

Conservation International Foundation and Affiliates

Statement of Receipts and Expenditures – Modified Cash Basis
for the World Bank Funded Program “Global Learning and
Knowledge Exchange Project of the Dedicated Grant Mechanism
for Indigenous Peoples and Local Communities”

For the Year Ended June 30, 2016

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Independent Auditor's Report

To the Board of Directors
Conservation International Foundation and Affiliates
Arlington, Virginia

Report on the Financial Statement

We have audited the accompanying statement of receipts and expenditures – modified cash basis of the World Bank funded program, “Global Learning and Knowledge Exchange Project of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities” (the Program) of Conservation International Foundation and Affiliates (collectively, CI) for the year ended June 30, 2016, and the related note to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with International Standards on Auditing, issued by the International Federation of Accountants (IFAC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statement referred to above presents fairly, in all material respects, the receipts and expenditures of the Program of CI for the year ended June 30, 2016, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the modified 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.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors, Audit Committee, management and for filing with the World Bank and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

McLean, Virginia
November 18, 2016

Conservation International Foundation and Affiliates
The World Bank Funded Program
"Global Learning and Knowledge Exchange Project of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities"

Statement of Receipts and Expenditures – Modified Cash Basis
For the Year Ended June 30, 2016
(In USD)

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Cash receipts:	
Cash received during grant period	\$ 605,175
Total cash received	<u>605,175</u>
Expenditures:	
Global learning, outreach and information sharing	139,688
Technical assistance and secretariat services to the GSC	339,537
Planning, monitoring and reporting	162,379
Administrative	96,241
Total expenditures	<u>737,845</u>
Excess of expenditures over cash receipts	<u><u>\$ (132,670)</u></u>

See note to financial statement.

**Conservation International Foundation and Affiliates
The World Bank Funded Program
“Global Learning and Knowledge Exchange Project of the Dedicated Grant Mechanism for
Indigenous Peoples and Local Communities”**

Note 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.

The overall project goals of the World Bank funded program “Global Learning and Knowledge Exchange Project of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities” (the Program) are (a) to organize and facilitate knowledge exchange, learning and capacity building for indigenous Peoples and local communities (IPLC) at regional and global levels; and (b) strengthen the networks and alliances of IPLC organizations within and across regions with a view to enhancing their representation and voice in regional and global policy.

A summary of the Program’s significant accounting policies follows:

Basis of presentation: The accompanying statement of receipts and expenditures – modified cash basis, for the year ended June 30, 2016, was prepared based on the receipts and expenditures incurred during that period for the Program. Expenditures include cash disbursements, as well as CI’s allocated overhead costs. Therefore, receivables, payables, accruals and deferred income and expenses, which would be recognized under generally accepted accounting principles and which may be material in amount, are not recognized in the accompanying financial statement. Such a basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Currency presentation: The functional currency of CI is the U.S. dollar, and the statement is prepared on this basis.

Subsequent events: CI evaluated subsequent events through November 18, 2016, which is the date the financial statement was available to be issued.



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To Management and the Board of Directors
Conservation International Foundation
Arlington, Virginia

In planning and performing our audit of the financial statement of the World Bank funded program, “Global Learning and Knowledge Exchange Project of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities” (the Program) of Conservation International Foundation and Affiliates (collectively, CI) for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Program’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Program’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the World Bank, the management of CI and the Board of Directors of CI and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

McLean, Virginia
November 18, 2016