Conservation International Foundation and Affiliates

Consolidated Financial Report
June 30, 2017

Contents

Independent Auditor's Report

To the Board of Directors
Conservation International Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Conservation International Foundation and Affiliates (CI), which comprise the consolidated balance sheets as of June 30, 2017 and 2016, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conservation International Foundation and Affiliates as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our reports dated December 19, 2017 and December 22, 2016, on our consideration of CI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CI's internal control over financial reporting and compliance.

RSM US LLP

McLean, Virginia
December 19, 2017

Conservation International Foundation and Affiliates

Consolidated Balance Sheets
June 30, 2017 and 2016
(In Thousands)

	2017	2016
Assets		
Cash and cash equivalents	**$ 61,466**	$ 68,220
Investments	**212,918**	148,238
Grants and promises to give, net	**102,966**	137,040
Notes receivable, net	**308**	362
Prepaid expenses and other assets	**6,420**	5,598
Property and equipment, net	**4,666**	5,090
Total assets	**$ 388,744**	$ 364,548
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 5,349**	$ 5,966
Accrued salaries, vacation and employee benefits	**8,161**	7,128
Notes payable, net	**984**	1,218
Grants payable	**7,617**	11,271
Deferred revenue	**37,483**	16,080
Total liabilities	**59,594**	41,663
Commitments and contingencies (Note 13)		
Net assets:		
Unrestricted:		
Operating	**5,659**	5,565
Board designated endowment	**11,189**	9,906
Total unrestricted	**16,848**	15,471
Temporarily restricted	**298,985**	294,099
Permanently restricted	**13,317**	13,315
Total net assets	**329,150**	322,885
Total liabilities and net assets	**$ 388,744**	$ 364,548

See notes to consolidated financial statements.

Conservation International Foundation and Affiliates

Consolidated Statements of Activities
Years Ended June 30, 2017 and 2016
(In Thousands)

	2017				2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support:								
Contributions:								
Individuals	**$ 4,355**	**$ 44,807**	**$ -**	**$ 49,162**	$ 3,149	$ 76,994	$ -	$ 80,143
Foundations	**3,142**	**23,145**	**2**	**26,289**	7,659	48,949	-	56,608
Corporations	**1,023**	**1,296**	**-**	**2,319**	1,797	1,486	-	3,283
Other	**6**	**347**	**-**	**353**	20	583	-	603
Grants and contracts:								
Corporations	**14,645**	**6,639**	**-**	**21,284**	13,090	16,953	-	30,043
Foundations	**428**	**15,118**	**-**	**15,546**	346	15,361	-	15,707
NGO/multilaterals	**1,905**	**9,923**	**-**	**11,828**	673	16,020	-	16,693
Public funding	**1,202**	**2,247**	**-**	**3,449**	1,519	4,707	-	6,226
Licensing agreements, product sales and other income	**1,505**	**-**	**-**	**1,505**	908	-	-	908
Investment income (loss)	**2,290**	**23,943**	**-**	**26,233**	(284)	1,600	-	1,316
Net assets released from donor restrictions	**124,268**	**(124,268)**	**-**	**-**	122,941	(122,941)	-	-
Total revenue and support	**154,769**	**3,197**	**2**	**157,968**	151,818	59,712	-	211,530
Expenses:								
Program services:								
Country and regional	**61,101**	**-**	**-**	**61,101**	50,597	-	-	50,597
Grantmaking divisions	**23,441**	**-**	**-**	**23,441**	30,791	-	-	30,791
Center for Environmental Leadership in Business	**13,576**	**-**	**-**	**13,576**	12,737	-	-	12,737
Moore Center for Science	**10,198**	**-**	**-**	**10,198**	11,614	-	-	11,614
Policy	**6,032**	**-**	**-**	**6,032**	6,484	-	-	6,484
Center for Oceans	**5,566**	**-**	**-**	**5,566**	4,759	-	-	4,759
Communications	**5,319**	**-**	**-**	**5,319**	5,716	-	-	5,716
Other programs	**3,367**	**-**	**-**	**3,367**	3,939	-	-	3,939
Total program services	**128,600**	**-**	**-**	**128,600**	126,637	-	-	126,637
Supporting services:								
Management and operations	**14,053**	**-**	**-**	**14,053**	15,068	-	-	15,068
Fundraising	**10,739**	**-**	**-**	**10,739**	9,988	-	-	9,988
Total supporting services	**24,792**	**-**	**-**	**24,792**	25,056	-	-	25,056
Total expenses	**153,392**	**-**	**-**	**153,392**	151,693	-	-	151,693
Changes in net assets before nonoperating activity	**1,377**	**3,197**	**2**	**4,576**	125	59,712	-	59,837
Nonoperating activity:								
Gain (loss) on translation of affiliate and field office net assets	**-**	**1,656**	**-**	**1,656**	-	(1,083)	-	(1,083)
Gain on translation of grants and pledges receivable	**-**	**33**	**-**	**33**	-	292	-	292
Changes in net assets	**1,377**	**4,886**	**2**	**6,265**	125	58,921	-	59,046
Net assets:								
Beginning	**15,471**	**294,099**	**13,315**	**322,885**	15,346	235,178	13,315	263,839
Ending	**$ 16,848**	**$ 298,985**	**$ 13,317**	**$ 329,150**	$ 15,471	$ 294,099	$ 13,315	$ 322,885

See notes to consolidated financial statements.

Conservation International Foundation and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016
(In Thousands)

	2017	2016
Cash flows from operating activities:		
Changes in net assets	**$ 6,265**	$ 59,046
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	**961**	774
Loss on disposal of property and equipment	**-**	57
Net realized and unrealized (gain) loss on investments	**(23,206)**	239
Net realized and unrealized gain on international retirement savings plan	**(63)**	(18)
Net gain on translation of foreign denominated grants and promises to give receivable	**(33)**	(292)
Decrease in allowance for doubtful grants and promises to give	**(329)**	(744)
Increase (decrease) in discount to present value for grants and promises to give	**529**	(2,227)
Loss (gain) on notes receivable	**11**	(48)
Cancellations and de-obligations	**307**	444
Changes in assets and liabilities:		
Decrease (increase) in:		
Grants and promises to give receivable	**33,600**	30,393
Prepaid expenses and other assets	**(822)**	(39)
(Decrease) increase in:		
Accounts payable and accrued expenses	**(617)**	251
Accrued salaries, vacation and employee benefits	**1,033**	145
Grants payable	**(3,654)**	(5,714)
Deferred revenue	**21,403**	(6,309)
Net cash provided by operating activities	**35,385**	75,958
Cash flows from investing activities:		
Proceeds from sales of investments	**139,040**	33,031
Purchases of investments	**(180,451)**	(108,727)
Purchases of property and equipment	**(537)**	(588)
Collections on notes receivable	**43**	151
Issuances of notes receivable	**-**	(300)
Net cash used in investing activities	**(41,905)**	(76,433)
Cash flows from financing activities:		
Principal payments on notes payable	**(234)**	(249)
Net cash used in financing activities	**(234)**	(249)
Net decrease in cash and cash equivalents	**(6,754)**	(724)
Cash and cash equivalents:		
Beginning	**68,220**	68,944
Ending	**$ 61,466**	$ 68,220
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 14**	$ 19

See notes to consolidated financial statements.

Note 1. Nature of Activities

Nature of activities: Conservation International Foundation and Affiliates (CI) is a nonprofit organization headquartered in Arlington, Virginia, with offices in over 30 countries. CI was established in 1987 under the laws of the State of California and is tax exempt under Section 501(c)(3) of the Internal Revenue Code (IRC).

CI works to ensure a healthy and productive planet for us all. People need nature for many things: a stable climate, clean air, fresh water, abundant food, cultural resources and the incalculable additional benefits that the world's biodiversity provides. Yet economic and infrastructure development, which are necessary for human well-being, can also have serious impacts on nature. CI works at every level–from remote villages to the offices of presidents and prime ministers–to help move society toward a smarter development path.

CI focuses its efforts on three areas:

Protecting critical natural capital: The most fundamental aspect of CI's strategy is to help humanity safeguard the parts of nature that we cannot afford to lose, by creating protected areas or indigenous and community conserved areas.

Fostering effective governance: CI works with governments, intergovernmental institutions and civil society to ensure that they have the knowledge and tools to value, protect and sustainably manage nature — and ensure equitable access to and sharing of nature's benefits.

Promoting sustainable production and consumption: CI works with key producers, consumers and economic decision-makers to transform production systems at scale in order to meet human needs without eroding critical natural capital.

By promoting healthy, sustainable societies, CI helps improve quality of life for people – especially vulnerable populations who are often directly reliant on nature for their survival. By demonstrating how and why people need nature, CI inspires societies and individuals to be good stewards of nature.

Affiliates: The accompanying consolidated financial statements include the operations of CI-Brazil, CI-Europe in Belgium, CI-Guyana, CI-Hong Kong, CI-Japan, CI-Mexico, CI-New Zealand, CI-Philippines, CI-Singapore, CI-Suriname and Conservation South Africa. All of the aforementioned organizations are separately incorporated in their respective countries. Due to the significant amount of oversight and support (financial and programmatic) provided by CI, their financial activities have been consolidated with CI's financial activities.

Note 2. Significant Accounting Policies

Basis of accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Principles of consolidation: All transactions between CI and its affiliates have been eliminated in consolidation.

Basis of presentation: CI reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Note 2. Significant Accounting Policies (Continued)

Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets: Contributions and other inflows of assets whose use is not subject to donor-imposed stipulations. The Board of Directors has designated a portion of CI's unrestricted net assets as endowment funds to provide on-going support from its earnings. The board-designated endowment totaled $11,189,000 and $9,906,000 at June 30, 2017 and 2016, respectively. Investment income, up to the limits set by the endowment spending policy, funds training and general CI Operations.

Temporarily restricted net assets: Contributions and other inflows of assets whose use is subject to donor-imposed stipulations that either expire by the passage of time or will be met by actions of CI pursuant to those stipulations, such as usage for specific programs.

Permanently restricted net assets: Contributions and other inflows of assets whose use is subject to donor-imposed stipulations that the principal must be maintained permanently by CI.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates.

Foreign currency transactions: The consolidated financial statements and transactions of CI's foreign operations are generally maintained in the relevant local currency. Monthly expenses that are incurred by field offices and affiliates in foreign countries are paid at local currency and then translated into U.S. Dollars at the rate of exchange in effect during the month of the transaction.

Foreign currency translation: The functional currency of CI is the U.S. Dollar. Gains and losses resulting from translations of foreign currencies into U.S. Dollars are recognized as a nonoperating activity in the consolidated statements of activities. Where local currencies are used, assets and liabilities are translated into U.S. Dollars at the consolidated balance sheets date at the exchange rate in effect at year-end.

Allocation of functional expenses: The costs of providing program and supporting services have been summarized on a functional basis in the consolidated statements of activities. Expenses that relate directly to a program or supporting service are allocated to that program or supporting service.

Foreign operations: The accompanying consolidated financial statements include the worldwide operations of CI (field and branch offices). At June 30, 2017 and 2016, assets held in foreign countries totaled approximately $16,259,000 and $10,772,000, respectively. The consolidated statements of activities include revenue of $10,479,000 and $7,653,000 from foreign country programs for the years ended June 30, 2017 and 2016, respectively.

Cash and cash equivalents: Cash and short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents, except that any such cash or investments purchased with endowment funds or with management-designated investment funds are classified as investments.

Investments: Investments are carried at estimated fair market value in the consolidated balance sheets. Fair value of investments is estimated based on quoted market prices where available. Investments may include some short-term investments, which consist primarily of money market funds and other short-term investments temporarily held by investment managers.

Note 2. Significant Accounting Policies (Continued)

Investments in investment partnerships are valued at fair value, based on the applicable percentage ownership of the underlying partnership's net assets as of the measurement date, as determined by CI. In determining fair value, CI utilizes valuations provided by the fund manager of the underlying investment partnerships. The underlying investment partnerships value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investment partnerships, which may include private placements and other securities for which prices are not readily available, are determined by CI for the respective investment partnerships and may not reflect amounts that could be realized upon immediate sale, nor amounts that may be ultimately realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The fair value of CI's investments in other investment partnerships generally represents the amount CI would expect to receive if it were to liquidate its investment in the investment partnerships, excluding any redemption charges that may apply. CI may adjust the respective manager's valuation when circumstances support such an adjustment.

Investment income and net appreciation (depreciation) on investments are reported as follows, when earned:

- As increases in permanently restricted net assets, if the terms of the gift or relevant state law require that they be added back to the principal of the permanently restricted contributions

- As increases (decreases) in temporarily restricted net assets, if the terms of the gift or state law impose restrictions on the current use of the investment income or net appreciation (depreciation)

- As increases (decreases) in unrestricted net assets in all other cases

Concentrations of credit and market risk: CI's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents, investments and grants and pledges receivable. CI invests its excess cash and cash equivalents and maintains its investments with high-quality financial institutions. CI had approximately $10,016,000 and $5,437,000 of cash and cash equivalents on hand and at financial institutions in foreign countries at June 30, 2017 and 2016, respectively. The majority of the funds invested in foreign countries are uninsured. At times, CI maintains cash balances at financial institutions in the United States in excess of Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal. The composition and maturities of investments, as well as investment performance, are regularly monitored by management.

CI invests in common stocks, mutual funds, money market funds, fixed income securities, exchange traded funds, partnerships and private equities. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is possible that changes in risks in the near term would materially affect investment balances and amounts reported in the consolidated financial statements.

Note 2. Significant Accounting Policies (Continued)

Grants, contributions and promises to give: Grants, contributions and promises to give are recognized as support in the year that they are unconditionally received from the donor. They are reported as increases in the appropriate category of net assets. Grants, contributions and promises to give that will not be collected within one year have been discounted at a rate commensurate with the risks involved at the time the gift was pledged, based upon anticipated payment dates. CI has established an allowance for uncollectible pledges in the amount of $787,000 and $1,116,000 at June 30, 2017 and 2016, respectively. This allowance is mainly based on potential de-obligations of existing restricted pledges. Historically, de-obligations mainly arose in cases where CI has completed the project at less than the full amount of the associated grant, and less frequently, when the donor chooses to discontinue funding for economic or other reasons.

Contributions include in-kind gifts that consisted of donated professional fees, equipment, and airfare in 2017. The in-kind contributions are recorded at their fair value as of the date the goods or services are provided. In-kind contributions were $783,000 and $362,000 for the years ended June 30, 2017 and 2016, respectively.

Notes receivable: Notes are recorded as receivables at face value when the agreement is signed by both parties. Related interest income is recognized as it is earned. An allowance for uncollectible notes is based on an evaluation of the collectability of the principal and interest.

Property and equipment: Property and equipment purchased with unrestricted funds are stated at cost and depreciated on the straight-line basis over their related estimated useful lives, generally three to five years. Assets with a unit cost of $5,000 or more that are purchased from unrestricted funding sources are capitalized. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Leasehold improvements are recorded at cost and are amortized over the life of the lease. Land and buildings are stated at cost; buildings are depreciated on the straight-line basis over an estimated useful life of 30 years. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss on retirement or disposal of the assets is recorded as revenue or expense.

Impairment of long-lived assets: CI requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Notes payable: Notes are recognized as liabilities in the year funds are received from the lender.

Grants payable: For agreements considered to be contributions, grants are recognized as liabilities in the year CI makes the unconditional commitment. For agreements considered to be exchange transactions, the payable is recognized as expenses are incurred by grantees over the reporting period.

Income taxes: CI is exempt from income taxes under Section 501(c)(3) of the IRC. CI is subject to unrelated business income taxes under Section 512 of the IRC; however, in the opinion of management, no provision for income taxes is required to be made.

Note 2. Significant Accounting Policies (Continued)

CI follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, CI may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management evaluated CI's tax positions and concluded that CI had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. Generally, CI is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2014.

The aforementioned field offices are organized as tax-exempt entities in their respective countries, with the exception of CI-Guyana. This field office is organized under the Companies Act of Guyana regulations. Its by-laws prohibit the accumulation or distribution of profits.

Recent accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles in the United States of America when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. Management is currently evaluating the effect that the standard will have on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for CI for fiscal years beginning after December 15, 2017. CI does not believe the adoption of the new financial instruments standard will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. CI is currently evaluating the impact of the pending adoption of the new standard on its consolidated financial statements.

Note 2. Significant Accounting Policies (Continued)

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of nonprofit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a nonprofit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier application is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Subsequent events: CI evaluated subsequent events through December 19, 2017, which is the date the consolidated financial statements were available to be issued.

Note 3. Investments and Fair Value Measurements

Investment income for the years ended June 30, 2017 and 2016, consists of the following (in thousands):

	2017	2016
Realized and unrealized gain (loss), net	$ 23,206	$ (239)
Interest and dividends	3,533	1,947
Investment management fees	(507)	(392)
	$ 26,233	$ 1,316

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as data that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments included in Level 1 include listed equities and listed derivatives.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies and general and limited CI interests in private investment funds, real estate funds, debt funds and distressed debt.

Note 3. Investments and Fair Value Measurements (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. CI's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2017 (in thousands):

	2017			
Description	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market funds	$ 27,513	$ -	$ -	$ 27,513
Investments:				
Common stocks:				
Industrial goods	$ 11,072	$ -	$ -	$ 11,072
Financial	9,189	-	-	9,189
Services	5,086	-	-	5,086
Consumer goods	2,089	-	-	2,089
Healthcare	786	-	-	786
Technology	713	-	-	713
Basic materials	583	-	-	583
Total common stocks	29,518	-	-	29,518
Mutual funds:				
Mutli-sector equity funds	47,179	-	-	47,179
Mutli-sector bond funds	39	-	-	39
Total mutual funds	47,218	-	-	47,218
Fixed income:				
Certificates of deposit	-	4,261	-	4,261
Municipal bonds	-	22,207	-	22,207
US Government bonds	-	17,428	-	17,428
Corporate bonds	-	31,212	-	31,212
Total fixed income	-	75,108	-	75,108
Other assets:				
Money market funds	8,744	-	-	8,744
Gold exchange traded fund	1,062	-	-	1,062
Total other assets	9,806	-	-	9,806
Total publicly traded securities	86,542	75,108	-	161,650
Other investments measured at net asset value (a)	-	-	-	51,268
	$ 86,542	$ 75,108	$ -	$ 212,918

Note 3. Investments and Fair Value Measurements (Continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2016 (in thousands):

	2016			
Description	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market funds	$ 18,905	$ -	$ -	$ 18,905
Investments:				
Common stocks:				
Industrial goods	$ 8,673	$ -	$ -	$ 8,673
Financial	5,955	-	-	5,955
Services	4,787	-	-	4,787
Consumer goods	1,965	-	-	1,965
Healthcare	739	-	-	739
Technology	366	-	-	366
Basic materials	63	-	-	63
Total common stocks	22,548	-	-	22,548
Mutual funds:				
Mutli-sector equity funds	14,809	-	-	14,809
Mutli-sector bond funds	17,293	-	-	17,293
Total mutual funds	32,102	-	-	32,102
Fixed income:				
Certificates of deposit	-	9,359	-	9,359
Municipal bonds	-	8,225	-	8,225
US Government bonds	-	6,613	-	6,613
Corporate bonds	-	5,384	-	5,384
Total fixed income	-	29,581	-	29,581
Other assets:				
Money market funds	32,646	-	-	32,646
Gold exchange traded fund	1,138	-	-	1,138
Total other assets	33,784	-	-	33,784
Total publicly traded securities	88,434	29,581	-	118,015
Other investments measured at net asset value (a)	-	-	-	30,223
	$ 88,434	$ 29,581	$ -	$ 148,238

(a) In accordance with Accounting Standards Codification Topic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Note 3. Investments and Fair Value Measurements (Continued)

Alternative investments are less liquid than CI's other investments. The following tables set forth additional disclosures of CI's investments whose fair value is estimated using net asset value per share (or its equivalent) as of June 30, 2017 and 2016.

The following table provides additional information about the investments by strategy (in thousands):

Investment Strategy	Fair Value at June 30, 2017	Fair Value at June 30, 2016	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity (a)	$ 47,531	$ 24,746	$ -	Monthly-Annually	5-95 days
Fixed income (b)	3,737	2,802	2,260	N/A, Annually	N/A, 120 days
Real assets (c)	-	2,675	-	Daily	1 day
	$ 51,268	$ 30,223	$ 2,260		

(a) This category includes investments in equities across all sectors and geographic regions, including several long and short hedge funds. The investment strategies of these funds focus on an event or a catalyst that will move an equity price, an equity spread, a credit spread or an implied volatility spread, offering a blend of both growth and value investing styles. Most of the securities underlying the funds are marketable equities. Over 80% of the funds have a redemption frequency of monthly or quarterly. The remaining funds can be redeemed annually.

(b) This category includes a variety of fixed income investments. It includes investment in a multi-sector fixed-income relative-value fund, as well as investment in secured US middle market secured loans and private debt. About half of the funds have an annual redemption frequency, where the other half cannot be liquidated in advance of their natural termination.

(c) This category includes investment in real assets. The objective of the fund is to provide diversified commodities exposure with attractive risk-adjusted returns that have a low correlation with traditional asset classes. Primarily investing on a long-only basis in commodity futures and option contracts (including but not limited to agricultural products, livestock, energy, grains & oilseeds, softs (food and fiber), industrial metals and precious metals) traded on worldwide public futures exchanges.

Note 4. Grants and Promises to Give Receivable

CI considers grants and promises to give receivable to be collectible within one year, unless otherwise stated by the donor. Unconditional grants and promises to give are due as follows (in thousands):

	2017	2016
Within one year	$ 86,086	$ 113,970
Two to five years	17,981	24,437
Over five years	466	-
Gross promises to give	104,533	138,407
Allowance for doubtful pledges	(787)	(1,116)
Discount to present value	(780)	(251)
Net grants and promises to give receivable	$ 102,966	$ 137,040

Note 4. Grants and Promises to Give Receivable (Continued)

At June 30, 2017 and 2016, $2,175,000 and $293,000, respectively, had been conditionally pledged to CI. Because of uncertainties with regard to their realization, conditional promises are recognized only if and when the specified conditions are met. As such, these amounts are not reported in the accompanying consolidated balance sheets or consolidated statements of activities.

CI's grants and promises to give receivable balance include receivables from the federal government, foreign governments, and private donors. CI's ten largest contributors during the year ended June 30, 2017, comprised approximately 45% or $71,096,000 of total revenue and support. CI's ten largest contributors during the year ended June 30, 2016, comprised approximately 70% or $148,374,000 of total revenue and support. CI's ten largest grants and promises to give contributor receivable balances, before net present value and allowance for uncollectible pledges, comprised approximately 58% or $61,034,000 at June 30, 2017, and 79% or $109,567,000 at June 30, 2016.

Note 5. Notes Receivable

As more fully discussed in Note 7, CI entered into note agreement with L'Agence Française de Développement (AFD). In accordance with the note agreements, CI made loans to small and medium-sized enterprises, which support biodiversity conservation and conservation-oriented employment in the regions in which CI works. The outstanding notes bear interest at rates ranging from 1.0% to 9.5% and are due between July 2017 and June 2020.

At June 30, 2017 and 2016, notes receivable, less allowance for uncollectible notes, totaled approximately $308,000 and $362,000, respectively.

The following schedule shows required future minimum repayments (in thousands):

Years ending June 30:		
2018	$	293
2019		163
2020		186
		642
Allowance for uncollectible notes		(334)
	$	308

Note 6. Property and Equipment

Property and equipment at June 30, 2017 and 2016, consist of the following (in thousands):

		2017		2016
Furniture and equipment	$	9,085	$	8,776
Leasehold improvements		3,307		3,307
Land		1,784		1,784
Buildings		552		552
		14,728		14,419
Accumulated depreciation and amortization		(10,062)		(9,329)
Net property and equipment	$	4,666	$	5,090

Note 6. Property and Equipment (Continued)

Depreciation and amortization expense for the years ended June 30, 2017 and 2016, was $961,000 and $774,000, respectively.

Note 7. Notes Payable

Notes payable at June 30, 2017 and 2016, consist of the following (in thousands):

	2017	2016
L’Agence Française de Développement	$ 984	$ 1,203
De Surinaamsche Bank N.V.	-	15
	$ 984	$ 1,218

CI entered into note agreements with L’Agence Française De Développement (AFD) to provide loans to small and medium-sized enterprises, which support biodiversity conservation and conservation-oriented employment in the areas where CI works. The remaining loan principal is due between July 2017 and July 2021 and bears interest at a 1.12% rate. The loan agreement has several covenants, including ratios regarding liquidity and debt-to-net assets.

During 2002, CI entered into a 15-year financing agreement with De Surinaamsche Bank N.V. in Suriname, to purchase an office building for $450,000. Under the terms of the agreement, CI makes monthly payments of $2,500, excluding interest. The outstanding balance bears interest at 9.5% per annum. The financing agreement is secured by the land and building.

The following schedule shows required future principal payments (in thousands) as of June 30, 2017:

Years ending June 30:	
2018	$ 219
2019	219
2020	219
2021	219
2022	108
	$ 984

Interest expense for the years ended June 30, 2017 and 2016, was $13,000 and $18,000, respectively.

Note 8. Grants Payable

CI enters into grant agreements with various domestic and foreign non-governmental organizations. For agreements considered to be contributions, CI expensed the grant obligation and records the corresponding liability when the grant agreements are signed because the grants are unconditional. For agreements considered to be exchange transactions, CI recognizes the liability based on expenses incurred by grantees over the reporting period. As of June 30, 2017 and 2016, CI’s total grant payable were approximately $7,617,000 and $11,271,000, respectively. CI disburses grant funds to grant recipients based upon the recipients’ cash needs and does not schedule these payments in advance. CI estimates that the majority of this balance will be paid to recipients within the next fiscal year, so no discount on these payments is calculated.

Note 9. Board-Designated and Permanently Restricted Net Assets

Management has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of original donor-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, CI classifies as permanently restricted net assets: (a) the original value of permanently restricted cash contributions and (b) the discounted value of the future permanently restricted cash contributions. The remaining portion of the donor-restricted cash contributions are classified as temporarily restricted net assets until those amount are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, CI considers the following factors in making a determination to appropriate or accumulate donor-restricted cash contributions:

- The purpose of CI and donor-restricted endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

All earnings from the donor-restricted endowment funds are reflected as temporarily restricted net assets, until appropriated for program expenditures.

CI’s endowment funds consist of the following at June 30, 2017 and 2016 (in thousands):

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 9,865	$ 13,317	$ 23,182
Board designated endowment funds	11,189	-	-	11,189
	$ 11,189	$ 9,865	$ 13,317	$ 34,371

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 7,189	$ 13,315	$ 20,504
Board designated endowment funds	9,906	-	-	9,906
	$ 9,906	$ 7,189	$ 13,315	$ 30,410

Note 9. Board-Designated and Permanently Restricted Net Assets (Continued)

Endowment fund activity for the years ended June 30, 2017 and 2016, consists of the following (in thousands):

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 9,906	$ 7,189	$ 13,315	$ 30,410
Investment return:				
Interest and dividends	135	278	-	413
Realized and unrealized gains on investments, net	1,675	3,468	-	5,143
Amounts appropriated for expenditure	(527)	(1,070)	-	(1,597)
Contributions	-	-	2	2
Endowment net assets, end of year	$ 11,189	$ 9,865	$ 13,317	$ 34,371

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 10,643	$ 8,983	$ 13,315	$ 32,941
Investment return:				
Interest and dividends	81	170	-	251
Realized and unrealized loss on investments, net	(431)	(906)	-	(1,337)
Amounts appropriated for expenditure	(530)	(1,058)	-	(1,588)
Contributions	143	-	-	143
Endowment net assets, end of year	$ 9,906	$ 7,189	$ 13,315	$ 30,410

Endowment funds are invested in the following manner as of June 30, 2017 and 2016 (in thousands):

	2017	2016
Common stocks	$ 20,312	$ 9,765
Alternative investments	10,305	9,496
Money market funds	-	6,495
Mutual funds	-	3,516
Commodities	1,062	1,138
Fixed income	2,692	-
	$ 34,371	$ 30,410

Note 9. Board Designated and Permanently Restricted Net Assets (Continued)

Investment and spending policies: CI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. CI's spending and investment policies work together to achieve this objective through diversification of asset classes. The current long-term return objective is to generate a return that supports a 5% spending rate, while generating sufficient return to maintain the purchasing power of the corpus of the funds.

To satisfy its long-term rate of return objectives, CI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CI targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of appropriations annually distributed from CI's various endowed funds for grant making and administration. The current spending policy is to distribute the lesser of the accumulated earnings or 5% of the total endowment assets' average balance of the preceding calendar year. If economic indicators suggest a downturn in investments, CI may choose to reduce the spending percentage to ensure the corpus is preserved.

Annual returns in excess of spending are re-invested in the endowment assets. In the event that an endowment fund experiences investment losses in a particular year, these losses will be attributed to that fund.

Unspent earnings on permanently restricted net assets, net of expenses incurred, totaled approximately $9,865,000 and $7,189,000 at June 30, 2017 and 2016, respectively, and are included in temporarily restricted net assets.

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets are funds with purpose or time stipulations imposed by the donor. During the year ended June 30, 2017, there were $127,465,000 in new temporarily restricted net assets, and $124,268,000 of which were released from restriction. Temporarily restricted net assets also incurred a net gain due to foreign currency translations. These activities resulted in a $298,985,000 temporarily restricted net asset balance as of June 30, 2017, consisting of the following balances by program (in thousands):

	June 30, 2016	Operating Additions	Operating Releases	Non-Operating Activity	Reclassifications	June 30, 2017
Management and Operations *	$ 171,914	$ 48,800	$ (8,916)	$ 1,656	$ -	$ 213,454
Grantmaking Divisions	-	3,728	(2,723)	-	53,375	54,380
Country and Regional	33,975	39,008	(51,550)	(31)	(1,256)	20,146
Other Programs	370	7,065	(4,067)	-	(219)	3,149
Moore Center for Science	6,388	7,343	(12,329)	1	1,285	2,688
Center for Oceans	3,052	4,779	(5,454)	-	-	2,377
Center for Environmental Leadership in Business	2,091	1,414	(1,994)	-	-	1,511
Policy	4,687	3,270	(6,682)	-	1	1,276
Communications	2,938	4,752	(7,656)	-	(30)	4
Ecosystem Finance	68,684	7,306	(22,897)	63	(53,156)	-
	$ 294,099	$ 127,465	$ (124,268)	$ 1,689	$ -	$ 298,985

***** This amount is restricted due to time or is unallocated flexible funding for future years.

Note 11. Retirement Plans

Eligible headquarters' employees participate in a defined contribution retirement plan. CI matches employee contributions up to 6% of basic salary. Contributions made by CI during the years ended June 30, 2017 and 2016, amounted to approximately $1,797,000 and $1,667,000, respectively.

During 2002, CI established an International Retirement Savings Plan (IRSP) for in-country staff working in CI's field offices. CI adopted the IRSP with an effective participation date of January 1, 2001. In accordance with the IRSP, CI makes annual contributions of 3% of each eligible staff person's annual salary. Contributions for the years ended June 30, 2017 and 2016, were $128,000 and $137,000, respectively. As of June 30, 2017 and 2016, CI's accumulated liability was $1,028,000 and $980,000, respectively, which is included in accrued salaries, vacation and employee benefits in the consolidated balance sheet. An independently-managed investment fund accumulating vested and non-vested CI contributions is included within investments in the consolidated balance sheets.

During 2016, CI's Board of Directors established a Section 457(b) supplemental employee retirement plan (the Plan). Under the terms of the Plan, eligible employees elect to deposit a percentage of their compensation into the Plan, subject to Internal Revenue Service (IRS) limits. Employee deposits and accumulations are accounted for as an asset and offsetting liability on CI's balance sheets until they are distributed to the participants. The amount of deposits and related accumulations were $27,000 and $13,000 at June 30, 2017 and 2016, respectively.

Note 12. Related Party Transactions

During the year ended June 30, 2011, CI-Brazil, an affiliate of CI, entered into a purchase and sale commitment with a related party to sell Rio Negro Comercio, Servicos e Turismo, a property consisting of a lodge situated on 7,647 hectares in the state of Mato Grosso do Sul protected area for the amount of Brazilian Real 7,200,000. The property was appraised by an independent appraiser, and was advertised for sale in a prominent Brazilian newspaper. The sale price was consistent with the appraised price and was the most favorable price offered. Under the terms of the sale, the buyer: (i) may not subdivide the land, (ii) will provide CI-Brazil and other offices of CI the right of first refusal to re-purchase the land in the event that the buyer decides to sell the land and (iii) requires any third party purchaser not to subdivide the land in the event that CI-Brazil decides not to exercise its right of first refusal to re-purchase the land. Additionally, CI will retain the right to have access to the land for training and research purposes. The execution of the deed of purchase and sale of the land is subject to several conditions and the sale will not be recorded until the conditions are met and title is transferred. From the total sale price agreed, funds of Brazilian Real 5,000,000 were paid by the buyer to CI-Brazil as "earnest money" and the remaining amount shall be paid by the buyer, monetarily corrected by Brazilian inflation, when the deed of purchase and sale is executed by the parties after the conditions set forth in the purchase and sale commitment are met. The earnest money received by CI is included in deferred revenue as of June 30, 2017 and 2016.

Note 13. Commitments and Contingencies

Leases: CI leases office space in Arlington, Virginia; Seattle, Washington; Honolulu, Hawaii; and foreign countries. CI is also obligated under several non-cancelable leases for office equipment. In addition, CI holds land concessions in Guyana.

The lease for CI's Arlington, Virginia headquarters was signed on March 31, 2006, and began on December 1, 2006. The agreement expires on November 30, 2021. CI maintains a letter of credit with Bank of America as a security deposit on its lease.

Note 13. Commitments and Contingencies (Continued)

CI has entered into several noncancelable lease agreements, and the following is a schedule of future minimal payments by year (in thousands):

Years ending June 30:		
2018	$	4,942
2019		4,552
2020		4,329
2021		4,234
2022		1,795
2023+		166
	$	20,018

Total rent expense for the years ended June 30, 2017 and 2016, was approximately $4,926,000 and $4,763,000, respectively. Rent expense is recorded on a straight-line basis over the entire lease term. Lease incentives, including rent abatements, are being amortized over the remaining life of the lease. The unamortized portion of these incentives is included in accounts payable and accrued expenses on the accompanying consolidated balance sheets.

U.S. Federal Grants: CI receives grants from various agencies of the U.S. Government. Such grants are subject to audit and periodic reviews by grantor agencies. The ultimate determination of amounts received under the U.S. Government grants is based upon the allowance of costs reported to and accepted by the U.S. Government as a result of the audits. Until such audits have been accepted by the U.S. Government, there exists a potential contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

CI’s undrawn letter of credit with the U.S. Government at June 30, 2017 and 2016, was approximately $3.7 million and $2.1 million, respectively. CI draws funds quarterly, based on the prior quarter’s spending.

Litigation: CI is involved in various claims and legal actions arising in the ordinary course of business. Based upon information currently available, management believes the ultimate disposition of these matters will not have a material adverse effect on its consolidated financial position, changes in net assets or cash flows.

Note 14. Analysis of Field Program Expenses

The following is a breakdown by region of country and regional program related expenses (in thousands):

		2017		2016
South and Central America	$	27,746	$	22,741
Asia Pacific		19,109		17,127
Africa and Madagascar		10,798		7,362
Greater China		3,448		3,367
	$	61,101	$	50,597

RSM

RSM US LLP

Independent Auditor's Report on the Supplementary Information

To the Board of Directors
Conservation International Foundation

We have audited the consolidated financial statements of Conservation International Foundation and Affiliates (CI) as of and for the years ended June 30, 2017 and 2016, and have issued our report thereon which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

McLean, Virginia
December 19, 2017

Conservation International Foundation and Affiliates

Consolidating Balance Sheet
June 30, 2017
(In Thousands)

		Country and Regional		
	Headquarters	Affiliate Offices	Branch Offices	Total
Assets				
Cash and cash equivalents	$ 51,450	$ 5,440	$ 4,576	$ 61,466
Investments	212,916	-	2	212,918
Grants and promises to give, net	100,108	1,821	1,037	102,966
Notes receivable, net	308	-	-	308
Prepaid expenses and other assets	5,080	276	1,064	6,420
Property and equipment, net	2,623	1,945	98	4,666
Total assets	$ 372,485	$ 9,482	$ 6,777	$ 388,744
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	$ 4,161	$ 271	$ 917	$ 5,349
Accrued salaries, vacation and employee benefits	4,897	1,141	2,123	8,161
Notes payable, net	984	-	-	984
Grants payable	7,331	8	278	7,617
Deferred revenue	33,073	2,453	1,957	37,483
Due from (to) accounts	1,353	(1,343)	(10)	-
Total liabilities	51,799	2,530	5,265	59,594
Net assets:				
Unrestricted:				
Operating	3,953	1,706	-	5,659
Board-designated endowment	11,189	-	-	11,189
Total unrestricted	15,142	1,706	-	16,848
Temporarily restricted	292,227	5,246	1,512	298,985
Permanently restricted	13,317	-	-	13,317
Total net assets	320,686	6,952	1,512	329,150
Total liabilities and net assets	$ 372,485	$ 9,482	$ 6,777	$ 388,744

Conservation International Foundation and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2017
(In Thousands)

	Country and Regional	Grantmaking Divisions	Center for Environmental Leadership in Business	Moore Center for Science	Policy	Center for Oceans	Communications	Other Programs	Management and Operations	Fundraising	Total
Salaries and fringe benefits	$ 26,922	$ 5,124	$ 2,698	$ 5,961	$ 4,255	$ 3,304	$ 3,363	$ 2,160	$ 9,794	$ 6,882	$ 70,463
External grants	8,725	15,238	9,758	1,714	-	451	-	256	-	-	36,142
Professional services	9,631	1,410	410	677	340	785	881	166	1,339	939	16,578
Travel, meetings, and events	8,272	802	344	905	784	671	424	350	638	2,032	15,222
Occupancy	2,443	498	251	645	451	236	443	273	842	566	6,648
Other direct costs	1,847	275	53	158	127	68	142	96	1,167	209	4,142
Furniture and equipment	2,857	35	22	35	22	15	20	25	168	37	3,236
Depreciation and amortization	404	59	40	103	53	36	46	41	105	74	961
	$ 61,101	$ 23,441	$ 13,576	$ 10,198	$ 6,032	$ 5,566	$ 5,319	$ 3,367	$ 14,053	$ 10,739	$ 153,392