



Audited Project Financial Statements

Project Number: 44035-014
Loan Number: 2973
Period covered: 1 January to 31 December 2018

PRC: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project

Prepared by the Audit Office of Ningxia Hui Autonomous Region of the People's Republic of China

For the Asian Development Bank
Date accepted by ADB: 13 June 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 the Ningxia Autonomous Region Government.

Asian Development Bank

中华人民共和国宁夏回族自治区审计厅
Audit Office of Ningxia Hui Autonomous Region
of the People's Republic of China

审 计 报 告 Audit Report

宁审外资报〔2019〕20号

NPAO FOREIGN INVESTMENT AUDIT REPORT (2019) No.20

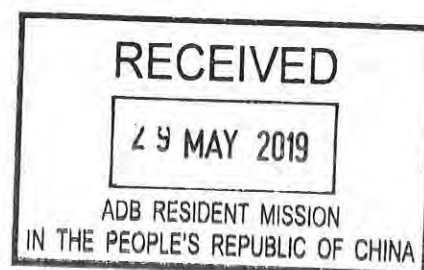
项目名称: 亚洲开发银行贷款宁夏中部
旱作节水特色农业示范项目

Project Name: Ningxia Irrigated Agriculture and Water Conservation
Demonstration Project Financed by the Asian
Development Bank

贷款号: 2973—PRC
Loan No.: 2973—PRC

项目执行单位: 宁夏中部旱作节水特色农业示范项目办公室
Project Entity: Ningxia Irrigated Agriculture and Water Conservation
Demonstration Project Management Office

会计年度: 2018
Accounting Year: 2018



目 录

Contents

一、 审计师意见.....	1
I .Auditor's Opinion.....	4
二、 财务报表及财务报表附注.....	7
II .Financial Statements and Notes to the Financial Statements.....	7
(一) 资金平衡表.....	7
i. Balance Sheet.....	7
(二) 项目进度表.....	9
ii. Summary of Sources and Uses of Funds by Project Component.....	9
(三) 贷款协定执行情况表.....	11
iii. Statement of Implementation of Loan Agreement.....	11
(四) 专用账户报表.....	12
iv. Special Account Statement.....	12
(五) 财务报表附注.....	14
v. Notes to the Financial Statements.....	17
三、 审计发现的问题及建议.....	21
III.Auditor Findings and Recommendations.....	24

一、审计师意见

审计师意见

宁夏中部旱作节水特色农业示范项目办公室：

我们审计了亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目2018年12月31日的资金平衡表及截至该日同年度的项目进度表、贷款协定执行情况表和专用账户报表等特定目的财务报表及财务报表附注(第7页至第20页)。

(一) 项目执行单位及宁夏财政厅对财务报表的责任

编制上述财务报表中的资金平衡表、项目进度表及贷款协定执行情况表是你办的责任,编制专用账户报表是宁夏财政厅的责任,这种责任包括:

(1) 按照中国的会计准则、会计制度和本项目贷款协定的要求编制项目财务报表,并使其实现公允反映;

(2) 设计、执行和维护必要的内部控制,以使项目财务报表不存在由于舞弊或错误而导致的重大错报。

(二) 审计责任

我们的责任是在执行审计工作的基础上对财务报表发表审计意见。我们按照中国国家审计准则和国际审计准则的规定执行了审计工作,上述准则要求我们遵守审计职业要求,计划和执行审计工作以对项目财务报表是否不存在重大错报获取合理保证。

为获取有关财务报表金额和披露信息的有关证据,我们实施了必要的审计程序。我们运用职业判断选择审计程序,这些程序包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时,为了设计恰当的审计程序,我们考虑了与财务报表相关的内部控制,但目的并非对内部控制的有效性发表意见。审计工作还包括评价所选用会计政策的恰当

性和作出会计估计的合理性，以及评价财务报表的总体列报。

我们相信，我们获取的审计证据是适当的、充分的，为发表审计意见提供了基础。

（三）审计意见

我们认为，第一段所列财务报表在所有重大方面按照中国的会计准则、会计制度和本项目贷款协定的要求编制，公允反映了亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目 2018 年 12 月 31 日的财务状况及截至该日同年度的财务收支、项目执行和专用账户收支情况。

（四）其他事项

我们审查了本期内报送给亚洲开发银行的第 ND0012 至 ND0014 号提款申请书以及所附资料。我们认为，这些资料均符合贷款协议的要求，可以作为申请提款的依据。

本审计师意见之后，共同构成审计报告的还有两项内容：财务报表及财务报表附注和审计发现的问题及建议。



（此件依申请公开）



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I. Auditor's Opinion

Auditor's Opinion

To Ningxia Irrigated Agriculture and Water Conservation Demonstration
Project Management Office

We have audited the special purpose financial statements (from page 7 to page 20) of Ningxia Irrigated Agriculture and Water Conservation Demonstration project financed by the ADB, which comprise the Balance Sheet as of December 31, 2018, the Summary of Sources and Uses of Funds by Project Component, the Statement of Implementation of Loan Agreement and the Special Account Statement for the year then ended, and Notes to the Financial Statements.

Project Entity and Ningxia Finance Department's Responsibility for the
Financial Statements

The preparation of the Balance Sheet, the Summary of Sources and Uses of Funds by Project Component and the Statement of Implementation of Loan Agreement is the responsibility of your entity, while the preparation of the Special Account Statement is the responsibility of Ningxia Finance Department, which includes:

- i. Preparing and fair presenting the accompanying financial statements in accordance with Chinese accounting standards and system, and the requirements of the project loan agreement;
- ii. Designing, implementing and maintaining necessary internal control to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Government Auditing Standards of the People's Republic of China and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the

amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities' preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements identified in the first paragraph present fairly, in all material respects, financial position of Ningxia Irrigated Agriculture and Water Conservation Demonstration project financed by the ADB as of December 31, 2018, its financial receipts and disbursements, the project implementation and the receipts and disbursements of the special account for the year then ended in accordance with Chinese accounting standards and system, and the requirements of the project loan agreement.

Other Matter

We also examined the withdrawal application No.ND0012 to No.ND0014 and the attached documents submitted to the ADB during the period. In our opinion, those documents comply with the project loan agreement and can serve as basis for loan withdrawal.

The audit report consists of the Auditor's Opinion and two more parts hereinafter: Financial Statements and Notes to the Financial Statements, Audit Findings and Recommendations.

Audit Office of Ningxia Hui Autonomous Region of the People's Republic of China

May 22, 2019

This is made public on application.

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The English translation is for the convenience of report users; Please take the Chinese audit report as the only official version.

二、财务报表及财务报表附注

II. Financial Statements and Notes to the Financial Statements

(一) 资金平衡表

i. Balance Sheet

资金平衡表 BALANCE SHEET

2018年12月31日

(As of December 31, 2018)

项目名称: 亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目

Project Name: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Financed by the Asian Development Bank

编报单位: 宁夏中部旱作节水特色农业示范项目办公室

货币单位: 人民币元

Entity Name: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Management Office Currency Unit: RMB Yuan

资金占用 Application of Fund	行次 Line No.	期初数 Beginning Balance	期末数 Ending Balance	资金来源 Sources of Fund	行次 Line No.	期初数 Beginning Balance	期末数 Ending Balance
一、项目支出合计 Total Project Expenditures	1	121,440,467.01	155,533,110.49	一、项目拨款合计 Total Project Appropriation Funds	28	6,551,509.96	8,510,498.80
1.交付使用资产 Fixed Assets Transferred	2	-	-	二、项目资本与项目资本公积 Project Capital and Capital Surplus	29	-	-
2.待核销项目支出 Construction Expenditures to be Disposed	3	-	-	其中: 捐赠款 Including: Grants	30	-	-
3.转出投资 Investments Transferred-out	4	-	-	三、项目借(赠)款合计 Total Project Loan (Grant)	31	114,097,181.15	168,599,807.06
4.在建工程 Construction in Progress	5	121,440,467.01	155,533,110.49	1.项目投资借款 Total Project Investment Loan	32	114,097,181.15	168,599,807.06
二、应收生产单位投资借款 Investment Loan Receivable	6	-	-	(1)国外借款 Foreign Loan	33	114,097,181.15	168,599,807.06
其中: 应收生产单位亚行贷款 Asian Development Bank Investment Loan Receivable	7	-	-	其中: 亚洲开发银行 Including: ADB	34	114,097,181.15	168,599,807.06
三、拨付所属投资借款 Appropriation of Investment Loan	8	-	-	国际复兴开发银行 IBRD	35	-	-
其中: 拨付亚行贷款 Including: Appropriation of Asian Development Bank Investment Loan	9	-	-	技术合作信贷 Technical Cooperation	36	-	-
四、器材 Equipment	10	-	-	联合融资 Co-Financing	37	-	-
其中: 待处理器材损失 Including: Equipment Losses in Suspense	11	-	-	(2)国内借款 Domestic Loan	38	-	-
五、货币资金合计 Total Cash and Bank	12	14,331,244.12	36,294,741.89		39	-	-
1.银行存款 Cash in Bank	13	14,331,244.12	36,294,741.89	四、上级拨入投资借款 Appropriation of Investment Loan	40	-	-
其中: 专用账户存款 Including: Special Account	14	13,079,879.15	35,302,545.50	其中: 拨入亚行贷款 Including: Asian Development Bank Loan	41	-	-
2.现金 Cash on Hand	15	-	-	五、企业债券资金 Bond Fund	42	-	-

后续 (To be continued)

六、预付及应收款合计 Total Prepaid and Receivable	16	-	-	六、待冲项目支出 Construction Expenditures to be Offset	43	-	-
其中：应收亚行贷款利息 Including: Asian Development Bank Loan Interest Receivable	17	-	-	七、应付款合计 Total Payables	44	15,123,020.02	14,717,546.52
应收亚行贷款承诺费 Asian Development Bank Loan Commitment Fee Receivable	18	-	-	其中：应付亚行贷款利息 Including: Asian Development Bank Loan Interest Payable	45	-	-
应收亚行贷款资金占用费 Asian Development Bank Service-Fee Receivable	19	-	-	应付亚行贷款承诺费 Asian Development Bank Loan Commitment Fee Payable	46	-	-
七、有价证券 Marketable Securities	20	-	-	应付亚行贷款资金占 用费 Asian Development Bank Loan Service Fee Payable	47	-	-
八、固定资产合计 Total Fixed Assets	21	-	-	八、未交款合计 Other Payables	48	-	-
固定资产原价 Fixed Assets, Cost	22	-	-	九、上级拨入资金 Appropriation of Fund	49	-	-
减：累计折旧 Less: Accumulated Depreciation	23	-	-	十、留成收入 Retained Earnings	50	-	-
固定资产净值 Fixed Assets, Net	24	-	-				
固定资产清理 Fixed Assets Pending Disposal	25	-	-				
待处理固定资产损失 Fixed Assets Losses in Suspense	26	-	-				
资金占用合计 Total Application of Fund	27	135,771,711.13	191,827,852.38	资金来源合计 Total Sources of Fund	51	135,771,711.13	191,827,852.38

(二) 项目进度表

ii. Summary of Sources and Uses of Funds by Project Component

项目进度表 (一)

SUMMARY OF SOURCES AND USES OF FUNDS BY PROJECT COMPONENT I

本期截至2018年12月31日

(For the period ended December 31, 2018)

项目名称: 亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目

Project Name: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Financed by the Asian Development Bank

编报单位: 宁夏中部旱作节水特色农业示范项目办公室

货币单位: 人民币元

Prepared by: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Management Office

Currency Unit: RMB Yuan

	本期 Current Period			本期完成比 Current Period % completed	项目总计计划额 Life of PAD	累计 Cumulative	
	本期计划额 Current Period Budget	本期发生额 Current Period Actual				累计完成额 Cumulative Actual	累计完成比 Cumulative % completed
资金来源合计 Total sources of Funds	50,000,000.00	56,461,614.75		112.92%	628,560,000.00	177,110,305.86	28.18%
一、亚洲开发银行贷款 Asian Development Bank Loan	45,000,000.00	54,502,625.91		121.12%	482,990,000.00	168,599,807.06	34.91%
二、配套资金 Counterpart Financing	5,000,000.00	1,958,988.84		39.18%	145,570,000.00	8,510,498.80	5.85%
资金运用合计 Total Application of funds	50,000,000.00	34,092,643.48		68.19%	628,560,000.00	155,533,110.49	24.74%
1.改进灌溉系统 Improved Irrigation Systems	44,000,000.00	18,904,142.83		42.96%	138,977,592.00	28,465,373.90	20.48%
2.葡萄园和果园 Vineyard and Orchards	6,000,000.00	5,712,118.16		95.20%	305,419,944.00	116,456,614.84	38.13%
3.增加葡萄加工能力 Increased Grape Processing Capacity	-	7,914,549.68		-	115,115,736.00	9,049,288.94	7.86%
4.加强机构和农民能力 Strengthened Institutional and farmer capacity	-	172,252.74		-	9,391,176.00	172,252.74	1.83%
5.不可预见费 Contingencies	-	-		-	47,665,560.00	-	-
6.实施期间的财务费用 Financing Charges during Implementation	-	1,389,580.07		-	11,989,992.00	1,389,580.07	11.59%
差异 Difference	-	22,368,971.27		-	-	21,577,195.37	-
1.应收款变化 Change in Receivables	-	-		-	-	-	-
2.应付账款变化 Change in Payables	-	405,473.50		-	-	-14,717,546.52	-
3.货币资金 Change in Cash and Bank	-	21,963,497.77		-	-	36,294,741.89	-
4.其它 Other	-	-		-	-	-	-

项目进度表 (二)

SUMMARY OF SOURCES AND USES OF FUNDS BY PROJECT COMPONENT II

本期截至2018年12月31日

(For the period ended December 31, 2018)

项目名称: 亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目

Project Name: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Financed by the Asian Development Bank

编报单位: 宁夏中部旱作节水特色农业示范项目办公室

Prepared by: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Management Office

货币单位: 人民币元

Currency Unit: RMB Yuan

项目内容 Project Component	项目支出 Project Expenditure							
	累计支出 Cumulative Amount	已交付资产 Asset Transferred				在建工程 Work in Progress	待核销项目支出 Construction Expenditures to be Disposed	转出投资 Investments Transferred-out
		固定资产 Fixed Asset	流动资产 Current Asset	无形资产 Intangible Asset	递延资产 Deferred Asset			
1.改进灌溉系统 Improved Irrigation Systems	28,465,373.90	-	-	-	-	28,465,373.90	-	-
2.葡萄园和果园 Vineyard and Orchards	116,456,614.84	-	-	-	-	116,456,614.84	-	-
3.增加葡萄加工能力 Increased Grape Processing Capacity	9,049,288.94	-	-	-	-	9,049,288.94	-	-
4.加强机构和农民能力 Institutional and Capacity Development	172,252.74	-	-	-	-	172,252.74	-	-
5.不可预见费 Contingencies	-	-	-	-	-	-	-	-
6.实施期间的财务费用 Financing Charges during Implementation	1,389,580.07	-	-	-	-	1,389,580.07	-	-
合计 Total	155,533,110.49	-	-	-	-	155,533,110.49	-	-

(三) 贷款协定执行情况表

iii. Statement of Implementation of Loan Agreement

贷款协定执行情况表

STATEMENT OF IMPLEMENTATION OF LOAN AGREEMENT

本期截至2018年12月31日

(For the period ended December 31, 2018)

项目名称: 亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目

Project Name: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Financed by the Asian Development Bank

编报单位: 宁夏中部旱作节水特色农业示范项目办公室 货币单位: 美元/人民币元

Prepared by: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Management Office Currency Unit: USD/RMB Yuan

类 别 Category	核定贷款金额 Loan Amount 美元 USD	本年度提款数 Current-period Withdrawals		累计提款数 Cumulative Withdrawals	
		美元 USD	折合人民币 RMB	美元 USD	折合人民币 RMB
1.工程 Civil Works	34,950,000.00	2,407,458.23	16,657,203.45	4,914,834.98	32,533,606.20
2.设备及材料 Equipment and Materials	32,456,000.00	1,118,070.30	7,635,092.39	14,515,306.62	92,775,991.64
3.咨询服务 Consulting Services	310,000.00	24,866.86	172,252.74	24,866.86	172,252.74
4.培训 Training	254,000.00	-	-	-	-
5.利息和承诺费 Interest and Commitment Fee	2,030,000.00	-	-	1,146,257.22	7,815,410.98
6.专用账户 Special Account	-	4,000,000.00	27,933,600.00	7,000,000.00	35,302,545.50
合计 Total	70,000,000.00	7,550,395.39	52,398,148.58	27,601,265.68	168,599,807.06

(四) 专用账户报表
v. Special Account Statement

专用账户报表
SPECIAL ACCOUNT STATEMENT

本期截至2018年12月31日

(For the period ended December 31,2018)

项目名称: 亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目

Project Name: Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Financed
by the Asian Development Bank

开户银行名称: 宁夏银行总部

Depository Bank: Bank of Ningxia

贷款号: 2973 - PRC

账号: 32001441100000054

Loan No.:2973-PRC

Account No.: 32001441100000054

编制单位: 宁夏财政厅

货币种类: 美元

Prepared by: The Finance Department of Ningxia

Currency: USD

A部分: 本期专用账户收支情况 Part A—Account Activity for the Current Period	金额 Amount
期初余额 Beginning Balance	2,001,756.78
增加: Add:	-
本期亚洲开发银行回补总额 Total Amount Deposited this Period by Asian Development Bank	7,309,649.57
本期利息收入总额 (存入专用账户部分) Total Interest Earned this Period if Deposited in Special Account	1,150.41
本期不合格支出归还总额 Total Amount Refunded this Period to Cover Ineligible Expenditures	-
减少: Deduct:	-
本期支付总额 Total Amount Withdrawn this Period	4,178,014.47
本期未包括在支付额中的服务费支出 Total Service Charges this Period if not Included in Above Amount Withdrawn	-
期末余额 Ending Balance	5,134,542.29

后续 (To be continued)

B部分：专用账户调节 Part B—Account Reconciliation			金额 Amount
1.亚洲开发银行首次存款总额 Amount Advanced by Asian Development Bank			3,000,000.00
减少： Deduct:			-
2.亚洲开发银行回收总额 Total Amount Recovered by Asian Development Bank			-
3.本期期末专用账户首次存款净额 Outstanding Amount Advanced to the Special Account at the End of this Period			3,000,000.00
4.专用账户期末余额 Ending Balance of Special Account			5,134,542.29
增加： Add:			-
5.截至本期期末已申请报账但尚未回补金额 Amount Claimed but not yet Credited at the End of this Period			-
申请书号 Application No.	金额 Amount	折合美元 UED equivalent	-
ND14	-	240,745.82	240,745.82
6.截至本期期末已支付但尚未申请报账金额 Amount Withdrawn but not yet Claimed at the End of this Period			1,628,352.40
7.服务费累计支出（如未含5和6栏中） Cumulative Service Charges (If not included in item 5. or 6.)			-
减少： Deduct:			-
8.利息收入（存入专用账户部分） Interest Earned (If included in Special Account)			3,640.51
9.本期期末专用账户首次存款净额 Total Advance to the Special Account Accounted for at the End of this Period			7,000,000.00

(五) 财务报表附注

财务报表附注

1. 项目情况

亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目贷款号为 2973—PRC，项目将通过种植高产值高质量品种、建设节水基础设施、促进可持续农耕方式以及发展机构能力以提高园艺作物产值。项目将在宁夏银川市、红寺堡区、同心县以及宁夏农垦集团有限公司实施。项目影响和成果将是改善宁夏农业生产的可持续性，增加宁夏园艺作物的质量和产值。项目将在项目葡萄园及果园引进滴灌、管灌系统。将支持建设蓄水池、小型水泵、田间输水管道网络以及其他相关设施；支持农场改建 1343.3 公顷现有葡萄园并新建 1256.7 公顷葡萄园；在银川兵沟建设 440 公顷的节水示范农场，马鞍山建设 143 公顷的综合现代农业示范农场，在兵沟（190 公顷）和五虎墩（30 公顷）建立相关的防护林带；在红寺堡区新建 333.3 公顷葡萄园；在同心县建设 566.7 公顷的文冠果和 50 公顷的相关防护林带；支持项目葡萄园和果园相关的平田整地、防风林带建设、改进农耕方式包括病虫害防治和平衡施肥以及保护耕作、田间道路；支持西夏王酒厂建设约 15000 吨现场葡萄加工能力，并在两家农场各建立一套质量监测体系。项目于 2013 年 5 月 7 日签署了《贷款协议》和《项目协议》，贷款于 2013 年 6 月 27 日生效。项目建设期为八年，项目完工日期预计为 2020 年 6 月 30 日，贷款计划于 2020 年 6 月 30 日关闭账户。项目总投资 62856 万元，其中：亚行贷款 7000 万美元，折合人民币 48299 万元，配套资金 14557 万元。

2. 报表编制范围

本报表的编制范围为宁夏中部节水特色农业示范项目办公室、银川市人民政府、同心县人民政府、红寺堡区人民政府、宁夏农垦集团有限公司及宁夏财政厅专用账户情况。

3. 主要会计政策

3.1 本项目财务报表按照财政部《世界银行贷款项目会计核算办法》（财际字〔2000〕13号）的要求编制。

3.2 会计核算年度采用公历年制，即公历每年1月1日至12月31日。

3.3 本项目会计核算以“权责发生制”作为记账原则，采用借贷复式记账法记账，以人民币为记账本位币。

4. 报表科目说明

4.1 项目支出合计

2018年项目支出人民币34,092,643.48元，累计支出人民币155,533,110.49元，占计划总投资额628,560,000.00的24.74%。

4.2 货币资金

2018年12月31日货币资金余额为人民币36,294,741.89元，比上年增加人民币21,963,497.77元，其中专用账户存款折合人民币35,302,545.50元。

4.3 项目拨款

截至2018年12月31日累计到位配套资金人民币为8,510,498.80元，占项目计划配套资金总额人民币145,570,000.00元的5.85%，是县、局各级到位的配套资金。

4.4 应付款合计

截至2018年12月31日应付款为14,717,546.52元，主要是应付合同进度款、合同履约金及配套资金。

4.5 项目借款

截至2018年12月31日，累计提款27,601,265.68美元，折合人民币168,599,807.06元，其中：亚洲开发银行贷款为20,601,265.68美元，折合人民币133,297,261.56元；项目贷款周转金为7,000,000.00美元，折合人

民币 35,302,545.50 元。

截至 2018 年 12 月 31 日，累计提取亚洲开发银行贷款资金 27,601,265.68 美元，占贷款总额的 39.43%。其中：工程类累计提款 4,914,834.98 美元，占该类计划的 14.06%；设备及材料类累计提款 14,515,306.62 美元，占该类计划的 44.72%；咨询服务类累计提款 24,866.86 美元，占该类计划的 8.02%；培训类及暂无提款。

5. 专用账户使用情况

本项目贷款专用账户设在宁夏银行，账号为 32001441100000054，币种为美元。专用账户首次存款 3,000,000.00 美元，2018 年度再次回补周转金专用账户 4,000,000.00 美元。2018 年年初余额为 2,001,756.78 美元，本年度回补 7,309,649.57 美元，利息收入为 1,150.41 美元，本年度支付 4,178,014.47 美元，年末余额 5,134,542.29 美元。

6. 汇率采用情况

汇率按照中国人民银行 2018 年 12 月 31 日汇率，即 US \$ 1 = 人民币 6.8755 元。

7. 其它需要说明的事项

7.1 亚洲开发银行贷款宁夏中部旱作节水特色农业示范项目自 2018 年 3 月起开始偿还贷款本金。2018 年度，宁夏财政厅两次收到财政部“付款通知单”，要求偿还该项目贷款本金 996,884.02 美元，财政厅已向财政部全部偿还贷款本金。上述贷款本金按记账汇率折算人民币 6,586,712.04 元，其中：红寺堡区承担 1,176,187.26 元，宁夏农垦集团公司承担 5,410,524.78 元。

7.2 按照《审计署涉外司关于亚行贷款项目审计需核对亚行支付数据的函》的要求，财务报表中反映的亚行累计提款数为 27,601,265.68 美元，加 2018 年下半年宁夏财政厅未分割的本金化利费 327,066.30 美元，减 ND14 次已申请报账但尚未回补（亚行扣质保金）金额 240,745.82 美元后，与亚行提供的累计提款数据 27.688 百万美元基本一致。

(vi). Notes to the Financial Statements

Notes to the Financial Statements

1. Project overview

The ADB-loan funded Ningxia Irrigated Agriculture & Water Conservation Demonstration Project (Approved ADB Loan No.2973-PRC), implemented by Ningxia Land Reclamation & Cultivation Group Ltd in the city of Yinchuan, Hongsibu District, Tongxin County aims to promote the sustainable farming practices and to develop institutional capacity for the improved output value of horticultural crops through growing high yield and high quality varieties and the construction of water-saving infrastructures. The project impacts and outcomes will lead to improved sustainability of agriculture and farming in Ningxia Region, and improved quality and output value of Ningxia region's horticultural crops. The project will introduce drip and pipe irrigation systems to the vineyards and orchard gardens in the project areas, and will provide strong backings for the construction of cisterns, small water pump stations, field water pipelines and other associated facilities; The project will, in addition, give energetic support to the project benefiting farms in their rehabilitation of the existing 1343.3-hectare vineyard, and the construction of a new 1256.7-hectare vineyard; The project plans to build a 440-hectare pilot farm of water conservation in Bing'gou area, and a 143-hectare modern comprehensive agriculture demonstration farm in Ma'anshan area of Yinchuan with the associated shelterbelts to be built in Yinchuan City's Bing'gou (190 hectares) and Wuhudun area (30 hectares) respectively plus a 333.3-hectare vineyard in Hongsibu District , a 566.7-hectare xanthoceras sorbifolium and an associated 50-hectare shelterbelt in Tongxin County. The project will extend a supporting hand to the land leveling and windbreaks construction for the vineyards and horticultures in the project areas. The project will focus on the improvement of such farming practices as pest control, balanced fertilization, conservation tillage systems, and in-field paths; It will, moreover, support the King Xi'xia Distillery's effort in the construction of a facility with capacity of on-site processing some 15,000 tons of grapes with a quality supervision and surveillance system to be set up in each of the two farms. The Loan Agreement and Project Agreement were concluded and signed on 07 May 2013 with the Load Agreement having become effective on 27 June 2013. The project construction is for a period of eight years and is expected to complete on 30 June 2020 when the project loan account is expected to close. The investment in the project totals RMB628.56 million. Of which, ADB loan:

USD70 million or RMB482.99 million; counterpart fund: RMB145.57 million.

2. Consolidation Scope of the Financial Statements

Consolidation scope of the financial statements covers the financial statements of Ningxia Irrigated Agriculture and Water Conservation Demonstration Project Management Office, Ningxia Agricultural Reclamation Group Co., Ltd, Yinchuan City Government, Tongxin County Government, and Hongsipu District Government, as well as the Special Account set in the Finance Department of Ningxia.

3. Accounting Policies

3.1 The Financial Statements of the project were prepared according to the requirements of *Accounting Methods for the World Bank Financed Project (Caijizi[2000]No.13)*.

3.2 In accounting practice, the Gregorian calendar year is adopted as the fiscal year from January 1 to December 31.

3.3 The accrual basis and the debit/credit double entry bookkeeping method are adopted. RMB is used as the recording currency of bookkeeping.

4. Explanation of Subjects

4.1 Total Project Expenditures

The project expenditure in 2018 was RMB34,092,643.48 yuan, and the cumulative expenditures were RMB155,533,110.49 yuan, which accounted for 24.74% of the total investment plan RMB628,560,000.00 yuan.

4.2 Total Cash and Bank

On December 31, 2018, the balance was RMB36,294,741.89 yuan with a increase of RMB21,963,497.77 yuan compared with that of the last year. And the funds in the Special Account were converted to RMB35,302,545.50 yuan.

4.3 Total Project Appropriation Funds

By the end of December 31, 2018, the allocation of counterpart funds was RMB8,510,498.80 yuan, which accounted for 5.85% of the plan RMB 145,570,000.00 yuan, which was the counterpart fund allocated by all levels

including the county and the bureau.

4.4 Total Payable

The balance on December 31, 2018 was RMB14,717,546.52 yuan, mainly payable performance bond and the counterpart funding.

4.5 Total Project Loan

By the end of December 31, 2018, the cumulative withdrawal was USD27,601,265.68 equivalents to RMB168,599,807.06 yuan, including the ADB loan of USD 20,601,265.68 equivalents to RMB133,297,261.56 yuan and the imprest account of USD7,000,000.00 equivalents to RMB35,302,545.50 yuan.

By the end of December 31, 2018, accumulated USD27,601,265.68 of the ADB loan had been withdrawn, accounting for 39.43% of the total, among which the withdrawal for civil works was USD4,914,834.98 accounting for 14.06% of the category plan; the withdrawal for equipment and materials was USD14,515,306.62 accounting for 44.72% of the category plan; the withdrawal for consulting services was USD24,866.86 accounting for 8.02% of the category plan; the withdrawal for the training was nought.

5. Special Account

The Special Account of the loan is set in the Bank of Ningxia, with the account number of 32001441100000054, and USD as currency Unit. The initial Deposit of the Special Account is USD3,000,000.00. One more USD4,000,000 was replenished to the project's working capital account in 2018. The beginning balance of 2018 was USD2,001,756.78 and the reimbursement in the year was USD7,309,649.57. This year the interest earned was USD1,150.41 and the disbursement was USD4,178,014.47. Thus, the ending balance was USD5,134,542.29.

6. Exchange rate adopted

The exchange rate adopted in the financial statements was the exchange rate on December 31, 2018 of the People's Bank of China, which is USD 1 = RMB 6.8755 yuan.

7. Other Explanation for the Financial Statements

7.1 The ADB-loan funded Ningxia Irrigated Agriculture & Water

Conservation Demonstration Project commenced its repayment of the loan principal and the interest thereon as of March 2018. In 2018, Ningxia Hui Autonomous Region (NHAR) Department of Finance received for twice the MOF "Payment Advice" requiring the repayment of the loan principal plus the interest thereon in the total amount of USD996,884.02. The NHAR Department has already paid off such amount which is converted into RMB 6,586,712.04 at recording rate. Of which, RMB 1,176,187.26 were born by Hongsibu District and RMB5,410,524.78 by Ningxia Land Reclamation & Cultivation Group Ltd.

7.2 According to the "Letter of the Foreign Affairs Office of National Audit Office on the Checkup of the ADB Payment Data during the Process of ADB Loan Funded Projects Auditing", it is found that the amount obtained from the accumulated ADB loan withdrawal amount of USD27,601,265.68 indicated in the financial statement plus USD327,066.30 of the capitalized interest to be dividable by NHAR Department of Finance in the second half of 2018 less the USD240,745.82 (deducted by the ADB as quality security but not yet been reimbursed even after the 14 ND applications for the reimbursement) is basically in compliance with the ADB-provided figure of USD27.688 million of the accumulated amount of the loan withdrawals.