

PROFONANPE

Report of Audit of financial statements, Project
"Natural Heritage Initiative of Peru", financed by the
Cooperation Agreement signed between the
Gordon and Betty Moore Foundation, World
Wildlife Found Inc. and Andes Amazo Fund, in
collaboration with PROFONANPE.

For the period from January 01 to December 31,
2023

**AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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Mr.:
Anton Willems Delanoy
Executive Director
PROFONANPE
Lima - Peru.-

Dear Sirs:

This document constitutes the "**Executive Summary**" of the financial audit report for the period from January 1 to December 31, 2023, of the "*Natural Heritage Initiative of Peru*" project, financed by the Grant Agreements signed between *Gordon and Betty Moore Foundation; World Wildlife Found INC., Andes Amazon Fund* and PROFONANPE. The content of this summary is as follows:

1. BACKGROUND

a) From the entities financing the project

On May 24, 2019, a memorandum of understanding was signed between the Ministry of the Environment, the National Service for Natural Areas Protected by the State, *Gordon and Betty Moore Foundation; World Wildlife INC; Andes Amazon Fund*, and PROFONANPE. The objective of the project is to consolidate the effective management of the thirty-eight (38) protected natural areas of national administration that are part of the Amazon biome, which represent approximately 17 million hectares in Peru, for which the conditions will be generated. authorizations for said management within a term of eleven (11) years that ensures its financial sustainability in perpetuity.

(1) Gordon and Betty Moore Foundation and other Foundations

It is a nonprofit organization constituted in Delaware, United States of America, that promotes scientific discovery, environmental conservation, improvements in patient care, and preservation of the San Francisco Bay Area. In Peru, the Foundation has supported the creation and effective management of approximately eighteen national, regional, and communal land protected areas. The primary donors of the project are made up of: Gordon and Betty Moore Foundation; Margaret A. Cargill Foundation and Jhon and Catherine T. Mac Arthur Foundation.

(2) World Wildlife Fund INC.

It is a non-profit organization constituted in Delaware, United States of America, and registered in Peru in the item 11030045 of the Registry of Legal Entities of the Registry Office of Lima and Callao. It is recognized by the Ministry of Foreign Affairs, according to Vice-Ministerial Resolution of August 4, 1998, with renewed ENIEX registration through Directorial Resolution N° 081-2017 / APCI-DOC of February 9, 2017. *World Wildlife Fund*, mission is stopping the degradation of the planet natural environment and build a future where human beings live in harmony with nature, conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable and promoting the reduction of pollution and consumption excessive.

(3) Andes Amazon Fund

It was created as an initiative to make grants from multiple donors to support conservation in the Andean-Amazon region of South America, through the creation and effective management of protected areas and indigenous reserves. This organization is a project of the *New Venture Fund*, of the United States 501(c) public charity that incubates new and innovative public interest projects and grant programs.

b) Of the Grant Agreements

Grant Agreement – *World Wildlife Fund*

On December 17, 2019, World Wildlife Fund signed the Grant Agreement with PROFONANPE to finance the project “Natural Heritage Initiative of Peru for the 38 Protected Natural Areas of the Amazon Biome – PDP” for US\$ 17 million. The objective of the project is to promote long-term financial sustainability through effective management of the National System of Natural Areas Protected by the State and the establishment of a Transition Fund. Primary donors include Gordon and Betty Moore Foundation; Margaret A. Cargill Foundation and the Jhon D. and Catherine T. Mac Arthur Foundation and other donors. To establish the Transition Fund, the primary donors contribute 12 million dollars and WWF through the Global Environment Fund, contributes 5 million dollars.

The donation agreement began on December 16, 2019, and will end on December 31, 2029.

Grant Agreement –World Wildlife Fund

On December 17, 2019, World Wildlife Fund signed the Grant Agreement with PROFONANPE to finance the project “Natural Heritage Initiative of Peru for the 38 Protected Natural Areas of the Amazon Biome – PDP” for US\$ 17 million. The objective of the project is to promote long-term financial sustainability through effective management of the National System of Natural Areas Protected by the State and the establishment of a Transition Fund. Primary donors contribute US\$ 12 million to establish the Transition Fund and US\$ 5 million are contributed by the World Wildlife Fund, through the Global Environment Fund (GEF).

The donation agreement began on December 16, 2019, and will end on December 31, 2029.

c) Transition Fund Portfolio Management

The Investment Portfolio of the Transition Fund amount to US\$ 17 million dollars is managed by PROFONANPE through its competent offices, with the objective of maximizing its returns with the lowest possible risk. For the governance of the PDP Initiative, the Operations Manual - MOP establishes that the Board of Directors is its governing body and the highest decision-making body, which is responsible for monitoring compliance with the objectives and goals of the PDP. MoU, MOP-Amazonia and EI-Amazonia, as well as approve the disbursements of the Transition Fund destined for the implementation of the PdP-Amazonia Initiative. The investment portfolio is managed by an international bank.

d) Of the managing and executing entity of the project

- 1) PROFONANPE, is a non-profit private law institution, established in Peru by Decree Law 26154 of December 29, 1992, with the purpose of administering the National Fund for Natural Areas Protected by the State, therefore that enjoys its own legal existence and legal status. In accordance with Article 181.1 of the Regulations of the Law on Protected Natural Areas approved by Supreme Decree 038-2001-AG, PROFONANPE's mission is

the collection, channeling, and allocation of complementary resources required to contribute to the conservation of diversity biological, protection and management of Protected Natural Areas included in the indicated Regulation.

- 2) The Ministry of the Environment is the agency governmental that develops, supervises, and executes the National Environmental Policy; as well as fulfills the function of promoting the conservation and sustainable use of natural resources, biological diversity and protected natural areas in accordance with the provisions of Legislative Decree 1013, Law of Creation Organization and Functions of the Ministry of the Environment. Its objective is the conservation of the environment, in such a way that it promotes and ensures the sustainable, responsible, rational and ethical use of natural resources and the environment that sustains them, which allows contributing to the integral, social, economic and cultural development of the person human being, in permanent harmony with its environment, and thus ensure present and future generations, the right to enjoy a balanced and adequate environment for the development of life.
- 3) National Service for Protected Natural Areas by the State- SERNANP was created by Legislative Decree 1013, Law of Creation, Organization and Functions of the Ministry of the Environment. It is a specialized technical body attached to the Ministry of the Environment, created by the Second Final Complementary Provision of Legislative Decree, as the governing body and technical-regulatory authority of the National System of Protected Areas by the State.

On May 3, 2019, PROFONANPE and the National Service for Protected Natural Areas by the State - SERNANP signed the Interinstitutional Cooperation Agreement for the implementation and execution of the Transition Fund for the PDP-Amazon Initiative for the thirty-eight Protected Natural Areas of the Amazon Biome. Subsequently, on May 24, 2019, the Memorandum of Understanding was signed between the Ministry of the Environment, the National Service for Protected Natural Areas - SERNANP, the Gordon and Betty Moore Foundation, the World Wildlife Fund, the Andes Amazon Fund and PROFONANPE. The administrator of the Transition Fund and recipient of donations and other resources is PROFONANPE. SERNANP is responsible for the technical execution of the donations and other resources that constitute the Transition Fund.

2. OBJECTIVES AND SCOPE OF THE AUDIT

The external audit professional services contract signed with PROFONANPE, to audit the financial statements of the Project "*Natural Heritage Initiative of Peru*", financed by the Grant Agreements signed between the *Gordon and Betty Moore Foundation*, *World Wildlife INC.*, *Andes Amazon Fund* and PROFONANPE, established the following objectives:

- Issue an opinion on whether the statement of sources and use of funds and the statement of accumulated investments of the Project "*Natural Heritage Initiative of Peru*", reasonably present the sources and uses of funds in the period from January 1 to December 31, 2023, as well as the investments as of the last date, in accordance with the accounting policies applied and the terms of the Grant Agreements entered into between the *Gordon and Betty Moore Foundation*, *World Wildlife*, *Andes Amazon Fund* and PROFONANPE.
- Issue an opinion on whether the supplementary financial information as of December 31, 2023, has been fairly presented in all material aspects.
- Issue an opinion regarding compliance with the clauses include in the Donation Agreement with World Wildlife Fund INC. in the period examined.

- Issue an opinion on the reasonableness of the internal control system in PROFONANPE for the management of funds transferred by donors in the period examined, identifying significant deficiencies in the design and operation, if any.

Our audit was carried out in accordance with the International Auditing Standards issued by the International Auditing and Assurance Standards Board - IASB approved for its application in Peru by the Board of Deans of the Associations of Public Accountants of Peru, for which it included the transactions carried out with the funds of the Donation Agreements, in the period from January 1 to December 31, 2023. A summary of the audit procedures applied is presented in Annex 4 of this report.

3. RESULTS OF THE AUDIT

As a result of the audit of financial statements of the Project “*Natural Heritage Initiative of Peru*” for the period from January 01 to December 31, 2023, we issued our audit report on April 12, 2024. A summary of this report is presented below:

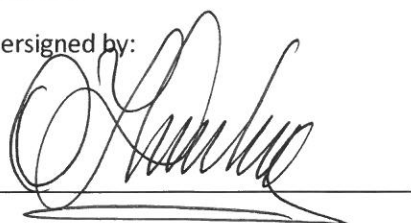
- Unqualified opinion on the status of sources and use of funds and the status of accumulated investments for the period from January 1 to December 31, 2023. Material misstatements were not identified in the funds executed in the period.
- Unqualified opinion on the supplementary information as of December 31, 2023.
- We are of the opinion that PROFONANPE reasonably complied with the clauses of the Grant Agreement, signed with World Wildlife INC. in the period from January 1 to December 31, 2023.
- In the report on the internal control established by PROFONANPE in the period from January 1 to December 31, 2023, no significant deficiencies are reported regarding the design and operation of internal controls in the project.

4. COMMENTS FROM THE ENTITY

The Executive Director of PROFONANPE has taken note of this audit report, expressing its agreement on its content.

Lima, Peru
April 17, 2024

Countersigned by:



Oswaldo Fonseca Luna
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo y Asociados

INDEPENDENT AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

To the members of the Directive Board and Executive Director
PROFONANPE
Lima – Peru

April 12, 2024

Opinion

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2023, and the statement of accumulated investments as of December 31, 2023, corresponding to the project "*Natural Heritage Initiative of Peru*", as well as the summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the sources and uses of funds for the period from January 01 to December 31, 2023, and the cumulative investments of the project "*Natural Heritage Initiative of Peru*" for the period then ended, in accordance with the accounting policies described in Note 2 to the accompanying financial statements and the terms of the Agreement.

Basis for opinion

2. We conducted our audit in accordance with International Standards on Auditing – ISA formalized in Peru by the Board of Deans of the Peruvian Institute of Public Accountants. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section. We are independent of PROFONANPE in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) and the ethical requirements of the Code of Professional Ethics issued by the Board of Deans of Peruvian Institute of Public Accountants that are relevant to our audit of financial statements. We have complied with our ethical responsibilities under the IESBA Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management' Responsibility for the financial statements

3. Management is responsible for the preparation and fair presentation of the accompanying financial statements in *accordance* with accounting standards applicable to not-for-profit organizations and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as appropriate, matters related to this accounting principle and its use, unless Management intends to liquidate the entity or cease operations, unless it has no realistic alternative but to do so.

Those charged with governance of the entity are responsible for overseeing of preparing its financial information.

Auditor's Responsibilities for the Audit of the Financial Statements

4. Our objectives are to obtain reasonable assurance about whether the financial statements of the project "*Natural Heritage Initiative of Peru*" as a whole are free from material misstatement, whether due to fraud or error, and to issue the audit 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 International Standards on Auditing, 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 financial statements.

As part of an audit in accordance with International Standards on Auditing approved for application in Peru by the Board of Deans of the Peruvian Institute of Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit.

Also:

- a) We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and applied audit procedures to respond to those risks and obtained sufficient appropriate evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) We 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 Entity's internal control.
- c) We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- d) We 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 entity'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 disclosures related to the financial statements or, if these disclosures are inadequate, to modify our opinion. The conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the entity to cease to operate as a going concern.
- e) We evaluate the overall presentation, structure, content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

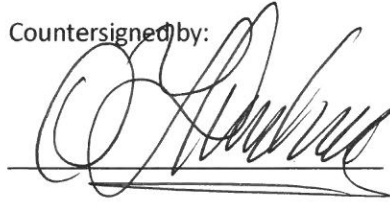
We communicate to those charged with management of PROFONANPE a statement that we have complied with ethical requirements, including the planned scope and timing of the audit, as well as any deficiencies in internal control identified during the audit.

Other matters

5. Without modifying our opinion, we refer to note 2 to the financial statements describing the basis of accounting. The financial statements of the project "*Natural Heritage Initiative of Peru*", for the period from January 01 to December 31, 2023, have been prepared in accordance with the cash basis of accounting. According to this basis of accounting, revenues are recognized when received and expenses are recognized when paid and not when accrued, which results in a method different from that based on generally accepted accounting principles in Peru, which include the International Financial Reporting Standards – IFRS.
6. Our report is intended solely for the knowledge and use of PROFONANPE, *Gordon and Betty Moore Foundation*, *World Wildlife Fund* and *Andes Amazon Fund*, so it should not be used by others or for purposes other than those indicated here.

Lima, Peru
April 12, 2024

Countersigned by:



Oswaldo Fonseca Luna
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo y Asociados

STATEMENT OF SOURCES AND USES OF FUNDS
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023
 (Expressed in U.S. Dollars)
 (Notes 1 and 2)

	Accumulated as of December 2022				From the period January to December 2023				Accumulated as of December 31, 2023				
	Nota	WWF/ GEF	Amazon Fund	WWF/ Moore	TOTAL	WWF/ GEF	Amazon Fund	WWF/ Moore	TOTAL	WWF/ GEF	Amazon Fund	WWF/ Moore	TOTAL
SOURCE OF FUNDS:													
Transfers PDP	3	5,000,000	2,131,175	14,300,000	21,431,175	-	-	2,699,875	2,699,875	5,000,000	2,131,175	16,999,875	24,131,050
Total funds received		5,000,000	2,131,175	14,300,000	21,431,175	-	-	2,699,875	2,699,875	5,000,000	2,131,175	16,999,875	24,131,050
USE OF FUNDS BY COMPONENT:													
01 Preliminary Management Level	4	-	152,431	2,135	154,566	-	(3,118)	-	(3,118)	-	149,313	2,135	151,448
02 Basic and structural Management Level	5	1,702,912	1,148,029	1,725,020	4,575,961	972,716	541,079	1,096,035	2,609,830	2,675,628	1,689,108	2,821,055	7,185,791
03 Optimal Management Level	6	-	-	464,026	464,026	5,822	672	172,220	178,714	5,822	672	636,246	642,740
04 Financial Sustainability		-	-	228,017	228,017	-	-	-	-	-	-	228,017	228,017
05 Adaptive Management of Intervention	7	46,062	110,945	1,956,254	2,113,261	12,691	97,927	862,620	973,238	58,753	208,872	2,818,874	3,086,499
Subtotal Project investments		1,748,974	1,411,405	4,375,452	7,535,831	991,229	636,560	2,130,875	3,758,664	2,740,203	2,047,965	6,506,327	11,294,495
Accounts to be regularized		5,888	(174,501)	(361,681)	(530,294)	(3,912)	178,524	154,101	328,713	1,976	4,023	(207,580)	(201,581)
Investments		(3,241,838)	(495,860)	(9,357,707)	(13,095,405)	1,082,765	437,090	(768,279)	751,576	(2,159,073)	(58,770)	(10,125,986)	(12,343,829)
Exchange difference	8	(7,232)	(12,137)	(35,712)	(55,081)	(6,754)	(5,538)	(9,391)	(21,683)	(13,986)	(17,675)	(45,103)	(76,764)
Increase (decrease) of cash		7,844	37,272	169,448	214,564	80,870	(26,484)	(54,569)	(183)	88,714	10,788	114,879	214,381
Effective at the beginning of the period		-	-	-	-	7,844	37,272	169,448	214,564	-	-	-	-
Effective at the end of the period	9	7,844	37,272	169,448	214,564	88,714	10,788	114,879	214,381	88,714	10,788	114,879	214,381

The accompanying notes form part of this financial statement.

STATEMENT OF ACCUMULATED INVESTMENTS
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023
 (Expressed in U.S. Dollars)

	Budget Executed - Accumulated				Accumulated as of December 2022				Movements from January to December 2023				Accumulated as of December 31, 2023			
	Amazon		WWF/ Moore	Total	Amazon		WWF/ Moore	Total	Amazon		WWF/ Moore	Total	Amazon		WWF/ Moore	Total
	WWF	Fund	Foundation		WWF	Fund	Foundation		WWF	Fund	Foundation		WWF	Fund	Foundation	
USE OF FUNDS BY COMPONENT:																
01 Preliminary Management Level Basic and structural Management	-	152,431	2,135	154,566	-	152,431	2,135	154,566	-	(3,118)	-	(3,118)	-	149,313	2,135	151,448
02 Level	1,702,912	1,148,029	1,725,020	4,575,961	1,702,912	1,148,029	1,725,020	4,575,961	972,716	541,079	1,096,035	2,609,830	2,675,628	1,689,108	2,821,055	7,185,791
03 Optimal Management Level	-	-	464,026	464,026	-	-	464,026	464,026	5,822	672	172,220	178,714	5,822	672	636,246	642,740
04 Financial Sustainability	-	-	228,017	228,017	-	-	228,017	228,017	-	-	-	-	-	-	228,017	228,017
05 Adaptive Management of the Intervention	46,062	110,945	1,956,254	2,113,261	46,062	110,945	1,956,254	2,113,261	12,691	97,927	862,620	973,238	58,753	208,872	2,818,874	3,086,499
Total project investments	1,748,974	1,411,405	4,375,452	7,535,831	1,748,974	1,411,405	4,375,452	7,535,831	991,229	636,560	2,130,875	3,758,664	2,740,203	2,047,965	6,506,327	11,294,495

The accompanying notes form part of this financial statement.

NOTES TO THE STATEMENT OF SOURCES AND USES OF FUNDS AND TO THE STATEMENT OF ACCUMULATED INVESTMENTS

FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023

1. NATURE AND ACTIVITIES OF THE ENTITY AND THE PROJECT

a) The managing entity of the Project

PROFONANPE is a non-profit private law institution of public and social interest, established by Decree Law 26154 of December 29, 1992, to administer the National Fund for Natural Areas Protected by the State. The Single Integrated Text of PROFONANPE's by laws was approved by the Board of Directors at its meeting on August 25, 2009, and registered in the Public Registries of Lima on January 15, 2010. According to the regulations of the law approved by Decree Supreme 024-93-AG, PROFONANPE has the following purposes: a) contribute to the conservation, protection and management of Natural Areas Protected by the State; b) strengthen the operational capacity of the General Direction of Protected Natural Areas and Wildlife (formerly, SERNANP); c) contribute to the strengthening of the technical capacity of the personnel that works in the Natural Areas Protected by the State; y, d) finance projects, programs and/or activities related to the conservation and management of protected natural areas, developed by the State or non-governmental organizations.

PROFONANPE, manages the trust fund established in Article 1 of Decree Law 26154, as well as the resources from the International Technical Cooperation Agreements. In its capacity as administrator of the National Fund for Natural Areas Protected by the State, it captures, channels and assigns the complementary resources required to contribute to the conservation, protection and management of Natural Protected Areas included in its regulations. PROFONANPE is governed by its Statutes and in a supplementary manner by the norms of the Civil Code.

b) Of the executing entity of the project

The National Service of Natural Areas Protected by the State - SERNANP, was created by Legislative Decree 1013 on May 14, 2008, as a Specialized Technical Public Organization, attached to the Ministry of the Environment. SERNANP is responsible for the administration of the National System of Natural Areas Protected by the State (SINANPE), with the following functions: a) direct SINANPE and ensure its operation as a "unitary" system; b) approve the regulations and establish the technical and administrative criteria, as well as the procedures for the management of Protected Natural Areas; c) guide and support the management of protected natural areas whose administration is the responsibility of regional and local governments and the owners of properties recognized as private conservation areas y, d) establish the inspection and control mechanisms and the corresponding administrative infractions and sanctions; and exercise the sanctioning power in cases of non-compliance.

c) Of the Project

The National Service of Natural Areas Protected by the State - SERNANP, is a Specialized Technical Public Organization attached to the Ministry of the Environment by Legislative Decree 1013 of May 14, 2008, in charge of directing and establishing the technical and administrative criteria for the conservation of Protected Natural Areas and safeguarding the maintenance of biological diversity.

Faced with this situation, SERNANP, as the governing of the National System of Natural Areas Protected by the State - SINANPE, manages the human, financial, and logistical resources and establishes a series of administrative and technical procedures, which it permanently executes in order to improve the efficiency of their intervention, in order to contribute to conserving biological diversity and generating alternatives for sustainable use for the benefit of the local population.

Likewise, the relevance of the need to have a fundraising strategy for the good management of Protected Natural Areas is considered, ensuring financial sustainability within a period of 20 years, through the Initiative "Securing the future of Natural Areas Protected-National Parks: Natural Heritage of Peru" (PdP), recognized by Resolution 254-2015-SERNANP and declared of national interest by Supreme Decree 003-2019-MINAM. This will allow SERNANP to mobilize and leverage greater resources and new financial support commitments through innovative mechanisms that help strengthen its institutionality and the effective management of SINANPE; covering the current gap between the budget required and that available for the conservation of these living spaces.

The Natural Heritage Initiative of Peru in its Amazon Phase (PdP-Amazonia) begins its implementation in January 2020 following as a guide the Implementation Strategy prepared by SERNANP to manage the implementation of the initiative and the US\$ 70 million already committed on behalf of the *Natural Heritage Initiative of Peru* for the effective management of Protected Natural Areas. For this reason, it requires a strong drive to generate and establish new income and financing sources for the Protected Areas system to guarantee the sustainability of its management and comply with the PdP commitments in the long term.

The "Transition Fund of the Natural Heritage Initiative of Peru" was established to implement part of the already extinct capital resources of the Initiative in accordance with the provisions of its governing documents, the Operations Manual of the PdP-Amazon Initiative (MOP Amazonia) and the Implementation Strategy of the PdP-Amazon Initiative. These documents recognize the responsibility of PROFONANPE and SERNANP in the implementation of the social and environmental safeguards that are part of the policies of the cooperating institutions of the initiative.

2. ACCOUNTING POLICIES AND PRACTICES

The most important accounting policies used for the registration of operations and the preparation of the financial statements of the project are the following:

a) Presentation of financial statements

The financial statements of the project were prepared by PROFONANPE based on the accounting records that are kept in accordance with the accounting standards applicable in Peru, and the procedures established for that purpose.

b) Accounting basis

The statement of sources and uses of funds and the statement of accumulated investments are prepared in accordance with the cash basis of accounting. Under this basis, income is recognized when it is received, and expenses when they are paid, and not when they are accrued. The adoption of this accounting basis originates a different method from that based on generally accepted accounting principles in Peru.

c) Monetary unit

For presentation purposes, the financial statements of the project are expressed in US dollars.

d) Exchange rate

The transactions carried out are recorded in Soles and in US dollars, as appropriate in each case. For the preparation and presentation of the financial statements (statement of sources and uses of funds and statement of accumulated investments), the funds in Soles are converted to US dollars at the exchange rate of the Superintendency of Banking, Insurance and AFP.

e) Statement of Sources and Use of Funds

This financial statement shows the cash transactions carried out by the executing entity, classified in Source of Funds (Revenues); Use of funds (expenses), and Cash available at the end of the period.

f) Statement of accumulated investments

This statement records the disbursements made from the funds transferred by the donor and classified in the corresponding budget items for each period.

g) Restricted use of funds

Project funds are deposited in local banks in national currency and foreign currency. They are of restricted use and can only be used in operations related to their objectives.

3. SOURCES OF FUNDS

It comprises:

<u>Date</u>	<u>Description</u>	<u>In US dollars</u>
06-26-2023	Transfer funds, World Wildlife INC	2,699,875
		2,699,875

4. USE OF FUNDS - PRELIMINARY MANAGEMENT LEVEL (COMPONENT 1)

It comprises:

	In US dollars			Total
	WWF	Amazon Fund	Moore Foundation	
06 Sub grants	-	(3,117)	-	(3,117)
Total	-	(3,117)	-	(3,117)

5. USE OF FUNDS – BASIC AND STRUCTURAL MANAGEMENT LEVEL (COMPONENT 2)

It comprises:

<u>Description</u>	In US dollars			Total
	WWF	Amazon Fund	Moore Foundation	
01 Development of Public – Private Initiative of multiple partners for the long-term financial sustainability of the ANP of the Peruvian Amazon.	545,603	-	-	545,603
02 Diversification of sources to increase the financing of the ANP.	33,850	2,943	274,056	310,849
03 Implementation of measures of the PdP Initiative action plan to consolidate and improve the effective management of the ANP of the Amazon.	119,573	70,345	45,349	235,267
04 Project coordination	141,573	175,893	161,956	479,792
06 Sub grants	131,747	286,760	605,308	1,023,815
13 Travel, transportation and per diem	-	5,138	9,366	14,504
Total	972,716	541,079	1,096,035	2,609,830

6. USE OF FUNDS — OPTIMAL MANAGEMENT LEVEL (COMPONENT 3)

It comprises:

<u>Description</u>	In US dollars			Total
	WWF	Amazon Fund	Moore Foundation	
03 Implementation of measures of the PdP Initiative action plan to consolidate and improve the effective management of the ANP of the Amazon.	-	-	96,072	96,072
04 Project coordination	5,822	672	176	6,670
06 Sub grants	-	-	73,972	73,972
13 Travel, transportation and per diem	-	-	2,000	2,000
Total	5,822	672	172,220	178,714

7. USE OF FUNDS – ADAPTIVE MANAGEMENT OF THE INTERVENTION (COMPONENT 5)

It comprises:

<u>Description</u>	In US dollars			Total
	WWF	Amazon Fund	Moore Foundation	
03 Implementation of measures of the PdP Initiative action plan to consolidate and improve the effective management of the ANP of the Amazon.	10,716	6,936	162,116	179,768
04 Project coordination	1,975	8,293	97,120	107,388
05 Project management costs	-	-	15,300	15,300
06 Sub grants	-	-	74,292	74,292
08 Management costs – personnel	-	-	281,721	281,721
11 Financial management	-	82,698	216,528	299,226
13 Travel, transportation and per diem	-	-	15,543	15,543
Total	12,691	97,927	862,620	973,238

8. TRANSITION FUND PORTFOLIO

It comprises:

Donors	(In US dollars)						
	Initial balance 2023	Contribution or transfer (A)	Withdrawals (B)	Subtotal (A) + (B)	Commission and management	Gross yield	Final balance 2023
WWF / GEF	3,291,704	-	(1,082,765)	(1,082,765)	2	141,532	2,350,473
AMAZON FUND	507,490	75,369	(512,459)	(437,090)	1	7,101	77,502
WWF / MOORE	9,418,790	2,350,000	(1,581,721)	768,279	4	491,814	10,678,887
	13,217,984	2,425,369	(3,176,945)	(751,576)	7	640,447	13,106,862

9. AVAILABLE AS OF DECEMBER 31, 2023

Cash availability is as follows:

	In Soles	In US dollars
Project 090-047 WWF / GEF:		
Current account in Soles 191-2673571-0-56	11,328	3,053
Current account in foreign currency 191-2662654-1-03	-	86,758
		<u>89,811</u>
Plus/ Less:		
Payment of various services in national currency (-)	(4,078)	(1,096)
		<u>(1,096)</u>
Available balance at December 31, 2023		<u>88,715</u>
Project 090-054 ANDES AMAZON FUND:		
Current account in soles 191-2664776-0-27	21,848	5,885
Current account in foreign currency 191-2632227-1-60	-	6,755
		<u>12,640</u>
Plus/ Less:		
Payment of various services in national currency (-)	(6,907)	(1,852)
		<u>(1,852)</u>
Available balance at December 31, 2023		<u>10,788</u>
Project 090-055 WWF / MOORE FOUNDATION:		
Current account in soles 191-2664777-0-37	24,116	6,502
Current account in foreign currency 191-2636475-1-69	-	110,863
		<u>117,365</u>
Plus/ Less:		
Payment of various services in national currency (-)	(7,374)	(1,984)
Payment of various services in foreign currency (-)		(503)
		<u>(2,487)</u>
Available balance at December 31, 2023		<u>114,878</u>
Total at December 31, 2023		<u>214,381</u>

10. SUBSEQUENT EVENTS

There is no knowledge of important events that occurred between the closing date of the project's financial statements and the date of this report that could significantly affect them.

INDEPENDENT AUDITOR'S OPINION ON THE SUPPLEMENTARY INFORMATION

To the members of the Directive Board and Executive Director
PROFONANPE
Lima – Peru

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023, corresponding to the project “*Natural Heritage Initiative of Peru*”, funded by the Grant Agreements signed between *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund*” and PROFONANPE, and have issued our unqualified opinion thereof on April 12, 2024.
2. Our review was intended to provide an opinion on the statement of funds and the statement of accumulated investments for the period from January 01 to December 31, 2023 of the project signed between the *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund* and PROFONANPE taken as a whole, was conducted in accordance with the International Standards on Auditing disclosed by the *International Auditing and Assurance Standards Board* and approved for application in Peru by the Board of Deans of Peruvian Colleges of Public Accountant; therefore, it included selective accounting tests and the application of other audit procedures as we considered necessary in the circumstances.
3. The supplementary financial information included as Annex 1,2 and 3 is presented for additional analysis purposes and is not considered necessary for the presentation of the project's financial statements. This supplementary financial information has been the subject of the audit procedures applied to the project's financial statements and is, in our opinion, fairly presented in all material respects in relation to those statements taken as a whole.

Lima, Peru
April 12, 2024

Countersigned by:



Oswaldo Fonseca Luna (Partner)
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo y Asociados

Annex 1

LIST OF GOODS
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023
 (Expressed in Soles and US Dollars)

Date	Description	Supplier	Quantity	In Soles	In US \$
13/01/2023	LICENCIA MURAL	Tactivos, Inc. d/b/a MURAL	1		363.91
16/01/2023	ZIP DRIVE EXTERNO	Google LLC	1		148.31
01/02/2023	MOBILIARIO DE OFICINA VARIOS	IMAX INT'L S.A.C.	1	2,182.60	
10/02/2023	VESTUARIO Y BOTAS	EDITORA E IMPRENTA INTERNACIONAL SAC	1	12,750.00	
23/02/2023	EQUIPOS DE MONITOREO	BACKUP SYSTEM EIRL	1	14,580.00	
07/03/2023	GENERADOR ELECTRICO 1	AMG NEGOCIOS SAC	1	5,499.98	
07/03/2023	GENERADOR ELECTRICO 2	AMG NEGOCIOS SAC	1	5,499.98	
07/03/2023	UNIFORMES GUARDAPARQUES	YEP INVESTMENTS E.I.R.L.	1	15,797.25	
07/03/2023	EQUIPOS DE CAMPO	INVESTIGACION Y MEDIO AMBIENTE S.A.C.	1	37,327.20	
07/03/2023	MOCHILA	EXPLORADOR ANDINO S.A.C.	1	4,455.00	
08/03/2023	EQUIPOS DE CÓMPUTO	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		4,144.01
08/03/2023	CAMARA FOTOGRAFICA TRAMPA	BACKUP SYSTEM EIRL	40	42,000.00	
09/03/2023	CAMARA FOTOGRAFICA Y DISCO DURO	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		2,001.42
14/03/2023	PANEL SOLAR	LOECHLE MULLER SUCESION RICARDO	1	14,195.00	
14/03/2023	PARARRAYOS	LOECHLE MULLER SUCESION RICARDO	1	9,955.20	
14/03/2023	DISCO DURO EXTERNO	JONATHAN CESAR PUENTE CASIMIRO	2	760.00	
15/03/2023	COMPUTADORA PERSONAL PORTATIL	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		2,156.43
15/03/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	5,492.20	
15/03/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	21,640.80	
16/03/2023	SILLA GIRATORIA DE METAL 9	SEGURIDAD Y SALUD DEL TRABAJADOR S.A.C	1	10,000.00	
20/03/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	17,633.00	
21/03/2023	EMBARCACION TIPO DESLIZADOR	ASTILLERO GRUPO CAM E.I.R.L.	2	23,300.00	
23/03/2023	IMPRESORA MULTIFUNCIONAL LASER (COPIADORA SCANNER)	LEVEL TECH PERU S.A.C	1		1,069.38
31/03/2023	MOTORES ESTACIONARIOS Y MARINOS	ASTILLERO GRUPO CAM E.I.R.L.	2	15,394.60	
10/04/2023	IMPRESORA MULTIFUNCIONAL LASER (COPIADORA SCANNER)	COMPUTADORAS Y TELECOMUNICACIONES S.A	3		1,244.19
10/04/2023	EQUIPOS DE RADIO MOVIL	CAMED COMUNICACIONES S.A.C.	1	16,614.32	
10/04/2023	COMPUTADORA PERSONAL PORTATIL	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		1,699.06
13/04/2023	EQUIPOS DE CÓMPUTO	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		4,179.17
13/04/2023	COMPUTADORA PERSONAL PORTATIL	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		2,620.40
14/04/2023	GASOLINA DE 84 OCTANOS	JORGE RAMOS CASTILLO	177	3,186.00	
17/04/2023	INDUMENTARIA	YEP INVESTMENTS E.I.R.L.	1	2,761.20	
19/04/2023	LAPICEROS EN GENERAL	AKLLA PUBLICIDAD E.I.R.L.	500	1,062.00	
19/04/2023	MEMORIA MICRO SD	JUGRANSOFT COMPUTER	40	3,000.00	
19/04/2023	FOTOCHECKS CON LANYARD	ESPRANDA E.I.R.L.	15	442.50	
20/04/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	6,945.00	

Date	Description	Supplier	Quantity	In Soles	In US \$
21/04/2023	EQUIPOS PORTÁTILES	5 WV INVERSIONES S.R.L.	1	2,418.00	
24/04/2023	DISCO DURO 1 TB	QUISPE MARTINEZ SAUL	4	1,000.00	
02/05/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	22,402.00	
02/05/2023	REFRIGERADORA ELÉCTRICA DOMESTICA	DISTRIBUIDORES DE PRODUCTOS ELECTRICOS SAC	1	1,949.00	
03/05/2023	MATERIALES DIVERSOS PARA CONSTRUCCION	GRUPO DE INVERSIONES J & D EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	5,177.50	
05/05/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	14,130.00	
05/05/2023	TELEFONO CELULAR	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		1,832.36
10/05/2023	EQUIPOS DE CAMPO	NOMADS EQUIPMENT SRL	1	14,495.00	
10/05/2023	INDUMENTARIA	SOTO CARRERA JACQUELIN	1	6,324.80	
15/05/2023	VIVERES Y ALIMENTOS	CECILIA VERONICA MONTERO BARRIENTOS	1	5,000.00	
15/05/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	18,665.90	
15/05/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	14,758.00	
15/05/2023	CONJUNTO CASACA Y PANTALON IMPERMEABLE	YEP INVESTMENTS E.I.R.L.	8	1,652.00	
15/05/2023	CAMARA FOTOGRAFICA 1	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		990.29
15/05/2023	CAMARA FOTOGRAFICA 2	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		990.29
16/05/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	26,720.00	
16/05/2023	BOLSA DE DORMIR	INVESTIGACION Y MEDIO AMBIENTE S.A.C.	15	3,749.85	
16/05/2023	MATERIALES DE CÓMPUTO	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		1,391.91
17/05/2023	UTILES DE OFICINA	R&M SERVIGEN CORPORATION S.A.C	1	4,224.00	
18/05/2023	COCINA INDUSTRIAL	MUNDO FOXS S.R.L.	2	900.00	
18/05/2023	AUDIFONOS CON MICROFONO	COMPUTADORAS Y TELECOMUNICACIONES S.A	4		448.04
22/05/2023	EQUIPOS DE CAMPO	SEGURIDAD Y SALUD DEL TRABAJADOR S.A.C	1	18,623.96	
22/05/2023	CAMIONETA	GRUPO PANA S.A.	1		49,620.00
22/05/2023	EQUIPOS DE CAMPO	SEGURIDAD Y SALUD DEL TRABAJADOR S.A.C	1	4,639.00	
22/05/2023	TINTA P/ IMPRESORA EPSON	JUST PERSONAL COMPUTERS SOCIEDAD DE RESPONSABILIDAD LIMITADA	2	450.00	
22/05/2023	CAMARA FOTOGRAFICA DIGITAL	IMPORTADORA Y DISTRIBUIDORA UDENIO SRL	1	4,965.00	
22/05/2023	ÚTILES DE OFICINA	SAAVEDRA OLANO CHARLIE MARTIN	1	836.40	
24/05/2023	INDUMENTARIA	DAZA AGUILAR MIGUEL ANGEL	1	1,500.00	
25/05/2023	EQUIPOS DE CAMPO	NOMADS EQUIPMENT SRL	1	8,290.00	
25/05/2023	MATERIALES DE CAMPO	MUNDO FOXS S.R.L.	1	3,487.40	
30/05/2023	MERCHANDISING	FERNANDEZ LOARTE FERNANDO LINCOLHN	1	4,720.00	
02/06/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	14,233.60	
06/06/2023	ESTRUCTURAS DE MADERA	CARRERA CHAHUA WALTER	1	10,200.00	
06/06/2023	SILLA GIRATORIA DE METAL	BASUALDO VILLANUEVA JUAN CARLOS	4	1,800.00	
06/06/2023	ESTRUCTURAS DE MADERA	CORPORACION CHILCA ORTIZ EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	2,760.00	
07/06/2023	CAMARA FOTOGRAFICA	IMPORTADORA Y DISTRIBUIDORA UDENIO SRL	1	9,232.00	
08/06/2023	LUMINARIA DE 2 X 40 W.	CAMED COMUNICACIONES S.A.C.	4	2,166.48	
08/06/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	26,399.10	
08/06/2023	MEMORIA MICRO SD	COMPUTADORAS Y TELECOMUNICACIONES S.A	10		102.40
09/06/2023	EQUIPOS DE CAMPO	INVERSIONES ARFI S.A.C.	1	22,551.96	
09/06/2023	TINTA P/ IMPRESORA	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		669.35
09/06/2023	CAMIONETA	GRUPO PANA S.A.	1		49,620.00
13/06/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	12,502.47	
13/06/2023	UTILES DE OFICINA	LINARES DELGADO MARIA ROSA	1	1,662.00	

Date	Description	Supplier	Quantity	In Soles	In US \$
13/06/2023	TINTA P/ IMPRESORA	MEGA NETWORK & SYSTEMS S.R.L.	1	1,146.00	
13/06/2023	TUBOS DE PVC	EL IMAN FERRETEROS S.A.C.	1	862.00	
21/06/2023	CUADERNILLOS	FERNANDEZ LOARTE FERNANDO LINCOLHN	200	2,580.00	
23/06/2023	KITS DE PRODUCTOS DE MERCHANDISING	PEZO TAMINCHE MISLI RODRIGO	1	2,040.00	
27/06/2023	MENAJE Y VAJILLA (PAQUETE)	L & L FARMA IMPORT & EXPORT E.I.R.L.	1	6,418.59	
27/06/2023	MEDICINA VARIOS	DEL AGUILA SALDAÑA GUILLERMO	1	2,579.50	
27/06/2023	COMBUSTIBLE	CRESENCIO BARRIOS CORREA	1	2,672.00	
28/06/2023	EQUIPOS DE CAMPO	GRUPO ACOSTA INVERSIONES S.A.C.	1	1,500.10	
30/06/2023	PILAS RECARGABLES	EXPLORADOR ANDINO S.A.C.	1	908.50	
30/06/2023	EQUIPOS DE CÓMPUTO	J & M SOLUCIONES TI S.A.C.	1		2,195.50
01/07/2023	MOCHILA DE 40 LT	NOMADS EQUIPMENT SRL	6	2,394.00	
03/07/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	8,472.00	
03/07/2023	UPS	J & M SOLUCIONES TI S.A.C.	2		178.00
04/07/2023	COCINA INDUSTRIAL	MUNDO FOXS S.R.L.	2	1,240.00	
04/07/2023	CAMARA FOTOGRAFICA TRAMPA	EXPLORADOR ANDINO S.A.C.	12	15,060.00	
18/07/2023	COMPUTADORA PERSONAL PORTATIL	J & M SOLUCIONES TI S.A.C.	1		2,899.00
20/07/2023	MATERIALES DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	4,790.75	
21/07/2023	COMPUTADORA PERSONAL PORTATIL	J & M SOLUCIONES TI S.A.C.	1		2,371.80
21/07/2023	DISCO DURO EXTERNO	J & M SOLUCIONES TI S.A.C.	1		90.61
21/07/2023	VIVERES Y ALIMENTOS	ZEHNDER YANTAS SANDY	1	2,444.00	
07/08/2023	VIVERES Y ALIMENTOS	INVERSIONES MAYBA SOCIEDAD ANONIMA CERRADA	1	6,541.00	
13/08/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	13,356.20	
13/08/2023	EQUIPOS DE CAMPO	SEGURIDAD Y SALUD DEL TRABAJADOR S.A.C	1	2,278.40	
22/08/2023	PARLANTES EN GENERAL	R&M SERVIGEN CORPORATION S.A.C	2	1,980.00	
30/08/2023	EQUIPOS DE CAMPO	NOMADS EQUIPMENT SRL	1	3,225.40	
01/09/2023	VENTILADOR ELÉCTRICO	MANUEL TUNCAR TORIBIO	1	1,840.00	
01/09/2023	FRAZADAS Y SABANAS	SOTO CARRERA JACQUELIN	1	4,655.10	
01/09/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	14,290.40	
01/09/2023	VIVERES Y ALIMENTOS	DAVILA NEYRA WILLAN ORLANDO	1	2,450.00	
01/09/2023	EQUIPOS DE CAMPO	INVESTIGACION Y MEDIO AMBIENTE S.A.C.	1	24,324.96	
07/09/2023	UTILES DE OFICINA	PANDURO CHANCHARI LILIANA PATRICIA	1	3,800.00	
07/09/2023	VIVERES Y ALIMENTOS	SAAVEDRA MUÑOZ LISEÑA ELISABETH	1	38,000.00	
07/09/2023	GASOLINA DE 84 OCTANOS	ESPINOZA RETES RONAL WILLIAM	100	1,850.00	
07/09/2023	GASOLINA DE 84 OCTANOS	INVERSIONES GIOMAX SOCIEDAD ANONIMA CERRADA-INVERSIONES GIOMAX S.A.C.	100	2,000.00	
07/09/2023	GASOLINA DE 84 OCTANOS	ESTACION DE SERVICIO ANITA S.A.C.	60	1,200.00	
07/09/2023	ACEITE LUBRICANTE	TERESITA DE JESUS ALVAREZ DAZA	5	1,920.00	
08/09/2023	VIVERES Y ALIMENTOS	RAZA PEÑA GRACIELA	1	4,500.00	
08/09/2023	COMBUSTIBLE	GALINDO COLLANTES FERNANDO	1	3,392.00	
08/09/2023	CARNE DE RES S/HUESO	LENINN JOSE RODRIGUEZ PINTADO	20	3,600.00	
08/09/2023	VIVERES Y ALIMENTOS	COMERCIAL UNION S.R.LTDA.	1	15,249.00	
08/09/2023	VIVERES Y ALIMENTOS	AMARO CUEVA SALVATIERRA	1	6,750.00	
11/09/2023	COMBUSTIBLE	SERVORIENTE S C R LTDA	1	2,550.00	
11/09/2023	DIESEL B5	INVERSIONES Y COMBUSTIBLES KML E.I.R.L.	142	2,550.00	
13/09/2023	EQUIPOS DE CAMPO	NOMADS EQUIPMENT SRL	1	4,645.60	
14/09/2023	MERCHANDISING	CARUAJULCA DE MENDOZA BLANCA LUZ	1	6,080.00	
15/09/2023	MATERIALES DIVERSOS PARA CONSTRUCCION	GADIVAL GROUP EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	2,999.00	
20/09/2023	NAVAJA	EXPLORADOR ANDINO S.A.C.	13	1,163.50	

Date	Description	Supplier	Quantity	In Soles	In US \$
26/09/2023	VIVERES Y ALIMENTOS	CUSI ESPEJO OSCAR HUGO	1	7,042.30	
26/09/2023	MATERIALES DIVERSOS PARA CONSTRUCCION	COMPAÑIA FERRETERA SAN MARCOS SOCIEDAD COMERCIAL DE RESPONSABILIDAD LIMITADA	1	3,629.00	
27/09/2023	GASOHOL 90 PLUS	SERRANO NINA PAVEL	395	8,690.00	
29/09/2023	EQUIPOS DE CÓMPUTO	J & M SOLUCIONES TI S.A.C.	1		3,990.15
29/09/2023	MATERIALES DIVERSOS PARA CONSTRUCCION	YHOMA INGENIEROS S.A.C.	1	2,692.29	
05/10/2023	EQUIPOS DE CÓMPUTO	J & M SOLUCIONES TI S.A.C.	1		852.00
09/10/2023	COMBUSTIBLE	ESTACION DE SERVICIOS VICTORIA S S.C.R.L.	1	6,000.00	
11/10/2023	EMBARCACION TIPO DESLIZADOR	ASTILLERO GRUPO CAM E.I.R.L.	1	22,286.10	
12/10/2023	PIZARRA ACRILICA	SOTO CARRERA JACQUELIN	1	1,604.80	
16/10/2023	GASOLINA DE 84 OCTANOS	DISTRIBUIDORA M&M SCLRTDA	200	4,100.00	
16/10/2023	VIVERES Y ALIMENTOS	NEGOCIOS EL OFERTON S.A.C.	1	3,460.00	
16/10/2023	GASOLINA DE 84 OCTANOS	INVERSIONES VAT EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	120	2,760.00	
16/10/2023	VIVERES Y ALIMENTOS	ENITH RUIZ AREVALO	1	3,962.00	
16/10/2023	BOTE DE MADERA	MERCADO AZANIA KENNYDY	1	8,000.00	
17/10/2023	VIVERES Y ALIMENTOS	MINIMARKET SAN JUAN EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	4,500.00	
17/10/2023	GASOLINA DE 90 OCTANOS	SERVICENTRO SAN MIGUEL ARCANGEL EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	225	4,500.00	
19/10/2023	MOTOR Y MOTORSIERRA	BASUALDO VILLANUEVA JUAN CARLOS	1	13,000.00	
19/10/2023	COCINA A GAS	MULTISERVICIOS AGUIRRE EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	999.00	
23/10/2023	CARPA PARA CAMPAMENTO	NOMADS EQUIPMENT SRL	4	3,236.00	
24/10/2023	BOTE DE MADERA	RAMOS HUARCAYA JULIAN	1	2,800.00	
25/10/2023	ALIMENTOS Y BEBIDAS	MINIMARKET SAN JUAN EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	3,445.90	
25/10/2023	MOTOSIERRA Y LINTERNA	COMERCIAL LINS' E.I.R.L	1	13,110.00	
25/10/2023	GENERADOR (OTROS)	EXIMPORT DISTRIBUIDORES DE LA SELVA DEL PERU S.A.C.	1	2,100.00	
26/10/2023	MOCHILA DE 50 LT	EXPLORADOR ANDINO S.A.C.	50	9,250.00	
26/10/2023	LLANTA 10-16.5 10 PR	GRUPO FERRER IMPORT SOCIEDAD COMERCIAL DE RESPONSABILIDAD LIMITADA	10	5,000.00	
26/10/2023	CARPA PARA CAMPAMENTO	ALTURAS SEGURIDAD INDUSTRIAL S.A.C.	50	40,002.00	
26/10/2023	COLCHON 1.5 PLAZA	CAHUANA MAMANI DELIA	50	13,550.00	
26/10/2023	BOTAS DE JEBE	MARIVEL LLANO LLANOS	50	2,000.00	
26/10/2023	VIVERES Y ALIMENTOS	CUSI ESPEJO OSCAR HUGO	1	2,133.50	
27/10/2023	CAMARA FOTOGRAFICA DIGITAL	MQ IMPORTACIONES MDD E.I.R.L.	2	15,700.00	
27/10/2023	IMPRESORA MULTIFUNCIONAL LASER (COPIADORA SCANNER)	J & M SOLUCIONES TI S.A.C.	1		271.06
27/10/2023	EQUIPOS DE CAMPO	ROCIO DEL PILAR ROJAS GONZALES	1	11,250.00	
27/10/2023	EQUIPOS DE CAMPO	EXPLORADOR ANDINO S.A.C.	1	16,620.48	
27/10/2023	BOLSA DE DORMIR	NOMADS EQUIPMENT SRL	10	1,999.00	
27/10/2023	MATERIALES DIVERSOS PARA CONSTRUCCION	BASUALDO VILLANUEVA JUAN CARLOS	1	7,158.00	
30/10/2023	MEDICAMENTOS	HOYOS CARBAJAL MILTON ELWIN	1	1,948.00	
30/10/2023	LLANTA 265/70R17	OMIA GROUP S.A.C.	4	3,400.00	
30/10/2023	BOTAS DE JEBE	MAMA MOUNTAIN PERU S.A.C.	9	5,724.18	
31/10/2023	COMPUTADORA PERSONAL PORTATIL	J & M SOLUCIONES TI S.A.C.	1		3,399.00
02/11/2023	VIVERES Y ALIMENTOS	CECILIA VERONICA MONTERO BARRIENTOS	1	7,674.40	
02/11/2023	VIVERES Y ALIMENTOS	CECILIA VERONICA MONTERO BARRIENTOS	1	4,000.00	
07/11/2023	HERRAMIENTAS VARIOS	SOTO CARRERA JACQUELIN	1	1,544.97	
07/11/2023	DIESEL B5	GRIFO JOAR S.R.L.	6	129.00	

Date	Description	Supplier	Quantity	In Soles	In US \$
17/11/2023	MOTOCICLETA	PANA AUTOS S.A.C.	4		16,900.00
22/11/2023	COMBUSTIBLE	CORRIDO ORTOGUERIN CARMEN ROSA	1	2,940.00	
27/11/2023	GASOLINA DE 84 OCTANOS	JORGE RAMOS CASTILLO	283	5,377.00	
28/11/2023	VIVERES Y ALIMENTOS	NEGOCIOS EL OFERTON S.A.C.	1	3,377.50	
29/11/2023	COMBUSTIBLE	GALINDO COLLANTES FERNANDO	1	4,071.00	
30/11/2023	BINOCULAR	NOMADS EQUIPMENT SRL	1	308.00	
01/12/2023	COMBUSTIBLE	GALINDO COLLANTES FERNANDO	1	3,272.00	
01/12/2023	VIVERES Y ALIMENTOS	COMERCIAL UNION S.R.LTDA.	1	15,632.00	
01/12/2023	GENERADOR (OTROS)	BASUALDO VILLANUEVA JUAN CARLOS	1	5,200.00	
01/12/2023	GENERADOR (OTROS)	BASUALDO VILLANUEVA JUAN CARLOS	1	5,200.00	
01/12/2023	CARNE DE RES S/HUESO	LENINN JOSE RODRIGUEZ PINTADO	20	3,600.00	
04/12/2023	UTILES DE OFICINA	IMPORTACIONES MEGA CHAMBI S.A.C.	1	296.50	
04/12/2023	ACEITE LUBRICANTE SAE 40	SELVA MOTOS UCS SOCIEDAD COMERCIAL DE RESPONSABILIDAD LIMITADA	18	324.00	
06/12/2023	TARJETA DE MEMORIA	J & M SOLUCIONES TI S.A.C.	35	1,225.00	
07/12/2023	HERRAMIENTAS VARIOS	HASSINGER ACOSTA EBER WILLIAN	1	4,245.00	
12/12/2023	VIVERES Y ALIMENTOS	DAVILA NEYRA WILLAN ORLANDO	1	2,485.00	
12/12/2023	ESTABILIZADOR	MARIVEL LLANO LLANOS	4	3,400.00	
				1,151,311.17	158,438.04

PROFONANPE

Project "Natural Heritage Initiative of Peru" funded by the Grant Agreements signed between the Gordon and Betty Moore Foundation, World Wildlife Fund INC, Andes Amazon Fund, and PROFONANPE
Audit of financial statements for the year ended December 31, 2023

Annex 3

LIST OF CONSULTING CONTRACTS
FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023
(Expressed in Soles)

Consultant	Service	Date		In Soles	In US \$
		Beginning	End		
Gonzales Vergara Jesus Antonio	Supervision consulting for the execution of work "Improvement of the surveillance and control service in the Tingo María National Park, District of Rupa Rupa, Province of Leoncio Prado, Department of Huánuco".	16/01/2023	19/12/2023	208,666.48	
Lizzie Merley Chuck Rodriguez	Monitoring and assistance for the preparation of master plan workshops, demarcation, monitoring of the donation fund to the ECA Maeni and activities established in the GEF financing work plan for the Tingo María National Park (PNTN), Abiselo River National Park (PNRA), Machiguenga Communal Reserve (RCM) and Tabaconas Namballe National Sanctuary (SNTN).	16/01/2023	19/12/2023	39,900.00	
Alfaro Lozano Luis Alberto	Monitoring and assistance for the preparation of master plan workshops, demarcation, monitoring of the donation fund to the ECA Maeni and activities established in the GEF financing work plan for the Tingo María National Park (PNTN), Abiselo River National Park (PNRA), Machiguenga Communal Reserve (RCM) and Tabaconas Namballe National Sanctuary (SNTN).	23/01/2023	22/06/2023		19,750.00
Adolfo Aquilino Mejía Ríos	Construction service of maps of high Andean ecosystems, preparation of the monitoring protocol for the conserved surface of the coverage of high Andean ecosystems, with its respective field validation and the implementation of its baselines for the PNRA (puna) and SNTN (moorlands).	23/01/2023	23/05/2023	40,000.00	
Sandra Vanessa Nicho Rios	Service for review, preparation and monitoring of ANP requirements files for Selva Sur and Selva Norte within the framework of the POA PdP 2023 corresponding to the Peruvian Heritage Initiative Project.	16/02/2023	13/12/2023	20,000.00	
Medina Pacheco Cesar Edgardo	Service for the implementation of the Zamaño monitoring protocol in the Yanesha Communal Reserve.	16/03/2023	08/08/2023	15,000.00	
Evalua S.R.L.	Evaluation of the 3rd year of operation of the Natural Heritage Initiative of Peru for the ANP of the Amazon biome.	16/03/2023	14/07/2023	-	94,371.00
La Torre Alania Magaly Cecilia	Review, preparation and monitoring service for requirements files from the Yanachaga Chemillén PN, BP San Matías San Carlos and RC Yanesha within the framework of the POA PdP 2023 – executor PROFONANPE.	20/03/2023	16/10/2023	20,000.00	
Solucionatica Soluciones Digitales S.A.C.	Continuation of the implementation of the second stage of the ticket sales and control management system for entry to the ANP SGVCB stage 2.	03/04/2023	30/11/2023	382,320.00	
Becerra Montalvo Vitoly	Preparation of the biological monitoring baseline of 03 romerillo species in the Tabaconas Namballe National Sanctuary.	13/04/2023	11/10/2023	30,000.00	
Bonneff Gutierrez Erika Ingrid	Technical assistance service for the acquisition of a prefabricated administrative headquarters for the Abiseo River National Park in the Parcoy district, Pataz province, La Libertad region and two prefabricated control posts in the Tabaconas Namballe National Sanctuary in the Tabaconas district, province of San Ignacio, Cajamarca region.	02/05/2023	18/12/2023	93,000.00	
Herencia Chuquihuanga Yuraq Cesar	Technical assistance service and systematization of the process of updating the Master Plan of the Yanesha Communal Reserve.	11/05/2023	07/12/2023	36,000.00	
Davila Moscoso Claudia Liliana	Review, analysis and proposal service for improvements to the organic structure of SERNANP for its management, governance and sustainability processes of ANP within the framework of the update of the Organization and Functions Regulations (ROF).	11/05/2023	09/08/2023	33,000.00	
Herencia Chuquihuanga Yuraq Cesar	Technical Assistance Service for the systematization of the process of updating and preparing the preliminary version of the Master Plan of the Otishi National Park (PNO) and Ashaninka Communal Reserve (RCAS).	15/05/2023	11/11/2023	80,000.00	
Silva Gamero Gonzalo David Walter	Specialized technical advisory service to the Information and Communications Technologies Functional Operational Unit to develop the products and/or software components of the computer modules that support the automation and computerization of the strategic and operational planning processes carried out by SERNANP.	26/05/2023	22/11/2023	60,000.00	

Consultant	Service	Date		In Soles	In US \$
		Beginning	End		
Pisco Ramirez Wilmer	Specialized technical advisory service to the Information and Communications Technologies Functional Operational Unit to develop the products and/or software components of the computer modules that support the automation and computerization of the strategic and operational planning processes carried out by SERNANP.	26/05/2023	22/11/2023	60,000.00	
Gordillo Salazar Rosa Ines	Consulting service for updating the Master Plan of the Chayu Nain Communal Reserve, complying with all stages of the process until its approval, period 2024-2028.	07/06/2023	04/04/2024	6,000.00	
Manuel Tarqui Perca	Professional service for technical assistance to the process of updating the Master Plan of the Bahuaja Sonene National Park.	12/06/2023	10/10/2023	15,000.00	
Caceres Apaza Daniel Pascual	Service of a professional for the implementation of the Andean bear monitoring protocol in the Pui Pui Protection Forest (baseline).	13/06/2023	17/11/2023	22,000.00	
Mendoza Escalante Rolando	Diagnostic service and design of the strategy for the implementation of rates in the Historic Sanctuary of Machupicchu, La Llaqta sector, as a mechanism for the financial sustainability of the ANP.	19/06/2023	27/10/2023	27,000.00	
Meza Figueroa Edgar Moises	Technical assistance service for the process of updating the master plan of the Manu National Park.	19/06/2023	16/12/2023	30,000.00	
Bello Santa Cruz Raul Federico	Maquisapa (Ateles Chamek) monitoring protocol implementation service in the Amarakaeri Communal Reserve (Baseline).	27/06/2023	25/10/2023	20,800.00	
Caceres Apaza Daniel Pascual	Service for preparing the baseline of the monitoring protocol for the occupied area and the area used for the spectacled bear or Andean bear (Tremarctos ornatus) in the Rio Abiseo National Park.	24/07/2023	20/12/2023	28,000.00	
Villarroel Victorio Ronald Ruben	Service for preparing a proposal for the Organization and Functions Regulations of the Entity based on process management.	25/07/2023	23/10/2023	30,000.00	
Ladera Castañeda Sharon Daniela	Systematization Service for the update of the Pui Pui Protection Forest Master Plan.	08/08/2023	10/06/2024	38,000.00	
Palomino Pinto Henry Jhon Kevin	Service for facilitating the participatory process for updating the Pui Pui Protection Forest Master Plan.	16/08/2023	31/08/2024	22,000.00	
Ardiles Candia Rousse Dafnee	Support service for the positioning of the Aliado por la Conservación brand.	17/08/2023	04/12/2023	30,000.00	
Universidad Del Pacifico	Consulting service for the development and implementation of a methodology to establish the structure of the Financial Model for the ANP system of Peru and its parameterization through an econometric model within the framework of the update of the Master Plan.	22/08/2023	18/12/2023	118,000.00	
Frank Christian Flores Ponce	Service for preparing the baseline for monitoring environmental elements: Sachavaca (Tapirus terrestris) and Guans (Paujil Mitu tuberosum, Pucacunga Penelope jacquacu, Monte Guan Pipile cumanensis) of the Machiguenga Communal Reserve.	04/10/2023	31/05/2024	133,060.80	
Neira Huaman Jose Duberli	Technical assistance service for the biological monitoring and demarcation processes of the Tabaconas Namballe National Sanctuary.	04/10/2023	17/02/2024	12,000.00	
Jackeline Mathews Fernandez	Service for preparing the intervention strategy for raising awareness and involving the actors located in the perimeter of the Yanachaga Chemillén National Park in the Chacos - Tunqui, Santa Bárbara, Huampal and Alto Lagarto areas (special use area).	04/10/2023	07/12/2023	22,000.00	
Henry Michael Perez Ocupa	Preparation and installation service of boundary structures for the physical demarcation of the Tabaconas Namballe National Sanctuar	06/12/2023	20/03/2024	57,000.00	
				1,764,747.28	114,121.00

PROFONANPE

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Audit of financial statements for the year ended December 31, 2023

Anexo N° 3

LISTADO DE CONTRATOS DE OBRA
FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023
(Expressed in Soles)

DESCRIPCIÓN	CONTRATISTA	Fechas	
		Contrato	In Soles
Preparation of technical files	MERZE INGENIERIA E.I.R.L.	08/25/2023	50,000.00
Service for preparing the technical file and executing the investment through optimization: Building construction; in the control area of sector 1 tall lizard of the Yanasha Communal Reserve, Palcazu district, Oxapampa province, Pasco department.	CONSTRUCTORA ARQUITRABE SAC	08/21/2023	624,000.00
Preparation of the technical file and execution of the investment through optimization: Building construction; in the Shimaki - Kokare control area, Nazarategui Valley - Flor Rosas, Palcazú of the San Matías San Carlos Protection Forest, Puerto Bermudez district, Oxapampa province, Pasco department.	MERZE INGENIERIA E.I.R.L.	09/15/2023	2,768,220.67
Service for preparing the technical file and executing the investment through optimization: building construction; in the Talhuish control area of the Pui Pui Protection Forest, in the district of Pampa Hermosa, province of Satipo, department of Junín.	CONSTRUCTORA ARQUITRABE SAC	09/22/2023	648,000.00
Service for preparing the technical file and executing the investment for optimization of building construction; in the control areas of Pampa Los Cedros and Tishgo of the Pampa Hermosa National Sanctuary, district of Chanchamayo, Chanchamayo province, Junín department.	CONSTRUCTORA ARQUITRABE SAC	09/22/2023	1,222,000.00
Comprehensive design, supply, installation, furniture and equipment service for the prefabricated Tamborapa Surveillance and Control Post (PVC Tamborapa) in the SNTN in the district of Tabaconas, province of San Ignacio, Cajamarca region.	BRUVATC S.R.L.	10/20/2023	1,465,879.43
Comprehensive design, supply, installation, furniture and equipment service for the prefabricated Tabaconas Surveillance and Control Post (PVC Tabaconas) in the SNTN in the district of Tabaconas, province of San Ignacio, Cajamarca region	BRUVATC S.R.L.	10/20/2023	1,465,879.43
Installation service at all costs of a population monitoring platform for guacharos and surveillance system in the Tingo Mar	VEOX S.A.C.	12/11/2023	524,502.00
Contracting for the execution of maintenance and fitting out of the SERNANP headquarters in Quillabamba.	CONSTRUCTORA ARQUITRABE SAC	12/11/2023	1,333,154.47
			<u><u>10,101,636.00</u></u>

INDEPENDENT AUDITOR'S OPINION ON THE STATUS OF COMPLIANCE OF THE GRANT AGREEMENT

To the members of the Directive Board and Executive Director
PROFONANPE
Lima - Peru-

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023, corresponding to the project "*Natural Heritage Initiative of Peru*", funded by the Grant Agreements signed between *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund* and PROFONANPE, and have issued our unqualified opinion thereof on April 12, 2024.
2. We conducted our audit in accordance with the International Standards on Auditing disclosed by the *International Auditing and Assurance Standards Board*, approved for application in Peru by the Board of Deans of Peruvian Colleges of Public Accountants, applicable to compliance auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that PROFONANPE has complied with the terms of the above-mentioned Grant Agreement. An audit includes the examination, based on evidence, of appropriate evidence. We believe that our examination provides a reasonable basis for our opinion.
3. In our opinion, in the period from January 01 to December 31, 2023, PROFONANPE complied in all material respects with the provisions of the Grant Agreement signed with *Gordon and Betty Moore Foundation, World Wildlife Fund and Andes Amazon Fund*.
4. This report is issued solely for the knowledge and use of *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund* and PROFONANPE, so it should not be used by others or for purposes other than those indicated herein.

Lima, Peru
April 12, 2024

Countersigned by:



Oswaldo Fonseca Luna (Partner)
Certified Public Accountant
Registration N° 8095

Fonseca. Camargo y Asociados

**STATUS OF COMPLIANCE WITH THE CLAUSES OF THE GRANT AGREEMENT SIGNED BETWEEN GORDON AN
 BETTY MOORE FOUNDATION, WORLF WILDLIFE FUND INC, ANDES AMAZON FUND AND PROFONANPE
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023**

<u>Reference</u>	<u>Description</u>	<u>Evaluation</u>
H	<p>Deliverable</p> <p>1. Technical reports</p> <p>Collaborative agreement between SERNANP and PROFONANPE</p> <p>Draft annual work plan and budget, with the no objection of WWF</p> <p>Operations Manual by PDP.</p> <p>Project progress reports, including the annual work plan</p> <p>Financial reports submitted (quarterly one month after the end of the quarter</p> <p>3. Audits performed</p> <p>Annual financial audit of the project, including copy and letter indicating that no material misstatement were found.</p>	<p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p>
	<p>TERMS AND CONDITIONS</p> <p>1. Use of funds</p> <p>1.2 Only reasonable, approved and documented cost expenditures identified in the project budget are allowed. All expenses must be incurred during the agreement period. .</p> <p>1.5 Any funds from the Agreement in US dollars that are exchanged into local currency must be exchanged at the best exchange rate through authorized channels in application of laws and regulations.</p> <p>3.Financial records</p> <p>The recipient agrees to maintain separate financial records according to generally accepted accounting principles and procedures for the realization of expenses, as indicated by the agreement.</p> <p>6. Public recognition</p> <p>6.1 GEF visibility. The recipient will include information and communications related to the activities to identify the support of GEF to the projects and to communicate to the public the results of the projects.</p> <p>14. Compliance with laws</p> <p>The recipient agrees to comply with all applicable local labor and social laws.</p>	<p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p> <p>Status: Fulfilled clause</p>

INDEPENDENT AUDITOR'S OPINION ON THE INTERNAL CONTROL STRUCTURE

To the members of the Directive Board and Executive Director
PROFONANPE
Lima - Peru.-

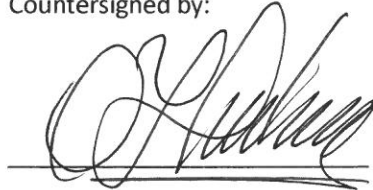
April 12, 2024

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023, corresponding to the project "*Natural Heritage Initiative of Peru*", funded by the Grant Agreements signed between *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund* and PROFONANPE, and have issued our unqualified opinion thereof on April 12, 2024.
2. Our review was conducted in accordance with the International Standards on Auditing disclosed by the International Auditing and Assurance Standards Board and approved for application in Peru by the Board of Deans of Peruvian Colleges of Public Accountants; therefore, it included selective accounting tests and the application of other audit procedures as we considered necessary in the circumstances. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements audited do not include material misstatements. In planning and performing our audit of financial statements of the project, we considered the related internal control structure in order to determine our audit procedures for expressing an opinion on the financial statements referred to above and not for expressing an opinion on the internal control structure.
3. PROFONANPE's management is responsible for establishing and maintaining an internal control structure. To fulfill this responsibility, the implementer must make estimates and judgments to evaluate the expected benefits and costs related to the policies and procedures of such structure. The objectives of an internal control system are to provide reasonable, but not absolute, assurance that assets are protected from loss through unauthorized use or disposition, that transactions are conducted in accordance with the authorizations of PROFONANPE and the terms of the agreements, in accordance with the basis of accounting described in Note 2 to the financial statements.
4. Due to the inherent limitations of any internal control system, errors and irregularities may occur that are not detected. In addition, projections of any evaluation of the internal control structure into future periods are subject to the risk that procedures may become inadequate due to changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate. There is also the possibility that when control procedures are applied, errors may arise due to inappropriate understanding of the instructions, errors in judgment, lack of attention from staff, human failure, among other factors. Also, procedures whose effectiveness is based on segregation of duties could be circumvented in the event of collusion between employees involved in internal accounting and financial control, as well as procedures aimed at ensuring that transactions are conducted on terms authorized by management, may become ineffective if decisions are made erroneously or irregularly. Therefore, we cannot assure you that all processing errors, deficiencies in the internal control system or non-compliance with applicable regulations were disclosed in the course of our audit and we do not express an opinion as to whether all internal accounting and compliance procedures in place were applied correctly during the year.

5. Our consideration of the internal control structure does not necessarily reveal all aspects of that structure that could be considered material weaknesses. A material deficiency is one in which the design or operation of one or more specific elements of the internal control structure does not reduce to a relatively low level the risk that errors or irregularities in amounts that could be material to the project's financial statements may occur and not be detected by employees in the normal course of their duties. We did not observe any issues with the internal control structure and its operation that we consider to be a significant deficiency as defined above.
6. This report is issued solely for the knowledge and use of *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund* and PROFONANPE, and should not be used by others or for purposes other than those indicated herein.

Lima, Peru
April 12, 2024

Countersigned by:

A handwritten signature in black ink, appearing to read 'Oswaldo Fonseca Luna', written over a horizontal line.

Oswaldo Fonseca Luna (Partner)
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo y Asociados

SUMMARY OF AUDIT PROCEDURES APPLIED

The following is a summary of the procedures applied in the review of the project's basic financial statements:

Objectives

Objective N° 1

Issue an opinion on the project's statement of funds, statement of accumulated investments, notes to the financial statements and supplementary information.

Specific procedures

1. Obtaining the project's basic financial statements for the period under review, as follows:
 - a) Statement of funds
 - b) Statement of accumulated investments
 - c) Notes to the financial statements
2. Review of documentation related to project's background and other aspects of resource management that included:
 - Understanding the organizational structure of the Agreement-executing agency, its financial internal control system, internal rules and regulations applicable to the implementation of funds in the project.
 - Grant Agreement signed between *Gordon and Betty Moore Foundation, World Wildlife Fund, Andes Amazon Fund and PROFONANPE* and PROFONANPE, applicable regulations, budget and other related documents.
 - Operational Plan of Activities (POA) approved for 2023.
 - Internal rules and procedures established by PROFONANPE for the selection and hiring of consultants and the acquisition of goods.
3. Obtaining the documents that support the expenses executed with funds from the donation to find out if the documentation of the executing entity is kept in an orderly manner in the files through procedures that ensure the integrity of the information and its easy location.

Audit of financial statements

4. The following audit procedures were included in the examination of the statement of funds and the statement of accumulated investments:

- a) Understanding the internal control system and its components: control environment, risk assessment, control activities, information and communication system and monitoring, from which the material error risk assessment was carried out.
- b) Understanding the accounting policies used for the preparation of the project's financial statements, to establish their application during the reporting period.

Source of funds

- 5. We reviewed the project's financial statements which are presented by the project-executing agency in US dollars, in accordance with the following procedures:
 - a) We verified that the project's financial statements were prepared on a cash accounting basis, recognizing income when funds are received and expenses when executed and representing disbursements of funds.
 - b) We verified that transactions in local currency were recorded in the entity's accounting books at the date they occurred and translated into U.S. dollars at the exchange rate prevailing at the date of each transaction.
- 6. We obtained from the project-executing agency's management the details of the funds received during the audited period and checked them against the credits in the relevant bank account.
- 7. We verified the accounting process followed by the project-executing agency for the recording of revenues received and issuance of financial statements in order to establish if they are adequate and are properly documented.

Use of funds

- 8. We obtained from the project-executing agency's management the accounting records of disbursements made and selected certain items to review the documentation of expenses made for the purpose of determining whether they were properly classified, properly documented and applied for the purposes of the project, taking into account the following:
 - a) Eligibility of expenses incurred in accordance with the stipulations set out in the Grant Agreements.
 - b) Reliable documentary support, duly authorized and approved, verifying that it includes the conformity of reception of the contracted service.
 - c) Correct accounting and budgetary allocation considering the budget items approved by the donor.
 - d) Application of the current exchange rate for the conversion of local currency transactions into US dollars.
 - e) In regard to the justification of expenses, we verified the compliance with the procedures established internally in the executing entity for the granting, use, presentation and control of funds.
- 9. We reconciled the use of funds according to the statement of funds with the balances of the statement of accumulated investments.

Statement of accumulated investments

10. We obtained from the executing entity's management the statement of accumulated investments at the end of the audited period, verifying their accumulation through reports from the institutional accounting system.
11. Taking into account the selection criteria for the selected sample of expenses included in the statement of accumulated investments over the audited period, the following was carried out:
 - a) Determine whether the budget items established were applied to the corresponding lines in the financial statement.
 - b) Reconciliation of the cumulative totals of the period with the relevant accounting records.
12. If differences were established as indicated above, we made the appropriate comparisons.

Objective N° 2

Issue an opinion on the notes to the financial statements and supplementary information and whether they have been fairly presented in all material respects.

Specific procedures

1. We obtained from the executing agency's management the notes to the financial statements and supplementary information for the period audited.
2. We verified that the notes to the project's financial statements and supplementary information prepared by the project-executing agency describe and/or explain in an appropriate manner the objectives of the Agreement, the accounting policies, the composition of available cash and other items that require it.

Objective N° 3

Issue an opinion regarding the compliance of the project-executing agency with the terms of the Grant Agreement.

Specific procedures

1. We obtained information from the Project's management regarding the following:
 - Grant Agreements and annexes
 - Progress reports; description of the accounting system; policies and procedures for the selection and hiring of consultants and acquisition of assets, as well as any other necessary documentation.
2. Based on the Agreement, we extracted the applicable clauses in order to take them into account in the evaluation.
3. We will prepare a summary certificate for each of the clauses of the Agreement indicating the current status of each one of them (accomplished, in process or pending) at the date of the review.
4. The above document supports our opinion on compliance with the terms of the Agreement as a supplement to the principal opinion on the project's financial statements.

Objective N° 4

Issue a report regarding the adequacy of the executing entity's internal control system in relation to the contractual agreement.

Specific procedures

1. The evaluation of the project's internal control system will be carried out on the basis of the elements and their functioning during the period under review, in accordance with the structure of the COSO Report. For this purpose, aspects relating to organizational structure, information systems, procurement and/or contracting management and financial management will be included.
2. In assessing the control environment of the project-executing agency, consideration shall be given to its organizational structure, line of authority, segregation of duties, policy and procedures for selection and hiring of staff, in particular the following:
 - a. Administrative procedures governing the activities and responsibilities of the resources' financial administration.
 - b. Levels of authority, job descriptions, number and adequacy of skills of the staff working in the various areas of execution.
 - c. Segregation of functions in financial administration (treasury activities, accounting and preparation of financial statements).
3. In assessing the aspects relating to control activities, consideration will be given to those relating to the design and implementation of control procedures established by PROFONANPE for the receipt, custody and payment of funds in order to establish their suitability for the purposes of the Agreement. Likewise, the evaluation of control procedures for the selection and hiring of consultants required by the project will be aimed at determining whether they were appropriate practices for this purpose.
4. In evaluating the aspects related to the information system, the policies and procedures established by PROFONANPE to record, process, summarize and present financial information were taken into account, especially the following:
 - a. Adequacy of data processing systems to produce timely and reliable financial and accounting information.
 - b. Ability of the accounting system to verify, control and monitor all sources and uses of project-related funds, including advance transactions received.
 - c. Ability of the accounting system used by the executor to record financial transactions.
5. Evaluation of the monitoring activities performed by PROFONANPE to determine whether they were adequately performed in terms of providing adequate information on the functioning of internal controls and whether appropriate corrective actions were taken to correct the deficiencies identified by the management of the agreement funds.