

# Audited Project Financial Statements

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Project Number: 46443-002

Loan Number: 3314

Period covered: 1 January 2021 to 31 December 2021

## Cambodia: Second Greater Mekong Subregion Corridor Towns Development Project

Prepared by Ministry of Public Works and Transport

For the Asian Development Bank

Date received by ADB: 21 June 2022

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 Ministry of Public Works and Transport.

**ROYAL GOVERNMENT OF CAMBODIA  
MINISTRY OF PUBLIC WORKS AND TRANSPORT**

**Second Greater Mekong Subregion  
Corridor Towns Development Project**

ADB Loan No. 3314 – CAM (COL)

**Financial Statements  
and Statement of Compliance  
for the year ended 31 December 2021**

# **Ministry of Public Works and Transport**

## **Second Greater Mekong Subregion Corridor Towns Development Project**

ADB Loan No. 3314 – CAM (COL)

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# **PART I**

**Financial Statements  
for the year ended 31 December 2021  
and  
Report of the Independent Auditors**



Ministry of Public Works and Transport

## Statement by the management

I, the undersigned, do hereby state that in my opinion, the accompanying financial statements, which comprise the statement of receipts and payments and the statement of advance account for the year ended 31 December 2021 and notes as set out on pages 5 to 23 of the Second Greater Mekong Subregion Corridor Towns Development ("the Project"), financed under the Asian Development Bank Loan No. 3314 – CAM (COL) and implemented by the Ministry of Public Works and Transport, present fairly, in all material respects, in accordance with the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards ("CPSAS").

*On behalf of the Project's management:*

H.E. Vong Pisith  
*Project Director*  
*Ministry of Public Works and Transport*

Phnom Penh, Kingdom of Cambodia

2 June 2022



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

### ***Opinion***

We have audited the accompanying financial statements of the Second Greater Mekong Subregion Corridor Towns Development (“the Project”), financed under the Asian Development Bank Loan No. 3314 – CAM (COL), implemented by the Ministry of Public Works and Transport (“the Project Management Unit” or “PMU”), which comprise the statement of receipts and payments and the statement of advance account for the year ended 31 December 2021 and notes, comprising significant accounting policies and other explanatory information, as set out on pages 5 to 23 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, of the cash balance of the Project as at 31 December 2021, and its cash receipts and payments for the year then ended in accordance with the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards (“CPSAS”).

### ***Basis for Opinion***

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). 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 the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Appendix I on page i, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Emphasis of Matter - Restriction on Use***

We draw attention to Note 2 to the financial statements, which describes the financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance ("MEF") and the Asian Development Bank ("ADB"). As a result, the financial statements may not be suitable for another purpose. Our audit report is intended solely for the management of the Project, MEF and ADB and should not be used by other parties other than the management of the Project, MEF and ADB. Our opinion is not modified in respect of this matter.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CPSAS, 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 Executing Agency's ("EA") ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease the operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISAs 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 CISAs, 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 EA'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 in the 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 EA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

For KPMG Cambodia Ltd



Nge Huy  
Partner

Phnom Penh, Kingdom of Cambodia

2 June 2022



## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Statement of receipts and payments for the year ended 31 December 2021

	Note	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
		ADB Loan No. 3314 US\$	RGC US\$	Total US\$		
					US\$	US\$
<b>Receipts</b>						
Asian Development Bank	5	2,715,066	-	2,715,066	2,667,640	11,136,590
Royal Government of Cambodia	5	-	26,460	26,460	62,716	198,671
		2,715,066	26,460	2,741,526	2,730,356	11,335,261
<b>Payments by category and financier</b>						
Civil works	6	1,994,017	-	1,994,017	1,956,785	6,986,423
Consulting services	7	631,409	-	631,409	412,878	3,032,143
Incremental administrative costs	8	72,279	30,577	102,856	159,526	808,599
Interest charge		89,640	-	89,640	57,408	193,180
		2,787,345	30,577	2,817,922	2,586,597	11,020,345
<b>(Decrease)/Increase in Cash</b>		<b>(72,279)</b>	<b>(4,117)</b>	<b>(76,396)</b>	<b>143,759</b>	<b>314,916</b>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Statement of receipts and payments (continued) for the year ended 31 December 2021

	Note	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
		ADB Loan No. 3314 US\$	RGC US\$	Total US\$		
Cash at beginning of the year	4	386,012	5,300	391,312	247,553	-
(Decrease)/Increase in Cash		(72,279)	(4,117)	(76,396)	143,759	314,916
Cash at the end of the year	4	313,733	1,183	314,916	391,312	314,916



H.E. Vong Pisith  
Project Director

Phnom Penh, Kingdom of Cambodia

2 June 2022



Mr. Mao Dor  
Financial Management Specialist

Phnom Penh, Kingdom of Cambodia

2 June 2022

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

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Statement of advance account for the year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
	Note	US\$	US\$	US\$
<b>Part A</b>				
<b>Beginning cash balance</b>		386,012	247,085	-
<b>Receipt:</b>				
Initial advance		-	-	426,000
Amount replenished by ADB	5	-	240,569	505,444
		386,012	487,654	931,444
<b>Payments made from advance account:</b>				
Incremental administrative costs	8	72,279	101,642	617,711
<b>Ending cash balance</b>	4	313,733	386,012	313,733

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Statement of advance account (continued) for the year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
	Note	US\$	US\$	US\$
<b>Part B – Advance account reconciliation</b>				
Initial advance	<b>A</b>	<b>426,000</b>	<b>426,000</b>	<b>426,000</b>
Balance of advance account as of 31 December per bank statement		313,733	386,012	313,733
Less: Outstanding cheque		-	-	-
Add: Petty cash balance		-	-	-
<b>Total cash balance</b>	<b>B</b>	<b>313,733</b>	<b>386,012</b>	<b>313,733</b>
Add: Amount claimed in previous year not yet credited at date of bank statement	<b>C</b>	-	-	-
Add: Amount claimed in current year not yet credited at date of bank statement	<b>D</b>	-	-	-
Less: Interest income	<b>E</b>	-	-	-

**Ministry of Public Works and Transport**  
**Second Greater Mekong Subregion Corridor Towns Development Project**

ADB Loan No. 3314 – CAM (COL)

**Statement of advance account (continued)**  
**for the year ended 31 December 2021**

	Note	Year ended 31 December 2021	Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
		US\$	US\$	US\$
<b>Part B – Advance account reconciliation (continued)</b>				
<b>Total amount withdrawn from the advance account but not yet claimed for replenishment (a+b+c+d)</b>	<b>F</b>	<b>112,267</b>	<b>39,988</b>	<b>112,267</b>
a. Sub-accounts		-	-	-
b. Transfer in transit		-	-	-
c. Current year withdrawn from advance account but not yet claimed for replenishment		72,279	39,988	72,279
d. Other – Previous year withdrawn from advance account but not yet claimed for replenishment		39,988	-	39,988
<b>Total advance accounted for (B+C+D+E+F)</b>		<b>426,000</b>	<b>426,000</b>	<b>426,000</b>



H.E. Vong Pisith  
Project Director

Phnom Penh, Kingdom of Cambodia  
2 June 2022



Mr. Mao Dor  
Financial Management Specialist

Phnom Penh, Kingdom of Cambodia  
2 June 2022

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



# **Ministry of Public Works and Transport**

## **Second Greater Mekong Subregion Corridor Towns Development Project**

ADB Loan No. 3314 – CAM (COL)

### **Notes to the financial statements for the year ended 31 December 2021**

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

## **1. Background and activities**

The Loan Agreement No. 3314 – CAM (COL), the “Financing Agreement”, for the Second Greater Mekong Subregion Corridor Towns Development (“Project”) between the Asian Development Bank (“ADB”) and the Royal Government of Cambodia (“RGC”) (represented by the Ministry of Economy and Finance - MEF) was signed on 22 December 2015. Total project cost is approximately US\$38.10 million, of which the ADB agreed to provide loan amounting to Special Drawing Rights 23,380,000 equivalent to US\$33 million at the time of the loan negotiation and the RGC will finance US\$5.1 million for the land acquisition and resettlement, salary supplements and project audits, taxes and duties, and in-kind government contribution of office space and office equipment.

The principal amount of ADB Loan No. 3314 – CAM (COL) will have a term of 32 years, including grace period of 8 years, and bear interest rate of 1% per annum during the grace period and 1.5%, thereafter, on the amount of loan withdrawn from the ADB and outstanding balance from time to time. This loan is repayable on a semi-annually instalment commencing from 1 April 2024 and ending on 1 October 2047.

The Project Management Unit (“PMU”) established by the Ministry of Public Works and Transport acts as the Executing Agency (“EA”), and two Provincial Departments of Public Works and Transport (PDPWT) were established at Kampot Province and Sihanoukville Province to implement their respective project components.

The objective of the Project is improved urban services in the towns of Sihanoukville and Kampot, Kingdom of Cambodia. The Project comprises:

- (a) Construction of a new wastewater treatment plant and wastewater collection system in Kampot;
- (b) Closure of the current dump site, and the construction of a new managed landfill in Kampot;
- (c) Construction of primary storm water drains in priority urban area in Kampot;
- (d) Rehabilitation of existing dump site to a managed landfill in Sihanoukville; and
- (e) Construction of primary storm water drains in priority urban areas in Sihanoukville.

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 1. Background and activities (continued)

The table below sets forth the categories of items of expenditure to be financed out of proceeds of the ADB Loan No. 3314 – CAM (COL) and RGC financing and the allocation of amounts of the Loan to each such category:

Category			ADB Financing
Number	Item	Total Amount Allocated for ADB Financing (SDR) Category	Percentage and Basis for Withdrawal from the Loan Account
1	Works**	15,714,000	100% of total expenditure claimed*
2	Equipment and materials*	390,000	100% of total expenditure claimed*
3	Project implementation and capacity building	2,303,000	100% of total expenditure claimed*
4	Other incremental administration cost	397,000	100% of total expenditure claimed*
5	Interest charge	601,000	100% of amount due
6	Unallocated	3,975,000	
	<b>Total</b>	<b>23,380,000</b>	

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

\*\* Subject to condition for withdrawal in Schedule 3 Paragraph 5.

\*\*\* The RGC will finance taxes and duties through exemption and/or cash contribution and cash contribution for other costs.

The financing agreement became effective for implementation from 29 February 2016 after signing date of the agreement, expected to be completed by 31 December 2020 and closing date shall be 30 June 2021 (extension of loan closing date to 31 December 2023). On 18 January 2021, MEF requested to extend the loan closing date from 30 June 2021 to 31 December 2023 and reallocate the loan proceeds. On 10 May 2021, the Project has obtained the approval on the loan extension letter from ADB.

On 24 January 2020, the Asian Development Bank responded the approval to a letter of MEF ref. 10201 MEF/GDICDM, dated 16 October 2019, requesting to cancel subprojects in Sihanoukville. On 21 April 2020, ADB agreed on the contract termination agreement for the Sihanoukville Urban Drainage Works subproject.

# **Ministry of Public Works and Transport**

## **Second Greater Mekong Subregion Corridor Towns Development Project**

ADB Loan No. 3314 – CAM (COL)

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

## **2. Basis of accounting**

### **(a) Statement of compliance**

The financial statements have been prepared in accordance with the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards (“CPSAS”).

The financial statements are prepared for the information of and use by the management of the Project, the MEF and the ADB. As a result, the financial statements may not be suitable for another purpose.

### **(b) Basis of measurement**

The financial statements have been prepared on the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards (“CPSAS”).

## **3. Significant accounting policies**

### **(a) Fund receipts and payments**

Fund receipts are defined as the fund received by the Project from developing partners and RGC. This is recognised when received and recorded as gross amounts of bank charges.

Payments represents all costs paid to support the objective of the Projects and are recognised when paid.

### **(b) Statement of advance account**

The statement of advance account is prepared in accordance with the Loan Agreement and is purely used to receive and payments for expenditure financed by the ADB loan proceeds.

### **(c) Non-expendable equipment**

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

# Ministry of Public Works and Transport

## Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 3. Significant accounting policies (continued)

##### (d) Interest charge

The interest charged by the ADB is a direct payment and accounted for in the statement of receipts and payments as receipts with the corresponding payment category.

##### (e) Foreign currency transactions

The Project transacts its operations 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 published by the National Bank of Cambodia.

Cash and bank balances in currencies other than US\$ are translated into US\$ at the open market rates of exchange at the year/period-end date. All foreign exchange differences are recognised in the statement of receipts and payments and the statement of advance account.

##### (f) In-kind contribution

All in-kind contribution from the RGC to the Project is not accounted for in the statement of receipts and payments and statement of advance account. In-kind contribution is disclosed in the note to the financial statements for information only.

#### 4. Cash

Cash comprises demand deposits and cash equivalents. Demand deposits and cash equivalents consist of balances with banks.

Cash included in the statement of receipts and payments and statement of advance account comprise the following amounts:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Advance account – ADB Loan No. 3314 (*)	313,733	386,012
Advance account – Government Counterpart Fund (*)	1,183	5,300
	<u>314,916</u>	<u>391,312</u>

(\*) These represent bank balances maintained in a separate bank account with the National Bank of Cambodia ("NBC").

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

### 5. Receipts

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
	ADB Loan No. 3314 US\$	RGC US\$	Total US\$	US\$	US\$
<b>ADB</b>					
Direct payments (*)	2,715,066	-	2,715,066	2,427,071	10,205,146
Advance account	-	-	-	240,569	931,444
	<u>2,715,066</u>	<u>-</u>	<u>2,715,066</u>	<u>2,667,640</u>	<u>11,136,590</u>
<b>RGC</b>					
Advance account (**)	-	26,460	26,460	62,716	198,671
	<u>2,715,066</u>	<u>26,460</u>	<u>2,741,526</u>	<u>2,730,356</u>	<u>11,335,261</u>

(\*) Direct payments represent payments made by ADB directly to the suppliers upon the request from the Project.

(\*\*) This represents replenishment to advance account from the RGC during the year.



## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 6. Civil works

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
	ADB Loan No. 3314 US\$	RGC US\$	Total US\$	US\$	US\$
<b>Direct payment:</b>					
Civil works	1,994,017	-	1,994,017	1,956,785	6,986,423
	<u>1,994,017</u>	<u>-</u>	<u>1,994,017</u>	<u>1,956,785</u>	<u>6,986,423</u>

Included in the above payments, there were advance payments made to contractors during the year 2021 amounting to US\$322,366 (2020: Nil). Refer to Note 11 for details.

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 7. Consulting services

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
	ADB Loan No.3314 US\$	RGC US\$	Total US\$	US\$	US\$
<b>Direct payment:</b>					
Consulting services-NJS Consultant Co., Ltd	631,409	-	631,409	412,878	3,025,543
Audit fee	-	-	-	-	6,600
	<u>631,409</u>	<u>-</u>	<u>631,409</u>	<u>412,878</u>	<u>3,032,143</u>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 8. Incremental administrative costs

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
	ADB Loan No. 3314 US\$	RGC US\$	Total US\$	US\$	US\$
<b>Advance account:</b>					
Vehicles	-	-	-	-	106,500
Office equipment and furniture	-	-	-	-	45,369
Office renovation	-	-	-	-	21,683
Financial management specialist	-	-	-	27,300	111,540
Procurement specialist	-	-	-	23,100	94,380
Travel costs	44,164	-	44,164	28,284	128,324
Office running costs	6,646	-	6,646	4,185	30,086
Supplement allowances	-	29,400	29,400	56,710	184,990
Vehicle operations and maintenance	21,469	1,177	22,646	19,947	85,727
	<u>72,279</u>	<u>30,577</u>	<u>102,856</u>	<u>159,526</u>	<u>808,599</u>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

### 9. Statement of disbursement

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

		Year ended 31 December 2021	Year ended 31 December 2020	Cumulative period from 29 February 2016 to 31 December 2021
		US\$	US\$	US\$
<b>ADB fund claims during the year/period</b>				
Direct payments		2,715,066	2,427,071	10,205,146
Advance account		-	240,569	931,444
<b>Sub-total</b>	(A)	<u>2,715,066</u>	<u>2,667,640</u>	<u>11,136,590</u>
<b>Total expenditure made during the year/period</b>	(B)	2,817,922	2,586,597	11,020,345
Expenditure made out of Government Counterpart fund	(C)	(30,577)	(57,884)	(197,488)
Expenditure not yet claimed during the year/period	(D)	(72,279)	(39,988)	(112,267)
Expenditure made in prior year but claimed during the year	(E)	-	178,915	-
Initial advance from ADB	(F)	-	-	426,000
<b>Total eligible expenditure claimed (G=A+B+C+D+E+F)</b>	(G)	<u>2,715,066</u>	<u>2,667,640</u>	<u>11,136,590</u>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

Notes to the financial statements (continued)  
for the year ended 31 December 2021

#### 10. Payments by category and financier

Particulars	ADB Loan No. 3314 – CAM (COL)		RGC		Total
	US\$	%	US\$	%	US\$
Civil works	1,994,017	100	-	-	1,994,017
Consulting services	631,409	100	-	-	631,409
Incremental administrative costs	72,279	70	30,577	30	102,856
Interest charge	89,640	100	-	-	89,640
<b>Total payments – for the year ended 31 December 2021</b>	<b>2,787,345</b>		<b>30,577</b>		<b>2,817,922</b>
<b>Total Project cost</b>	<b>33,000,000</b>		<b>5,100,000</b>		<b>38,100,000</b>
<b>% of total project costs – for the year ended 31 December 2021</b>	<b>8.45%</b>		<b>0.60%</b>		<b>7.40%</b>
<b>Total cumulative payments – for the period from 29 February 2016 to 31 December 2021</b>	<b>10,822,856</b>		<b>197,489</b>		<b>11,020,345</b>
<b>% of total project costs – for the period from 29 February 2016 to 31 December 2021</b>	<b>32.80%</b>		<b>3.87%</b>		<b>28.92%</b>



## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 11. Advance to contractors

During the year, the Project incurred the following advance transactions:

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$
At beginning of the year	-	2,596,518
Addition for the year (*):		
Civil works	322,366	-
Liquidation:		
Civil works (Note 6)	<u>(32,237)</u>	<u>(2,596,518)</u>
At end of the year (**)	<u>290,129</u>	<u>-</u>

(\*) The advances were recorded as payments in the respective payment categories in the statement of receipts and payments upon incurred.

(\*\*) This represents unliquidated advances which are maintained by way of an advance register by management for monitoring purpose:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Civil works	<u>290,129</u>	<u>-</u>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

Notes to the financial statements (continued)  
for the year ended 31 December 2021

## 12. Statement of withdrawals

Withdrawal application No.	Description	Date	Currency	Initial advance	Civil works	Consulting services	Incremental administrative costs	Interest charge	Total
<b>Year ended 31 December 2021</b>									
<b>ADB Loan No. 3314 – CAM (COL)</b>									
<b>Direct payments</b>									
A0025	Direct payment	2-Mar-21	US\$	-	-	149,066	-	-	149,066
A0026	Direct payment	17-Apr-21	US\$	-	678,330	-	-	-	678,330
921A	Direct payment	20-Apr-21	US\$	-	-	-	-	41,813	41,813
A0027	Direct payment	28-Jun-21	US\$	-	-	166,416	-	-	166,416
A0028	Direct payment	11-Aug-21	US\$	-	-	101,941	-	-	101,941
A0029	Direct payment	6-Sep-21	US\$	-	322,366	-	-	-	322,366
CAP1	Direct payment	1-Oct-21	US\$	-	-	-	-	47,827	47,827
A0030	Direct payment	25-Oct-21	US\$	-	645,521	-	-	-	645,521
A0031	Direct payment	25-Oct-21	US\$	-	347,800	-	-	-	347,800
A0032	Direct payment	25-Oct-21	US\$	-	-	101,066	-	-	101,066
A0033	Direct payment	24-Nov-21	US\$	-	-	112,920	-	-	112,920
<b>Total ADB fund (A)</b>			US\$	-	<b>1,994,017</b>	<b>631,409</b>	-	<b>89,640</b>	<b>2,715,066</b>
<b>RGC</b>									
R0011	Replenishment	9-Mar-21	US\$	-	-	-	14,700	-	14,700
R0012	Replenishment	9-Jul-21	US\$	-	-	-	11,760	-	11,760
<b>Total RGC fund (B)</b>			US\$	-	-	-	<b>26,460</b>	-	<b>26,460</b>
<b>Total fund receipts for the year (C=A+B)</b>			US\$	-	<b>1,994,017</b>	<b>631,409</b>	<b>26,460</b>	<b>89,640</b>	<b>2,741,526</b>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 12. Statement of withdrawals (continued)

Withdrawal application No.	Description	Date	Currency	Initial advance	Civil works	Consulting services	Incremental administrative costs	Interest charge	Total
<b>Year ended 31 December 2020</b>									
ADB Loan No. 3314 – CAM (COL)			US\$	-	1,956,785	412,878	240,569	57,408	2,667,640
RGC			US\$	-	-	-	62,716	-	62,716
<b>Total</b>			US\$	-	<b>1,956,785</b>	<b>412,878</b>	<b>303,285</b>	<b>57,408</b>	<b>2,730,356</b>
<b>Cumulative period from 29 February 2016 to 31 December 2021</b>									
ADB Loan No. 3314 – CAM (COL)			US\$	426,000	6,986,423	3,025,543	505,444	193,180	11,136,590
RGC			US\$	20,000	-	6,600	172,071	-	198,671
<b>Total fund receipts for the period from 29 February 2016 to 31 December 2021</b>			US\$	<b>446,000</b>	<b>6,986,423</b>	<b>3,032,143</b>	<b>677,515</b>	<b>193,180</b>	<b>11,335,261</b>



H.E. Vong Pisith  
Project Director

Phnom Penh, Kingdom of Cambodia

2 June 2022



Mr. Mao Dor  
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Phnom Penh, Kingdom of Cambodia

2 June 2022

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Notes to the financial statements (continued) for the year ended 31 December 2021

### 13. Items not recognised in the statement of receipts and payments

#### 13.1. Income from selling bid documents

During the year, the Project had income from selling bid documents amounting to US\$1,050 (2020: Nil).

#### 13.2. In-kind contribution

The Project's management has identified and calculated in-kind contribution from the RGC to the Project based on the MEF's guideline as follows:

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 29 February 2016 to 31 December 2021 US\$
Office space	21,024	21,024	122,640
Utilities (electricity and water)	11,080	11,080	64,632
Salaries of project staff	57,900	57,900	307,698
Taxation			
Withholding tax	88,397	65,363	454,464
Value Added Tax	199,402	195,679	445,692
	<u>377,803</u>	<u>351,046</u>	<u>1,395,126</u>

#### 13.3. Payment commitments

As at 31 December 2021, the Project had the following payment commitments:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Contracted, but not yet paid:		
Civil works	11,814,735	7,062,092
Consulting services	<u>536,348</u>	<u>1,167,757</u>
	<u>12,351,083</u>	<u>8,229,849</u>

## Ministry of Public Works and Transport

### Second Greater Mekong Subregion Corridor Towns Development Project

ADB Loan No. 3314 – CAM (COL)

#### Appendix I: Statement of budget versus actual payments for the year ended 31 December 2021

Description	Year ended 31 December 2021				Year ended 31 December 2020				Cumulative period from 29 February 2016 to 31 December 2021			
	Budget US\$	Actual US\$	Variance		Budget US\$	Actual US\$	Variance		Budget US\$	Actual US\$	Variance	
			US\$	%			US\$	%			US\$	%
<b>Investment</b>												
Civil works	2,132,432	1,994,017	138,415	6.49%	2,119,765	1,956,785	162,980	7.69%	4,699,408	6,986,423	(2,287,015)	-48.67%
Consulting services	634,396	631,409	2,987	0.47%	431,388	412,878	18,510	4.29%	3,408,684	3,032,143	376,541	11.05%
Incremental administrative costs	118,800	102,856	15,944	13.42%	175,172	159,526	15,646	8.93%	935,958	808,599	127,359	13.61%
Interest charge	90,000	89,640	360	0.40%	57,408	57,408	-	-	193,540	193,180	360	0.19%
<b>Total</b>	<b>2,975,628</b>	<b>2,817,922</b>	<b>157,706</b>	<b>5.30%</b>	<b>2,783,733</b>	<b>2,586,597</b>	<b>197,136</b>	<b>7.08%</b>	<b>9,237,590</b>	<b>11,020,345</b>	<b>(1,782,755)</b>	<b>-19.30%</b>



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