



**“Third Village Investment Project”
Grant No. D041-KG,
Credit No. 5601-KG**

The project financial statements
for the period from January 1 to July 30, 2022 and
the grace period from July 31 to November 30, 2022

and independent auditor’s report

**THIRD VILLAGE INVESTMENT PROJECT
GRANT NO. D041-KG, CREDIT NO. 5601-KG**

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**THIRD VILLAGE INVESTMENT PROJECT
GRANT NO. D041-KG, CREDIT NO. 5601-KG**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF
THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1 TO JULY 30, 2022
AND THE GRACE PERIOD FROM JULY 31 TO NOVEMBER 30, 2022**

The following statement, which should be read in conjunction with the independent auditor's responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditor in relation to the project financial statements of the "Third Village Investment Project", Credit No. 5601-KG and Grant No. D041-KG (the "Project").

Management of the Project is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the period from January 1 to July 30, 2022 and the grace period from July 31 to November 30, 2022 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

In preparing the project financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statements; and
- preparing the project financial statements on the assumption that the Project will be implemented in accordance with the established period.

Management of the Project is also responsible for:

- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the project financial position, and which enable them to ensure that the project financial statements comply with IPSAS and WB Guidelines;
- keeping accounting in compliance with laws and regulations of the Kyrgyz Republic, and the requirements of the Project Operational Manual and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud, error and other irregularities.

The project financial statements for the period from January 1 to July 30, 2022 and the grace period from July 31 to November 30, 2022 were approved and authorized for issue on January 30, 2023 by the management of the Project.

On behalf of the Management:


Naspekov M.
Executive Director of ARIS

January 30, 2023
Bishkek, the Kyrgyz Republic




Stalbek uulu B.
Acting Financial Manager of ARIS

January 30, 2023
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Management of the Project "Third Village Investment Project" under the Community Development and Investment Agency:

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the "Third Village Investment Project" (the "Project") which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the period from January 1 to July 30, 2022 and the grace period from July 31 to November 30, 2022, and a summary of significant accounting policies and other explanatory information (the "project financial statements").

In our opinion, the accompanying project financial statements present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts of the project for the period from January 1 to July 30, 2022 and the grace period from July 31 to November 30, 2022 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the project financial statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the project financial statements, which describe the basis of accounting. These project financial statements were prepared for complying with the appropriate World Bank Guidelines and Financing agreement requirements. These circumstances do not lead to modification of the auditor's opinion.

Other matter

The project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result, the project financial statements may not be suitable for another purpose.

Responsibilities of management and those charged with governance for the project financial statements

Management is responsible for the preparation and fair presentation of these project financial statements in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of the project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the project financial statements

Our objectives are to obtain reasonable assurance about whether these project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 project financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project 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 Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the project 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 auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project 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.



Kubat Alymkulov

Certified accountant, FCCA
Certificate of auditor of the Kyrgyz Republic
No. A 0069 dated October 19, 2009
Audit Partner,
Director

Umet Daletbaev

Certificate of auditor of the Kyrgyz Republic
No. AD0024 dated December 23, 2021
Audit Partner

Baker Tilly Bishkek LLC,
License Series A No. 0049 dated July 1, 2011 issued by the State Committee on Review and Regulation of
the financial market of the Kyrgyz Republic

January 30, 2023
Bishkek, the Kyrgyz Republic

**“THIRD VILLAGE INVESTMENT PROJECT”
GRANT NO. D041-KG, CREDIT NO. 5601-KG**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID
FOR THE PERIOD FROM JANUARY 1 TO JULY 30, 2022 AND
THE GRACE PERIOD FROM JULY 31 TO NOVEMBER 30, 2022
(in US dollars)**

	Notes	The grace period from July 31 to November 30, 2022	For the period from January 1 to July 30, 2022	For the year ended December 31, 2021	Cumulative
Opening balance	4	419,500	700,724	474,399	-
Funds received					
Grant No. D041-KG	5	-	(9,780)	-	5,405,028
Credit No. 5601-KG	5	-	1,388,205	3,697,008	6,585,146
Contributions of communities	5	-	160,782	431,216	1,360,191
Total funds received		-	1,539,207	4,128,224	13,350,365
Other income	6	2,100	8,290	17,906	81,243
Total receipts		2,100	1,547,497	4,146,130	13,431,608
Expenses					
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training and Operating costs under the Project and Resettlement Compensation under Part 2(b) of the Project	7	401,711	1,806,112	3,919,750	13,360,365
Total expenses		401,711	1,806,112	3,919,750	13,360,365
Other expenses	8	10,369	22,609	55	61,723
Closing balance	4	9,520	419,500	700,724	9,520

On behalf of the Management:


Naspekov M.
Executive Director of ARIS

January 30, 2023
Bishkek, the Kyrgyz Republic




Stalbek uulu B.
Acting Financial Manager of ARIS

January 30, 2023
Bishkek, the Kyrgyz Republic

The notes on pages 7-15 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“THIRD VILLAGE INVESTMENT PROJECT”
GRANT NO. D041-KG, CREDIT NO. 5601-KG**

**SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS
FOR THE PERIOD FROM JANUARY 1 TO JULY 30, 2022 AND
THE GRACE PERIOD FROM JULY 31 TO NOVEMBER 30, 2022
(in US dollars)**

	The grace period from July 31 to November 30, 2022	For the period from January 1 to July 30, 2022	For the year ended December 31, 2021	Cumulative
Part 1. Capacity Building	75,326	186,363	340,110	2,048,259
Consultants' services	45,850	122,539	170,349	1,385,158
Training	21,139	37,223	164,629	609,086
Goods	8,337	26,601	5,132	54,015
Part 2. Village Investment	316,711	1,402,516	3,350,386	9,915,906
Sub-Grants for implementing Sub-projects	274,594	882,834	2,636,964	6,910,131
Expenses from funds of IDA	274,594	784,396	2,302,381	5,953,023
Expenses from funds of Communities Contribution	-	98,438	334,583	957,108
Small Grants for implementing Micro-projects	20,924	399,073	512,637	2,243,897
Expenses from funds of IDA	20,924	336,728	416,003	1,840,813
Expenses from funds of Communities Contribution	-	62,345	96,634	403,084
Resettlement Compensation	-	-	-	-
Consultants' services	21,193	120,609	200,785	761,878
Part 3. Project management	9,674	217,233	229,254	1,396,200
Operating Costs	154	147,630	217,288	1,246,627
Audit	9,520	-	6,295	32,676
Goods	-	69,603	5,671	113,140
Training	-	-	-	3,757
	<u>401,711</u>	<u>1,806,112</u>	<u>3,919,750</u>	<u>13,360,365</u>

On behalf of the Management:


Naspekov M.
Executive Director of ARIS

January 30, 2023
Bishkek, the Kyrgyz Republic




Stalbek uulu B.
Acting Financial Manager of ARIS

January 30, 2023
Bishkek, the Kyrgyz Republic

The notes on pages 7-15 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“THIRD VILLAGE INVESTMENT PROJECT”
GRANT NO. D041-KG, CREDIT NO. 5601-KG**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO JULY 30, 2022 AND
THE GRACE PERIOD FROM JULY 31 TO NOVEMBER 30, 2022
(in US dollars)**

1. GENERAL INFORMATION

According to the Financing agreement between the Kyrgyz Republic and International Development Association (the “IDA”) signed on June 12, 2015, the IDA provided Grant No. D041-KG in the amount of 3,900,000 Special Drawing Rights and Credit No. 5601-KG in the amount of 4,700,000 Special Drawing Rights to the Kyrgyz Republic.

The Grant and the Credit were provided for implementation of the Project “Third Village Investment Project” (the “Project”).

Project purpose

The objectives of the Project are: to increase access to more affordable internet; to crowd-in private investment in the Information and Communication technology (the “ICT”) sector; and to improve the Kyrgyz Republic’s capacity to deliver digital government services, by contributing to the development of a regionally integrated digital infrastructure and enabling environment.

The Project comprises the following parts:

Part 1: Capacity building;

Part 2: Regional datacenters, digital platforms and smart solutions;

Part 3: Project management.

Part 1: Capacity building

Carrying out capacity building activities for local communities and local government institutions in participatory local governance and development planning, including: (a) mobilizing communities, concluding communities needs and resources assessment and developing Local Investment Plans; and (b) carrying out peer-to-peer learning and social cohesion activities in various communities, all through provision of goods, consultants’ services, and Training.

Part 2: Village investments

The Project has two funding options::

(i) Sub-grants for the implementation of sub-projects (SB) included in the relevant Local Investment Plan and worth at least 20,000 US dollars or more; and

(ii) Small grants for the implementation of micro-projects (MP) or combined micro-projects included in the relevant Local Investment Plan, worth less than 20,000 US dollars.

Part 3: Project management

Carrying out of the Project management activities including Project audits, provision of Training to the Project Implementing Entity’s staff on Project management, monitoring and evaluation, and the financing of Operating Costs.

Project management

The Project is implemented by the Community Development and Investment Agency (the "ARIS").

The Financing Agreement entered into force on June 12, 2015. The initial duration of the Project was set until November 30, 2020. Initially, according to the IDA letter dated March 10, 2020, the Project validity period was extended until November 30, 2021.

On April 27, 2021, the Project validity period was extended until July 30, 2022, according to the IDA letter. The grace period for submitting withdrawal requests for expenses incurred before the closing date is 4 months after the closing date – November 30, 2022.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of preparation

These project financial statements have been prepared in accordance with the International Public Sector Accounting Standard (the "IPSAS") "Financial Reporting under the Cash Basis of Accounting" issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received or provided.

The Project's approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented in these project financial statements.

These project financial statements consist of:

- Summary of funds received and expenditures paid;
- Summary of expenditures paid by project parts;
- Notes to the project financial statements, including short description of main statements of accounting policy and other descriptive notes.

The reporting currency of these project financial statements is US dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The project financial statements are prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid. The project financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the project financial statements is balances of cash and changes therein.

Foreign currency

Operations in foreign currency initially are counted in functional currency using the currency exchange rate settled by commercial bank on a date of operation.

Funds received are translated into US dollars at official exchange rate of Special Drawing Rights (the "SDR") at the date of funds receipt.

All payments made in local currency are translated into US dollars at the official exchange rate defined by serving commercial bank at the date of transaction.

Monetary assets and liabilities expressed in foreign and national currencies are converted to functional currency at official exchange rate on a date settled by the commercial bank.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term.

Taxes

Calculation and payment of personal income tax and social security contributions from income of staff and consultants for the Social Fund of the Kyrgyz Republic is made in accordance with the requirements and rates of the Tax Code of the Kyrgyz Republic and relevant legislation of the Kyrgyz Republic.

Project expenses

The expenses are recorded in the period when they were actually paid.

Sources of funds

The funds were provided by the IDA to the Project by initial deposit and replenishment of designated account.

Community contribution for the period from January 1 to July 30, 2022 is contribution in cash.

Other income

Other income represents interest income accrued by the serving commercial bank on the outstanding balances of cash on designated account and income from tender documents.

Other expenses

Other expenses comprise payments for bank services on interest accounts and return of interest income to Ministry of Finance of the Kyrgyz Republic.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at November 30, 2022, July 30, 2022 and December 31, 2021 are presented as follows:

	Currency	November 30, 2022	July 30, 2022	December 31, 2021
Credit No.5601-KG				
Escrow account	US dollar	9,520	-	-
Designated account	US dollar	-	410,659	678,093
Transit account	Kyrgyz som	-	572	43
Other				
Interest account	US dollar	-	8,269	22,588
		<u>9,520</u>	<u>419,500</u>	<u>700,724</u>

ARIS opened an escrow account in RSK Bank OJSC (the "Bank") on November 21, 2022. In accordance with the Escrow agreement, ARIS gives its consent to the Bank to direct acceptance-free debit of 9,520 US dollars from the escrow account to account of Baker Tilly Bishkek LLC as a payment for the audit services provided. The escrow account expires on May 30, 2023.

5. FUNDS RECEIVED

The funds received were provided by the following methods and sources of financing:

	The grace period from July 31 to November 30, 2022	For the period from January 1 to July 30, 2022	For the year ended December 31, 2021	Cumulative
Grant No. D041-KG				
Initial deposit	-	-	-	1,000,000
Replenishment of designated account ("DA")	-	-	-	4,414,808
Refund to IDA	-	(9,780)	-	(9,780)
	<u>-</u>	<u>(9,780)</u>	<u>-</u>	<u>5,405,028</u>
Credit No. 5601-KG				
Initial deposit	-	-	-	999,988
Replenishment of designated account ("DA")	-	1,388,205	3,697,008	5,585,158
	<u>-</u>	<u>1,388,205</u>	<u>3,697,008</u>	<u>6,585,146</u>
Contributions of communities				
Contribution in cash	-	160,782	431,216	1,360,191
	<u>-</u>	<u>160,782</u>	<u>431,216</u>	<u>1,360,191</u>
	<u>-</u>	<u>1,539,207</u>	<u>4,128,224</u>	<u>13,350,365</u>

On July 13, 2022, ARIS refunded to IDA 9,780 US dollars under Grant No. D041-KG disbursed for implementation of the micro-project "Overhaul of the heating system and boiler of the House of Culture of Baizak village" (Notes 7 and 10).

6. OTHER INCOME

Other income of the Project comprises the following:

	The grace period from July 31 to November 30, 2022	For the period from January 1 to July 30, 2022	For the year ended December 31, 2021	Cumulative
Interest income	2,100	8,290	17,906	72,778
Tender documents	-	-	-	8,465
	<u>2,100</u>	<u>8,290</u>	<u>17,906</u>	<u>81,243</u>

7. PROJECT EXPENSES

The breakdown of Project expenses by sources of financing and nature is presented as follows:

	The grace period from July 31 to November 30, 2022		For the period from January 1 to July 30, 2022		Contributions of communities
	Grant	Credit	Grant	Credit	
	No. D041-KG	No. 5601-KG	No. D041-KG	No. 5601-KG	
Sub-Grants	-	274,594	-	784,395	98,438
Small Grants	-	20,924	(9,664)	346,392	62,345
Consultants' services	-	67,043	-	243,148	-
Operating Costs	-	9,674	(116)	147,747	-
<i>Salary and related taxes</i>	-	(23)	-	126,608	-
<i>Travel expenses</i>	-	69	(116)	4,041	-
<i>Maintenance of vehicles and fuel</i>	-	-	-	9,060	-
<i>Audit</i>	-	9,520	-	-	-
<i>Communication, Internet, Mail</i>	-	-	-	1,409	-
<i>Equipment maintenance</i>	-	-	-	448	-
<i>Building security system</i>	-	-	-	1,447	-
<i>Office supplies and supplies</i>	-	-	-	1,040	-
<i>Utilities</i>	-	108	-	891	-
<i>Publication, advertising, printing, forwarding of documents</i>	-	-	-	368	-
<i>Office maintenance, renovation and rent payment</i>	-	-	-	966	-
<i>Other</i>	-	-	-	1,469	-
Goods	-	8,337	-	96,204	-
Training	-	21,139	-	37,223	-
	-	401,711	(9,780)	1,655,109	160,783

Under the Project implementation in 2016 in Baizak Aiyl Aimak of Zhungal district of Naryn region a micro-project "Overhaul of the heating system and boiler house of the House of Culture of Baizak village" was selected. A Framework Agreement between ARIS and local authorities of Baizak Aiyl Aimak was concluded to finance this micro-project on June 16, 2016. Due to the identified irregularities, the micro-project was suspended. The World Bank in the Kyrgyz Republic decided to refund the micro-project funds in the amount of 9,780 US dollars. On May 26, 2022 this amount was returned to the Project.

	For the year ended December 31, 2021			Cumulative		
	Grant No. D041-KG	Credit No. 5601-KG	Other	Grant No. D041-KG	Credit No. 5601-KG	Other
Sub-Grants	-	2,302,381	334,583	2,065,395	3,887,628	957,109
Small Grants	-	416,003	96,634	835,171	1,005,642	403,084
Consultants' services	161	370,973	-	1,244,631	897,763	4,641
Operating Costs	474	223,110	-	825,267	439,169	14,867
<i>Salary and related taxes</i>	-	187,067	-	694,862	365,572	-
<i>Travel expenses</i>	-	6,058	-	32,506	10,803	308
<i>Maintenance of vehicles and fuel</i>	28	10,073	-	32,247	20,530	-
<i>Audit</i>	-	6,295	-	16,934	15,815	-
<i>Communication, Internet, Mail</i>	59	2,363	-	8,479	4,787	-
<i>Equipment maintenance</i>	92	1,967	-	5,654	2,726	-
<i>Building security system</i>	236	1,634	-	5,619	3,604	-
<i>Office supplies and supplies</i>	59	691	-	5,505	2,610	2,180
<i>Utilities</i>	-	4,001	-	5,130	5,375	-
<i>Publication, advertising, printing, forwarding of documents</i>	-	1,620	-	4,541	3,237	6,221
<i>Office maintenance, renovation and rent payment</i>	-	1,288	-	4,022	2,507	2,294
<i>Other</i>	-	53	-	9,768	1,603	3,864
Training	113	164,515	-	382,970	229,873	-
Goods	-	10,803	-	51,604	115,551	-
	<u>748</u>	<u>3,487,785</u>	<u>431,217</u>	<u>5,405,038</u>	<u>6,575,626</u>	<u>1,379,701</u>

8. OTHER EXPENSES

Other expenses comprise the following:

	The grace period from July 31 to November 30, 2022	For the period from January 1 to July 30, 2022	For the year ended December 31, 2021	Cumulative
Transfer of interest income to Ministry of Finance of the Kyrgyz Republic	10,326	22,551	-	59,971
Bank services	43	58	55	1,752
	<u>10,369</u>	<u>22,609</u>	<u>55</u>	<u>61,723</u>

9. FINANCIAL POSITION

Financial position as at November 30, 2022, July 30, 2022 and December 31, 2021 is as follows:

	November 30, 2022	July 30, 2022	December 31, 2021
ASSETS AND EXPENSES			
Cash and cash equivalents	9,520	419,500	700,724
Cumulative expenses	13,360,365	12,958,654	11,152,542
Other expenses	61,723	51,354	28,745
TOTAL ASSETS AND EXPENSES	<u>13,431,608</u>	<u>13,429,508</u>	<u>11,882,011</u>
FINANCING			
Funds received	11,990,174	11,990,174	10,611,749
Contributions of communities	1,360,191	1,360,191	1,199,409
Other income	81,243	79,143	70,853
TOTAL FINANCING	<u>13,431,608</u>	<u>13,429,508</u>	<u>11,882,011</u>

10. WITHDRAWAL APPLICATIONS

There were no any withdrawal applications for financing for the grace period from July 31 to November 30, 2022.

Withdrawal applications for the period from January 1 to July 30, 2022 comprise:

Application	Date	Initial deposit	Replenishment of designated account	Refund to IDA	Total
Grant No. D041-KG					
Ran :RN000000386744	July 13, 2022	-	-	(9,664)	(9,664)
Ran :RN000000400137	July 13, 2022	-	-	(116)	(116)
		-	-	(9,780)	(9,780)
Credit No. 5601-KG					
11	March 3, 2022	-	500,186	-	500,186
12	May 6, 2022	-	291,139	-	291,139
13A	June 27, 2022	-	377,387	-	377,387
14	June 29, 2022	-	219,493	-	219,493
		-	1,388,205	-	1,388,205

Withdrawal applications for the year ended December 31, 2021 comprise:

Credit No. 5601-KG

Application	Date	Initial deposit	Replenishment of designated account	Total
5	March 23, 2021	-	777,064	777,064
6	May 7, 2021	-	544,274	544,274
7	June 25, 2021	-	765,306	765,306
8	September 17, 2021	-	800,000	800,000
9	October 13, 2021	-	479,252	479,252
10AA	December 7, 2021	-	331,112	331,112
		-	3,697,008	3,697,008

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2021, for the period from January 1 to July 30, 2022 and the grace period from July 31 to November 30, 2022 comprises:

Source of financing	Grant No. D041-KG	Credit No. 5601-KG	Total
Bank	RSK Bank OJSC		
Bank account	1299003250021391	1299003250021593	
Currency	US dollar	US dollar	
Bank's location	80/1 Moskovskaya str., Bishkek, the Kyrgyz Republic		
Balance as at January 1, 2021	748	468,914	469,662
Initial deposit	-	-	-
Replenishment of designated account	-	3,696,827	3,696,827
Total funds received	-	3,696,827	3,696,827
Expenses paid	748	5,670	6,418
Transfer to transit account	-	3,481,935	3,481,935
Balance as at December 31, 2021	-	678,136	678,136
Initial deposit	-	-	-
Replenishment of designated account	-	1,388,085	1,388,085
Total funds received	-	1,388,085	1,388,085
Transfer to transit account	-	2,056,701	2,056,701
Refund of expenses	(9,780)	-	(9,780)
Refund to IDA	9,780	-	9,780
Balance as at July 30, 2022	-	9,520	9,520
Transfer to escrow account	-	9,520	9,520
Balance as at November 30, 2022	-	-	-

12. UNDRAWN FUNDS

Undrawn funds as at November 30, 2022 are presented as follows:

	Grant No. D041-KG <i>in SDR</i>	Credit No. 5601-KG <i>in SDR</i>
Approved amount of financing	3,900,000	4,700,000
Disbursed during the period from June 12, 2015 to November 30, 2022	<u>3,892,149</u>	<u>4,700,000</u>
Undrawn amount as at November 30, 2022	<u>7,851</u>	<u>-</u>
Funds received as at January 1, 2022	3,899,603	3,676,649
Disbursed/(refunded) during the period from January 1 to July 30, 2022	(7,454)	1,023,351
Disbursed during the grace period from July 31 to November 30, 2022	<u>-</u>	<u>-</u>
Funds received as at November 30, 2022	<u>3,892,149</u>	<u>4,700,000</u>

13. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan. As at November 30, 2022 the Project has commitments for audit services to Baker Tilly Bishkek LLC. ARIS opened an escrow account in RSK Bank OJSC (the "Bank") on November 21, 2022. In accordance with the Escrow agreement, ARIS gives its consent to the Bank to direct acceptance-free debit of 9,520 US dollars from the escrow account to account of Baker Tilly Bishkek LLC as a payment for the audit services provided (Note 4).

14. GOING CONCERN

The period of duration of the Project was completed on July 30, 2022 and the grace period on November 30, 2022.

15. LEGAL CASES

There were no any legal claims related to the Project.

16. EVENTS AFTER THE REPORTING DATE

As at the date of issue of the project financial statement no significant events or transactions occurred which should be disclosed in the project financial statement.



Baker Tilly Bishkek LLC trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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