

Audited Project Financial Statements

Project Number: 46009-003
Loan/Grant Number: 3125/0285
Period covered: 01 January 2015 to 31 December 2015

CAM: Flood Damage Emergency Reconstruction Project - Additional Financing

Prepared by Ministry of Economy and Finance

For the Asian Development Bank
Date received by ADB: 22 June 2016

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 Ministry of Economy and Finance

ROYAL GOVERNMENT OF CAMBODIA
MINISTRY OF ECONOMY AND FINANCE
MINISTRY OF PUBLIC WORKS AND TRANSPORT
MINISTRY OF RURAL DEVELOPMENT
MINISTRY OF WATER RESOURCES AND METEOROLOGY

**Flood Damage Emergency Reconstruction Project-
Additional Financing**

ADB Loan No. 3125 – CAM (SF) and
Grant No. 0285 – CAM (EF)

Combined Financial Statements
for the year ended 31 December 2015
and
Report of the Independent Auditors

Ministry of Economy and Finance
Ministry of Public Works and Transport
Ministry of Rural Development
Ministry of Water Resources and Meteorology

Flood Damage Emergency Reconstruction Project-Additional Financing
ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

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KINGDOM OF CAMBODIA
Nation Religion King

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MINISTRY OF ECONOMY AND FINANCE

N°.....MEF/.....

Statement by the management

We do hereby state that in our opinion:

- The accompanying combined financial statements, which comprise the combined statement of financial position as at 31 December 2015, the combined statements of receipts and expenditure and the first and second generation imprest accounts for the year ended 31 December 2015, and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 4 to 34 of the Flood Damage Emergency Reconstruction Project-Additional Financing ("the Project"), funded by the Asian Development Bank Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF) and implemented by the Ministry of Economy and Finance, Ministry of Public Works and Transport, Ministry of Rural Development, and Ministry of Water Resources and Meteorology are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the combined financial statements; and
- The disbursements shown in the combined financial statements were implemented according to the Loan and Grant Agreements and the Project was in compliance with all loan and grant covenants of the Agreements for the year ended 31 December 2015.

On behalf of the Project's management:✓

Pen Thirong
Director General
General Department of International Cooperation
and Debt Management,
Ministry of Economy and Finance

Kem Borey
Project Director
Ministry of Public Works and Transport

Chan Darong
Project Director
Ministry of Rural Development

Chann Sinath
Project Director
Ministry of Water Resources and Meteorology

Phnom Penh, Kingdom of Cambodia
Date: 21 JUN 2016



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Report of the independent auditors To the Ministry of Economy and Finance Royal Government of Cambodia

We have audited the accompanying combined financial statements of the Flood Damage Emergency Reconstruction Project-Additional Financing (“the Project”), funded by the Asian Development Bank Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF) and implemented by the Ministry of Economy and Finance, Ministry of Public Works and Transport, Ministry of Rural Development, and Ministry of Water Resources and Meteorology which comprise the combined statement of financial position as at 31 December 2015, the combined statements of receipts and expenditure and the first and second generation imprest accounts for the year ended 31 December 2015, and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 4 to 34. The combined financial statements have been prepared by the management of the Project based on the basis of accounting and the accounting policies described in Note 2 to the combined financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation of these combined financial statements in accordance with the basis of accounting and the accounting policies described in Note 2 to the combined financial statements and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Cambodian 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entities’ preparation of the combined 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 entities’ 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 combined financial statements.

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


Audit opinion


In our opinion, the combined financial statements of the Project for the year ended 31 December 2015 are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the combined financial statements.

Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the combined financial statements, which describes the basis of accounting and the accounting policies adopted by the Project. The combined financial statements are prepared for the information and use of the management of the Project, the Ministry of Economy and Finance and the Asian Development Bank. As a result, the combined financial statements may not be suitable for another purpose. Our report is intended solely for the management of the Project, the Ministry of Economy and Finance and the Asian Development Bank and should not be distributed to or used by any other parties.

For KPMG Cambodia Ltd


Lim Chew Teng
Partner



Phnom Penh, Kingdom of Cambodia

21 June 2016

ASIAN DEVELOPMENT BANK
22 JUN 2016
CAMBODIA RESIDENT MISSION

Ministry of Economy and Finance
Ministry of Public Works and Transport
Ministry of Rural Development
Ministry of Water Resources and Meteorology

Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Combined statement of financial position

As at 31 December 2015

	Note	31 December 2015 US\$	31 December 2014 US\$
Current assets			
Cash on hand	3	1,382	1,295
Cash at bank	4	741,852	982,747
Advances to contractors	5	3,138,064	1,355,526
Staff advance		3,055	-
		<u>3,884,353</u>	<u>2,339,568</u>
Represented by:			
Fund balance at end of the year/period		<u>3,884,353</u>	<u>2,339,568</u>

The accompanying notes form an integral part of these combined financial statements

Ministry of Economy and Finance
Ministry of Public Works and Transport
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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Statement of receipts and expenditure for the year ended 31 December 2015

	Note	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
		Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$	Total US\$	
Receipts	6					
Asian Development Bank		22,792,082	2,123,118	-	24,915,200	32,568,043
Government Counterpart fund		-	-	170,550	170,550	240,550
		22,792,082	2,123,118	170,550	25,085,750	32,808,593
Expenditure by disbursement category	7					
Civil works	8	18,262,913	2,197,336	-	20,460,249	24,874,012
Equipment	9	452,168	-	-	452,168	452,674
Consulting services	10	2,264,095	-	-	2,264,095	3,148,609
Incremental administrative costs	11	181,844	-	131,395	313,239	397,731
Interest charge		51,214	-	-	51,214	51,214
		21,212,234	2,197,336	131,395	23,540,965	28,924,240
Excess/(Deficit) of receipts over expenditure		1,579,848	(74,218)	39,155	1,544,785	3,884,353
Fund balance at beginning of the year/period		2,230,610	74,218	34,740	2,339,568	-
Fund balance at end of the year/period		3,810,458	-	73,895	3,884,353	3,884,353

The accompanying notes form an integral part of these combined financial statements.

Ministry of Economy and Finance
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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Statement of the first and second generation imprest accounts for the year ended 31 December 2015

	Note	For the year ended 31 December 2015		For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
		Loan No. 3125 US\$	Grant No. 0285 US\$		
Receipts	6				
Asian Development Bank		123,687	-	1,000,000	1,123,687
Expenditure by disbursement category	7				
Equipment		33,136	-	506	33,642
Consulting services	10	185,615	-	960	186,575
Incremental administrative costs	11	181,844	-	49,232	231,076
		400,595	-	50,698	451,293
		(276,908)	-	949,302	672,394
(Deficit)/Excess of receipts over expenditure					
Fund balance at beginning of the year/period		949,302	-	-	
Fund balance at end of the year/period		672,394	-	949,302	

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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Statement of the first and second generation imprest accounts for the year ended 31 December 2015 (continued)

	Note	For the year ended 31 December 2015		For the period from 23 April 2014 to 31 December 2014 US\$
		Loan No. 3125 US\$	Grant No. 0285 US\$	
			Total US\$	
Represented by:				
Cash on hand-ADB	3	1,382	-	1,382
Cash at bank-ADB	4	671,012	-	948,007
		<u>672,394</u>	<u>-</u>	<u>949,302</u>

The accompanying notes form an integral part of these combined financial statements.

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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements for the year ended 31 December 2015

These notes form an integral part of, and should be read in conjunction with, the accompanying combined financial statements.

1. Background and activities

The Flood Damage Emergency Reconstruction Project-Additional Financing (“Project”) was established under the Loan Agreement No. 3125-CAM (SF) and Grant Agreement No. 0285-CAM (EF) signed on 23 April 2014. Total project cost is approximately US\$90.683 million, of which the Government of Australia provided a grant of AUD\$7.6 million (US\$6.683 million equivalent), Asian Development Bank (ADB) finances SDR48,545,000 (US\$75 million equivalent at the time of loan negotiation) from the Asian Development Fund (ADF), and the Royal Government of Cambodia contributes US\$9.0 million equivalent for safeguards costs, in-kind expenditures on staff and office facilities, and costs of taxes and duties.

The loan is repayable over 30 years from 1 August 2024 up to 1 February 2054 with interest rate of 1% per annum on the amount of the loan withdrawn from the loan account and outstanding from time to time. The interest charge and any other charge on the loan shall be payable semi-annually on 1 February and 1 August in each year.

The Project Coordination and Monitoring Unit (PCMU) established by the Ministry of Water Resources and Meteorology (MEF) acts as the Executing Agency (EA), and three Project Implement Units (PIUs) were established at the Ministry of Public Works and Transport (MPWT), Ministry of Rural Development (MRD), and Ministry of Water Resources and Meteorology (MOWRAM) to implement their respective project components. The objective of the Project is the restoration of critical public and social infrastructure assets necessary to restore livelihoods and access in the Project provinces and secure social infrastructure and services against future flooding. The Project shall be comprised of the following components:

Component 1: National and Provincial Roads Rehabilitation

This Component will support the rehabilitation/improvement of flood damaged national and provincial roads and bridges in the following provinces: Battambang, Banteay Meanchey, Kampong Cham, Kampong Thom and Siem Reap.

Component 2: Rural Roads Rehabilitation

This Component will support the rehabilitation/improvement of flood damaged rural roads in the following provinces: Battambang, Banteay Meanchey, Kampong Thom, and Siem Reap.

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Flood Damage Emergency Reconstruction Project-Additional Financing
ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

1. Background and activities (continued)

Component 3: Irrigation Rehabilitation and Flood Management

This Component will support (a) the rehabilitation/improvement of flood damaged irrigation schemes in the following provinces: Battambang, Banteay Meachey, Kampong Thom, Oddar Meanchey, and Siem Reap; and (b) the development of a pilot activity to improve the Hydromet system through the installation or upgrading of up to eight all-weather meteorological stations and up to ten hydrological stations.

Component 4: Project and Flood Management

This Component will support the Project Executing Agency to carry out the overall oversight and management of the Project. This Component will also support the development of a cross-sector flood management strategy for the affected areas.

Funding of the Project by the ADB according to the allocation and withdrawal of the loan proceeds is as follows:

Category				ADB Financing
No.	Item	Amount Allocated (SDR)		Percentage and Basis for Withdrawal from the Loan account
		Category	Subcategory	
1	Civil Works	36,816,000		
1A	National and Provincial Roads		14,563,000	100% of total expenditure claimed*
1B	Rural Roads		11,360,000	100% of total expenditure claimed*
1C	Irrigation and Flood Management		10,893,000	100% of total expenditure claimed*
2	Equipment	494,000		
2A	National and Provincial Roads		7,000	100% of total expenditure claimed*
2B	Rural Roads		7,000	100% of total expenditure claimed*
2C	Irrigation and Flood Management		473,000	100% of total expenditure claimed*
2D	Project Management and Facilitation		7,000	100% of total expenditure claimed*

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Flood Damage Emergency Reconstruction Project-Additional Financing
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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

1. Background and activities (continued)

Category				ADB Financing
No.	Item	Amount Allocated (SDR)		Percentage and Basis for Withdrawal from the Loan account
		Category	Subcategory	
3	Consulting Services	5,016,000		
3A	National and Provincial Roads		1,617,000	100% of total expenditure claimed*
3B	Rural Roads		1,295,000	100% of total expenditure claimed*
3C	Irrigation and Flood Management		1,295,000	100% of total expenditure claimed*
3D	Project Management and Facilitation		809,000	100% of total expenditure claimed*
4	Incremental Administrative Costs	647,000		
4A	National and Provincial Roads		160,000	100% of total expenditure claimed*
4B	Rural Roads		160,000	100% of total expenditure claimed*
4C	Irrigation and Flood Management		206,000	100% of total expenditure claimed*
4D	Project Management and Facilitation		121,000	100% of total expenditure claimed*
5	Interest Charge	777,000		100 % of amounts due
6	Unallocated	4,795,000		
	Total	48,545,000		

* Exclusive of local taxes and duties imposed within the territory of the Recipient.

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Flood Damage Emergency Reconstruction Project-Additional Financing
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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

1. Background and activities (continued)

The table below sets forth the categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant to each such category:

Category				Government of Australia Financing
No.	Item	Amount allocated (US\$)		Percentage and Basis for Withdrawal from the Grant Account
1	Works	6,000,000		
1A	National and Provincial Roads		1,500,000	100% of total expenditure claimed*
1B	Rural Roads		3,000,000	100% of total expenditure claimed*
1C	Irrigation and Flood Management		1,500,000	100% of total expenditure claimed*
2	Unallocated**	683,000		
	Total	6,683,000		

* Exclusive of local taxes and duties imposed within the territory of the Recipient.

** This amount shall have deducted from it ADB's administration fee, audit cost, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by interest and investment income earned by ADB on this or any additional Grant from the Government of Australia.

The financing agreement became effective for implementation from 90 days after signing date of the agreement and closing date shall be 30 September 2017 or such other date as may from time to time be agreed between the Recipient, ADB and the Government of Australia.

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Flood Damage Emergency Reconstruction Project-Additional Financing
ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

2. Significant accounting policies

a) Basis of accounting

The combined financial statements, which are expressed in United States Dollars (“US\$”), have been prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Project; it is not designed to produce combined financial statements that are compatible with International Financial Reporting Standards. Under this basis of accounting, income is recognised when funds are received in cash and expenditure is recognised when payments are made rather than when it is incurred, except for the advanced payments made to suppliers that are initially recognised as a receivable and only recognised as payments when they have been liquidated by supporting invoices

b) Combined statement of the first and second generation imprest accounts

The combined statement of the first and second generation imprest accounts are prepared in accordance with the Loan Agreement, and is purely used to receive and disburse for expenditure financed by the ADB loan proceeds.

c) Non-expendable equipment

The cost of non-expendable equipment is charged to the combined statement of receipts and expenditure upon acquisition. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of a non-expendable equipment listing.

d) Foreign currency transactions

The Project transacts its business and maintains its accounting records primarily in United States Dollars (“US\$”). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Cash and bank balances in currencies other than US\$ are translated into US\$ at the open market rates of exchange at the year end date. All foreign exchange differences are recognised in the combined statement of receipts and expenditure.

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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

3. Cash on hand

	31 December 2015 US\$	31 December 2014 US\$
Ministry of Economy and Finance	1,000	1,000
Ministry of Public Works and Transport	25	-
Ministry of Rural Development	146	295
Ministry of Water Resources and Meteorology	211	-
	<hr/> 1,382	<hr/> 1,295

4. Cash at bank

	31 December 2015 US\$	31 December 2014 US\$
<i>Asian Development Bank</i>		
Ministry of Economy and Finance	591,415	815,425
Ministry of Public Works and Transport	23,777	22,760
Ministry of Rural Development	34,581	39,822
Ministry of Water Resources and Meteorology	21,239	70,000
	<hr/> 671,012	<hr/> 948,007
<i>Royal Government of Cambodia</i>		
Ministry of Economy and Finance	49,670	32,370
Ministry of Public Works and Transport	1,610	1,610
Ministry of Rural Development	3,900	760
Ministry of Water Resources and Meteorology	15,660	-
	<hr/> 70,840	<hr/> 34,740
	<hr/> 741,852	<hr/> 982,747

Ministry of Economy and Finance
Ministry of Public Works and Transport
Ministry of Rural Development
Ministry of Water Resources and Meteorology

Flood Damage Emergency Reconstruction Project-Additional Financing
ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

5. Advances to contractors

These represent outstanding balance of advances which were paid directly to the suppliers during the year/period for which the details are as follows:

	31 December 2015 US\$	31 December 2014 US\$
<i>Ministry of Public Works and Transport</i>		
Civil works:		
Bantey Srei Engineering and Construction Co., Ltd (CW9a)	412,469	-
Bantey Srei Engineering and Construction Co., Ltd (CW16)	307,492	-
Visvakam Samnang Construction Co., Ltd (CW10b)	374,586	-
Visvakam Samnang Construction Co., Ltd (CW10c)	456,838	-
Visvakam Samnang Construction Co., Ltd (CW15)	150,000	-
The SeaBoard Cambodian Development Construction Co., Ltd (CW9b)	-	140,700
Ung Simsia Construction Co., Ltd (CW10a)	-	319,026
The SeaBoard Cambodian Development Construction Co., Ltd (CW11&12)	-	391,662
	<hr/> 1,701,385	<hr/> 851,388
<i>Ministry of Rural Development</i>		
Civil works:		
Borey Kamkor Construction Co., Ltd.	124,265	38,665
Camdeg Co.,Ltd	516,267	-
Heng Sambath Co.,Ltd.	201,429	-
Xinjiang Beixin Road and Bridge Group Co., Ltd.	475,735	-
Phlon Hong Co., Ltd.	118,983	-
	<hr/> 1,436,679	<hr/> 38,665

Ministry of Economy and Finance
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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

5. Advances to contractors (continued)

	31 December 2015 US\$	31 December 2014 US\$
<i>Ministry of Water Resources and Meteorology</i>		
Civil works:		
SBPH Engineering and Construction Co., Ltd	-	93,751
Ung Simsia Construction Co., Ltd	-	260,546
Seak Chheav Leng Enterprise Co., Ltd	-	111,176
	<hr/>	<hr/>
	-	465,473
	<hr/>	<hr/>
	3,138,064	1,355,526
	<hr/>	<hr/>

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Flood Damage Emergency Reconstruction Project-Additional Financing
ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

6. Receipts

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$	Total US\$	
Ministry of Economy and Finance					
- Initial advance	-	-	50,000	50,000	1,120,000
- First generation imprest account ("GIA")	-	120,550	670,903	-	670,903
- Second generation direct payment	(426,666)	-	-	(426,666)	(426,666)
	123,687	-	170,550	294,237	1,364,237
- Initial advance transferred to second GIA(139,994)	-	(132,435)	(272,429)	(210,000)	(482,429)
	(16,307)	-	38,115	21,808	881,808

Ministry of Economy and Finance
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Flood Damage Emergency Reconstruction Project-Additional Financing
ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

6. Receipts (continued)

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$		
Ministry of Public Works and Transport					
- Direct Payment (*)	7,219,175	1,358,327	-	1,545,317	10,122,819
- Transfer from first generation imprest account	-	36,780	133,411	213,411	
• Second generation imprest account					
96,631	7,315,806	1,358,327	36,780	1,625,317	10,336,230
Ministry of Rural Development					
- Direct Payment (*)	9,376,761	518,419	-	3,071,407	12,966,587
- Transfer from first generation imprest account					
• Second generation imprest account	20,099	-	16,960	60,000	97,059
• Direct payment	135,883	-	-	-	135,883
	9,532,743	518,419	16,960	3,131,407	13,199,529

Ministry of Economy and Finance
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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

6. Receipts (continued)

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$	Total US\$	
Ministry of Water Resources and Meteorology					
- Direct Payment (*)	5,594,579	246,372	-	5,840,951	7,877,070
- Transfer from first generation imprest account					
• Second generation imprest account	23,264	-	78,695	101,959	171,959
• Direct payment	290,783	-	-	290,783	290,783
	<u>5,908,626</u>	<u>246,372</u>	<u>78,695</u>	<u>6,233,693</u>	<u>8,339,812</u>
Interest charge	51,214	-	-	51,214	51,214
	<u>22,792,082</u>	<u>2,123,118</u>	<u>170,550</u>	<u>25,085,750</u>	<u>32,808,593</u>

**Ministry of Economy and Finance
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Flood Damage Emergency Reconstruction Project-Additional Financing

ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

**Notes to the combined financial statements (continued)
for the year ended 31 December 2015**

6. Receipts (continued)

* Direct payments represent payments made by ADB directly to the suppliers on behalf of the Project.

Receipts from the Asian Development Bank for Loan No. 3125 - CAM (SF) were paid into the first generation imprest account held by the Ministry of Economy and Finance. This is a separate bank account held exclusively for ADB funds for Loan No. 3125 – CAM (SF). The receipts were then disbursed to the second generation imprest account held by respective implementing agencies at the National Bank of Cambodia.

Receipts from Royal Government of Cambodia were paid into the first generation imprest accounts separately held by the Ministry of Economy and Finance, Ministry of Public Works and Transport, Ministry of Rural Development, and Ministry of Water Resources and Meteorology. These are special accounts held for the Government Counterpart fund for Flood Damage Emergency Reconstruction Project-Additional Financing at the National Bank of Cambodia.

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**Flood Damage Emergency Reconstruction Project-Additional Financing
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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

7. Expenditure by disbursement category and financier

Particulars	Loan No. 3125			Grant No. 0285		Royal Government of Cambodia		
	% of financing	Actual expenditure		Actual expenditure		Actual expenditure		Total
		US\$	%	US\$	%	US\$	%	
Civil works	100	18,262,913	100%	2,197,336	100%	-	-	20,460,249
Equipment	100	452,168	100%	-	-	-	-	452,168
Consulting services	100	2,264,095	100%	-	-	-	-	2,264,095
Incremental administrative costs	100	181,844	100%	-	-	131,395	100%	313,239
Interest charge	100	51,214	100%	-	-	-	-	51,214
Total payments – for the year ended 31 December 2015		21,212,234		2,197,336		131,395		23,540,965
% of total project costs – for the year ended 31 December 2015		23.39%		2.42%		0.14%		25.95%
% of cumulative expenses to total project costs – for the period from 23 April 2014 to 31 December 2015		25.03%		6.68%		0.18%		31.89%

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

8. Civil works

	For the year ended 31 December 2015		For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$		
Ministry of Public Works and Transport				
CW9b: Kompong Cham Province	461,643	244,953	-	706,596
CW10a: Banteay Meanchey Province	1,002,629	422,233	-	1,424,862
CW11&12: Kompong Thom Province	1,707,298	691,141	170,008	2,568,447
CW13: Battambang Province	1,530,926	-	-	1,530,926
CW15: Siem Reap Province	726,919	-	-	726,919
CW16: Siem Reap Province	165,025	-	-	165,025
	5,594,440	1,358,327	170,008	7,122,775

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Notes to the combined financial statements for the year ended 31 December 2015 (continued)

8. Civil works (continued)

	For the year ended 31 December 2015		Total	For the period from 23 April 2014 to 31 December 2014	Cumulative for the period from 23 April 2014 to 31 December 2015
	Loan No. 3125 US\$	Grant No. 0285 US\$	US\$	US\$	US\$
Ministry of Rural Development					
CW9b-Kampong Cham and Kampong Thom	520,502	-	520,502	1,262,651	1,783,153
CW10- Siem Reap Province	360,560	-	360,560	744,596	1,105,156
CW11- Banteay Meanchey Province	51,419	291,844	343,263	170,924	514,187
CW12-Battambang Province	84,464	265,240	349,704	494,938	844,642
CW13a-Kompong Cham Province	1,156,511	-	1,156,511	-	1,156,511
CW13b-Kompong Cham Province	578,553	-	578,553	-	578,553
CW14-Kompong Thom Province	1,677,439	-	1,677,439	-	1,677,439
CW15a-Siem Reap Province	255,500	-	255,500	-	255,500
CW15b-Siem Reap Province	190,917	-	190,917	-	190,917
CW16a-Banteay Meanchey Province	376,873	-	376,873	-	376,873
CW16b-Banteay Meanchey Province	1,033,298	-	1,033,298	-	1,033,298
CW17-Battambang Province	1,262,483	-	1,262,483	-	1,262,483
	7,548,519	557,084	8,105,603	2,673,109	10,778,712

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Notes to the combined financial statements for the year ended 31 December 2015 (continued)

8. Civil works (continued)

	For the year ended 31 December 2015		Total	For the period from 23 April 2014 to 31 December 2014	Cumulative for the period from 23 April 2014 to 31 December 2015
	Loan No. 3125 US\$	Grant No. 0285 US\$	US\$	US\$	US\$
Ministry of Water Resources and Meteorology					
CW01a: Banteay Meanchey Province	1,411,473	-	1,411,473	-	1,411,473
CW01b: Banteay Meanchey Province	818,029	-	818,029	-	818,029
CW02-Banteay Meanchey Province	-	109,496	109,496	331,332	440,828
CW03a-Battambang Province	-	11,773	11,773	211,911	223,684
CW03b-Battambang Province	719,999	-	719,999	292,510	1,012,509
CW04-Udon Meanchey Province	528,717	84,835	613,552	360,363	973,915
CW05-Kampong Thom Province	68,903	75,821	144,724	374,530	519,254
CW06 Lot1: Siem Reap Province	696,609	-	696,609	-	696,609
CW06 Lot2: Preah Vihear Province	153,788	-	153,788	-	153,788
CW07: Battambang Province	510,643	-	510,643	-	510,643
CW10: Banteay Meanchey Province	211,793	-	211,793	-	211,793
	5,119,954	281,925	5,401,879	1,570,646	6,972,525
	18,262,913	2,197,336	20,460,249	4,413,763	24,874,012

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

9. Equipment

	For the year ended 31 December 2015		For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$		
Ministry of Economy and Finance				
Office equipment	2,939	-	-	2,939
Office furniture	464	-	-	464
	3,403	-	-	3,403
Ministry of Public Works and Transport				
Office equipment	6,862	-	-	6,862
Drilling Machine	3,938	-	-	3,938
	10,800	-	-	10,800

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

9. Equipment (continued)

	For the year ended 31 December 2015		Total US\$	For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$			
Ministry of Rural Development					
Office equipment	8,416	-	8,416	506	8,922
	8,416	-	8,416	506	8,922
Ministry of Water Resources and Meteorology					
Office equipment	10,517	-	10,517	-	10,517
Hydromet Station Automatic Weather Stations (AWS) equipment	419,032	-	419,032	-	419,032
	429,549	-	429,549	-	429,549
	452,168	-	452,168	506	452,674

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

10. Consulting services

	For the year ended 31 December 2015		Total US\$	For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$			
<i>From imprest accounts:</i>					
- Ministry of Economy and Finance					
International consultants	142,160	-	142,160	-	142,160
National consultants	43,455	-	43,455	960	44,415
	185,615	-	185,615	960	186,575
<i>Direct payments:</i>					
- Ministry of Public Works and Transport					
International consultants	774,738	-	774,738	523,921	1,298,659
	774,738	-	774,738	523,921	1,298,659

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ADB Loan No. 3125 – CAM (SF) and Grant No. 0285 – CAM (EF)

Notes to the combined financial statements (continued)
for the year ended 31 December 2015

10. Consulting services (continued)

	For the year ended 31 December 2015		For the period from 23 April 2014 to 31 December 2014	Cumulative for the period from 23 April 2014 to 31 December 2015
	Loan No. 3125 US\$	Grant No. 0285 US\$	Total US\$	US\$
<i>Direct payments:</i>				
- Ministry of Rural Development	527,446	-	527,446	887,079
International consultants	527,446	-	527,446	887,079
<i>Direct payments:</i>				
- Ministry of Water Resources and Meteorology	776,296	-	776,296	776,296
International consultants	776,296	-	776,296	776,296
	2,264,095	-	2,264,095	3,148,609

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Flood Damage Emergency Reconstruction Project-Additional Financing

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

11. Incremental administrative costs

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$	Total US\$	
Ministry of Economy and Finance					
Personnel expense	888	-	17,760	18,648	26,278
Office supplies	7,004	-	-	7,004	8,001
Internet fee	2,519	-	-	2,519	3,021
Petrol and oil	4,757	-	-	4,757	5,423
Others	3,517	-	-	3,517	3,967
	<u>18,685</u>	<u>-</u>	<u>17,760</u>	<u>36,445</u>	<u>46,690</u>

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

11. Incremental administrative costs (continued)

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$		
Ministry of Public Works and Transport					
Supplementary staff allowance	-	-	36,780	18,390	55,170
Vehicle rental	34,600	-	-	12,440	47,040
Per-diem	31,674	-	-	24,800	56,474
Personnel expense	11,445	-	-	-	11,445
Office running costs	3,427	-	-	-	3,427
Vehicle and maintenance	3,643	-	-	-	3,643
	84,789	-	36,780	55,630	177,199

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for the year ended 31 December 2015

11. Incremental administrative costs (continued)

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$	Total US\$	
Ministry of Rural Development					
Supplementary staff allowance	-	-	13,820	13,820	23,060
Travel cost	8,351	-	-	8,351	9,541
Vehicle and maintenance	8,146	-	-	8,146	10,208
Office running costs	576	-	-	576	6,701
	17,073	-	13,820	30,893	49,510

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Notes to the combined financial statements (continued)
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11. Incremental administrative costs (continued)

	For the year ended 31 December 2015			For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
	Loan No. 3125 US\$	Grant No. 0285 US\$	Royal Government of Cambodia US\$	Total US\$	
Ministry of Water Resources and Meteorology					
Office running costs	9,013	-	-	9,013	9,013
Per-diem	3,879	-	-	3,879	3,879
FWUC orientation and training	20,057	-	-	20,057	20,057
Vehicle and maintenance	3,503	-	-	3,503	3,503
Supplementary staff for RGC officials	-	-	63,035	63,035	63,035
Remuneration fee for national specialist	19,825	-	-	19,825	19,825
Vehicles rental	5,020	-	-	5,020	5,020
	61,297	-	63,035	124,332	124,332
	181,844	-	131,395	313,239	397,731

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

12. Statement of disbursement

Details of statement of disbursement from ADB fund are as follows:

	For the year ended 31 December 2015 US\$	For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
ADB Fund claims during year/period			
Reimbursements/Initial advances	225,288	180,000	405,288
Direct payments	22,617,181	2,714,303	25,331,484
Subtotal	<u>22,842,469</u>	<u>2,894,303</u>	<u>25,736,772</u>
Total expenditure made during the year/period	<u>23,540,965</u>	<u>5,383,275</u>	<u>28,924,240</u>
<i>Expenditure made out of AusAID</i>	(2,197,336)	(3,864,322)	(6,061,658)
<i>Expenditure made out of RGC</i>	(131,395)	(35,260)	(166,655)
<i>Expenditure not yet claimed</i>	(125,984)	(3,575)	(125,984)
<i>Expenditure incurred in prior period but claimed during the year</i>	3,575	-	-

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Notes to the combined financial statements (continued)
for the year ended 31 December 2015

12. Statement of disbursement (continued)

		For the year ended 31 December 2015 US\$	For the period from 23 April 2014 to 31 December 2014 US\$	Cumulative for the period from 23 April 2014 to 31 December 2015 US\$
<i>Advance paid in prior period but recorded as expense during the year</i>	(G)	(499,920)	-	(499,920)
<i>Advance made to contractor during the year/period but not yet recorded as expenditure</i>	(H)	2,286,676	1,281,308	3,567,984
<i>Initial advances</i>	(I)	57,219	132,877	190,096
<i>Expenditure incurred during the year using previous period replenishment</i>	(J)	(40,117)	-	(40,117)
<i>Interest charge</i>	(K)	(51,214)	-	(51,214)
Total eligible expenditure claimed (L) (A=L+B+C+D+E+F+G+H+I+J+K)		<u>22,842,469</u>	<u>2,894,303</u>	<u>25,736,772</u>

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13. Commitments

As at 31 December 2015, the Project has the following commitments:

	31 December 2015 US\$	31 December 2014 US\$
<i>Ministry of Economy and Finance</i>		
Consulting services	222,759	34,020
<i>Ministry of Public Works and Transport</i>		
Civil works	14,636,945	4,815,084
Consulting services	1,201,341	1,976,078
	<u>15,838,286</u>	<u>6,791,162</u>
<i>Ministry of Rural Development</i>		
Civil works	9,008,285	1,603,697
Consulting services	764,782	1,292,228
	<u>9,773,067</u>	<u>2,895,925</u>
<i>Ministry of Water Resources and Meteorology</i>		
Civil works	4,179,613	3,287,170
Consulting services	885,854	-
	<u>5,065,467</u>	<u>3,287,170</u>
	<u>30,899,579</u>	<u>13,008,277</u>