International Fertilizer Development Center

EKN – Building Resilience and Inclusive Growth of Highland Farming Systems for Rural Transformation – (BRIGHT) Contract

Funded by the Netherlands Minister for Foreign Trade and Development Cooperation

Statement of Funds Received and Expenditures

For the Period from October 1, 2022 through June 30, 2023

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Directors
International Fertilizer Development Center

Our Opinion

We have audited the statement of funds received and expenditures for the period from October 1, 2022 through June 30, 2023 of the EKN Building Resilience and Inclusive Growth of Highland Farming Systems for Rural Transformation (BRIGHT), (the Contract) dated September 17, 2022, funded by Netherlands Minister for Foreign Trade and Development Cooperation with International Fertilizer Development Center (IFDC or the Organization), a nonprofit organization, and the notes to financial statements, including a summary of significant accounting policies (together "the financial statement").

In our opinion, the accompanying financial statement of the EKN Building Resilience and Inclusive Growth of Highland Farming Systems for Rural Transformation (BRIGHT) contract of IFDC is prepared, in all material respects, in accordance with the financial reporting provisions of the Contract dated September 17, 2022 between IFDC and the Netherlands Minister for Foreign Trade and Development Cooperation.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, International Standards on Auditing (ISAs) and in accordance with the audit protocol of the Contract. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of IFDC in accordance with the American Institute of Certified Public Accountants Professional Standards, which are consistent with those of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Presentation

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared to assist the Company in complying with the financial reporting provisions of the contract referred to above. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for IFDC and the Netherlands Minister for Foreign Trade and Development Cooperation and should not be distributed to or used by parties other than IFDC or the Netherlands Minister for Foreign Trade and Development Cooperation. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation of the financial statement in accordance with the financial reporting provisions of the Contract dated September 17, 2022 between IFDC and the Minister for Foreign Trade and Development Cooperation, which is described in Note 2, 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 statement, management is responsible for assessing IFDC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in the United States of America and ISA and in accordance with the audit protocol of the Contract 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 this financial statement.

As part of an audit in accordance with generally accepted auditing standards in the United States of America and ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 IFDC's internal control.
- 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 IFDC'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 the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause IFDC to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Athens, AL
October 30, 2023

International Fertilizer Development Center

EKN- Building Resilience and Inclusive Growth of Highland Farming Systems for Rural Transformation (BRIGHT) Contract
Funded by the Netherlands Minister for Foreign Trade and Development Cooperation
Statement of Funds Received and Expenditures (in Euros)
For the Period from October 1, 2022 through June 30, 2023

Funds Received:	
Contributions	€ 2,539,943
Interest	5,978
	€ 2,545,921

Expenditures:	Total Budget	Expenditures	Budget Remaining
Personnel	€ 3,911,742	€ 496,827	€ 3,414,915
In-Country Development	4,727,801	331,223	4,396,578
Travel and Transportation	827,906	70,187	757,719
Other Direct Costs	2,049,184	425,066	1,624,118
Total Direct Cost	11,516,633	1,323,303	10,193,330
Overhead	1,483,367	182,731	1,300,636
Total Indirect Cost	1,483,367	182,731	1,300,636
Total Expenditures	€ 13,000,000	€ 1,506,034	€ 11,493,966

See accompanying notes to the financial statement.

International Fertilizer Development Center

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Statement of Funds Received and Expenditures (in Euros)
For the Period from October 1, 2022 through June 30, 2023

1. Basis of Accounting

The statement of funds received and expenditures for the EKN Building Resilience and Inclusive Growth of Highland Farming Systems for Rural Transformation (BRIGHT) Contract were prepared as required by the terms of the contract with the Netherlands Minister for Foreign Trade and Development Cooperation. The statement is expressed in Euros. Funds received are accounted for on the cash basis of accounting. Expenditures are presented and accounted for on the accrual basis of accounting without regard to the disbursement of cash.

2. Contract with The Minister for Foreign Trade and Development Cooperation

Under the terms of the contract dated September 17, 2022, the BRIGHT contract project is a four year (2022-2026) project funded by the Embassy of the Kingdom of the Netherlands (EKN). BRIGHT aims to promote inclusive economic growth and rural transformation through equitable integration into value chains. The core of the project focuses on strengthening farm housegolds' adaptive management capacity to develop strategies and adopt behanvoirs that bolster resilience through inclusive decision-making using Integrated Farm Plans, ensuring farm households are integrated into robust formal and informal social networks that can smooth the impack of shocks, both cliemate and economic. The total support provided by the Minister is anticipated to be €13,000,000.

The total of funds received by IFDC are detailed by year as follows:

Date Received	Amount Received
10/4/2022	€ 2,539,943
	€ 2,539,943

The total interest earned on funds received for the period from October 1, 2022 through June 30, 2023 was €390.

Expenditures under the contract for the period from October 1, 2022 through June 30, 2023 totaled €1,506,034. Contributions and interest received but not expended at June 30, 2023 totaled €1,039,887.