

Audited Project Financial Statements

Project Number: 46042-002

Loan Number: 3294

Period covered: 1 January 2020 to 31 December 2020

People's Republic of China: Shaanxi Mountain Road Safety Demonstration Project

Prepared by: Foreign Capital Utilization Center of Shaanxi Provincial Transport Department

For the Asian Development Bank

Date received by ADB: 30 June 2021

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 Shaanxi Provincial Government through the Shaanxi Provincial Transport Department.

中华人民共和国陕西省审计厅
Shaanxi Provincial Audit Office of the People's Republic of China

审 计 报 告

Audit Report

陕审外事报〔2021〕24号

SHAANXI AUDIT REPORT〔2021〕NO.24

项目名称:亚洲开发银行贷款陕西山区道路安全示范项目
Project Name: Shaanxi Mountain Roads Safety Demonstration Project
Financed by the ADB

贷款号: 3294-PRC
Loan No.: 3294-PRC

项目执行单位: 陕西省交通运输厅利用外资中心
Project Entity: Foreign Capital Utilization Center of Shaanxi
Provincial Transport Department

会计年度: 2020
Accounting Year: 2020

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一、审计师意见

审计师意见

陕西省交通运输厅利用外资中心：

我们审计了亚洲开发银行贷款陕西山区道路安全示范项目 2020 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 5 页至第 18 页）。

（一）项目执行单位及陕西省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单位的责任，编制专用账户报表是陕西省财政厅的责任，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、赠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陕西山区道路安全示范项目 2020 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

我们审查了本期内由省财政厅报送给亚洲开发银行第 13 至 18 号提款申请书及所附资料。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。

中华人民共和国陕西省审计厅

2021年6月28日



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I. Auditor's Opinion

Auditor's Opinion

To Foreign Capital Utilization Center of Shaanxi Provincial Transport Department

We have audited the special purpose financial statements (from page 5 to page 18) of Shaanxi Mountain Roads Safety Demonstration Project Financed by the ADB, which comprise the Balance Sheet as of December 31, 2020, 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 Shaanxi Provincial 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 Shaanxi Provincial Department of Finance, 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 (grant) 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 Shaanxi Mountain Roads Safety Demonstration Project Financed by the ADB as of December 31, 2020, 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 Matters

We examined the withdrawal application No.13 to No.18 and the attached documents submitted by Shaanxi Provincial Financial Department to Asian Development Bank. 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.

Shaanxi Provincial Audit Office of the People's Republic of China
June 28, 2021

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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

2020 年 12 月 31 日

(As of December 31, 2020)

项目名称: 亚洲开发银行贷款陕西山区道路安全示范项目

Project Name: Shaanxi Mountain Roads Safety Demonstration Project Financed by Asian Development Bank

编报单位: 陕西省交通运输厅利用外资中心

货币单位: 人民币元

Entity Name: Foreign Capital Utilization Center of Shaanxi Provincial Transport Department

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	1,570,548,008.80	2,061,236,904.14	一、项目拨款合计 Total Project Appropriation Funds	17	935,841,656.60	846,305,110.34
1.交付使用资产 Fixed Assets Transferred	2			二、项目借(赠)款合计 Total Project Loan (Grant)	18	953,033,981.16	1,344,979,996.74
2.待核销项目支出 Construction Expenditures to be Disposed	3			1.项目投资借款 Total Project Investment Loan	19	953,033,981.16	1,344,979,996.74
3.转出投资 Investments Transferred-out	4			(1)国外借款 Foreign Loan	20	953,033,981.16	1,304,979,996.74
4.在建工程 Construction in Process	5	1,570,548,008.80	2,061,236,904.14	亚洲开发银行贷款 Asian Development Bank Loan	21	953,033,981.16	1,304,979,996.74
二、应收生产单位投资借款 Investment Loan Receivable	6			(2)国内借款 Domestic Loan	22		40,000,000.00
三、器材Equipment	7			2.其他借款 Other Loan	23		
四、货币资金合计 Total Cash and Bank	8	293,945,177.72	395,587,347.32	3.GEF赠款 GEF Grant	24		
1.银行存款 Cash in Bank	9	293,844,490.75	395,558,501.67	三、待冲项目支出 Construction Expenditures to be Offset	25		
其中: 专用账户存款 Including: Special Account	10	148,128,874.81	303,566,094.94	四、应付款合计 Total Payable	26	59,281,773.83	294,314,779.88
2.现金 Cash on Hand	11	100,686.97	28,845.65	其中: 应付亚行贷款利息 Including: Asian Development Bank Loan Interest Payable	27		
五、预付及应收款合计 Total Prepaid and Receivable	12	83,406,181.07	28,517,591.50	应付亚行贷款承诺费 Including: Asian Development Bank Loan Commitment Fee Payable	28		
其中: 应收亚行贷款利息 Including: Asian Development Bank Loan Interest Receivable	13			五、留成收入 Retained Earnings	29		

应收亚行贷款承诺费 Including: Asian Development Bank Loan Commitment Fee Receivable	14						
六、固定资产合计 Total Fixed Assets	15	258,044.00	258,044.00				
资金占用合计 Total Application of Fund	16	1,948,157,411.59	2,485,599,886.96	资金来源合计 Total Sources of Fund	30	1,948,157,411.59	2,485,599,886.96

(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 2020 年 12 月 31 日

(For the period ended December 31, 2020)

项目名称: 亚洲开发银行贷款陕西山区道路安全示范项目
Project Name: Shaanxi Mountain Roads Safety Demonstration Project Financed by Asian Development Bank
编报单位: 陕西省交通运输厅利用外资中心
Entity Name: Foreign Capital Utilization Center of Shaanxi Provincial Transport Department

货币单位: 人民币元
Currency Unit: RMB Yuan

	本期 Current Period			项目总计划额 Life of PAD	累计 Cumulative	
	本年计划额 Current Year Budget	本期发生额 Current Period Actual	本期完成比 Current Period % Completed		累计完成额 Cumulative Actual	累计完成比 Cumulative % Completed
资金来源合计 Total Sources of Funds	302,409,469.32	302,409,469.32	100.00%	2,280,000,000.00	2,191,285,107.08	96.11%
一、亚洲开发银行贷款 ADB Loan	351,946,015.58	351,946,015.58	100.00%	1,223,860,000.00	1,304,979,996.74	106.63%
二、配套资金 Counterpart Fund	-49,536,546.26	-49,536,546.26	100.00%	1,056,140,000.00	886,305,110.34	83.92%
1. 中央 Center				717,850,000.00	717,850,000.00	100.00%
2. 地方 County	-89,536,546.26	-89,536,546.26	100.00%	338,290,000.00	128,455,110.34	37.97%
3. 自筹资金 Self-Raised Funds	40,000,000.00	40,000,000.00	100.00%		40,000,000.00	
4. 其他 Others						

后续 (To be continued)

项 目 进 度 表 (二) SUMMARY OF SOURCES AND USES OF FUNDSBY PROJECT COMPONENT II

本期截至 2020 年 12 月 31 日
(For the period ended December 31, 2020)

项目名称：亚洲开发银行贷款陕西山区道路安全示范项目

Project Name: Shaanxi Mountain Roads Safety Demonstration Project Financed by Asian Development Bank

编报单位：陕西省交通运输厅利用外资中心货币单位：人民币元

Entity Name: Foreign Capital Utilization Center of Shaanxi Provincial Transport Department

Currency Unit: RMB Yuan

项目内容 Project Component	项目支出 Project Expenditure							待核销项目支出 Construction Expenditures to be Disposed	转出投资 Investments Transferred-out
	累计支出 Cumulative Amount	已交付资产 ^{2c} Assets Transferred				在建工程 Work in Progress			
		流动资产 ^{2c} Current Asset			递延资产 ^{2c} Deferred Asset				
		固定资产 ^{2c} Fixed Asset	无形资产 ^{2c} Intangible Asset						
1. 土木工程 Civil Works	1,985,391,988.34						1,985,391,988.34		
1A 干线公路升级改造 Trunk Road Upgrade	1,626,423,783.35						1,626,423,783.35		
1B 干线公路大修 Trunk Road Overhaul	73,477,504.49						73,477,504.49		
1C 农村公路改善 Rural Road Improvement	218,564,969.99						218,564,969.99		
1D 安保公路 Security Road	66,925,730.51						66,925,730.51		
2. 货物 Goods									
2A 隧道设备供应与安装 Tunnel Equipment Supply and Installation									
3. 咨询服务和培训 Advisory Services and Training	9,706,892.96						9,706,892.96		
4. 利息和承诺费 Interest and Commitment Fees	52,711,563.07						52,711,563.07		
5. 汇兑损益 Exchange Gains and Losses	13,426,459.77						13,426,459.77		
合计 Total	2,061,236,904.14						2,061,236,904.14		

(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 2020 年 12 月 31 日

(For the period ended December 31, 2020)

项目名称: 亚洲开发银行贷款陕西山区道路安全示范项目

Project Name: Shaanxi Mountain Roads Safety Demonstration Project Financed by Asian Development Bank

编报单位: 陕西省交通运输厅利用外资中心

货币单位: 美元/人民币元

Entity Name: Foreign Capital Utilization Center of Shaanxi Provincial Transport Department

Currency Unit: USD/RMB Yuan

类别内容 Category	核定贷款金额 Loan Amount	本年度提款数 Amount of Current Year 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. 土木工程 Civil Works	183,253,430.00	43,423,792.26	283,335,902.12	135,297,660.29	882,803,703.63
1A 干线公路升级改造 Trunk Road Upgrade	125,511,601.00	22,482,305.81	146,694,797.18	100,986,865.06	658,929,195.83
1B 干线公路大修 Trunk Road Overhaul	10,000,000.00	4,695,545.82	30,637,966.92	8,070,853.62	52,661,512.79
1C 农村公路改善 Rural Road Improvement	32,299,012.00	9,724,660.37	63,452,436.45	15,835,884.19	103,327,560.75
1D 安保公路 Security Road	15,442,817.00	6,521,280.26	42,550,701.57	10,404,057.42	67,885,434.26
2. 货物 Goods	2,320,563.00	0.00	0.00	0.00	0.00
2A 隧道设备供应与安装 Tunnel Equipment Supply and Installation	2,320,563.00	0.00	0.00	0.00	0.00
3. 咨询服务和培训 Advisory Services and Training	2,060,415.00	344,044.93	2,244,858.76	1,216,354.98	7,936,594.61
4. 利息和承诺费 Interest and Commitment Fees	12,365,592.00	4,212,509.31	27,486,202.00	8,078,524.28	52,711,563.07
5. 专用账户 Special Account		15,407,459.95	100,532,135.43	55,407,459.95	361,528,135.43
合计 Total	200,000,000.00	63,387,806.45	413,599,098.31	199,999,999.50	1,304,979,996.74

(四) 专用账户报表

iv. Special Account Statement

专用账户报表 SPECIAL ACCOUNT STATEMENT

本期截至 2020 年 12 月 31 日

(For the period ended December 31, 2020)

项目名称: 亚洲开发银行贷款陕西山区道路安全示范项目

Project Name: Shaanxi Mountain Roads Safety Demonstration Project Financed by Asian Development Bank

贷款号: 3294-PRC

Loan No.: 3294-PRC

编制单位: 陕西省财政厅

Prepared by: Shaanxi Provincial Financial Department

开户银行名称: 上海浦发银行西安分行

Depository Bank: Xi'an Branch, Shanghai Pudong Development Bank

账号: 72011457300000134

Account No.: 72011457300000134

货币种类: 美元

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	21,233,461.60
增加: Add:	
本期亚洲开发银行回补总额 Total Amount Deposited this Period by Asian Development Bank	59,175,297.14
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	5,593.59
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	33,890,099.86
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	0.00
期末余额 Ending Balance	46,524,252.47

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		55,407,459.95
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		55,407,459.95
4.专用账户期末余额 Ending Balance of Special Account		46,524,252.47
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.	0002\0007\0008\0013\0014\0016\0017	1,321,128.26
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		7,594,453.60
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)		32,374.38
9.本期期末专用账户首次存款净额 Total Advance to Special Account Accounted for at the End of this Period		55,407,459.95

（五）财务报表附注

财务报表附注

1. 项目概况

亚洲开发银行贷款陕西山区道路安全示范项目(贷款号为 3294-PRC), 于 2015 年 12 月签署贷款协议, 2016 年 3 月贷款生效。项目总投资 22.8 亿元, 其中: 交通部补助 7.18 亿元; 亚行贷款 2 亿美元; 地方自筹 3.38 亿元。项目建设期为 2015 年 12 月至 2019 年 12 月。亚行贷款原关闭账户日为 2020 年 6 月 30 日, 已延期至 2020 年 12 月 31 日。项目建设内容包括: (1) 干线公路改善项目。包括安康市省道 S102 旬阳至小河、国道 G316 旬阳至安康、商洛市省道 S224 商南至郧县共计 193 公里以及强化道路安全措施, 总投资 191,468 万元。(2) 农村公路改善项目。分布在项目影响区内的安康市汉滨区、旬阳县和商洛市商南县的秦巴山连片扶贫区内贫困县、乡。包括 8 条路、总里程 136 公里以及强化道路安全设施, 总投资 19,990 万元。(3) 综合道路安全改造项目。包括 25 条路县、乡公路, 总里程 604 公里, 总投资 7658 万元。(4) 咨询服务项目。包括项目管理、道路安全设计与审计、道路安全能力建设和道路安全教育, 总投资 1317 万元。借款利息和承诺费为 7567 万元。

截至 2020 年 12 月 31 日, 项目累计完成投资 206,123.69 万元, 其中: 干线公路升级改造项目累计完成 162,642.38 万元; 干线公路大修项目累计完成 7347.75 万元; 农村公路改善项目累计完成 21,856.50 万元; 安保公路项目累计完成 6692.57 万元; 咨询与服务累计完成 970.69 万元; 利息及承诺费累计完成 5271.16 万元。

2. 财务报表编制范围

本财务报表的编制范围包括陕西省交通运输厅利用外资中心、安康市项目办、旬阳县项目办、汉滨区项目办和商南县项目办的财务报表及陕西省财政厅专用账户报表。

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。

3.4 按照中国人民银行 2020 年 12 月 31 日汇率，即 USD1=人民币 6.5249 元。

4. 报表科目说明

4.1 项目支出

2020 年项目支出人民币 490,688,895.34 元，累计支出人民币 2,061,236,904.14 元，占总投资计划的 90.41%。

4.2 货币资金

2020 年 12 月 31 日货币资金余额为人民币 395,587,347.32 元，其中专用账户存款折合人民币 303,566,094.94 元。

4.3 项目拨款

2020 年 12 月 31 日余额为人民币 846,305,110.34 元，是交通部补助及地方配套资金。2020 年期初数为 935,841,656.60 元，其中商南县项目办在以前年度报表中将亚行贷款重复计入项目拨款，造成期初数多计了 193,130,000 元。2020 年报表将多计亚行贷款金额从本科目中调减，因此造成当期发生数为负数。

4.4 项目借款

2020 年 12 月 31 日余额为人民币 1,344,979,996.74 元，其中：国内借款 40,000,000 元，亚洲开发银行贷款资金 199,999,999.50 美元（其中利息和承诺费资本化 8,078,524.28 美元）。本年度提款人民币 413,599,098.31 元（63,387,806.45 美元），包含了调整 2019 年度类别 4（利息和承诺费）的当年和累积提款数与 LFIS 网站记录不一致的差额，实际提款金额为 351,946,015.58 元。

4.5 应付款

2020 年 12 月 31 日余额为人民币 294,314,779.88 元, 主要是应付工程款。

4.6 预付及应收款

2020 年 12 月 31 日余额为人民币 28,517,591.50 元, 主要是项目单位预付工程款。

4.7 固定资产

2020 年 12 月 31 日余额为人民币 258,044 元, 主要是购置办公桌椅及电子设备。

5. 专用账户使用情况

本项目贷款专用账户设在上海浦发银行西安分行, 账号为 72011457300000134, 币种为美元。专用账户首次存款 55,407,459.95 美元。2020 年年初余额 21,233,461.60 美元, 亚洲银行回补 59,175,297.14 美元, 利息收入 5,593.59 美元, 年末余额 46,524,252.47 美元。

v. Notes to the Financial Statements

Notes to Financial Statements

1. Project Overview

For the Shaanxi Mountain Road Safety Demonstration Project Financed by the ADB (Loan No.3294-PRC), the Loan Agreement was signed in December 2015 and the loan came into effect in March 2016. The total investment of the project is RMB2.28 billion, of which RMB718 million is subsidized by the Ministry of Communications; USD200 million is loaned by ADB; and RMB338 million is raised by local governments. The construction period of the project is from December 2015 to December 2019. The original closing date of ADB loans was June 30, 2020, which has been postponed to December 31, 2020. The construction contents of the project include: (1) trunk highway improvement project, including 193km from Xunyang to Xiaohe along S102 provincial highway in Ankang, Xunyang to Ankang along G316 national highway, Shangnan to Yunxian along S224 provincial highway in Shangluo, and road safety strengthening measures, with a total investment of RMB1,914.68 million. (2) Rural highway improvement project. The project covers the poverty-stricken counties and townships in the contiguous poverty alleviation areas of Qinling and Daba mountains in Hanbin District, Xunyang County of Ankang City and Shangnan County of Shangluo City. It includes 8 roads with a total mileage of 136km and road safety strengthening facilities, with a total investment of RMB199.90 million. (3) Integrated road safety renovation project, covering 25 county and township roads, with a total mileage of 604km and a total investment of RMB76.58 million. (4) Consulting service project, involving project management, road safety design and audit, road safety capacity building and road safety education, with a total investment of RMB13.17 million. The loan interest and commitment fee are RMB75.67 million.

Up to December 31, 2020, the accumulated investment of the project was RMB2,061,236,900, including RMB1,626,423,800 for upgrading and renovating trunk roads, RMB73,477,500 for overhauling trunk roads, RMB218,565,000 for improving rural roads, RMB66,925,700 for security roads, RMB9,706,900 for consulting and services, and RMB52,711,600 for interests and commitment fees.

2. Consolidation Scope of the Financial Statements

Consolidation scope of the financial statements covers the financial statements

of Foreign Capital Utilization Center of the Department of Transport of Shaanxi Province, Ankang Project Office, Xunyang Project Office, Hanbin Project Office and Shangnan Project Office, and the Special Account set in Shaanxi Provincial Finance Department.

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.

3.4 The exchange rate adopted in the financial statements was the exchange rate on December 31, 2020 of the People's Bank of China, which is USD1=RMB6.5249 yuan.

4. Explanation of Subjects

4.1 Total Project Expenditures

In 2020, the project expenditure was RMB490,688,895.34, and the accumulative expenditures were RMB2,061,236,904.14, accounting for 90.41% of the total investment plan.

4.2 Cash and Bank

On December 31, 2020, the balance was RMB395,587,347.32, of which the deposit in the Special Account was equivalent to RMB303,566,094.94.

4.3 Project Appropriation Funds

The balance on December 31, 2020 was RMB846,305,110.34, which is the subsidy of the Ministry of Transport and local counterpart funds. In 2020, the beginning balance was RMB935,841,656.60, of which Shangnan Project Office repeatedly recorded ADB loans in the project allocation in previous annual statements, resulting in an excess of RMB193,130,000 in the beginning balance. In the 2020 report, the overpayment of ADB loans was reduced from

this subject, resulting in a negative number of occurrences in the current period.

4.4 Project Loan

On December 31, 2020, the balance was RMB1,344,979,996.74, of which, the domestic loan was RMB40,000,000, and the loan fund from ADB was USD 199,999,999.50 (of which interest and commitment fee were capitalized at USD8,078,524.28). The current year's withdrawal was RMB413,599,098.31 (USD63,387,806.45), including the difference between the adjusted current year and accumulated withdrawal amount of category 4 (interest and commitment fee) in 2019 and the LFIS website record, and the actual withdrawal amount was RMB351,946,015.58.

4.5 Payable

On December 31, 2020, the balance was RMB294,314,779.88, which was mainly the project payment payable.

4.6 Prepaid and Receivable

On December 31, 2020, the balance was RMB28,517,591.50, which was mainly the advance project payment by the project unit.

4.7 Fixed Assets

On December 31, 2020, the balance was RMB258,044, which was mainly used for the procurement of office desks and chairs and electronic equipment.

5. Special Account

The special loan account for this project is opened in Xi'an Branch, Shanghai Pudong Development Bank, with the account number of 72011457300000134 and USD as the currency unit. The initial deposit in the Special Account is USD55,407,459.95. At the beginning of 2020, the balance was USD21,233,461.60, and there imbursement of the ADB was USD59,175,297.14, with interest income of USD5,593.59 and ending balance of USD46,524,252.47.