

SPECIAL PURPOSE FINANCIAL STATEMENTS

of Interstate Statistical Committee of the Commonwealth of
Independent States
«Development of Labor Statistics in the CIS region» project
(Grant № TF 016781)

for the period from January 01, 2016 to December 31, 2018

with independent auditor's report

INDEPENDENT AUDITOR'S REPORT

To: Chairman
of Interstate Statistical Committee of the Commonwealth of Independent States,
International Bank for Reconstruction and Development

OPINION

We have audited the accompanying special purpose financial statements of CIS Statcommittee ("Company") of the project "Development of Labor Statistics in the CIS region" (Grant No. TF 016781), which comprise:

- Summary of Sources and Uses of Funds from January 01, 2016 to December 31, 2018;
- Explanatory Notes to the special purpose financial statements from January 01, 2016 to December 31, 2018.

In our opinion, the special purpose financial statements of CIS Statcommittee for the period from January 01, 2016 to December 31, 2018 are prepared, in all material respects, in accordance with generally accepted accounting principles and practices, as well as requirements for financial statements set in Section 2.06 of the Standard Conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012.

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 special purpose Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Russian Federation, and we have fulfilled our other 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.

BASIS OF ACCOUNTING AND RESTRICTION ON DISTRIBUTION AND USE

Without qualifying our opinion, we draw attention that the special purpose financial statements are prepared in accordance with the requirements of the International Bank for Reconstruction and Development. As a result, the special purpose financial statements may not be suitable for another purposes.

Our report is intended solely for CIS Statcommittee and International Bank for Reconstruction and Development and should not be distributed to or used by other parties.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Management is responsible for the preparation of the special purpose financial statements in accordance with the requirements of the International Bank for Reconstruction and Development 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.

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

AUDITOR'S RESPONSIBILITIES 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 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 special purpose 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 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 Company'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 Company'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 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

"Nexia Pacioli" LLC

Independent Auditor's Report on special purpose financial statements of CIS Statcommittee «Development of Labor Statistics in the CIS region» project (Grant № TF 016781) for the period from January 01, 2016 to December 31, 2018

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

Director of audit Department

"Nexia Pacioli" LLC

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Olga Komissarova

April 24, 2019

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SUMMARY OF SOURSES AND USES OF FUNDS

	For the period from January 01, 2016 to December 31, 2016	For the period from January 01, 2017 to December 31, 2017	For the period from January 01, 2018 to December 31, 2018	For the period from January 01, 2016 to December 31, 2018 (cumulative)
Opening Balance				
Special Account balance in US dollars	90 473	24 226	5 526	-
Special Account balance in roubles	19	3	6	-
Total Opening Balance	90 492	24 229	5 532	-
SOURCES OF FUNDS				
IBRD financing		125 772	100 312	226 084
TOTAL FUNDS AVIALABLE	-	125 772	100 312	226 084
USES OF FUNDS				
Consulting services	-	-	-	146 523
Trainings and workshops	12 918	64 800	61 100	138 818
Operating costs	9 394	2 685	4 215	16 294
Sub-Grants	456	2 610	3 168	6 234
TOTAL USES OF FUNDS	22 768	70 095	68 483	307 869
Closing Balance				
Special Account balance in US dollars	24 226	5 526	8 652	-
Special Account balance in roubles	3	6	55	-
Total closing balance	24 229	5 532	8 707	-

Chairman

April 19, 2019


 Vladimir L. Sokolin



EXPLANATORY NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS

1. Background

According to the Grant Agreement No. TF 01678 of April 15, 2014 and Additional Agreement dated March 28, 2017, between the International Bank for Reconstruction and Development (IBRD) and the Interstate Statistical Committee of the CIS for the execution of « Development of Labor Statistics in the CIS region» project (Grant №TF 01678) (the Project), the Interstate Statistical Committee of the CIS is charged with the authority to administer the Grant funds provided in the amount of 560 000 USD. The Project closing date is December 31, 2018. Under the Grant agreement, the Project grace period is 4 months after the Project closing date. All funds of the Grant in the amount of 560 000 USD must be paid by April 30, 2019.

Interstate Statistical Committee of the Commonwealth of Independent States is a legal entity established in the form of inter-state entity, pursuant to the Regulation issued and affirmed by Board of Heads of Government of the Commonwealth dated April 12, 1996. It was included into the Uniform State Register of Legal Entities dated November 13, 2002, under basic state registration number 1027700427534.

The objective of the Project is to provide support to the CIS Countries national statistical offices for capacity strengthening in their collection of regular labor statistical data on the basis of uniformed methodology and to enhance knowledge exchange at national and international levels and to upgrade CIS and ILO statistical databases on labor.

The Project consists of the following parts:

- Provision of services to develop labor statistics and methodologies to meet international standards;
- Provision of services for data generation and introduction of international standards;
- Organization of stakeholder discussions and workshops to enhance knowledge and skills of statistical staff of the CIS Countries and disseminate new methodologies;
- Provision of sub-grants in order to enable participation of statisticians from the CIS Countries national statistical offices and other related agencies.

Category in accordance with the procurement plan	Allocated Amount of Grant (USD)	% IBRD Financing
(1) Consulting services, trainings and workshops, audit fees, operating costs	542 800	100%
(2) Sub-grants	17 200	100%
TOTAL:	560 000	

2. Accounting policies

The special-purpose financial statement is prepared under the Cash Basis of Accounting in the accordance with International Bank for Reconstruction and Development Guidelines.

This special-purpose financial statement is prepared in the United States dollars (USD) unless otherwise stated. All transactions are translated into USD at the Central Bank of Russian Federation exchange rate prevailing at the transaction date.

3. Summary of Sources and Uses of Funds

Financing from the IBRD Grant proceeds represents the amount of the original deposit transferred from the Grant Account to the Special Account in USD, funds received on the basis of Summary of Expenditures (SOE) presented to the IBRD in the reporting period.

4. Statement of Expenditures (SOE)

SOEs are required to confirm eligible use of funds for the Project purposes under the Grant Agreement. They are submitted to the IBRD together with applications for withdrawal of the Project funds.

Information about expenditures documented by SOEs is in the table below:

W/D Nº	Type of statement	Category / Amount, in US dollars				Total
		Consulting services	Trainings and workshops	Operating costs	Sub- Grants	
4	SOE	43 495	12 918	9 396	456	66 265
5	SOE	74 602	64 800	2 074	2 992	144 468
6	SOE	28 654	61 099	4 604	2 786	97 143
Total		146 751	138 817	16 074	6 234	307 876

Reconciliation of funds as of December 31, 2018

(1) GRANT AMOUNT RECEIVED, USD	560 000
(2) Balance of the Grant Account as of beginning of reporting period	-
(3) Expenses accepted and reimbursed by EBRD on the basis of SOE	(551 300)
(4) Methodological difference in the calculation of balances	7
(5) Balance of the Grant Account as of December 31, 2018	8 707
(5) = (1)+(2)+(3)+ (4)	

5. Consulting services

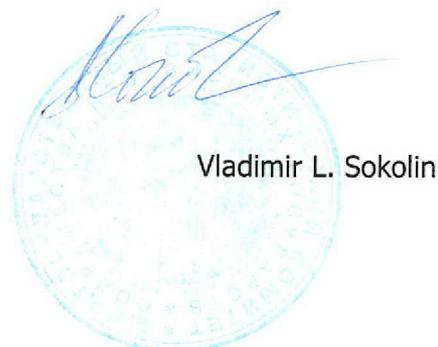
Consulting services are the cost of services under the contracts with individual consultants. Information about consulting services is in table below:

Cost	For the period from January 01, 2016 to December 31, 2016	For the period from January 01, 2017 to December 31, 2017	For the period from January 01, 2018 to December 31, 2018	For the period from January 01, 2016 to December 31, 2018 (cumulative)
Procurement consultant services	5 926	11 238	6 543	23 707
Interpreter consultant services	2 045	3 625	4 536	10 205
Financial consultant services	4 525	7 250	11 475	23 250
Methodological support consultant services	31 000	52260	6100	89 360
Total consulting services	43 495	74 374	28 654	146 523

6. Operating costs

Operating costs are expenditures on the Project implementation, management and monitoring and include mostly expenses for postage and bank charges.

Chairman



Vladimir L. Sokolin

April 19, 2019