



**“HEAT SUPPLY IMPROVEMENT PROJECT”
CREDIT NO. 6146-KG, GRANT NO. D240-KG,
SECO GRANT NO. TF0B2457**

The project financial statements
for the year ended December 31, 2022

and independent auditor's report

**“HEAT SUPPLY IMPROVEMENT PROJECT”
CREDIT NO. 6146-KG, GRANT NO. D240-KG, SECO GRANT NO. TF0B2457**

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**“HEAT SUPPLY IMPROVEMENT PROJECT”
CREDIT NO. 6146-KG, GRANT NO. D240-KG, SECO GRANT NO. TF0B2457**

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF
THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 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 “Heat Supply Improvement Project”, Credit No. 6146-KG, Grant No. D240-KG and the “Heat Supply Improvement Project” additional financing, SECO Grant No. TF0B2457 (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 components for the year ended December 31, 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;
- compliance with laws and regulations of the Kyrgyz Republic, and the requirements of the operational manual of the Project 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 year ended December 31, 2022 were approved and authorized for issue on May 31, 2023 by the management of the Project.

On behalf of the Management:


Naspekov M.
Executive Director of ARIS




Stalbek uulu B.
Acting Financial Manager of ARIS


Raimbekov U.
Director of the subsidiary of Electric Power
Plants Open Joint Stock Company
Bishkekteploset




Ibragimov I.
PIU Financial Manager of the subsidiary of
Electric Power Plants Open Joint Stock Company
Bishkekteploset

May 31, 2023
Bishkek, the Kyrgyz Republic

May 31, 2023
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Management of the Project "Heat Supply Improvement Project" and additional financing for the Project "Heat Supply Improvement Project" under the Community Development and Investment Agency of the Kyrgyz Republic (the "ARIS") and the subsidiary of Electric Power Plants Open Joint Stock Company Bishkekteploset (the "BTS").

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the "Heat Supply Improvement Project" and additional financing for the "Heat Supply Improvement Project" (together - the "Project") which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project components for the year ended December 31, 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 components for the year ended December 31, 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 (the "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 (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the project 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

We draw attention to Note 2 to the project financial statements, which describe the basis of accounting. The project financial statements were prepared for complying with the appropriate World Bank Guidelines and Financing and Grant 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 the 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 the 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 the 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



Bolot Oskonbaev

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

Certified accountant, ACCA
Certificate of auditor of the Kyrgyz Republic
No. АД0033 dated December 23, 2021
Audit Director

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

May 31, 2023
Bishkek, the Kyrgyz Republic

**“HEAT SUPPLY IMPROVEMENT PROJECT”
CREDIT NO. 6146-KG, GRANT NO. D240-KG, SECO GRANT NO. TF0B2457**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID
FOR THE YEAR ENDED DECEMBER 31, 2022**

(in US dollars)

	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021	Cumulative
Opening balance				
ARIS	4	1,501,636	1,006,760	-
BTS		140,506	147,954	-
Funds received				
ARIS:	5			
Credit No. 6146-KG		-	-	-
Grant No. D240-KG		2,006,518	1,066,707	4,263,628
SECO Grant No. TF0B2457		594,023	500,000	1,094,023
BTS:				
Credit No. 6146-KG		2,562,548	-	2,562,548
Grant No. D240-KG		3,799,546	1,545,110	5,642,042
Total funds received		<u>8,962,635</u>	<u>3,111,817</u>	<u>13,562,241</u>
Other income				
ARIS	6	25,820	18,331	67,083
BTS		9,138	4,354	15,773
Total receipts		<u>8,997,593</u>	<u>3,134,502</u>	<u>13,645,097</u>
Expenses				
(1) Goods, works, non-consulting services, consulting services, training and incremental operating costs under Component A of the Project (BTS)	7	4,512,070	1,556,727	6,220,415
(2) Goods, works, non-consulting services, consulting services, training and incremental operating costs under Component B of the Project (ARIS)	7	3,187,695	1,090,127	4,478,310
Total expenses		<u>7,699,765</u>	<u>2,646,854</u>	<u>10,698,725</u>

**“HEAT SUPPLY IMPROVEMENT PROJECT”
CREDIT NO. 6146-KG, GRANT NO. D240-KG, SECO GRANT NO. TF0B2457**

**SUMMARY OF EXPENDITURES PAID BY PROJECT COMPONENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(in US dollars)**


	For the year ended December 31, 2022	For the year ended December 31, 2021	Cumulative
Component A: Improving supply efficiency and quality of the district heating system in Bishkek (BTS)	4,512,070	1,556,727	6,220,415
Component B: Demonstrating the benefits of energy efficiency improvements in public buildings (ARIS)	<u>3,187,695</u>	<u>1,090,127</u>	<u>4,478,310</u>
	<u><u>7,699,765</u></u>	<u><u>2,646,854</u></u>	<u><u>10,698,725</u></u>

On behalf of the Management:



Naspekov M.
Executive Director of ARIS




Stalbek uulu B.
Acting Financial Manager of ARIS


Raimbekov U.
Director of the subsidiary of Electric Power
Plants Open Joint Stock Company
Bishkekteploset




Ibragimov T.
PIU Financial Manager of the subsidiary of
Electric Power Plants Open Joint Stock Company
Bishkekteploset

May 31, 2023
Bishkek, the Kyrgyz Republic

May 31, 2023
Bishkek, the Kyrgyz Republic

The notes on pages 9-21 form an integral part of the project financial statements. The independent auditor's report is on pages 3-5.

**“HEAT SUPPLY IMPROVEMENT PROJECT”
CREDIT NO. 6146-KG, GRANT NO. D240-KG, SECO GRANT NO. TF0B2457**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(in US dollars)**

1. GENERAL INFORMATION

According to the Financing Agreement between the Kyrgyz Republic and the International Development Association (the “IDA”) dated January 26, 2018, the IDA provided a Grant No. D240-KG in the amount of 16,300,000 Special Drawing Rights (the “SDR”) and a Credit No. 6146-KG in the amount of 16,300,000 SDR to the Kyrgyz Republic. According to the Grant Agreement between the Kyrgyz Republic and International Bank for Reconstruction and Development and International Development Association (the “Bank”) acting as an implementing agency of the Multi-Donor Trust Fund (the “MDTF”) dated June 10, 2020, the Bank provided a SECO Grant No. TF0B2457 in the amount of 2,661,000 US dollars to the Kyrgyz Republic. According to the letter received by the Ministry of Finance of the Kyrgyz Republic from the World Bank dated June 10, 2020, the structure of the Project’s components has been revised, as presented in the “Project purpose” paragraph. Also, according to the letter from the World Bank dated December 12, 2019, the approved amount of Grant No. D240-KG for the Project’s Component B was reduced by the amount of 3,621,142 SDR. As a result, the total approved amount of financing from the Grant No. D240-KG was equal to 12,678,858 SDR.

Credit and Grants were provided to implement the Project “Heat Supply Improvement Project” and additional financing for the Project “Heat Supply Improvement Project”.

Project purpose

The objective of the Project is to improve the efficiency and quality of heating in selected Project areas.

The Project comprises the following components (as updated by the World Bank’s letter dated June 10, 2020):

Component A: Improving supply efficiency and quality of the district heating system in Bishkek

1. Providing support to the BTS for the preparation and implementation of a priority investment program for district heating rehabilitation, including:

(i) modernization of individual (building-level) heat substations, including:

- (a) installation of new individual heat substations in selected buildings;
- (b) reparation and upgrade of existing heat substations in selected buildings;
- (c) installation of building-level heat and hot water meters; and
- (d) installation of a preventive maintenance information system.

(ii) replacement and/or reconstruction of selected sections along the Vostok Transmission Network.

2. Providing support to BTS:

(i) to strengthen its technical, operational, fiduciary, customer orientation and corporate resource management functions; and

(ii) to strengthen its capacity for Project management and implementation, including Project monitoring, evaluation and audits, through provision of goods and consultants’ services, as well as financing of training and operating costs.

Component B: Demonstrating the benefits of energy efficiency improvements in public buildings

1. Supporting energy efficiency investments in selected public buildings through:

(i) preparing and implementing energy efficiency and seismic investment measures in selected public buildings;

(ii) strengthening capacity building and raising public awareness on energy efficiency, through provision of technical assistance, training and awareness campaigns targeting local service providers, public entities, Project beneficiaries and other stakeholders.

2. Strengthening ARIS capacity for Project management and implementation, including Project monitoring, evaluation and audits, through provision of goods, non-consulting services and consultants' services, as well as financing of training and operating costs.

Project implementation

The Project is implemented by the Community Development and Investment Agency of the Kyrgyz Republic jointly with the subsidiary of the Electric Power Plants OJSC - Bishkekteploset.

The Financial Agreement for Grant No. D240-KG and Credit No. 6146-KG is effective from April 25, 2019 to December 31, 2023. The Grant Agreement SECO No. TF0B2457 is effective from November 25, 2020 to June 30, 2023.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of preparation

The 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.

The project financial statements consist of:

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

The reporting currency of the project financial statements is US dollar (the "USD").

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 the 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 the serving commercial bank at the date of transaction.

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

All exchange differences arising from the redemption or revaluation of monetary items are included in the summary of funds received and expenditures paid.

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.

Expenses

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

Sources of funds

Financing is provided to the Project by the International Development Association within the agreements under the Grant No. D240-KG and the Credit No. 6164-KG, and jointly by the International Bank for Reconstruction and Development and the International Development Association within the agreement under the SECO Grant No. TF0B2457 by providing an initial advance payment, direct payments and replenishment of designated account.

Other income

Other income represents interest income accrued by the serving commercial bank on the outstanding balances of cash on designated accounts.

Other expenses

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

4. CASH AND CASH EQUIVALENTS

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

	Account holder	Source of financing	Currency	December 31, 2022	December 31, 2021
Designated account	ARIS	Grant No. D240-KG	US dollar	558,746	966,495
Designated account	BTS	Grant No. D240-KG	US dollar	984,205	134,150
Designated account	ARIS	SECO Grant No. TF0B2457	US dollar	320,594	500,000
Designated account	BTS	Credit No. 6146-KG	US dollar	999,970	-
Interest account	ARIS	Other	US dollar	25,760	35,142
Interest account	BTS	Other	US dollar	6,301	3,539
Tender account	ARIS	Other	US dollar	-	-
Tender account	BTS	Other	US dollar	3,615	2,816
				<u>2,899,191</u>	<u>1,642,142</u>

5. FUNDS RECEIVED

The funds received are presented by the following methods and sources of financing:

For the year ended December 31, 2022:

	Credit No. 6146-KG	ARIS Grant No. D240-KG	SECO Grant No. TF0B2457	Credit No. 6146-KG	BTS Grant No. D240-KG	Total
Advance / Initial deposit	-	-	-	1,000,000	850,000	1,850,000
Direct payment	-	-	-	1,562,548	1,356,891	2,919,439
Replenishment of designated account	-	2,006,518	594,023	-	1,592,655	4,193,196
	-	<u>2,006,518</u>	<u>594,023</u>	<u>2,562,548</u>	<u>3,799,546</u>	<u>8,962,635</u>

For the year ended December 31, 2021:

	Credit No. 6146-KG	ARIS Grant No. D240-KG	SECO Grant No. TF0B2457	Credit No. 6146-KG	BTS Grant No. D240-KG	Total
Advance / Initial deposit	-	-	500,000	-	-	500,000
Direct payment	-	-	-	-	1,402,756	1,402,756
Replenishment of designated account	-	1,066,707	-	-	142,354	1,209,061
	-	<u>1,066,707</u>	<u>500,000</u>	-	<u>1,545,110</u>	<u>3,111,817</u>

Cumulative:

	Credit No. 6146-KG	ARIS Grant No. D240-KG	SECO Grant No. TF0B2457	Credit No. 6146-KG	BTS Grant No. D240-KG	Total
Advance / Initial deposit	-	1,000,000	500,000	1,000,000	1,000,000	3,500,000
Direct payment	-	-	-	1,562,548	2,759,647	4,322,195
Replenishment of designated account	-	<u>3,263,628</u>	<u>594,023</u>	-	<u>1,882,394</u>	<u>5,740,045</u>
	-	<u>4,263,628</u>	<u>1,094,023</u>	<u>2,562,548</u>	<u>5,642,041</u>	<u>13,562,240</u>

6. OTHER INCOME

Other income is presented as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021	Cumulative
Interest income:			
ARIS	25,820	18,331	67,083
BTS	<u>9,138</u>	<u>4,354</u>	<u>15,773</u>
	<u>34,958</u>	<u>22,685</u>	<u>82,856</u>

7. EXPENSES

Breakdowns of the Project expenses by categories, nature and sources of financing are presented as follows:

	For the year ended December 31, 2022						Total
	Credit No. 6146-KG	ARIS Grant No. D240-KG	SECO Grant No. TF0B2457	Credit No. 6146-KG	Grant No. D240-KG	BTS	
Works	-	1,818,144	620,397	-	-	-	2,438,541
Consulting services	-	440,944	122,706	-	49,647	-	613,297
Operating costs:							
Payroll and related taxes	-	129,221	17,906	-	35,430	-	182,557
Travel expenses	-	7,044	1,110	-	1,216	-	9,370
Transport	-	5,959	1,012	-	-	-	6,971
Communication	-	3,345	421	-	1,485	-	5,251
Expenses for computer equipment	-	2,186	417	-	189	-	2,792
Expenses for office maintenance	-	521	9,289	30	-	-	9,840
Goods	-	6,540	22	-	29,089	-	35,651
Training	-	362	148	1,562,548	2,832,437	-	4,395,495
	-	2,414,266	773,428	1,562,578	2,949,493	-	7,699,765

For the year ended December 31, 2021

	ARIS		BTS		Total
	Credit No. 6146-KG	Grant No. D240-KG	SECO Grant No. TF0B2457	Credit No. 6146-KG	
Works	-	665,206	-	-	665,206
Consulting services	-	297,163	-	119,889	417,052
Operating costs:					
Payroll and related taxes	-	99,094	-	32,958	132,052
Expenses for office maintenance	-	6,203	-	116	6,319
Travel expenses	-	4,367	-	-	4,367
Transport	-	4,200	-	-	4,200
Communication	-	1,966	-	1,008	2,974
Expenses for computer equipment	-	1,695	-	-	1,695
Goods	-	8,465	-	1,402,757	1,411,222
Training	-	1,767	-	-	1,767
	-	1,090,126	-	1,556,728	2,646,854

	ARIS		BTS		Total
	Credit No. 6146-KG	Grant No. D240-KG	SECO Grant No. TF0B2457	Credit No. 6146-KG	
Works	-	2,483,350	620,397	-	3,103,747
Consulting services	-	786,106	122,706	-	1,126,016
Operating costs:					
Payroll and related taxes	-	338,817	17,906	-	509,624
Expenses for office	-	19,665	9,289	30	37,731
Transport	-	14,415	1,012	-	15,427
Travel expenses	-	14,260	1,110	-	16,586
Communication	-	8,938	421	-	13,216
Expenses for computer equipment	-	6,297	417	-	6,903
Public utilities	-	706	-	-	706
Goods	-	21,597	148	1,562,548	5,828,927
Training	-	10,731	22	29,089	39,842
	-	3,704,882	773,428	1,562,578	10,698,725

8. OTHER EXPENSES

Other expenses are presented as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021	Cumulative
Bank services:			
ARIS	61	35	148
BTS	5,576	185	5,857
Return of interest income to the Ministry of Finance of the Kyrgyz Republic (ARIS)	<u>35,142</u>	<u>-</u>	<u>41,175</u>
	<u>40,779</u>	<u>220</u>	<u>47,180</u>

9. FINANCIAL POSITION

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

	December 31, 2022	December 31, 2021
ASSETS AND EXPENDITURES		
Cash and cash equivalents:		
ARIS	905,100	1,501,636
BTS	1,994,091	140,506
Cumulative expenses:		
ARIS	4,478,310	1,290,615
BTS	6,220,415	1,708,345
Other expenses:		
ARIS	41,323	6,121
BTS	<u>5,857</u>	<u>280</u>
TOTAL ASSETS AND EXPENDITURES	<u>13,645,096</u>	<u>4,647,503</u>
FINANCING		
Funds received:		
ARIS	5,357,651	2,757,110
BTS	8,204,589	1,842,495
Other income:		
ARIS	67,083	41,264
BTS	<u>15,773</u>	<u>6,634</u>
TOTAL FINANCING	<u>13,645,096</u>	<u>4,647,503</u>

10. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2022 are presented as follows:

Grant No. D240-KG

Application	Date	Recipient	Initial deposit	Direct payment	Replenishment of designated account	Total
11	February 1, 2022	BTS	-	364,593	-	364,593
12	April 11, 2022	ARIS	-	-	256,926	256,926
13	April 20, 2022	BTS	350,000	-	-	350,000
14	May 2, 2022	BTS	-	387,786	-	387,786
15	May 31, 2022	BTS	-	227,837	-	227,837
16	May 26, 2022	BTS	500,000	-	-	500,000
17	June 2, 2022	BTS	-	-	410,206	410,206
18	June 24, 2022	ARIS	-	-	278,486	278,486
19	July 14, 2022	BTS	-	-	556,494	556,494
20	July 26, 2022	BTS	-	376,675	-	376,675
21	October 7, 2022	ARIS	-	-	641,310	641,310
22	October 17, 2022	ARIS	-	-	282,320	282,320
23	November 30, 2022	ARIS	-	-	547,476	547,476
24	December 14, 2022	BTS	-	-	625,955	625,955
			<u>850,000</u>	<u>1,356,891</u>	<u>3,599,173</u>	<u>5,806,064</u>

SECO Grant No. TF0B2457

Application	Date	Recipient	Initial deposit	Direct payment	Replenishment of designated account	Total
2	September 26, 2022	ARIS	-	-	214,176	214,176
3	October 17, 2022	ARIS	-	-	156,194	156,194
4	December 1, 2022	ARIS	-	-	223,653	223,653
			<u>-</u>	<u>-</u>	<u>594,023</u>	<u>594,023</u>

Credit No. 6146-KG

Application	Date	Recipient	Initial deposit	Direct payment	Replenishment of designated account	Total
1	June 9, 2022	BTS	-	768,972	-	768,972
2	June 24, 2022	BTS	-	399,160	-	399,160
3	June 24, 2022	BTS	-	394,416	-	394,416
4	December 14, 2022	BTS	1,000,000	-	-	1,000,000
			<u>1,000,000</u>	<u>1,562,548</u>	<u>-</u>	<u>2,562,548</u>

Withdrawal applications for the year ended December 31, 2021 are presented as follows:

Grant No. D240-KG

Application	Date	Recipient	Initial deposit	Direct payment	Replenishment of designated account	Total
5	July 29, 2021	ARIS	-	-	357,612	357,612
6	August 13, 2021	BTS	-	-	142,354	142,354
7	September 28, 2021	ARIS	-	-	269,895	269,895
8	October 28, 2021	BTS	-	737,989	-	737,989
9	October 28, 2021	BTS	-	664,767	-	664,767
10	December 27, 2021	ARIS	-	-	439,200	439,200
			-	1,402,756	1,209,061	2,611,817

SECO Grant No. TF0B2457

Application	Date	Recipient	Initial deposit	Direct payment	Replenishment of designated account	Total
1	October 28, 2021	ARIS	500,000	-	-	500,000
			500,000	-	-	500,000

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the years ended December 31, 2022 and 2021 is presented as follows:

Source of financing	Grant	SECO Grant	Grant	Credit	Total
	No. D240-KG	No. TF0B2457	No. D240-KG	No. 6146-KG	
Bank	OJSC RSK Bank		OJSC AiyI Bank		
Account holder	ARIS		BTS		
Bank account	1299003250029172	1299003250035034	1350108038000313	1350108031058850	
Currency	US dollar		US dollar		
Bank's location	80/1 Moskovskaya str., Bishkek, the Kyrgyz Republic		114/2 Kievskaya str., Bishkek, the Kyrgyz Republic		
Balance as at January 1, 2021	989,915	-	145,768	-	1,135,683
Initial deposit	-	500,000	-	-	500,000
Replenishment	1,066,707	-	142,354	-	1,209,061
Total funds received	1,066,707	500,000	142,354	-	1,709,061
Expenses paid	6,990	-	92,940	-	99,930
Transfer to transit account	1,083,136	-	61,031	-	1,144,167
Balance as at December 31, 2021	966,496	500,000	134,151	-	1,600,647

Source of financing	Grant No. D240-KG	SECO Grant No. TF0B2457	Grant No. D240-KG	Credit No. 6146-KG	Total
Bank	OJSC RSK Bank		OJSC Aiyl Bank		
Account holder	ARIS		BTS		
Bank account	1299003250029172	1299003250035034	1350108038000313	1350108031058850	
Currency	US dollar		US dollar		
Bank's location	80/1 Moskovskaya str., Bishkek, the Kyrgyz Republic		114/2 Kievskaya str., Bishkek, the Kyrgyz Republic		
Balance as at January 1, 2022	<u>966,496</u>	<u>500,000</u>	<u>134,151</u>	<u>-</u>	<u>1,600,647</u>
Initial deposit	-	-	850,000	1,000,000	1,850,000
Replenishment	<u>2,006,518</u>	<u>594,023</u>	<u>1,592,655</u>	<u>-</u>	<u>4,193,196</u>
Total funds received	<u>2,006,518</u>	<u>594,023</u>	<u>2,442,655</u>	<u>1,000,000</u>	<u>6,043,196</u>
Expenses paid	177	120	49,260	30	49,587
Transfer to transit account	<u>2,414,091</u>	<u>773,309</u>	<u>1,543,341</u>	<u>-</u>	<u>4,730,741</u>
Balance as at December 31, 2022	<u>558,746</u>	<u>320,594</u>	<u>984,205</u>	<u>999,970</u>	<u>2,863,515</u>

12. UNDRAWN FUNDS

Undrawn funds as at December 31, 2022 are presented as follows:

	Credit No. 6146-KG <i>in SDR</i>	Grant No. D240-KG <i>in SDR</i>	SECO Grant No. TF0B2457 <i>in US dollars</i>
Approved amount of financing	16,300,000	12,678,858	2,661,000
Disbursed during the period from April 25, 2019 to December 31, 2019	-	730,279	-
Disbursed during the year ended December 31, 2020	-	343,958	-
Disbursed during the year ended December 31, 2021	-	1,847,641	500,000
Disbursed during the year ended December 31, 2022	<u>1,914,821</u>	<u>4,364,158</u>	<u>593,993</u>
Undrawn amount of financing as at December 31, 2022	<u>14,385,179</u>	<u>5,392,822</u>	<u>1,567,007</u>



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