,409,738	117,774,409,738
Capitalization of interest and commitment fees (USD)	41,763.64	950,999,846	264,165.53	5,892,423,724
		196,709,291,479		250,079,413,857

8. Foreign exchange differences

	31/12/2018	31/12/2017
	VND	VND
Foreign exchange differences due to revaluation of cash balance	830,928,716	541,626,645
Foreign exchange differences due to payment	3,157,052	3,157,052
	834,085,768	544,783,697

9. Other disbursements

	Year ended 31/12/2018 VND	Accumulated to 31/12/2018 VND
Bomb/mine demining	-	1,448,901,000
Bank charges	44,471,001	70,937,271
Bid expenses	6,455,000	72,407,000
Expenditure on gender action	53,924,000	53,924,000
	104,850,001	1,646,169,271

10. Subsequent events

There have been no significant events occurring after the reporting date, which would require adjustments or disclosures to be made in the financial statements.

11. Corresponding figures

The corresponding figures are the financial statements for the year ended 31 December 2017 which were audited by AASC Limited, in which some figures have been reclassified as follows:

	Accumulated to 31 December 2017			
	Reported (a)	Reclassified (b)	Difference (b) - (a)	Reason
Civil works (Counterpart fund)	873,407,484	-	(873,407,484)	(i)
Consulting services (ADB fund)	65,520,000	78,000,000	12,480,000	(ii)
Consulting services (Counterpart fund)	13,855,331,599	14,716,259,083	860,927,484	

(i) Reclassification of construction insurance into consulting services

(ii) Revising ADB funded rate following the Official Document of Ministry of Finance (Note 5.1)

12. Approval of the Financial Statements

The financial statements were approved by Project Management Unit for issuance on 28 June 2019.

Nguyen Khac Dan
Director

Dak Lak, 28 June 2019

Tran Quoc Do
Chief Accountant