INDEPENDENT AUDITOR’S REPORT

on the Special-Purpose Financial Statement
of Interstate Statistical Committee of the Commonwealth of Independent States

«Development of Statistical Capacity in National Accounts,
Price Statistics and Purchasing Power Parities in the CIS Region»
(Grant № TF 0A0145)

for the period from September 01, 2015 to December 31, 2016
To the Chairman of Interstate Statistical Committee of the Commonwealth of Independent States;
International Bank for Reconstruction and Development

DATA ON AUDITED ENTITY

Full name Interstate Statistical Committee of the Commonwealth of Independent States
Abbreviated name Interstate Statistical Committee of the CIS
State registration Certificate on state registration №000.282-Y dated June 19, 1992, issued by Moscow Registration Chamber;
Certificate on state registration 77 №003267266 dated November 13, 2002, issued by Moscow inspection of the Ministry of Taxes and Tax Collection of Russia №8 Moscow.
It is entered into the Uniform State Register of legal bodies under basic state registration number 1027700427534.
Location Russia, 107450, Moscow, Myasnitskaya Str., 39, Build 1.
Mail address Russia, 107450, Moscow, Myasnitskaya Str., 39, Build 1.

DATA ON AUDITOR

Full name Limited Liability Company Nexia Pacioli
Abbreviated name Nexia Pacioli LLC
State registration Certificate on state registration № 856.235 of June 23, 1995 issued by Moscow Registration Chamber;
Certificate on state registration 77 № 005390060 of October 22, 2002 issued by Moscow Interdistrict Tax Inspection of Russia № 39;
It is entered into the Uniform State Register of legal bodies under basic state registration number 1027739428716.
Location 2, Malaya Polyanka, Moscow, the Russian Federation, 119180
Mail address 2, Malaya Polyanka, Moscow, the Russian Federation, 119180
Membership Is a member of self-regulatory organization of auditors Association «Sodruzhestvo»;
In the self-regulatory organization of auditors It is entered into the Register of Auditors and the Audit Organizations of the specified self-regulating organization of auditors in October 28, 2016 under basic registration number 11606052374
We have audited the accompanying special-purpose financial statement of the «Development of Statistical Capacity in National Accounts, Price Statistics and Purchasing Power Parities in the CIS Region» project, financed by the International Bank for Reconstruction and Development («IBRD») under the Grant Agreement № TF OA0145 (hereinafter -- the Project) for the period from September 01, 2015 to December 31, 2016 which comprise:

- Summary of Sources and Uses of Funds;
- Notes to the special-purpose financial statement.

The special-purpose financial statement has been prepared by the management of Interstate Statistical Committee of the CIS in accordance with para 2.05 of Annex 1 to the Grant agreement № TF OA0145 dated July 22, 2015 between IBRD and the Interstate Statistical Committee of the CIS.

**MANAGEMENT'S RESPONSIBILITY FOR THE SPECIAL-PURPOSE FINANCIAL STATEMENT**

Management is responsible for the preparation and fair presentation of the special-purpose financial statement in accordance with IBRD Guidelines, and for such internal control as management determines is necessary to enable the preparation of the special-purpose financial statement that is free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statement is free from material misstatement.

Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the special-purpose financial statement, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity’s preparation and fair presentation of the special-purpose financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statement.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the special-purpose financial statement of Interstate Statistical Committee of the CIS of the «Development of Statistical Capacity in National Accounts, Price Statistics and Purchasing Power Parities in the CIS Region» project for the period from September 01, 2015 to December 31, 2016 is prepared, in all material respects, fairly in accordance with the IBRD Guidelines.

**BASIS OF ACCOUNTING AND RESTRICTION ON DISTRIBUTION AND USE**

Without qualifying our opinion, we draw attention to the information set out in Note 2 to the special-purpose financial statement regarding the fact that the special-purpose financial statement has been prepared on the basis of the cash method of receipts and disbursements in accordance with the IBRD Guidelines. The financial statements may, therefore, not be suitable for another purpose.

Our report has been prepared solely for the presentation to of Interstate Statistical Committee of the CIS and the International Bank for Reconstruction and Development and should not be used by (or distributed to) other parties.

Deputy General Director
Nexia Pacioli LLC

Auditor qualification certificate
№ 02-000315, no expiry date;
Included into the Register of Auditors and Audit Organizations of self-regulatory organization of auditors Association «Sodruzhestvo» under basic registration number 21606091705

July 07, 2017

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### SUMMARY OF SOURCES AND USES OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>For the period from September 01, 2015 to June 30, 2016</th>
<th>For the period from July 01, 2016 to December 31, 2016</th>
<th>For the period from December 31, 2016 (cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Balance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Account balance in US dollars</td>
<td>-</td>
<td>30 176</td>
<td>-</td>
</tr>
<tr>
<td>Special Account balance in roubles</td>
<td>-</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Opening Balance</strong></td>
<td>-</td>
<td>30 216</td>
<td>-</td>
</tr>
<tr>
<td><strong>SOURCES OF FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IBRD financing</td>
<td>146 525</td>
<td>150 603</td>
<td>297 128</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS AVAILABLE</strong></td>
<td>146 525</td>
<td>150 603</td>
<td>297 128</td>
</tr>
<tr>
<td><strong>USES OF FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting services</td>
<td>37 327</td>
<td>25 931</td>
<td>63 258</td>
</tr>
<tr>
<td>Trainings and workshops</td>
<td>68 417</td>
<td>57 986</td>
<td>126 403</td>
</tr>
<tr>
<td>Operating costs</td>
<td>3 086</td>
<td>1 693</td>
<td>4 779</td>
</tr>
<tr>
<td>Sub-Grants</td>
<td>7 478</td>
<td>3 403</td>
<td>10 881</td>
</tr>
<tr>
<td><strong>TOTAL USES OF FUNDS</strong></td>
<td>116 308</td>
<td>89 012</td>
<td>205 320</td>
</tr>
<tr>
<td><strong>Closing Balance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Account balance in US dollars</td>
<td>30 176</td>
<td>91 798</td>
<td>91 798</td>
</tr>
<tr>
<td>Special Account balance in roubles</td>
<td>40</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td>30 216</td>
<td>91 807</td>
<td>91 807</td>
</tr>
</tbody>
</table>

Chairman

Vladimir L. Sokolin

July 06, 2017
EXPLANATORY NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS

1. Background

According to the Grant Agreement No. TF 0A0145 of July 22, 2015 between the International Bank for Reconstruction and Development (IBRD) and the Interstate Statistical Committee of the CIS for the execution of «Development of Statistical Capacity in National Accounts, Price Statistics and Purchasing Power Parities in the CIS Region» project (Grant № TF 0A0145) (the Project), the Interstate Statistical Committee of the CIS is charged with the authority to administer the Grants funds provided in the amount of 390 000 USD. In accordance with the letter from IBRD dated March 15, 2017 the Project closing date is June 30, 2018. Under the Grant agreement, the Project grace period is 6 months after the Project closing date.

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 on the April 12, 1996. It is entered into the Uniform State Register of legal entities in 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:

- Provisions of consultants' services to develop and improve methodologies and preparation of respective calculation practices;
- Provisions of consultants' services for the preparation of methodological and other materials in the Russian language;
- Conducting regional capacity building workshops to be attended by the CIS NSO staff;
- Provision of consultants' services for the calculation and dissemination of the national account expenditures in nominal and PPP terms, together with the related price indices.

<table>
<thead>
<tr>
<th>Category in accordance with the procurement plan</th>
<th>Allocated Amount of Grant (USD)</th>
<th>% IBRD Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consulting services, trainings and workshops, audit fees, operating costs</td>
<td>374 500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-grants</td>
<td>15 500</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>390 000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. Accounting policies

The special-purpose financial statement is prepared under the Cash Basis of Accounting in 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.
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

July 06, 2017