

**ARMENIAN TERRITORIAL DEVELOPMENT FUND**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**for the year ended 31 December 2015**

**YEREVAN  
May 2016**

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## THE BOARD

### **The Chairman**

Hovik Abrahamyan

Prime Minister of the Republic of Armenia

### **Members**

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Minister of Territorial Administration and Development of the Republic of Armenia

Gagik Khachatryan

Minister of Finance of the Republic of Armenia

Narek Sargsyan

Minister of Urban Development of the Republic of Armenia

Artem Asatryan

Minister of Labor and Social Affairs of the Republic of Armenia

Levon Mkrtchyan

Minister of Education and Science of the Republic of Armenia

Artsvik Minasyan

Minister of Economy of the Republic of Armenia

Jirayr Markosyan

Executive Director of representation in Armenia of charitable organization “Aznavour pour l’Armenie”

Ara Vardanyan

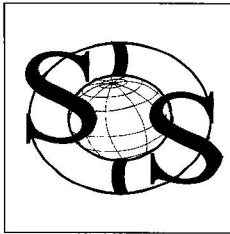
Executive Director of All-Armenian Fund

Levon Karaqashyan

Representative of the NGO "Vardanants Azbetner" (Knights of Vardan), USA

Hovik Yeordekyan

Head of AGBU Armenian Residence



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## "SOS-AUDIT" LTD

### INDEPENDENT AUDITOR'S REPORT

*On the financial statements of Armenian Social Investment Fund  
for the year ended 31 December 2015*

To the Management of the Armenian Territorial Development Fund

We have audited the accompanying financial statements of the Armenian Territorial Development Fund (the ATDF) which comprise the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

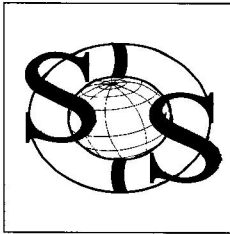
#### *Management's Responsibility for the Financial Statements*

The ATDF's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB) within the International Federation of Accountants (IFAC), and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatements, 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 International Standards on Auditing as issued by International Auditing and Assurance Standards Board (IAASB) within the IFAC. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain reasonable 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's 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 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.



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"SOS-AUDIT" LTD

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

*Opinion*

In our opinion the accompanying financial statements present fairly in all material respects the financial position of the Armenian Territorial Development Fund as of 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

"SOS-Audit" LLC  
31 May 2016

  
Manvel Ghazaryan  
Director

  
Gnel Khachatryan, FCCA  
Auditor




## STATEMENT OF FINANCIAL POSITION

*Armenian Territorial Development Fund  
As at 31 December 2015*

	Note	As at 31.12.2015 USD	As at 31.12.2014 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	41,461	21,188
Funds receivable	4	130,747,124	250,145
<b>Total non-current assets</b>		<b>130,788,585</b>	<b>271,333</b>
<b>Current assets</b>			
Advances	5	384,803	44,866
Cash	6	22,452,045	1,067,006
<b>Total current assets</b>		<b>22,836,848</b>	<b>1,111,872</b>
<b>TOTAL ASSETS</b>		<b>153,625,433</b>	<b>1,383,205</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
Founders' contribution	7	151,631	151,631
Accumulated deficit		(177,877)	(209,395)
<b>Total equity</b>		<b>(26,246)</b>	<b>(57,764)</b>
<b>Non-current liabilities</b>			
Government grants	8	153,535,063	1,120,993
<b>Total non-current liabilities</b>		<b>153,535,063</b>	<b>1,120,993</b>
<b>Current liabilities</b>			
Accounts payable	9	116,617	319,976
<b>Total current liabilities</b>		<b>116,617</b>	<b>319,976</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>153,625,433</b>	<b>1,383,205</b>

*The financial statements were approved by the management of the Armenian Social Investment Fund on 31 May 2016 and signed on its behalf. The accompanying notes form an integral part of these financial statements.*

  
**Ashot Kirakosyan**  
Executive Director

  
**Levon Dulyan**  
Finance and Administrative Director

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Armenian Territorial Development Fund*  
*For the year ended 31 December 2015*

	Note	Year ended 31.12.2015 USD	Year ended 31.12.2014 USD
Cost of the Projects	10	(2,030,537)	(4,858,490)
Income from Grants	8	2,030,537	4,858,490
Other income/(expense), net		35,854	19,157
Exchange gain/(loss), net		(4,336)	(50,483)
<b>Results of the year before income tax</b>		<b>31,518</b>	<b>(31,326)</b>
Income tax		-	-
<b>Results of the year</b>		<b>31,518</b>	<b>(31,326)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result for the year</b>		<b>31,518</b>	<b>(31,326)</b>

## STATEMENT OF CHANGES IN EQUITY

*Armenian Territorial Development Fund*  
*For the year ended 31 December 2015*

	<b>Founders contribution USD</b>	<b>Accumulated deficit USD</b>	<b>Total USD</b>
<b>Balance as at 1 January 2014</b>	<b>151,631</b>	<b>(178,069)</b>	<b>(26,438)</b>
Results of the year	-	(31,326)	(31,326)
<b>Balance as at 31 December 2014</b>	<b>151,631</b>	<b>(209,395)</b>	<b>(57,764)</b>
Results of the year	-	31,518	31,518
<b>Balance as at 31 December 2015</b>	<b>151,631</b>	<b>(177,877)</b>	<b>(26,246)</b>



## STATEMENT OF CASH FLOWS

*Armenian Territorial Development Fund  
For the year ended 31 December 2015*

	Year ended 31.12.2015 USD	Year ended 31.12.2014 USD
<b>Operating cash flows</b>		
<b>Funds received/(refunded)</b>		
ASIF III	(41,132)	4,689,006
SDC Grant	234,589	68,851
SILD	1,782,415	-
SSIP	21,949,766	-
USAID Grant	22,000	-
	<b>23,947,638</b>	<b>4,757,857</b>
<b>Expenditures on Projects</b>		
ASIF III	(913,431)	(4,736,951)
SDC Grant	(252,006)	(36,664)
SILD	(1,384,497)	-
SSIP	-	-
USAID Grant	(6,691)	-
	<b>(2,556,625)</b>	<b>(4,773,615)</b>
Other operating cash flows (net)	2,026	21,078
<b>Total Operating cash flows</b>	<b>21,393,039</b>	<b>5,320</b>
Exchange difference	(8,000)	(97,889)
<b>Net cash flows</b>	<b>21,385,039</b>	<b>(92,569)</b>
<b>Opening cash balance</b>	<b>1,067,006</b>	<b>1,159,575</b>
<b>Closing cash balance</b>	<b>22,452,045</b>	<b>1,067,006</b>

## NOTES TO THE FINANCIAL STATEMENTS

*Armenian Territorial Development Fund  
For the year ended 31 December 2015*

### 1. Background

#### *1.1 The foundation and its objectives*

The Armenian Territorial Development Fund (ATDF) is renamed from Armenian Social Investment Fund (ASIF). The ATDF operates based on the new Charter since 4 August 2015, and continues ordinary activities of the ASIF. So the financial statements for the year ended 31 Dec 2015 are natural furtherance of the ASIF financial statements of the previous periods.

The ASIF has been established by a Decree N 162 dated 11.04.2000 of the Government of the Republic of Armenia, the sole founder, as an autonomous non-profit agency to assist in the rehabilitation of small-scale infrastructure through community initiated and demand-based activities. It was registered in accordance with resolution N 988 of the Ministry of Justice of the Republic of Armenia dated on 13 September 2000.

The ASIF registered address is: 31 Ulnetsu Street, Yerevan, 0037, Republic of Armenia.

The ATDF implements projects related to:

- welfare development of population through improving quality and accessibility of social and economic infrastructure and public services, employment, investment activity,
- Institutional and financial strengthening of regions of the Republic of Armenia.

The projects financed by the Government of the Republic of Armenia through funds received from international donors, the largest creditor being International Development Association (the IDA), International Bank of Reconstruction and Development (the IBRD) and Asian Development Bank (ADB). The Projects co-financing was provided by:

- Government of the Republic of Armenia,
- Local Communities,
- Other sponsors.

#### *1.2 The implemented projects*

The major projects implemented by ASIF since its incorporation are ASIF I, ASIF II and ASIF III projects with objective to raise the living standards of the poor and vulnerable groups in the Republic of Armenia through:

- a) improving the quality and access, and increasing the coverage of community infrastructure and services in poor communities, and for the most vulnerable groups in response to critical emerging needs; and
- b) promoting complementary institutional capacity building at the community and municipal level so as to improve the quality and sustainability of service delivery and municipal investments, increase accountability, and enhance greater stakeholder empowerment at local level.

In year ended 31.12.2015, the ATDF implemented the following projects:

- “ASIF III” - “Armenian Social Investment Fund III Project”, financed by IDA Credit 4238-AM dated 01.11.2006, IDA Credit 4548-AM dated 26.02.2009, IBRD Credit 7847-AM dated 05.05.2010, IDA Credit 5071-AM dated 24.02.2012 with total credit budget of 51,884,079 USD equivalent.

The AISF III project was completed on 31.07.2015.

- “SDC Grant” - “Improvement of the Local Self-Governance System of Armenia” project, finance by Contract No. 81026865 dated 04.08.2014 between the Swiss Federal Department of Foreign Affairs (the FDFA) and the ASIF, in the amount of 287,850 CHF (Swiss Franc). The objective of the project is to improve abilities of municipalities to access capital investments for projects that facilitate cross-municipal cooperation and merging of municipalities in Republic of Armenia.

The SDC Grant project was completed as at 31 December 2015.

- “SILD” - “Social Investment and Local Development Project”, financed by the Loan Agreement IBRD Loan Number 8483-AM dated 8 April 2015 between the Republic of Armenia and the IBRD, in the amount of 30,000,000 USD. The objective of the project is to improve quality and use of, and access to, community and inter-community infrastructure.

The Closing date for the Loan Number 8483-AM financing is set on 30 June 2020.

- “SSIP” - «Seismic Safety Improvement Program» project, financed by Loan Agreement ADB Loan 3284-ARM dated 19 October 2015 between the ADB and the Republic of Armenia, in the amount of 63,259,000 Special Drawing Rights (SDR), from which 3,503,000 SDR is allocated for covering interest charge during the SSIP implementation and withdrawn directly by the ADB, and 59,756,000 SDR is allocated to the ATDF for the implementation of the project. The objective of the project is to build earthquake-resilient schools and improve ability to respond to natural disasters.

The closing date of the SSIP project is set on 31 May 2021.

- “USAID Grant” – “Territorial Management Reform” project, financed by Implementation Letter dated 10 August 2015 between USA International Development Agency (USAID) and ATDF, in the amount of 8,600,000 USD. The objective of the project is funding inter-community projects in 14 pilot consolidated communities.

The closing date of the project is set on 10 August 2020.

## **2. Summary of significant accounting policies**

### ***2.1 Bases of preparation***

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) within the International Federation of Accountants (IFAC).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

The financial statements consist of:

- Statement of financial position,
- Statement of profit and loss and other comprehensive income,
- Statement of changes in equity,
- Statement of cash flows,
- Notes to the financial statements, including significant accounting policies.

### ***2.2 Basis of measurement***

These financial statements are prepared on the historical cost basis.

### ***2.3 Functional and presentation currency***

The ATDF's functional currency is the national currency of the Republic of Armenia, Dram (AMD). The presentation currency of these financial statements is United States Dollar (USD).

### ***2.4 Foreign currency transactions***

Foreign currency is a currency other than the functional currency of the ATDF.

Transactions in foreign currencies are translated to functional currency at exchange rates at the dates of the transactions. Settlement rate of foreign currency over functional currency established by the Central Bank of the Republic of Armenia is taken as the exchange rate.

The ATDF's accounts are maintained and transactions are made in USD, Swiss Franc (CHF) and Armenian Drams (AMD). Transactions denominated in local currency are translated into USD as follows:

- Contributions of the Republic of Armenia expressed in AMD are presented in USD at the official exchange rate defined by the Central Bank of Armenia at the date of transfer.
- Payments to contractors and suppliers expressed in AMD are presented in USD at the exchange rates defined by the CBA at the date of payment.

The exchange rate defined by the CBA as at 31 December 2014 is: USD 1 = 471.46 AMD,  
The exchange rate defined by the CBA as at 31 December 2015 is: USD 1 = 482.50 AMD.

The exchange rate defined by the CBA as at 31 December 2014 is: CHF 1 = 478.54 AMD,  
The exchange rate defined by the CBA as at 31 December 2015 is: CHF 1 = 488.14 AMD.

### ***2.5 Government grants***

Grants from the government in return for past or future compliance with certain conditions relating to operating activities of ATDF are recognized at their fair value where there is reasonable assurance that:

- a) the ATDF will comply with the conditions attached to them; and

b) the grants will be received.

Government grants relating to the purchase of property and equipment are deferred and are recognized in the income statement on a straight line basis over the expected lives of the related assets. Grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

## ***2.6 Property and equipment***

Property and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required. Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalized and the replaced part is retired.

Depreciation is calculated on a straight-line basis in accordance with the following annual depreciation rates:

Machinery and equipment	20%
Transportation means	20%
Operational fixtures	20%

## ***2.7 Cash***

Cash comprise cash balances and bank accounts balances.

## ***2.8 Advances***

Advances are carried at cost less provision for impairment. If there is an indication that the assets, goods or services relating to an advance will not be received, the carrying value of the advance is written down accordingly and a corresponding impairment loss is recognised in the income statement.

### 3. Property and equipment

Property, plant and equipment represent assets acquired in the scope of the implemented project for use at ATDF.

Projects	ASIF III	SDC Grant	SILD	SSIP	USAID Grant	Total
	USD	USD	USD	USD	USD	USD
<b>Cost</b>						
As of 1 January 2014	<b>330,209</b>	-	-	-	-	<b>330,209</b>
Acquisitions	1,993	-	-	-	-	1,993
As of 31 December 2014	<b>332,202</b>	-	-	-	-	<b>332,202</b>
Acquisitions	-	16,510	10,229	-	5,359	32,098
As of 31 December 2015	<b>332,202</b>	<b>16,510</b>	<b>10,229</b>	-	<b>5,359</b>	<b>364,300</b>
<b>Accumulated depreciation</b>						
As of 1 January 2014	<b>299,585</b>	-	-	-	-	<b>299,585</b>
Annual charges	11,429	-	-	-	-	11,429
As of 31 December 2014	<b>311,014</b>	-	-	-	-	<b>311,014</b>
Annual charges	5,380	3,300	2,063	-	1,082	11,825
As of 31 December 2015	<b>316,394</b>	<b>3,300</b>	<b>2,063</b>	-	<b>1,082</b>	<b>322,839</b>
<b>Carrying value</b>						
As of 31 December 2014	<b>21,188</b>	-	-	-	-	<b>21,188</b>
As of 31 December 2015	<b>15,808</b>	<b>13,210</b>	<b>8,166</b>	-	<b>4,277</b>	<b>41,461</b>

As at 31.12.2015 the property and equipment with cost of 304,282 USD are fully depreciated (31.12.2014: 299,402 USD).

### 4. Funds receivable

It represents funds receivable for implementation of the projects by the ATDF:

Project	Note	As at 31.12.2015 USD	As at 31.12.2014 USD
ASIF III	4.1	-	8,723
SDC Grant	4.2	15,165	241,422
SILD	4.3	41,217,585	-
SSIP	4.4	80,150,234	-
USAID	4.5	9,364,140	-
		<b>130,747,124</b>	<b>250,145</b>

#### 4.1. ASIF III funding

As at 31.12.2015, the financing under the IDA 4238-AM (Closing date: 31.03.2012), IDA 4548-AM (Closing date: 30.06.2011), IBRD 7847-AM (Closing date 31.10.2012), and IDA Credit 5071-AM (Closing date 31.03.2015) were completed.

There were no balances receivable or refundable amounts related to those credits as at reporting date.

#### 4.2 SDC Grant

	<b>FDFA Grant No. 81026865 USD</b>	<b>Total USD</b>
<b>Receivable as at 01.01.2014</b>	-	-
Granted	303,000	303,000
Received/refund	(68,851)	(68,851)
Revaluation (CHF/USD)	7,273	7,273
<b>Receivable as at 31.12.2014</b>	<b>241,422</b>	<b>241,422</b>
Granted	-	-
Received/refund	(234,589)	(234,589)
Revaluation (CHF/USD)	8,332	8,332
<b>Receivable as at 31.12.2015 (a)</b>	<b>15,165</b>	<b>15,165</b>

(a) The balance represents the SDC Grant project expenditures incurred by other funds of the ATDF in 2015, and reimbursed wholly by the FDFA Grant No. 81026865 on 1 April 2016.

#### 4.3 SILD

	<b>IBRD 8483-AM USD</b>	<b>RA Government cofinancing USD</b>	<b>Community Contribution USD</b>	<b>Donors USD</b>	<b>Total USD</b>
<b>Receivable as at 31.12.2014</b>	-	-	-	-	-
Granted	30,000,000	11,011,000	1,915,000	74,000	43,000,000
Received/refund	(945,219)	(531,488)	(232,424)	(73,284)	(1,782,415)
<b>Receivable as at 31.12.2015</b>	<b>29,054,781</b>	<b>10,479,512</b>	<b>1,682,576</b>	<b>716</b>	<b>41,217,585</b>

#### 4.4 SSIP

	<b>ADB Loan 3284-ARM USD</b>	<b>RA Government cofinancing USD</b>	<b>Total USD</b>
<b>Receivable as at 31.12.2014</b>	-	-	-
Granted	83,600,000	18,500,000	102,100,000
Received/refund	(21,949,766)	-	(21,949,766)
<b>Receivable as at 31.12.2015</b>	<b>61,650,234</b>	<b>18,500,000</b>	<b>80,150,234</b>

#### 4.5 USAID Grant

	<b>USAID Grant USD</b>	<b>Community Contribution USD</b>	<b>Total USD</b>
<b>Receivable as at 31.12.2014</b>	-	-	-
Granted	8,600,000	786,140	9,386,140
Received/refund	(22,000)	-	(22,000)
<b>Receivable as at 31.12.2015</b>	<b>8,578,000</b>	<b>786,140</b>	<b>9,364,140</b>

## 5. Advances

Project	As at 31.12.2015 USD	As at 31.12.2014 USD
ASIF III (b)	4,953	44,866
SILD	379,850	-
	<b>384,803</b>	<b>44,866</b>

- (a) The advances are mainly result from prepayments to contractors up to 20% on construction contracts secured with relevant bank guarantees.
- (b) The balance represents refundable amounts on Civil work defects.

## 6. Cash

	Currency	As at 31.12.2015 USD	As at 31.12.2014 USD
<b>ASIF III</b>			
Designated account (IDA 5071-AM)	USD	-	630,538
Current accounts (a)	AMD	90,970	417,860
Cash on hand	AMD	-	114
		<b>90,970</b>	<b>1,048,512</b>
<b>SDC Grant</b>			
SDC Grant	CHF	-	13,808
		<b>-</b>	<b>13,808</b>
<b>SILD</b>			
Designated account (IBRD 8283-AM)	USD	52,841	-
Government of RoA	AMD	71,657	-
Community contribution account	AMD	196,246	-
Sponsors contribution account	AMD	72,671	-
Cash on hand	AMD	87	-
		<b>393,502</b>	<b>-</b>
<b>SSIP</b>			
Designated account (ADB 3284-ARM)	USD	21,949,766	-
		<b>21,949,766</b>	<b>-</b>
<b>USAID Grant</b>			
Grant account	USD	15,309	-
		<b>15,309</b>	<b>-</b>
Other accounts	AMD	2,498	4,686
		<b>22,452,045</b>	<b>1,067,006</b>

- (a) Current account of ASIF III mostly consist of Community Contribution funds balances (35,911 USD) to cover ASIF III Civil works' retention (Note 9) and accrued interest (55,059 USD).

## 7. Founders' contribution

The Government of the Republic of Armenia is the sole founder of ATDF. The Founder contributed Property and Equipment with the valued amount of USD 151,631. Those assets were fully depreciated as at 31 December 2006.



## 8. Government grants

Mostly relates to received grants for implementation of projects by ATDF.

	For the year ended 31 Dec 2015					
	ASIF III USD	SDC Grant USD	SILD USD	SSIP USD	USAID Grant USD	Total USD
<b>Opening balance</b>	<b>865,763</b>	<b>255,230</b>	-	-	-	<b>1,120,993</b>
Grants received	-	-	43,000,000	102,100,000	9,386,140	<b>154,486,140</b>
Other increase/(decrease)	(49,865)	-	-	-	-	<b>(49,865)</b>
Revaluation	-	8,332	-	-	-	<b>8,332</b>
Income corresponding to compensated costs	(786,400)	(238,797)	(1,002,927)	-	(2,413)	<b>(2,030,537)</b>
<b>Closing balance</b>	<b>29,498</b>	<b>24,765</b>	<b>41,997,073</b>	<b>102,100,000</b>	<b>9,383,727</b>	<b>153,535,063</b>

	For the year ended 31 Dec 2014		
	ASIF III USD	SDC Grant USD	Total USD
<b>Opening balance</b>	<b>5,155,841</b>	-	<b>5,155,841</b>
Grants received	-	303,000	303,000
Other increase/(decrease)	568,886	(18,379)	550,507
Revaluation	(37,138)	7,273	(29,865)
Income corresponding to compensated costs	(4,821,826)	(36,664)	(4,858,490)
<b>Closing balance</b>	<b>865,763</b>	<b>255,230</b>	<b>1,120,993</b>

## 9. Accounts payable

	As at 31.12.2015 USD	As at 31.12.2014 USD
ASIF III		
<i>Works (a)</i>	47,957	258,085
<i>Payables on interest accrued</i>	62,199	61,891
	110,156	319,976
SILD (a)	6,446	-
Other payables	15	-
	<b>116,617</b>	<b>319,976</b>

(a) Retentions of 5% on ASIF III project and 2.5% on SILD project are held from the completed service invoice for up to one year as guaranty for the quality of the work.

## 10. Cost of the Projects

	Year ended 31 Dec 2015					
	ASIF III USD	SDC Grant USD	SILD USD	SSIP USD	USAID Grant USD	Total USD
Works	510,996	-	128,924	-	-	<b>639,920</b>
Goods	217,123	-	-	-	-	<b>217,123</b>
Consultants' services and Training	34,326	235,497	210,066	-	1,331	<b>481,220</b>
Operating costs	18,575	-	586,874	-	-	<b>605,449</b>
Depreciation of PPE	5,380	3,300	2,063	-	1,082	<b>11,825</b>
Front-end fee	-	-	75,000	-	-	<b>75,000</b>
<b>Total</b>	<b>786,400</b>	<b>238,797</b>	<b>1,002,927</b>	<b>-</b>	<b>2,413</b>	<b>2,030,537</b>

	Year ended 31 Dec 2014		
	ASIF III USD	SDC Grant USD	Total USD
Works	3,681,276	-	3,681,276
Goods	334,167	-	334,167
Consultants' services and Training	210,347	36,664	247,011
Operating costs	584,607	-	584,607
Depreciation of PPE	11,429	-	11,429
<b>Total</b>	<b>4,821,826</b>	<b>36,664</b>	<b>4,858,490</b>

## 11. Cash Flows

	For the year ended 31 Dec 2015						
	ASIF III	SDC Grant	SILD	SSIP	USAID Grant	ATDF other	Total
	USD	USD	USD	USD	USD	USD	USD
<b>Funds received/ (returned)</b>	<b>(41,132)</b>	<b>234,589</b>	<b>1,782,415</b>	<b>21,949,766</b>	<b>22,000</b>	<b>-</b>	<b>23,947,638</b>
Loan/Credit/Grant	(36,762)	234,589	945,219	21,949,766	22,000	-	23,114,812
RA Government	8,596	-	531,488	-	-	-	540,084
Community Contributions	(12,966)	-	232,424	-	-	-	219,458
Other Sponsors	-	-	73,284	-	-	-	73,284
<b>Expenditures on Projects</b>	<b>(913,097)</b>	<b>(252,006)</b>	<b>(1,384,497)</b>	<b>-</b>	<b>(6,691)</b>	<b>(334)</b>	<b>(2,556,625)</b>
Works	(643,071)	-	(502,328)	-	-	-	(1,145,399)
Goods	(217,123)	(16,510)	(8,975)	-	(5,360)	-	(247,968)
Consultant Services and Training	(34,328)	(235,496)	(210,065)	-	(1,331)	-	(481,220)
Operating Costs	(18,575)	-	(588,129)	-	-	(334)	(607,038)
Front-end fee	-	-	(75,000)	-	-	-	(75,000)
Other operating cash flows (net)	2,101	1,749	17	-	-	(1,841)	<b>2,026</b>
Foreign currency gain/(loss)	(5,415)	1,860	(4,433)	-	-	(12)	<b>(8,000)</b>
<b>Net cash result</b>	<b>(957,543)</b>	<b>(13,808)</b>	<b>393,502</b>	<b>21,949,766</b>	<b>15,309</b>	<b>(2,187)</b>	<b>21,385,039</b>
<b>Opening cash balance</b>	<b>1,048,513</b>	<b>13,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,685</b>	<b>1,067,006</b>
<b>Closing cash balance</b>	<b>90,970</b>	<b>-</b>	<b>393,502</b>	<b>21,949,766</b>	<b>15,309</b>	<b>2,498</b>	<b>22,452,045</b>

	For the year ended 31 Dec 2014			
	ASIF III	SDC Grant	ATDF other	Total
	USD	USD	USD	USD
<b>Funds received/ (returned)</b>	<b>4,689,006</b>	<b>68,851</b>	<b>-</b>	<b>4,757,857</b>
Loan/Credit/Grant	3,648,663	68,851	-	3,717,514
RA Government	791,649	-	-	791,649
Community Contributions	116,652	-	-	116,652
Other Sponsors	132,042	-	-	132,042
<b>Expenditures on Projects</b>	<b>(4,734,720)</b>	<b>(36,664)</b>	<b>(2,231)</b>	<b>(4,773,615)</b>
Works	(3,604,072)	-	-	(3,604,072)
Goods	(336,160)	-	-	(336,160)
Consultant Services and Training	(209,880)	(36,664)	(1,915)	(248,459)
Operating Costs	(584,608)	-	(316)	(584,924)
Other operating cash flows (net)	21,078	-	-	<b>21,078</b>
Foreign currency gain/(loss)	(78,727)	(18,379)	(783)	<b>(97,889)</b>
<b>Net cash result</b>	<b>(103,363)</b>	<b>13,808</b>	<b>(3,014)</b>	<b>(92,569)</b>
<b>Opening cash balance</b>	<b>1,151,876</b>	<b>-</b>	<b>7,699</b>	<b>1,159,575</b>
<b>Closing cash balance</b>	<b>1,048,513</b>	<b>13,808</b>	<b>4,685</b>	<b>1,067,006</b>

## 12. Taxes

Applicable taxes are paid in accordance with tax regulations of the Republic of Armenia.

Income tax rate in the Republic of Armenia is 20%.

## 13. Litigations

No claims were received against the ASIF as at reporting date and date of signing these financial statements.