

PROFONANPE

**Report of Audit of financial statements, Project
“Natural Heritage Initiative of Peru” funded by the
Grant Agreements signed between the Gordon and
Betty Moore Foundation, World Wildlife Fund INC,
New Venture Fund through Andes Amazon Fund,
and PROFONANPE, for the year ended December
31, 2022**

**AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CONTENT

	Page N°
Executive Summary	
• Background	2
• Objectives and audit scope	5
• Audit results	5
• Entity's comments.	6
Report on the financial statements	
• Independent auditor's opinion	7
• Financial statements.	
- Statement of funds.	10
- Statement of accumulated investments.	11
- Notes to the financial statements.	12
Supplementary financial information	
• Independent auditor's report	18
Annex 1 - List of goods	17
Annex 2 - List of consulting contracts	23
Report on compliance with grant agreement	
• Independent auditor's report	25
• Status of compliance with clauses of the donation agreement	26
Report on the internal control system	
• Independent auditor's report.	27
Annex:	
Annex 3: Summary of the main audit procedures applied	29

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, 2022 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

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.

(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 stop 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 April 19, 2018, the *World Wildlife Fund* signed with PROFONANPE the Grant Agreement for the implementation of the project "*Securing the Future of Protected Natural Areas of Peru*", for a total amount from the Global Environment Facility (GEF / GEF sixth replenishment) of US\$ 9,007,528. The objective of the project is to promote long-term financial sustainability for effective management of the National System of Natural Areas Protected by the State - SINANPE, through global protection of biological diversity and ecosystem services provided by the Amazon biome. Once the requirements set forth in the Agreement with Peru have been fulfilled, and the receipt of a request for funds from PROFONANPE (which includes the detailed allocation to protected areas and eligible activities as established in the approved conservation and financial action plan), The Global Environment Facility -GEF authorized the disbursement of five million dollars from the project account to a bank account dedicated to the PdP Transition Fund.

Grant Agreement – *Gordon and Betty Moore Foundation*

On November 9, 2018, the Board of Directors of *Gordon and Betty Moore Foundation* approved a grant for US\$ 12 million United States Dollars, through the *World Wildlife Fund*, with the purpose of supporting the establishment of the "Natural Heritage Fund of Peru" as a long-term sustainable financing model for the system of protected areas in Peru. This contribution will be disbursed by the *World Wildlife Fund* to the grant administrator, once the conditions for the establishment of the Transition Fund have been met, so that it can be executed based on the disbursement conditions established for the PdP Initiative – Amazonia and the corresponding bilateral agreement. In this agreement, the Foundation agrees to contribute US\$ 17 million (US\$ 12 million from the Moore Foundation and US\$ 5 million from the *World Wildlife Fund* to the Transition Fund.

Grant Agreement – *Andes Amazon Fund*

Through this agreement, the *Andes Amazon Fund* promised to contribute US\$ 3 million, subject to the availability of funds from the Transition Fund, in the context of the bilateral agreement to be signed with PROFONANPE. This agreement establishes, among other things, the following: i) the condition that the funds be managed in accordance with the MOP-Amazon and the Amazon; ii) the reasons for which the aforementioned bilateral agreement may be concluded; and, iii) define the destination of the resources contributed to the Transition Fund, administered by PROFONANPE.

In its communication dated October 24, 2019, the *New Venture Fund* agreed to approve a grant for the project for US\$ 1,131,175 through the *Andes Amazon Fund* for the period from January 1 to December 31, 2020. Additionally, on November 24 of 2020, another donation for US\$ 1 million was approved for the period from December 1, 2020 to November 20, 2021.

Donors' contributions to the Transition Fund must be made according to a schedule that will be described in the bilateral donation agreements. This schedule must be aligned with the financial model of the 38 ANPs of the Amazon biome. The donors have expressed their intention to contribute for a value of US\$ 24.2 million, according to the following schedule and detail:

Donors	Expressed in U.S. Dollars			
	2019	2020	2021	2022
GBMF/WWF	5,489,519	2,277,020	3,539,521	2,702,022
WWF-GEF	-	5,000,000	-	-
AAF-Sierra del Divisor	-	224,332	-	-
AAF-Unrestricted	1,000,000	1,000,000	-	-

c) 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 1013, 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, 2022, 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, 2022, -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 aforementioned Donation Agreements, in the period from January 1 to December 31, 2022.

A summary of the audit procedures applied is presented in Annex 3 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, 2022, we issued our audit report on March 24, 2023. A summary of this report is presented below:

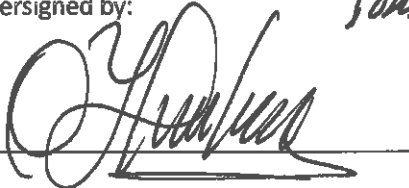
- Unqualified opinion on the status of sources and use of funds and the status of accumulated investments for the period from January 1 to December 31, 2022. Additionally, material misstatement were not identified in the funds executed in the period.
- Unqualified opinion on the supplementary information as of December 31, 2022.
- 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, 2022.
- In the report on the internal control established by PROFONANPE in the period from January 1 to December 31, 2022, 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
March 24, 2023

Countersigned by:



Oswaldo Fonseca Luna
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo & Associates

INDEPENDENT AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

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

March 24, 2023

Opinion

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2022 and the statement of accumulated investments as of December 31, 2022, 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, 2022, 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 aforementioned 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 and the ethical requirements of the Code of Professional Ethics of the Board of Deans of the Peruvian Institute of Public Accountants. 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 the process 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 governance 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, 2022, 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.

Lima, Peru
March 24, 2023

Countersigned by:



Oswaldo Fonseca Luna
Certified Public Accountant
Registration N° 8095

Fonseca, Carrasco & Associates

STATEMENT OF SOURCES AND USES OF FUNDS
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2022
 (Expressed in U.S. Dollars)
 (Notes 1 and 2)

	Note	Accumulated as of December 2021				From the period January to December 2022				Accumulated as of December 31, 2022			
		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	4	5,000,000	2,131,175	10,950,000	18,081,175	-	-	3,350,000	3,350,000	5,000,000	2,131,175	14,300,000	21,431,175
Total funds received		5,000,000	2,131,175	10,950,000	18,081,175			3,350,000	3,350,000	5,000,000	2,131,175	14,300,000	21,431,175
USE OF FUNDS BY COMPONENT:													
01 Preliminary Management Level	5	-	98,374	2,135	100,509	-	54,057	-	54,057	-	152,431	2,135	154,566
02 Basic and structural Management Level	6	487,613	625,224	1,188,886	2,301,723	1,215,299	522,805	536,134	2,274,238	1,702,912	1,148,029	1,725,020	4,575,961
03 Optimal Management Level	7	32,601	-	368,670	401,271	(32,601)	-	95,356	62,755	-	-	464,026	464,026
04 Financial Sustainability	8	-	-	132,649	132,649	-	-	95,368	95,368	-	-	228,017	228,017
05 Adaptive Management of Intervention	9	17,014	72,882	1,374,824	1,464,720	29,048	38,063	581,430	648,541	46,062	110,945	1,956,254	2,113,261
Sub total project investments		537,228	796,480	3,067,164	4,400,872	1,211,746	614,925	1,308,288	3,134,959	1,748,974	1,411,405	4,375,452	7,535,831
Accounts to be regularized		741	(85,078)	(376,201)	(460,538)	5,147	(89,423)	14,520	(69,756)	5,888	(174,501)	(361,681)	(530,294)
Investments		(4,432,442)	(1,225,155)	(2,950,895)	(8,608,492)	1,190,604	729,295	(6,406,812)	(4,486,913)	(3,241,838)	(495,860)	(9,357,707)	(13,095,405)
Exchange difference		(5,301)	(11,374)	(28,651)	(45,326)	(1,931)	(763)	(7,061)	(9,755)	(7,232)	(12,137)	(35,712)	(55,081)
Increase (decrease) of cash		(4,437,002)	(1,321,607)	(3,355,747)	(9,114,356)	1,193,820	639,109	(6,399,353)	(4,566,424)	(3,243,182)	(682,498)	(9,755,100)	(13,680,780)
Effective at the beginning of the period		-	-	-	-	25,770	13,088	4,527,089	4,565,947	-	-	-	-
Effective at the end of the period	10	25,770	13,088	4,527,089	4,565,947	7,844	37,272	169,448	214,564	7,844	37,272	169,448	214,564

The accompanying notes form part of this financial statement.

STATEMENT OF ACCUMULATED INVESTMENTS
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2022
 (Expressed in U.S. Dollars)

	Budget Executed - Accumulated				Accumulated as of December 2021				Movements from January to December 2022				Accumulated as of December 31, 2022			
	WWF	Amazon Fund	WWF/ Moore Foundation	Total	WWF	Amazon Fund	WWF/ Moore Foundation	Total	WWF	Amazon Fund	WWF/ Moore Foundation	Total	WWF	Amazon Fund	WWF/ Moore Foundation	Total
USE OF FUNDS BY COMPONENT:																
01 Preliminary Management Level Basic and structural Management	-	152,431	2,135	154,566	-	98,374	2,135	100,509	-	54,057	-	54,057	-	152,431	2,135	154,566
02 Level	1,702,912	1,148,029	1,725,020	4,575,961	487,613	625,224	1,188,886	2,301,723	1,215,299	522,805	536,134	2,274,238	1,702,912	1,148,029	1,725,020	4,575,961
03 Optimal Management Level	-	-	464,026	464,026	32,601	-	368,670	401,271	(32,601)	-	95,356	62,755	-	-	464,026	464,026
04 Financial Sustainability Adaptive Management of the	-	-	228,017	228,017	-	-	132,649	132,649	-	-	95,368	95,368	-	-	228,017	228,017
05 Intervention	46,062	110,945	1,956,254	2,113,261	17,014	72,882	1,374,824	1,464,720	29,048	38,063	581,430	648,541	46,062	110,945	1,956,254	2,113,261
Total project investments	1,748,974	1,411,405	4,375,452	7,535,831	537,228	796,480	3,067,164	4,400,872	1,211,746	614,925	1,308,288	3,134,959	1,748,974	1,411,405	4,375,452	7,535,831

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, 2022

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:

- Contribute to the conservation, protection and management of Natural Areas Protected by the State.
- Strengthen the operational capacity of the General Direction of Protected Natural Areas and Wildlife (formerly, INRENA).
- Contribute to the strengthening of the technical capacity of the personnel that works in the Natural Areas Protected by the State.
- 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:

- Direct SINANPE and ensure its operation as a "unitary" system.
- Approve the regulations and establish the technical and administrative criteria, as well as the procedures for the management of Protected Natural Areas.

- 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.
- 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-Amazonía) 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.

In order to more precisely implement the issue of environmental and social safeguards, the PdP-Amazon Initiative Coordination Unit developed the PdP Initiative Environmental and Social Management Framework (MGAS-PdP).

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 in effect on the date they were monetized.

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>
06-21-2022	Transfer funds, World Wildlife INC	3,350,000
		<u>3,350,000</u>

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

It comprises:

		In US dollars			
Description		WWF	Amazon Fund	Fundación Moore	Total
02	Diversification of sources to increase the financing of ANPs.	-	2,135	-	2,135
03	Implementation of measures of the action plan of the PDP Initiative to consolidate and improve the effective management of the ANPs in the Amazon.	-	1,424	-	1,424
04	Project coordination	-	1,420	-	1,420
06	Sub donations	-	49,078	-	49,078
Total		-	54,057	-	54,057

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

It comprises:

		En Dólares Estadounidenses			
Description		WWF	Amazon Fund	Fundación Moore	Total
02	Diversification of sources to increase the financing of ANPs.	744,846	27,741	(58,591)	713,996
03	Implementation of measures of the action plan of the PDP Initiative to consolidate and improve the effective management of the ANPs in the Amazon.	261,428	125,835	40,560	427,823
04	Project coordination	53,260	100,353	97,501	251,114
06	Sub donations	62,139	262,002	439,801	763,942
13	Travel, Transportation and per diem	93,626	6,874	16,863	117,363
Total		1,215,299	522,805	536,134	2,274,238

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

It comprises:

		En Dólares Estadounidenses			
Description		WWF	Amazon Fund	Fundación Moore	Total
02	Diversification of sources to increase the financing of ANPs.	(32,601)	-	32,601	-
03	Implementation of measures of the action plan of the PDP Initiative to consolidate and improve the effective management of the ANPs in the Amazon.	-	-	56,808	56,808
06	Sub donations	-	-	5,947	5,947
Total		(32,601)	-	95,356	62,755

7. USE OF FUNDS — FINANCIAL SUSTAINABILITY (COMPONENT 4)

Pursuant to the Grant Agreements signed between the Gordon and Betty Moore Foundation, World Wildlife INC. and Andes Amazon Fund, the project administration expenses (overhead) corresponding to the accredited entity amount to US\$ 95,368 in the 2022 period.

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

It comprises:

Description	En Dólares Estadounidenses			Total
	WWF	Amazon Fund	Fundación Moore	
01 Development of a Public-Private Initiative of multiple partners for the long-term financial sustainability of the ANPs of the Peruvian Amazon.	27,777	-	-	27,777
03 Implementation of measures of the action plan of the PDP Initiative to consolidate and improve the effective management of the ANPs in the Amazon.	-	-	37,028	37,028
04 Project coordination	1,271	864	56,304	58,439
05 Project management costs	-	-	(1,514)	-1,514
06 Sub donations	-	-	98,487	98,487
08 Management cost - personnel	-	-	294,109	294,109
11 Financial Administration	-	37,199	89,707	126,906
13 Travel, Transportation and per diem	-	-	7,309	7,309
Total	29,048	38,063	581,430	648,541

9. AVAILABLE AS OF DECEMBER 31, 2022

Cash availability is as follows:

	In Soles	In US dollars
Project 090-047 WWF / GEF		
Current account in Soles 191-2673571-0-56	48,365	12,616
Current account in foreign currency 191-2662654-1-03	-	9,006
	48,365	21,622
Plus/ Less:		
Payment of various services in national currency (-)	(51,100)	(13,384)
Payment of various services in foreign currency (-)	-	(393)
Foreign exchange (+)	18,850	5,000
Foreign exchange (-)	-	(5,000)
	(32,250)	(13,777)
Available balance at December 31, 2022		7,845
Project 090-054 ANDES AMAZON FUND		
Current account in soles 191-2664776-0-27	24,651	6,327
Current account in foreign currency 191-2632227-1-60	-	47,415
	24,651	53,742

Plus/ Less:		
Payment of various services in national currency (-)	(65,130)	(17,054)
Payment of various services in foreign currency (-)	-	(309)
Foreign exchange (+)	37,700	10,000
Other income (+)	3,420	895
Foreign exchange (-)	-	(10,000)
	<u>(24,010)</u>	<u>(16,469)</u>
Available balance at December 31, 2022		<u>37,273</u>
Project 090-055 WWF / MOORE FOUNDATION		
Current account in soles 191-2664777-0-37	110,883	28,929
Current account in foreign currency 191-2636475-1-69	-	164,972
	<u>110,883</u>	<u>193,901</u>
Plus/ Less:		
Payment of various services in national currency (-)	(88,151)	(23,059)
Payment of various services in foreign currency (-)	-	(1,394)
Foreign exchange (-)	-	(10,000)
Foreign exchange (+)	37,700	10,000
	<u>50,451</u>	<u>(24,453)</u>
Available balance at December 31, 2022		<u>169,447</u>
Total available balance at December 31, 2022		<u><u>214,565</u></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.

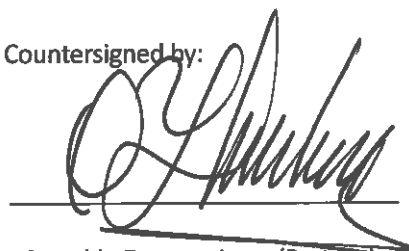
INDEPENDENT AUDITOR'S OPINION ON THE SUPPLEMENTARY INFORMATION

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, 2022 and the statement of accumulated investments as of December 31, 2022, 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 March 24, 2023.
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, 2022 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 and 2 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.
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, and should not be used by others or for purposes other than those indicated herein.

Lima, Peru
March 24, 2023

Countersigned by:



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

Fonseca, Camargo & Associates

PROFONANPE

Project "Natural Heritage Initiative of Peru" funded by the Grant Agreements signed between the Gordon and Betty Moore Foundation, World Wildlife Fund INC, New Venture Fund through Andes Amazon Fund, and PROFONANPE
Audit of financial statements for the year ended December 31, 2022

Annex 1

LIST OF GOODS
FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2022

Date	Description	Supplier	Amount	In S/	In US \$
4/04/2022	ALCOHOL POR 1 LITRO	BOTICA LORETO FARMA S.A.C.	15	135.00	
4/04/2022	ALCOHOL GEL ANTIBACTERIA	BOTICA LORETO FARMA S.A.C.	14	182.00	
4/04/2022	MASCARILLA DESCARTABLE (CAJA X 50 UND)	BOTICA LORETO FARMA S.A.C.	19	228.00	
4/04/2022	MASCARILLA DESCARTABLE N95-1860 (CAJA X 20 UND)	BOTICA LORETO FARMA S.A.C.	110	220.00	
18/04/2022	PRUEBAS DE DESCARTE- COVID-19	BIOCARE MEDICAL S.A.C	1	750.00	
21/04/2022	DISCO DURO EXTERNO	COMPUTADORAS Y TELECOMUNICACIONES S.A	1	339.65	
21/04/2022	PACK DE PANEL SOLAR PORTATIL	AMG NEGOCIOS SAC	4		2,200.00
24/04/2022	MOTOGUADAÑA	JOSE DARIO PACHECO CONCEPCION	2	4,600.00	
24/04/2022	MOTOSIERRA	JOSE DARIO PACHECO CONCEPCION	3	12,450.00	
24/04/2022	BATERIA DE GEL	CARAL SOLUCIONES ENERGETICAS S.A.C.	2		972.32
3/05/2022	ALCOHOL DE 70° X 1 LT (ETANOL)	BOTICA LORETO FARMA S.A.C.	20	240.00	
3/05/2022	MASCARILLA DESCARTABLE (CAJA X 50 UND)	BOTICA LORETO FARMA S.A.C.	19	228.00	
3/05/2022	ALCOHOL GEL ANTIBACTERIA	BOTICA LORETO FARMA S.A.C.	20	180.00	
3/05/2022	MASCARILLA DESCARTABLE KN95	BOTICA LORETO FARMA S.A.C.	3	117.00	
3/05/2022	CARPA PARA CAMPAMENTO	EXPLORADOR ANDINO S.A.C.	12	23,760.00	
11/05/2022	PLACA RECORDATORIA EN GENERAL	QUIROGA MONJA BLANCA LAUDIMIRA	10	2,500.00	
12/05/2022	HELICE	RUTTI UZCO WILLIAMS GERARDO	50	1,300.00	
12/05/2022	LIMA TRIANGULAR Nº 8	NOBLEJAS FLORIDO WENDY GISSELA	5	65.00	
12/05/2022	BOTAS DE JEBE	NOBLEJAS FLORIDO WENDY GISSELA	20	680.00	
12/05/2022	MACHETE	NOBLEJAS FLORIDO WENDY GISSELA	20	320.00	
15/05/2022	VEHICULO AEREO NO TRIPULADO (DRONES)	PRIZMA TECHNOLOGY S.A.C.	1		2,197.00
15/05/2022	COMPUTADORA PERSONAL EN TABLETA	PRIZMA TECHNOLOGY S.A.C.	1		689.00
15/05/2022	HELICE	PRIZMA TECHNOLOGY S.A.C.	3		144.00
15/05/2022	CARGADOR DE BATERÍA EN GENERAL	PRIZMA TECHNOLOGY S.A.C.	1		159.00
15/05/2022	MEMORIA MICRO SD	PRIZMA TECHNOLOGY S.A.C.	1		77.00
15/05/2022	MEMORIA MICRO SD	PRIZMA TECHNOLOGY S.A.C.	1		77.00
15/05/2022	BATERIA PARA DRON	PRIZMA TECHNOLOGY S.A.C.	3		711.00
15/05/2022	CARPA PARA CAMPAMENTO	EXPLORADOR ANDINO S.A.C.	10	8,500.00	
15/05/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	10	13,000.00	
15/05/2022	BINOCULAR	EXPLORADOR ANDINO S.A.C.	4	3,000.00	
15/05/2022	MOCHILA DE 50 LT	PROYECTOS Y REPARACIONES NAVALES E.I.R.L.	10		1,150.00
7/07/2022	CAMARA FOTOGRAFICA DIGITAL PROFESIONAL	AST REPRESENTACIONES S.R.L.	1		1,527.00
15/05/2022	EQUIPO DE POSICIONAMIENTO - GPS	TOPOGIS S.A.C.	2	7,580.00	
15/05/2022	CHALECO FLOTADOR SALVAVIDAS	INVERSIONES ARFI S.A.C.	22		902.00
15/05/2022	COCINA A GAS PARA CAMPING	EXPLORADOR ANDINO S.A.C.	6	1,260.00	
15/05/2022	BALON DE GAS EN GENERAL PEQUEÑO	EXPLORADOR ANDINO S.A.C.	12	480.00	
15/05/2022	BOLSO IMPERMEABLE	PROYECTOS Y REPARACIONES NAVALES E.I.R.L.	9		1,062.00
15/05/2022	MOCHILA DE 50 LT	PROYECTOS Y REPARACIONES NAVALES E.I.R.L.	13		1,495.00
16/05/2022	GORRAS EN DRILL CON LOGO BORDADO	CONFECCIONES THAYARI S.R.L.	31	548.70	

Date	Description	Supplier	Amount	In S/	In US \$
16/05/2022	POLO EN ALGODON	CONFECCIONES THAYARI S.R.L.	31	914.50	
16/05/2022	CHALECO DE CAMPO	CONFECCIONES THAYARI S.R.L.	31	2,011.90	
16/05/2022	GORRAS EN DRILL CON LOGO BORDADO	CONFECCIONES THAYARI S.R.L.	30	531.00	
16/05/2022	POLO EN ALGODON	CONFECCIONES THAYARI S.R.L.	30	885.00	
16/05/2022	CHALECO DE CAMPO	CONFECCIONES THAYARI S.R.L.	30	1,947.00	
16/05/2022	BOTAS DE JEBE	GRUPO ACOSTA INVERSIONES S.A.C.	1	1,606.60	
19/05/2022	MOCHILA	EXPLORADOR ANDINO S.A.C.	31	5,533.50	
18/05/2022	ROLLO DE PLÁSTICO	CORPORACION FERRETERA SAN MARTIN E.I.R.L.	1	520.00	
18/05/2022	MACHETE	CORPORACION FERRETERA SAN MARTIN E.I.R.L.	12	204.00	
18/05/2022	BOTAS DE JEBE	CORPORACION FERRETERA SAN MARTIN E.I.R.L.	30	960.00	
18/05/2022	PONCHO IMPERMEABLE	CORPORACION FERRETERA SAN MARTIN E.I.R.L.	30	750.00	
31/05/2022	TARJETA DE MEMORIA	EXPLORADOR ANDINO S.A.C.	65	3,802.50	
31/05/2022	PILA AA ALCALINA	EXPLORADOR ANDINO S.A.C.	300	2,010.00	
31/05/2022	PILA AAA ALCALINA	EXPLORADOR ANDINO S.A.C.	24	160.80	
21/05/2022	BOLSA DE DORMIR	INVERSIONES ARFI S.A.C.	10		950.00
21/05/2022	MOCHILA DE 40 LT	INVERSIONES ARFI S.A.C.	23		2,415.00
22/05/2022	EQUIPO DE POSICIONAMIENTO - GPS	TOPOGIS S.A.C.	1	3,790.00	
22/05/2022	COMPUTADORA PERSONAL EN TABLETA	COMPUTADORAS Y TELECOMUNICACIONES S.A WILDLIFE CONSULTING & EQUIPMENT SRL - WILDLIFE S.R.L	4		921.68
30/05/2022	CAMARA FOTOGRAFICA TRAMPA		35	32,200.00	
23/05/2022	GENERADOR ELECTRICO	PANA MOTORS S.A.C.	2	10,640.00	
24/05/2022	BOTAS DE JEBE	MIRAVAL RAMOS EDITH	2	70.00	
24/05/2022	CHALECO DE CAMPO	MIRAVAL RAMOS EDITH	2	116.00	
24/05/2022	POLO EN ALGODON	MIRAVAL RAMOS EDITH	2	90.00	
24/05/2022	GORRAS EN DRILL CON LOGO BORDADO	MIRAVAL RAMOS EDITH	2	70.00	
25/05/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	6	1,053.00	
25/05/2022	CARPA PARA CAMPAMENTO	EXPLORADOR ANDINO S.A.C.	6	4,320.00	
25/05/2022	COLCHONETA	EXPLORADOR ANDINO S.A.C.	6	750.00	
16/05/2022	LINTERNA FRONTAL	NOMADS EQUIPMENT SRL	12	5,827.92	
19/05/2022	BOTAS DE JEBE	EXPLORADOR ANDINO S.A.C.	10	500.00	
18/05/2022	CARPAS GRANDES IMPERMEABLES	EXPLORADOR ANDINO S.A.C.	10	790.00	
18/05/2022	BOLSAS DE PLASTICO	EXPLORADOR ANDINO S.A.C.	2	240.00	
18/05/2022	CAMIONETA	AUTOESPAR S A	1		48,900.00
18/05/2022	EQUIPOS DE BIOSEGURIDAD	BOTICA LORETO FARMA S.A.C.	1	765.00	
31/05/2022	MEDICAMENTOS	CHUPILLON TROYES MILAGROS	1	428.00	
31/05/2022	MOCHILA	CALDERON ZAVALA GLORIA MARIA	1	200.00	
31/05/2022	Camisa tipo Explorador	EXPLORADOR ANDINO S.A.C.	12	2,184.00	
21/05/2022	PANTALON	EXPLORADOR ANDINO S.A.C.	12	2,160.00	
21/05/2022	BOTE DE MADERA	PIÑO SEBASTIAN IIERNAN	2	5,400.00	
22/05/2022	PONCHO IMPERMEABLE	PROYECTOS Y REPARACIONES NAVALES E.I.R.L.	18		2,790.00
22/05/2022	CAMARA FOTOGRAFICA TRAMPA	PROYECTOS Y REPARACIONES NAVALES E.I.R.L.	60	52,800.00	
30/05/2022	DIGESTOR	IMPORTACIONES Y NEGOCIACIONES SU LING EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	2	15,400.00	
23/05/2022	BOTE DE ALUMINIO	SERVICIOS GENERALES Y REPRESENTACIONES DON JUANITO S.A.C.	1	27,800.00	
24/05/2022	COLCHONETA	EXPLORADOR ANDINO S.A.C.	12	1,500.00	
24/05/2022	COCINA A GAS PARA CAMPING	EXPLORADOR ANDINO S.A.C.	4	920.00	
24/05/2022	BALON DE GAS EN GENERAL PEQUE?O	EXPLORADOR ANDINO S.A.C.	8	360.00	
24/05/2022	SET DE OLLAS PARA 4 PERSONAS	EXPLORADOR ANDINO S.A.C.	4	1,658.80	
25/05/2022	BOTELLA DE ALUMINIO REPUESTOS Y ACCESORIOS PARA	EXPLORADOR ANDINO S.A.C.	12	900.00	
5/07/2022	MOTOCICLETA	COLALA MESA REYNERIO VEHICULOS & MAQUINAS SOCIEDAD ANONIMA	1	1,794.00	
5/07/2022	LLANTA 265/75R16	CERRADA	4	2,680.00	
5/07/2022	LLANTA DELANTERA PARA MOTOCICLETA	COLALA MESA REYNERIO	1	370.00	

Date	Description	Supplier	Amount	In S/	In US \$
5/07/2022	LLANTA POSTERIOR PARA MOTOCICLETA	COLALA MESA REYNERIO	1	273.00	
5/07/2022	MEMORIA MICRO SD	COMPUTADORAS Y TELECOMUNICACIONES S.A	95		1,222.65
5/07/2022	DISCO DURO EXTERNO	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		79.74
5/07/2022	PILAS CHICAS ALCALINAS	COMPUTADORAS Y TELECOMUNICACIONES S.A	120		592.80
5/07/2022	CAMARA FOTOGRAFICA TRAMPA	PROYECTOS Y REPARACIONES NAVALES E.I.R.L	30	26,400.00	
5/07/2022	PILAS CHICAS ALCALINAS	COMPUTADORAS Y TELECOMUNICACIONES S.A	60		296.40
5/07/2022	MEMORIA MICRO SD	COMPUTADORAS Y TELECOMUNICACIONES S.A	30		386.10
11/07/2022	CASCO PROTECTOR	AMG NEGOCIOS SAC	3	849.60	
11/07/2022	VEHICULO AEREO NO TRIPULADO (DRONES)	ASES DEL DRONE S.A.C.	1		2,250.00
11/07/2022	BATERIA PARA DRON	ASES DEL DRONE S.A.C.	3		690.00
11/07/2022	HELICE PARA DRON	ASES DEL DRONE S.A.C.	6		150.00
11/07/2022	PROTECTOR DE HÉLICE PARA DRON	ASES DEL DRONE S.A.C.	2		80.00
11/07/2022	MOCHILA PARA DRON	ASES DEL DRONE S.A.C.	1		280.00
11/07/2022	MEMORIA MICRO SD	ASES DEL DRONE S.A.C.	2		130.00
11/07/2022	COMPUTADORA PERSONAL EN TABLETA	ASES DEL DRONE S.A.C.	1		650.00
13/07/2022	TOMATODO	EXPLORADOR ANDINO S.A.C.	12	900.00	
13/07/2022	EQUIPO DE RADIO MOVIL	EXPLORADOR ANDINO S.A.C.	12	15,754.68	
15/07/2022	ALCOHOL DE 70° X 1 LT (ETANOL)	BOTICA LORETO FARMA S.A.C.	12	132.00	
15/07/2022	MASCARILLA DESCARTABLE (CAJA X 50 UND)	BOTICA LORETO FARMA S.A.C.	35	420.00	
15/07/2022	ALCOHOL GEL ANTIBACTERIA	BOTICA LORETO FARMA S.A.C.	12	108.00	
15/07/2022	MASCARILLA DESCARTABLE KN95	BOTICA LORETO FARMA S.A.C.	52	104.00	
15/07/2022	MASCARILLA DESCARTABLE	BOTICA LORETO FARMA S.A.C.	1	1.00	
21/07/2022	MOTOR PEQUE PEQUE	SERRANO SANTOS WIDMAN CARLOS	2	5,320.00	
21/07/2022	COLA DE MOTOR PEQUE PEQUE	SERRANO SANTOS WIDMAN CARLOS	2	1,560.00	
23/07/2022	PANEL SOLAR	CAMED COMUNICACIONES S.A.C.	6	7,074.30	
23/07/2022	SOPORTE METALICO PARA PANELES SOLARES	CAMED COMUNICACIONES S.A.C.	1	499.92	
23/07/2022	SOPORTE METALICO PARA PANELES SOLARES	CAMED COMUNICACIONES S.A.C.	1	999.46	
23/07/2022	EQUIPO DE SISTEMA INVERSOR	CAMED COMUNICACIONES S.A.C.	2	6,414.08	
23/07/2022	GABINETE DE CONTROL	CAMED COMUNICACIONES S.A.C.	2	4,999.22	
23/07/2022	BATERIA SELLADA DE USO SOLAR	CAMED COMUNICACIONES S.A.C.	18	15,280.20	
23/07/2022	RACK PARA BATERIAS	CAMED COMUNICACIONES S.A.C.	1	840.75	
23/07/2022	RACK PARA BATERIAS	CAMED COMUNICACIONES S.A.C.	1	2,028.04	
25/07/2022	CAMARA FOTOGRAFICA DIGITAL	PT MARKET S.R.L	1		738.25
25/07/2022	LENTE PARA CÁMARA CINEMATográfica	PT MARKET S.R.L	1		184.40
25/07/2022	MEMORIA PARA CAMARA FOTOGRAFICA DIGITAL	PT MARKET S.R.L	1		7.30
25/07/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	1	1,300.00	
25/07/2022	CARPA PARA CAMPAMENTO	EXPLORADOR ANDINO S.A.C.	1	850.00	
25/07/2022	MOCHILA DE 50 LT	EXPLORADOR ANDINO S.A.C.	1	413.00	
27/07/2022	TONER P/ IMPRESORA LASER JET C3106A	JONATHAN CESAR PUENTE CASIMIRO	1	750.00	
27/07/2022	TARJETA DE MEMORIA	JONATHAN CESAR PUENTE CASIMIRO	20	700.00	
27/07/2022	BALON DE GAS EN GENERAL PEQUE?O	AUSTRAL STAR S.A.C.	6	354.00	
27/07/2022	CONTENEDOR	AUSTRAL STAR S.A.C.	1	120.00	
27/07/2022	PASTILLAS DESODORIZANTES PARA WC	E Y R CORPORACION CONDOR E.I.R.L	5	225.00	
27/07/2022	BOTIQUIN DE MEDICINAS PARA PRIMEROS AUXILIOS (EQUIPADO)	E Y R CORPORACION CONDOR E.I.R.L	6	150.00	
27/07/2022	PONCHO IMPERMEABLE	ELECTROFERRETERIA TABORI S.A.C.	12	396.00	
27/07/2022	BOTAS DE JEBE	ELECTROFERRETERIA TABORI S.A.C.	12	420.00	
27/07/2022	WINCHA METÁLICA DE 50 MTS	ELECTROFERRETERIA TABORI S.A.C.	5	190.00	
27/07/2022	MACHETE	ELECTROFERRETERIA TABORI S.A.C.	12	222.00	

Date	Description	Supplier	Amount	In S/	In US \$
27/07/2022	LIMA TRIANGULAR Nº 8	ELECTROFERRETERIA TABORI S.A.C.	6	81.00	
27/07/2022	PILAS CHICAS ALCALINAS	ELECTROFERRETERIA TABORI S.A.C.	710	5,325.00	
27/07/2022	MARCADOR DE LLANTAS	ELECTROFERRETERIA TABORI S.A.C.	4	164.00	
27/07/2022	COCINA A GAS DE MESA	SAMAR ARELLANO ABEL DANTE	2	150.00	
27/07/2022	OLLAS DE ALUMINIO TAMAÑO GRANDE	SAMAR ARELLANO ABEL DANTE	3	129.00	
27/07/2022	VALVULA DE CIERRE	SAMAR ARELLANO ABEL DANTE	2	50.00	
27/07/2022	PORTAVIANDAS TÉRMICO	SAMAR ARELLANO ABEL DANTE	10	470.00	
27/07/2022	PANEL SOLAR LIBRETA EMPASTADA RAYADA X 100 HOJAS T/A6	HERMANOS G Y S ELECTRICISTAS S.A.C.	1	298.00	
27/07/2022	LAPICEROS EN GENERAL	MERCEDES DOMINGA ROSALES CHUQUIN	12	84.00	
27/07/2022	LAPIZ	MERCEDES DOMINGA ROSALES CHUQUIN	1	40.00	
27/07/2022	PAPEL BOND 75 GR T/A4	MERCEDES DOMINGA ROSALES CHUQUIN	2	31.20	
27/07/2022	TAJADOR DE METAL SIMPLE P LAPIZ DE BOLSILLO T/ESC	MERCEDES DOMINGA ROSALES CHUQUIN	1	42.00	
27/07/2022	BOTELLA DE ALUMINIO	MERCEDES DOMINGA ROSALES CHUQUIN	6	9.00	
4/08/2022	RADIO HANDYS VHF-UHF	EXPLORADOR ANDINO S.A.C.	12	900.00	
4/08/2022	COLCHON 1.5 PLAZA	CAMED COMUNICACIONES S.A.C.	4		366.84
8/08/2022	EQUIPO DE POSICIONAMIENTO - GPS	DISTRIBUIDORES DE PRODUCTOS ELECTRICOS SAC	4	2,396.00	
8/08/2022	EQUIPO DE POSICIONAMIENTO - GPS	EXPLORADOR ANDINO S.A.C.	2		870.00
9/08/2022	EQUIPO DE POSICIONAMIENTO - GPS	EXPLORADOR ANDINO S.A.C.	1		430.00
9/08/2022	PORTAVIANDAS TÉRMICO	PROYECTOS Y REPARACIONES NAVALES E.I.R.L	12	3,540.00	
9/08/2022	PORTAVIANDAS TÉRMICO	PROYECTOS Y REPARACIONES NAVALES E.I.R.L	12	3,540.00	
9/08/2022	DIESEL B5	GRIFO JOAR S.R.L	90	1,673.10	
9/08/2022	AQUAOIL SUPER 2T	GRIFO JOAR S.R.L	16	176.00	
12/08/2022	COCINA A GAS DE MESA	L & L FARMA IMPORT & EXPORT E.I.R.L	3	450.00	
12/08/2022	TETERAS CAFETERA	L & L FARMA IMPORT & EXPORT E.I.R.L	3	855.00	
12/08/2022	OLLA DE ALUMINIO TAMAÑO MEDIANO	L & L FARMA IMPORT & EXPORT E.I.R.L	3	945.00	
12/08/2022	OLLA DE ALUMINIO TAMAÑO MEDIANO	L & L FARMA IMPORT & EXPORT E.I.R.L	3	1,017.00	
12/08/2022	OLLAS DE ALUMINIO TAMAÑO GRANDE	L & L FARMA IMPORT & EXPORT E.I.R.L	3	1,098.00	
12/08/2022	SARTEN	L & L FARMA IMPORT & EXPORT E.I.R.L	3	801.00	
12/08/2022	CUCHARA DE ACERO INOXIDABLE PARA SOPA	L & L FARMA IMPORT & EXPORT E.I.R.L	1	187.00	
12/08/2022	TENEDOR DE MESA DE ACERO INOXIDABLE	L & L FARMA IMPORT & EXPORT E.I.R.L	1	187.00	
12/08/2022	JUEGO DE CUCHARONES	L & L FARMA IMPORT & EXPORT E.I.R.L	3	270.00	
12/08/2022	TAZA ACERO INOXIDABLE	L & L FARMA IMPORT & EXPORT E.I.R.L	1	126.00	
12/08/2022	CUCHILLO DE MESA DE ACERO INOXIDABLE	L & L FARMA IMPORT & EXPORT E.I.R.L	6	450.00	
12/08/2022	LINTERNA FRONTAL	EXPLORADOR ANDINO S.A.C.	7		673.05
15/08/2022	SILLA GIRATORIA ERGONOMICA	IMAX INT'L S.A.C.	3	1,917.90	
1/09/2022	UTILES DE OFICINA	HUAMAN URRUTIA ROMEL WILFREDO	1	599.50	
6/09/2022	MATERIALES DIVERSOS PARA CONSTRUCCION	QUELCA PHURO JORGE ENRIQUE	1	2,513.00	
6/09/2022	UTILES DE OFICINA	RAMIREZ MIRANDA LEONARDO	1	398.70	
9/09/2022	BOLSAS DE PLASTICO	EXPLORADOR ANDINO S.A.C.	3	255.00	
9/09/2022	BOLSAS DE PLASTICO	EXPLORADOR ANDINO S.A.C.	3	105.00	
14/09/2022	CAMARA FOTOGRAFICA DIGITAL	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		990.07
14/09/2022	CLINDMETRO	EXPLORADOR ANDINO S.A.C.	1		350.00
14/09/2022	CARPA PARA CAMPAMENTO	EXPLORADOR ANDINO S.A.C.	1		167.00
14/09/2022	COLCHONETA	EXPLORADOR ANDINO S.A.C.	2		66.00
14/09/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	2		282.00
14/09/2022	EQUIPO DE POSICIONAMIENTO - GPS SISTEMA DE PROYECCION MULTIMEDIA - PROYECTOR MULTI	TOPOGIS S.A.C.	2	4,320.00	
5/10/2022	PROYECTOR MULTI	EAC CONSULTING S.A.C.	2		4,340.00
7/10/2022	DIESEL B5	GRIFO JOAR S.R.L	60	1,134.00	
7/10/2022	EQUIPO DE POSICIONAMIENTO - GPS	EXPLORADOR ANDINO S.A.C.	3		1,290.00

Date	Description	Supplier	Amount	In S/	In US \$
10/10/2022	PARLANTES EN GENERAL	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		337.37
7/10/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	3		1,440.00
7/10/2022	CONJUNTO CASACA Y PANTALON IMPERMEABLE	EXPLORADOR ANDINO S.A.C.	3		227.85
7/10/2022	INTERIORES TERMICOS	EXPLORADOR ANDINO S.A.C.	9		1,368.00
26/10/2022	JUEGO DE LETRAS Y NUMEROS DE PLOMO DE 0.8 ML PARA	AMG NEGOCIOS SAC	1	330.40	
27/10/2022	TIJERAS PARA PODAR GRANDE	EXPLORADOR ANDINO S.A.C.	1		135.00
27/10/2022	PERTIGA AP-5M BAHCO	EXPLORADOR ANDINO S.A.C.	1		145.00
27/10/2022	TONER P/ IMPRESORA HP LASER	COMPUTADORAS Y TELECOMUNICACIONES S.A	2		243.52
27/10/2022	TONER P/ IMPRESORA HP LASER	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		82.82
27/10/2022	TONER P/ IMPRESORA HP LASER	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		106.64
27/10/2022	TONER P/ IMPRESORA HP LASER	COMPUTADORAS Y TELECOMUNICACIONES S.A	1		197.07
28/10/2022	COMPUTADORA PERSONAL PORTATIL	COMPUTERS & TECNOLOGY S.A.C.	1		2,448.95
3/11/2022	CHALECO DE CAMPO	YEP INVESTMENTS E.I.R.L	12	1,161.12	
4/11/2022	CASACA IMPERMEABLE	EXPLORADOR ANDINO S.A.C.	7		1,540.00
4/11/2022	CASACA IMPERMEABLE	EXPLORADOR ANDINO S.A.C.	6		1,320.00
4/11/2022	HIDROLAVADORA	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A.	1	615.90	
4/11/2022	FRESADORA - RUTEADORA	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A.	1	571.91	
4/11/2022	ESMERIL ELECTRICO	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A.	1	250.15	
4/11/2022	TALADRO ELECTRICO PORTATIL	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A.	1	248.30	
11/11/2022	EMBARCACION PONGUERO	SERVICIOS GENERALES Y REPRESENTACIONES DON JUANITO S.A.C.	1		15,850.00
11/11/2022	EMBARCACION PONGUERO	SERVICIOS GENERALES Y REPRESENTACIONES DON JUANITO S.A.C.	1		9,150.00
12/11/2022	COCINA A GAS	NOVEDADES KUK'S EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	1,600.00	
12/11/2022	HERVIDOR ELECTRICO	NOVEDADES KUK'S EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	1	170.00	
12/11/2022	OLLA ARROCERA ELÉCTRICA	NOVEDADES KUK'S EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	2	560.00	
12/11/2022	LICUADORA ELÉCTRICA	NOVEDADES KUK'S EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA	2	860.00	
21/11/2022	CEMENTO PARA CONSTRUCCION	COMERCIAL AQUINO E.I.R.L	8	224.00	
21/11/2022	BROCHA DE 4	COMERCIAL AQUINO E.I.R.L	6	108.00	
21/11/2022	PINTURA LATEX	COMERCIAL AQUINO E.I.R.L	18	990.00	
21/11/2022	LUA PARA PULIR AL AGUA	COMERCIAL AQUINO E.I.R.L	8	16.00	
21/11/2022	CARPA PARA CAMPAMENTO	EXPLORADOR ANDINO S.A.C.	6		1,116.00
21/11/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	3		1,440.00
29/11/2022	BATERIA SELLADA DE USO SOLAR	LOECHLE MULLER SUCESION RICARDO	4	3,940.00	
2/12/2022	LLANTA 235/75R15 6 PR	3H&P IMSSEL DIESEL S.A.C.	4	3,180.00	
2/12/2022	LLANTAS PARA CAMIONETAS	OMIA GROUP S.A.C.	1	3,160.00	
6/12/2022	BOLSA DE DORMIR	EXPLORADOR ANDINO S.A.C.	3		1,440.00
6/12/2022	CHALECO DE CAMPO	EXPLORADOR ANDINO S.A.C.	18	1,260.00	
6/12/2022	GORRO	EXPLORADOR ANDINO S.A.C.	18	450.00	
6/12/2022	POLO EN GENERAL	EXPLORADOR ANDINO S.A.C.	18	576.00	
6/12/2022	CARGADOR DE PILAS	EXPLORADOR ANDINO S.A.C.	2		48.00
6/12/2022	BOTAS DE JEBE	EXPLORADOR ANDINO S.A.C.	30		330.00
6/12/2022	FRAZADA 1 1/2 PLAZA CLIMA FRIO	EXPLORADOR ANDINO S.A.C.	7	1,330.00	
6/12/2022	MANTA NEGRO	EXPLORADOR ANDINO S.A.C.	7	525.00	
6/12/2022	SABANA DE 1 1/2 PLAZA	EXPLORADOR ANDINO S.A.C.	7	490.00	
6/12/2022	ALMOHADAS	EXPLORADOR ANDINO S.A.C.	7	875.00	
6/12/2022	PARLANTES EN GENERAL	AMG NEGOCIOS SAC	1		337.36

Date	Description	Supplier	Amount	In S/	In US \$
15/12/2022	COMBUSTIBLE Y/O LUBRICANTES	GRIFO Y SERVICIO TRANSPORTES SANTO TOMAS E.I.R.L.	200	3,400.00	
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
10/02/2023	VESTUARIO Y BOTAS	EDITORIA E IMPRENTA INTERNACIONAL SAC	1	12,750.00	
				126,717.40	454,694.30

Consultant	Services	Date		In S/
		Benning	End	
PILCO PARDO RULY RUPERTO	ELABORACIÓN DE PROTOCOLOS DE MONITOREO DE INDICADORES AMBIENTALES	15/09/2022	3/12/2022	17,850.00
SHAREBA MATEO SHIRLE JUVITZA	SERVICIO DE VIGILANCIA	27/09/2022	24/12/2022	3,000.00
ENTAZU LOPEZ JOEL ANTONIO	SERVICIO DE VIGILANCIA	26/09/2022	27/09/2022	3,000.00
ALCANTARA CABELLO DANIEL	SERVICIO DE VIGILANCIA	26/09/2022	27/09/2022	3,000.00
LUIS VALENZUELA GAMARRA	CONSULTORIA MONITOREO Y AFINES	4/10/2022	5/12/2022	15,000.00
PROYECTOS LA SELVA S.R.L. CALIDAD DE INGENIERIA SOCIEDAD COMERCIAL DE RESPONSABILIDAD LIMITADA	SERVICIO DE CONSTRUCCION DE LETREROS	4/10/2022	18/12/2022	50,000.00
ARDILES CANDIA ROUSSE DAFNEE	DEMARCAACION FISICA- CONSTRUCC HITOS Y SEÑALIZACION	4/10/2022	17/01/2023	170,000.00
RICARDO FRANCO YACILA PAZCE	DESARROLLO Y POSICIONAMIENTO MARCA DE INICIATIVAS	12/10/2022	21/12/2022	10,000.00
PARRAGA LOPEZ GERTRUDE ERIKA FABIOLA	SERVICIO DE REDACCION	12/10/2022	11/11/2022	7,000.00
BELLO SANTA CRUZ RAUL FEDERICO	PROFESIONAL PARA SISTEMATIZACION DE INFORMACION ELABORACIÓN DE PROTOCOLOS DE MONITOREO DE INDICADORES AMBIENTALES	12/10/2022	31/10/2022	3,000.00
		14/10/2022	12/12/2022	10,000.00
PALMA QUISPE RYDER	MANTENIMIENTO DE HITOS Y/O SEÑALIZACION ELABORACIÓN DE PROTOCOLOS DE MONITOREO DE INDICADORES AMBIENTALES	2/11/2022	22/12/2022	95,000.00
RAUL TUPAYACHI TRUJILLO ROMERO TIRADO PEDRO EDGARD	ELABORACION DE EXPEDIENTES TECNICOS	17/11/2022	15/02/2023	20,000.00
		19/12/2022	31/01/2023	27,000.00
				<u>722,114.00</u>

INDEPENDENT AUDITOR'S OPINION ON THE STATUS OF COMPLIANCE WITH THE CLAUSES 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, 2022 and the statement of accumulated investments as of December 31, 2022, 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 March 24, 2023.
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, 2022, 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
March 24, 2023

Countersigned by:



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

Fonseca, Camargo & Associates

INDEPENDENT AUDITOR'S OPINION ON THE INTERNAL CONTROL STRUCTURE

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

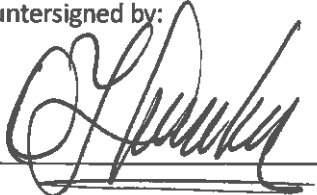
March 24, 2023

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2022 and the statement of accumulated investments as of December 31, 2022, 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 March 24, 2023.
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 aforementioned 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
March 24, 2023

Countersigned by:



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

Fonseca, Camargo & Associates

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 2022.
 - 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.