

Conservation International Foundation and Affiliates

Statement of Cash Receipts and Expenditures—Cash
Basis of The International Bank for Reconstruction and
Development/Global Environment Facility Funds
Period From July 1, 2023 Through June 30, 2024

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Independent Auditor's Report

Audit and Risk Management Committee
Conservation International Foundation

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying statement of cash receipts and expenditures—cash basis of The International Bank for Reconstruction and Development/Global Environment Facility Funds Program (the Program) of Conservation International Foundation and Affiliates (CI) for the period from July 1, 2023 through June 30, 2024, and the related notes to the financial statement.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the cash receipts and expenditures of the Program of CI for the period from July 1, 2023 through June 30, 2024, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of CI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and ISA will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and ISA, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Program's financial statement for the year ended June 30, 2023, and we expressed an unmodified audit opinion on that audited financial statement in our report dated December 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Washington, D.C.
December 19, 2024

**Conservation International Foundation and Affiliates—
The International Bank for Reconstruction and Development/
Global Environment Facility Funds**

**Statement of Cash Receipts and Expenditures—Cash Basis
Period From July 1, 2023 Through June 30, 2024
(With Comparative Totals for 2023)**

	2024					2023
	GEF	CBIT	LDCF	SCCF	Total	
Cash receipts:						
Cash receipts for funded projects	\$ 30,156,699	\$ 466,884	\$ -	\$ 450,000	\$ 31,073,583	\$ 31,164,659
Refund	-	-	-	-	-	4,839
Total cash receipts	30,156,699	466,884	-	450,000	31,073,583	31,169,498
Expenditures:						
Grants disbursed for funded projects	14,984,963	354,279	147,275	438,015	15,924,532	33,437,498
Total expenditures	14,984,963	354,279	147,275	438,015	15,924,532	33,437,498
Excess of cash receipts over (under) expenditures	\$ 15,171,736	\$ 112,605	\$ (147,275)	\$ 11,985	\$ 15,149,051	\$ (2,268,000)

See notes to the financial statement.

**Conservation International Foundation and Affiliates—
The International Bank for Reconstruction and Development/
Global Environment Facility Funds**

Notes to Financial Statement

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Conservation International Foundation and Affiliates (CI), founded in 1987, imagines a healthy, prosperous world in which societies are forever committed to caring for and valuing nature for the long-term benefit of people and all life on Earth. By building upon a strong foundation of science, partnership and field demonstration, CI empowers societies to responsibly and sustainably care for nature for the well-being of humanity.

Much like CI, the Global Environment Facility (GEF) believes that every person on Earth deserves a healthy environment and the fundamental benefits that nature provides. Since its inception in 1991, the GEF has improved the lives of billions of people while creating conditions for sustainable development. By investing in the planet, the GEF is investing in the human capital of this generation and of generations to come. Bringing together 183 countries in partnership with international institutions, civil society organizations and the private sector, the GEF is the largest public funder of projects to improve the global environment. The GEF channels funding through GEF agencies, which are responsible for assisting eligible governments and nonprofit organizations in the development, implementation and management of GEF projects.

In 2013, CI became one of the first nonprofit organizations to be accredited as a GEF agency. As such, CI directly assists national governments in incorporating global environment concerns into their policies, programs and projects. As an agency of the GEF, CI disburses funding for global conservation and sustainable development initiatives.

For the period from July 1, 2023 through June 30, 2024, CI received and/or disbursed funding from four separate GEF funds, as noted below.

GEF Trust Fund: The GEF Trust Fund was established on the eve of the 1992 Rio Earth Summit to help tackle our planet's most pressing environmental problems. GEF funding to support the projects is contributed by donor countries. These financial contributions are replenished every four years by the GEF's 39 donor countries.

GEF funds are available to developing countries and countries with economies in transition to meet the objectives of the international environmental conventions and agreements.

Capacity Building Initiative for Transparency Fund (CBIT): As part of The Paris Agreement of 2015, parties to the United Nations Framework Convention on Climate Change (UNFCCC), established in 1992, agreed to establish a Capacity-Building Initiative for Transparency. The goal of the CBIT is to strengthen the institutional and technical capacities of developing countries to meet the enhanced transparency requirements of the Paris Agreement. These enhanced transparency requirements are defined in Article 13 of the Paris Agreement. The Paris Agreement requested the GEF to support the establishment of the CBIT through voluntary contributions during GEF-6 and future replenishment cycles. Following COP 21 (the Convention), the GEF established the CBIT with high levels of donor support and engagement of stakeholders and countries within a year. Transparency and accountability are key pillars of the Paris Agreement, and the CBIT will help developing countries, pre- and post-2020, strengthen their ability to meet these essential elements of the agreement.

This builds upon the GEF's provision of support to non-Annex I Parties to fulfill their obligations under the UNFCCC, including National Communications and Biennial Update Reports.

**Conservation International Foundation and Affiliates—
The International Bank for Reconstruction and Development/
Global Environment Facility Funds**

Notes to Financial Statement

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Special Climate Change Fund (SCCF): The Special Climate Change Fund was established under the Convention in 2001 to finance projects relating to adaptation; technology transfer and capacity building; energy, transport, industry, agriculture, forestry and waste management; and economic diversification. This fund should complement other funding mechanisms for the implementation of the Convention (Decision 7/CP.7). The GEF, as an operating entity of the Financial Mechanism, has been entrusted to operate the SCCF. In 2004, the GEF Council approved a programming document, which provides the operational basis for funding activities under the SCCF (GEF/C.24/12).

Least Developed Countries Fund (LDCF): The LDCF is the Fund that enables Least Developed Countries to prepare for a more resilient future. LDCF funding helps recipient countries address their short-, medium- and long-term resilience needs and reduce climate change vulnerability in priority sectors and ecosystems. LDCF backing helps countries implement National Adaptation Programs of Action (NAPAs)—country-driven strategies for addressing their most urgent adaptation needs. It also supports the implementation of the National Adaptation Plan (NAP) process, and the Least Developed Country work program under the UNFCCC.

CI is committed to working with all governments and engaging with all sectors in society to achieve our ultimate goal of improved human well-being, particularly focusing on the essential services that nature provides such as fresh water, food, health, livelihoods and climate resilience.

A summary of GEF Funds' (the Program) significant accounting policies follows:

Basis of presentation: The accompanying statement of cash receipts and expenditures—cash basis for the period from July 1, 2023 through June 30, 2024, is prepared based on the cash receipts received and disbursements paid during the year for the Program. The cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the financial statement is not intended to conform with U.S. GAAP. Receipts are reported when collected rather than when pledged/earned, and disbursements are reported when paid rather than when incurred.

Prior year information: The financial statement includes certain prior year summarized comparative information but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Program's financial statement for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent events: CI has evaluated subsequent events through December 19, 2024, the date on which the financial statement was available to be issued.

Cumulative cash position: The Program's cumulative cash position at June 30, 2024, is as follows:

Cumulative cash receipts	\$ 140,833,292
Cumulative expenditures	123,794,018
Cash balance at June 30, 2024	<u>\$ 17,039,274</u>

**Conservation International Foundation and Affiliates—
The International Bank for Reconstruction and Development/
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Notes to Financial Statement

Note 2. Cumulative Cash by Fund

The cumulative cash surplus at July 1, 2023 and June 30, 2024, by the four separate GEF funds, is as follows:

	Balance July 1, 2023	Balance June 30, 2024
GEF Trust Fund	\$ 861,583	\$ 16,033,319
Capacity Building Initiative for Transparency Fund	15,756	128,361
Least Developed Countries Fund	1,018,623	871,348
Special Climate Change Fund	(5,739)	6,246
Cash balance—cumulative	<u>\$ 1,890,223</u>	<u>\$ 17,039,274</u>