

THIRD VILLAGE INVESTMENT PROJECT

**IDA CREDIT NUMBER 5601-KG
IDA GRANT NUMBER D041-KG**

**IMPLEMENTED BY
COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY**

SPECIAL PURPOSE FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2019

**BISHKEK
March 2020**

THIRD VILLAGE INVESTMENT PROJECT

IDA CREDIT NUMBER 5601-KG

IDA GRANT NUMBER D041-KG

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STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND PRESENTATION OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

The management of the Community Development and Investment Agency (hereinafter: ARIS) is responsible for the preparation of the special purpose financial statements of “Third Village Investment Project” (hereafter: the Project) financed by Financing Agreement IDA Credit Number 5601-KG and IDA Grant Number D041-KG dated 12 June 2015 that present fairly the Project’s cash receipts and payments, and expenditures per components for the year ended 31 December 2019, in accordance with the International Public Sector Accounting Standard “Financial Reporting under the Cash Basis of Accounting” (IPSAS-Cash Basis) issued by the International Public Sector Accounting Standards Board (IPSASB) within the International Federation of Accountants (IFAC) and the Financial Management Manual for World Bank Financed Investment Operations (WB Guidelines).

In preparing the special purpose financial statements, ARIS’s management is responsible for:

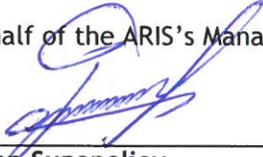
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional required disclosures for the year ended 31 December 2019.

ARIS’s Management is also responsible for:

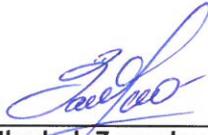
- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Project;
- Maintaining adequate accounting records that are sufficient to show and explain the Project’s transactions, and which enable them to ensure that the special purpose financial statements of the Project comply with *IPSAS - Cash Basis* and the *WB Guidelines*;
- Taking such steps that are reasonably available to them to safeguard the assets of the Project and to affirm that funds received have been used in accordance with the Financing Agreement IDA Credit Number 5601-KG and IDA Grant Number D041-KG dated 12 June 2015, and World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided; and
- Preventing and detecting fraud and other errors.

The special purpose financial statements for the year ended 31 December 2019 were authorized for issue on 25 March 2020 by the ARIS’s Management.

On behalf of the ARIS’s Management:


Bekzhan Supanaliev
Executive Director




Ulanbek Zaynalov
Financial Manager

INDEPENDENT AUDITOR'S REPORT

To the management of the Community Development and Investment Agency

Opinion

We have audited the special purpose financial statements of "Third Village Investment Project" ("Project") financed by Financing Agreement IDA Credit Number 5601-KG and IDA Grant Number D041-KG dated 12 June 2015 ("Financing Agreement"), and implemented by Community Development and Investment Agency ("ARIS"), which comprise the statement of cash receipts and payments and the statement of expenditures per components for the year ended 31 December 2019, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash flows for the year ended 31 December 2019 in accordance with International Public Sector Accounting Standard: *Financial Reporting Under the Cash Basis of Accounting, (IPSAS-Cash Basis)*.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Project and of the ARIS in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled out other ethical requirements in accordance with 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- Cash Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes that financial statements are prepared in accordance with cash basis framework, as a result, they may not be suitable for another purposes. Our opinion is not modified in respect of this matter.

Emphasis of Matter-Slow progress of the Project implementation

Without qualifying our opinion, we draw your attention to Note 7.2 of these special purpose financial statements disclosing slow progress in the Project implementation.

Responsibilities of the Management for the Financial Statements

Management of the ARIS is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with IPSAS-Cash Basis issued by the International Public Sector Accounting Standards Board (IPSASB) of the IFAC and Financial Management Manual for World Bank Financed Investment Operations ("WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 high level of assurance, but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements arise from fraud and 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 special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

Report on Other Legal Requirements

To comply with the terms of the Financing Agreement, the ARIS management shall insure that:

1. funds have been used in accordance with the conditions of the Financing Agreement concluded between the International Development Association (IDA) and the Kyrgyz Republic, and WB Guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
2. supporting documents, records and accounts have been maintained to support claims for reimbursement of expenditures incurred. Expenditures included in the withdrawal applications and reimbursed against are eligible for financing under the Financing Agreement; Interim Unaudited Financial Statements (IFSs) issued by ARIS during the reporting year are in agreement with the underlying books of account;
3. The Designated account used has been maintained in accordance with the provision of the Financing Agreement, and World Bank related guidelines;
4. Goods and Services financed have been procured in accordance with the Financing Agreement and World Bank related guidelines.

In our opinion, the ARIS management has complied with the above requirements for the year ended 31 December 2019.

“BDO Armenia” CJSC
25 March 2020



Gnel Khachatryan, FCCA
Engagement Partner



Third Village Investment Project
 IDA Credit Number 5601-KG
 IDA Grant Number D041-KG

Statement of cash receipts and payments

For the year ended 31 December 2019
 (Amounts are shown in US dollars)

	Note	Actual		Budget		Variance	
		Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019
TOTAL OPENING CASH		511,057	-				
Sources of Funds							
IDA Credit Number 5601-KG	8	-	-				
IDA Grant Number D041-KG		1,100,000	5,230,609				
Community contributions		13,966	536,088				
TOTAL FUNDS		1,113,966	5,766,697				
Other income	9	(11,550)	26,913				
Project Expenditures	7						
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project		878,213	5,057,278	1,100,000	5,279,066	(221,787)	(221,787)
TOTAL PROJECT EXPENDITURES		878,213	5,057,278	1,100,000	5,279,066	(221,787)	(221,787)

Other expenditures (bank charges)

469 1,541

TOTAL CLOSING CASH

734,791 734,791



[Signature]

Bekzhan Supanaliyev
 Executive Director

[Signature]

Ulanbek Zaynalov
 Financial Manager

25 March 2020

The notes on pages 8-16 form an integral part of these special purpose financial statements.

Third Village Investment Project
IDA Credit Number 5601-KG
IDA Grant Number D041-KG

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

Components	Actual		Planned		Variance	
	Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019
Part 1. Capacity Building	434,308	995,230	458,287	1,019,210	(23,979)	(23,979)
1.1. Consultants' services	304,623	712,663	310,987	719,027	(6,364)	(6,364)
1.2. Training	127,926	275,631	137,300	285,006	(9,374)	(9,374)
1.3. Goods	1,759	6,936	10,000	15,177	(8,241)	(8,241)
Part 2. Village Investments	137,997	3,319,657	320,730	3,502,390	(182,733)	(182,733)
2.1. Sub-Grants for implementing Sub-projects	28,738	2,390,297	92,750	2,454,309	(64,012)	(64,012)
From IDA funds	28,738	2,022,973	92,750	2,086,985	(64,012)	(64,012)
From Community funds	-	367,324	-	367,324	-	-
2.2. Small grants for implementing Micro-projects	68,360	734,967	171,580	838,188	(103,220)	(103,220)
From IDA funds	54,394	566,203	157,614	669,424	(103,220)	(103,220)
From Community funds	13,966	168,764	13,966	168,764	-	-
2.3. Resettlement Compensation	-	-	-	-	-	-
2.4. Consultants' services	40,899	194,393	56,400	209,893	(15,501)	(15,501)
Part 3. Project management	305,908	742,391	320,983	757,466	(15,075)	(15,075)
3.1. Operating costs	259,411	689,468	271,600	701,658	(12,189)	(12,189)
3.2. Audit	7,778	11,300	7,000	10,522	778	778
3.3. Goods	37,866	37,866	41,383	41,383	(3,517)	(3,517)
3.4. Training	853	3,757	1,000	3,903	(147)	(147)
TOTAL	878,213	5,057,278	1,100,000	5,279,066	(221,787)	(221,787)



Bekzhan Supanaliyev
Executive Director

Ulanbek Zaynalov
Financial Manager

25 March 2020

The notes on pages 8-16 form an integral part of these special purpose financial statements.

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

1. General information

1.1. The Project

The Financing Agreement IDA Credit Number 5601-KG and IDA Grant D041-KG was concluded on 12 June 2015 between the Kyrgyz Republic and the International Development Association (IDA), according to which IDA provided financing to the Kyrgyz Republic in the amount of 4,700,000 Special Drawing Rights (SDR) and 3,900,000 SDR, respectively.

The Financing Agreement became effective on 26 February 2016.

The financing was provided for the implementation of “Third Village Investment Project” (the Project).

The payment currency of both IDA Credit Number 5601-KG and IDA Grant D041-KG is United States dollars (USD).

The Closing date of both IDA Credit Number 5601-KG and IDA Grant D041-KG is set 30 November 2020.

The Grace Period for submitting withdrawal application for expenditures incurred before the Closing date is four months following the Closing date: 31 March 2021.

1.2. The Project objectives

The objective of this project is a) build local capacity for participatory development; and (b) improve access to quality community infrastructure services in targeted Project areas.

The Project consists of the following parts:

Part 1: Capacity Building

Carrying out capacity building activities for local communities and local government institutional in participatory local governance and development planning, including: (a) mobilizing communities, conducting communities’ needs and resources assessment and development 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

- (a) Provision of: (i) Sub-Grants for implementing Sub-projects; and (ii) Small Grants for implementing Micro-projects, to eligible *Ayil Okmotus*.
 - Each Sub-grant shall finance a Sub-project included in Local Investment Plan and costing \$20,000 or more;
 - Each Small grant shall finance a Micro-project or aggregated Micro-projects included in Local Investment Plan and costing less than \$20,000.
- (b) If applicable, financing of Resettlement Compensation with financing proceeds as set forth in the table in Section IV of Schedule 2 to this Agreement.

Part 3: Project Management

Carrying out of 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.

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

1.3. The Project outcomes

During reporting year 4,609 social mobilization activities were taken with 134K total participants, from which 60% were women.

During reporting year 159 trainings were conducted on capacity building with 5.K total participants, from which 80% were women.

During reporting year, realization of 14 sub-projects and 30 micro-projects were commenced.

As of 31 Dec 2019, the following grants were provided in four regions: Isikul, Naryn, Chui, Talas:

- 33 sub-grants;
- 62 micro-grants.

1.4. The Project Budget

The Project is financed by:

- IDA Credit Number 5601-KG
- IDA Grant D041-KG,
- Community contributions (in-cash) -not-less than 3.75% of the sub-grants and small grants provided to the beneficiary community;
- Other income (including mainly tender fees and interest accrued on bank accounts).

Category	IDA Credit Number 5601-KG		IDA Grant Number D041-KG		Community contributions	Total	IDA Grant/Credit Expenditure Financing (inclusive of taxes)
	SDR	USD equivalent (a)	SDR	USD equivalent (a)	USD equivalent	USD equivalent	%
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	4,700,000	6,499,301	3,900,000	5,417,642	296,553	12,213,496	100%
Total	4,700,000	6,499,301	3,900,000	5,417,642	296,553	12,213,496	

(a) The budget USD equivalents for IDA Credit Number 5601-KG and IDA Grant D041-KG, with underlying currency of SDR, is calculated based on cumulative funds received in USD plus, if any, USD equivalent of undisbursed funds in SDR as at reporting date. SDR/USD rate as at 31.12.2019 is set at 1.38283 (31.12.2018: 1.39079).

1.5. Project Implementation

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

The ARIS was established on 15 October 2003 according to the Kyrgyz President's Decree for operating control over the Projects financed by the World Bank. ARIS is an independent legal entity, and it is registered in the legal organizational form envisaged by the legislation of the Kyrgyz Republic for non-for-profit organizations.

Co-founders of ARIS are Administration of the President of the Kyrgyz Republic, association of legal entities "Association of local self-government bodies of villages and communities of the Kyrgyz

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

Republic” and “Counterpart-Sheriktesh” public association. The work of ARIS is supervised by the Supervisory Board, which is the superior steering body of ARIS.

The ARIS address is: 102 Bokonbayeva Street, Bishkek, the Kyrgyz Republic, 720040.

2. Summary of significant accounting policies

2.1. Preparation and presentation of financial statements

The special purpose financial statements are prepared in accordance with the International Public Sector Accounting Standard: *Financial Reporting Under the Cash Basis of Accounting* (IPSAS-Cash Basis), issued by the International Public Sector Accounting Standards Board (IPSASB) within the International Federation of Accountants (IFAC), and presented in accordance with Financial Management Manual for World Bank Financed Investment Operations (March 2010): RM 3 - Financial Reporting and Auditing.

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

2.2 Cash basis of accounting

Project financing is recognised as a source of project funds when the cash is received. Project expenditures are recognised as a use of project funds when the payments are made.

2.3 Reporting currency

The reporting currency of these special purpose financial statements is United States dollars (USD). The cofinancing received and expenditures made in local currency, Kyrgyz Som (KGS), are translated into USD based at the exchange rate prevailing at the date of the transaction as issued by the OJSC “RCK Bank” (“RCK”).

The exchange rate defined by the RCK is as follows:

31 December 2018:	USD 1 = 69.75 KGS.
31 December 2019:	USD 1 = 69.30 KGS.

2.4. Taxes

The taxes are paid in accordance with the tax regulation of the Kyrgyz Republic.

2.5. Budget

Expenditure budget is created based on actual accumulated expenditures for the last period plus the updated procurement plans for the Reporting year.

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

3. Summary of Summary Reports and SOEs

3.1. IDA Credit Number 5601-KG

During the reporting year, there were no Summary Reports or SOEs submitted to the WB by the ARIS related to IDA Credit Number 5601-KG.

3.2. IDA Grant Number H041-KG

Withdrawal application No	Withdrawal application value date	Disbursement categories	Total
		(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	
10	18-Jun-2019	601,475.74	601,475.74
11	26-Jun-2019	577,108.97	577,108.97
Total		1,178,584.71	1,178,584.71

4. Statement of Designated Accounts

Financing Agreement	IDA Credit Number 5601-KG	IDA Grant Number H041-KG
Bank account number	1299003250021593	1299003250021391
Bank	OJSC "RCK Bank"	
Bank location	Moskovskaya str. 80/1, Bishkek, Kyrgyz Republic	
Account currency	USD	USD

	IDA Credit Number 5601-KG	IDA Grant Number H041-KG	Total
For the year ended 31 Dec 2019			
	USD	USD	USD
1. Opening balance as at 01.01.2019	-	492,839	492,839
2. Add: opening discrepancy	-	74	74
3. IDA advance/replenishment	-	1,100,00	1,100,000
4. Less: Refund to IDA from DA	-	-	-
5. Present outstanding amount advanced to DA	-	1,592,913	1,592,912
6. DA closing balance as at 31.12.2019	-	728,927	728,927
7. Add: Amount of eligible expenditures paid	-	863,986	863,986
8. Less: interest earned (if credited to DA)	-	-	-
9. Total advance accounted for	-	1,592,913	1,592,912
10. Closing discrepancy (5)-(9)	-	-	-

(*) The Special account was transferred from OJSC "Eurasian Saving Bank" to OJSC "RCK Bank" following order dated 30.08.2018 of the Ministry of Finance of the Kyrgyz Republic.

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

5. Statement of Financial Position

The Statement of Financial Position discloses assets, liabilities and net assets of the Project as at reporting date. It is prepared in accrual basis that is transactions are recognized when they occur (and not only when cash is received or paid).

	Note	31 Dec 2019 USD	31 Dec 2018 USD
ASSETS			
Cash	6	734,791	511,057
Prepayments		-	-
Total assets		734,791	511,057
LIABILITIES			
Payables (a)		10,622	40,525
Total liabilities		10,622	40,525
NET ASSETS			
Cumulative income			
IDA Credit Number 5601-KG		-	-
IDA Grant D041-KG		5,230,609	4,130,608
Community contribution		536,088	522,122
Other income		26,913	38,463
		5,793,610	4,691,193
Cumulative expenses			
Project expenses		5,067,900	4,219,591
Other expenditures (bank charges)		1,541	1,070
		5,069,441	4,220,661
Total net assets		724,169	470,532

(a) As at 31 Dec 2019 payable consists of warranty amounts of 5% withhold from contractors' invoices for construction works related to Sub-projects (USD 7,462), and 2.5% for micro-projects (USD 3,160).

6. Cash

	Underlying Currency	31 Dec 2019 USD	31 Dec 2018 USD
IDA Credit Number 5601-KG			
Designated Account	USD	-	-
		-	-
IDA Grant D041-KG			
Designated Account	USD	728,927	492,839
Transit account	KGS	-	74
		728,927	492,913
Other			
Interest account	USD	5,862	18,144
Interest account	KGS	2	-
		5,864	18,144
		734,791	511,057

7. (*) All accounts were held at OJSC "Eurasian Saving Bank" (Bishkek, Kyrgyz Republic), then moved to OJSC "RCK Bank" (Bishkek, Kyrgyz Republic) following order dated 30.08.2018 of the Ministry of Finance of the Kyrgyz Republic.

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

8. Project Expenditures

8.1. Project expenditure financing per funds

USD

Category	Year ended 31 Dec 2019				
	IDA Credit Number 5601-KG	IDA Grant D041-KG	Community contribution	Other income	Total
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	-	863,986	13,966	261	878,213
Total	-	863,986	13,966	261	878,213

USD

Category	Cumulative as at 31 Dec 2019				
	IDA Credit Number 5601-KG	IDA Grant D041-KG	Community contribution	Other income	Total
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	-	4,501,682	536,088	19,508	5,057,278
Total	-	4,501,682	536,088	19,508	5,057,278

8.2. Project expenditure budget execution

Sub-Category	Cumulative Expenditures as at 31 Dec 2019	Total budget	Implementation
	USD	USD	%
Goods	44,801	243,810	18%
Works	-	-	-
Consulting Services	918,356	2,488,972	37%
Non-consulting Services	-	-	-
Training	279,388	902,843	31%
Sub-Grants	2,390,297	6,008,042	40%
Small Grants	734,967	1,511,044	49%
Operating costs	689,469	1,058,785	65%
Resettlement Compensation	-	-	-
Total	5,057,278	12,213,496	41%

(a) The Project became effective on 26 Feb 2016 and Closing Date is set on 30 Nov 2020. However, as of 31 Dec 2019, only 41% of the Project is implemented.

The Project was suspended from July 2017 to end of year 2018 due to control and organizational issues. The operations were actively restarted from 2019.

The main outcomes as at reporting date is presented at Note 1.3.

It is negotiated to extend the project completion date until November 30, 2021, due to the need to implement subprojects and micro-projects of the third cycle, which will be determined at the end of March 2020 through the Regional Competition.

Statement of expenditures per components

For the year ended 31 December 2019
(Amounts are shown in US dollars)

9. Financing

9.1. IDA Credit Number 5601-KG

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
Financing	-	-
Total	-	-
Total financing budget		6,499,301
Percentage of finance provided as at 31 Dec 2019		-

9.2. IDA Grant Number D041-KG

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
Advance/ (advance recovery)	(78,585)	921,415
SOE and Summary Report	1,178,585	4,309,193
Total	1,100,000	5,230,609
Total financing budget		5,417,642
Percentage of finance provided as at 31 Dec 2019		97%

9.3. Community Contribution

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
In-cash	13,966	536,088
Total	13,966	536,088
Total financing budget		296,553
Percentage of finance provided as at 31 Dec 2019		181%

Community contributions (in-cash) -not-less than 3.75% of the sub-grants and small grants provided to the beneficiary community.

10. Other income

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
Interest accrued	9,681	39,679
Tender fees	-	8,465
Total	9,681	48,144
Transfer to state budget*	(21,231)	(21,231)
	(11,550)	26,913

(*) The amount was transferred from the interest-bearing account to the state budget according to the letter of the Ministry of Finance of the Kyrgyz Republic dated June 28, 2019.

Statement of expenditures per components

For the year ended 31 December 2019

(Amounts are shown in US dollars)

11. Schedule of Fixed assets

The schedule of fixed assets procured and received by ARIS for the Project implementation is follows:

	<u>1 January 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>31 December 2019</u>
Furniture	689	-	-	689
Computer appliances	-	37,866	-	37,866
	<u>689</u>	<u>37,866</u>	<u>-</u>	<u>38,557</u>

12. Litigations

There are no pending litigations related to the Project as at reporting date and as at approval date of these financial statements.

Third Village Investment Project
 IDA Credit Number 5601-KG
 IDA Grant Number D041-KG

ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE ARIS AND DISBURSED BY THE WORLD BANK

For the year ended 31 December 2019

(Amounts are shown in US dollars)

IDA Credit Number 5601-KG

During the reporting year there were no withdrawal applications submitted by the ARIS to WB related to the IDA Credit Number 5601-KG.

IDA Grant Number H041-KG

Expenditure Category	Appl.	ARIS	WB	Difference
Advance/(advance recovery)	10	(55,175.74)	(55,175.74)	-
	11	(23,408.97)	(23,408.97)	-
		(78,584.71)	(78,584.71)	
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	10	601,475.74	601,475.74	-
	11	577,108.97	577,108.97	-
		1,178,584.71	1,178,584.71	
Total		1,100,000.00	1,100,000.00	