


DUTCH CARIBBEAN NATURE  
ALLIANCE FOUNDATION  
BONAIRE

Draft Financial Statements 2020

For Identification Purposes  
  
ERNST & YOUNG ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To: The Board and Management of  
Dutch Caribbean Nature Alliance Foundation, Sint Maarten

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Dutch Caribbean Nature Alliance Foundation, Sint Maarten ("the Foundation") which comprise:

- ▶ The balance sheet as at 31 December 2020
- ▶ The statement of operations for the year then ended
- ▶ The cash flow statement for the year then ended
- ▶ The notes to the financial statements including a summary of the accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Dutch Caribbean Nature Alliance Foundation as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with accounting guidelines for the preparation of the financial statements for small-sized legal entities of the Dutch Accounting Standards Board to the extent that these are not conflicting with local applicable laws and regulations.

#### Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our report. We are independent of Dutch Caribbean Nature Alliance Foundation in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

In addition to the financial statements and our auditor's report thereon, the report contains other information that consists of the Balance Sheet as at December 31, 2020 for Trust Fund only, the statement of operations for the year 2020 for Trust Fund only, the Balance Sheet as at December 31, 2020 for Secretariat only, the statement of operations for the year 2020 for Secretariat only and the other information. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and the Board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements of the Foundation in accordance with accounting guidelines for the preparation of the financial statements for small-sized legal entities of the Dutch Accounting Standards Board to the extent that these are not conflicting with local applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Foundation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing 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 Foundation's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ▶ 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 foundation'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 statements 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 the foundation to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Curaçao, 22 April 2021  
11521097 CHU/23392

for Ernst & Young Accountants




C.K. Hudson RA

**BALANCE SHEET AS AT DECEMBER 31, 2020**  
**(after proposal of result appropriation)**

**A s s e t s**

	Notes	<u>2020</u>	<u>2019</u>
		USD	USD
<i>Fixed Assets</i>			
<b>Tangible Fixed Assets</b>			
Furniture and equipment	1	19,606	21,516
<b>Financial Fixed Assets</b>			
Investments	2*	17,957,904	17,207,552
<b>Total Fixed Assets</b>		<u>17,977,510</u>	<u>17,229,068</u>
 <i>Current assets</i>			
Cash and cash equivalents	3*	1,461,821	1,392,981
Receivables	4	74,913	175,148
<b>Total Current assets</b>		<u>1,536,734</u>	<u>1,568,129</u>
 <b>Total assets</b>		<u><u>19,514,244</u></u>	<u><u>18,797,197</u></u>

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**E q u i t y   a n d   l i a b i l i t y**

	Notes	<b>2020</b>	2019
		USD	USD
<b>Foundation's equity</b>			
Capital	5	56	56
General reserve	5	927,099	676,763
Trust Fund	5	18,367,495	17,676,747
		<u>19,294,650</u>	<u>18,353,566</u>
<b>Current liabilities</b>			
Deferred income	6	145,051	233,812
Other liabilities	7	74,543	209,819
		<u>219,594</u>	<u>443,631</u>
<b>Total equity and liabilities</b>		<u><u>19,514,244</u></u>	<u><u>18,797,197</u></u>

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**STATEMENT OF OPERATIONS FOR THE YEAR 2020**

	Notes	<b>2020</b>	Budget 2020	2019
		USD	USD	USD
<b>Revenues</b>				
Grants	8*	686,765	761,569	777,677
Net result on financial investments	9*	1,285,864	-	2,397,350
Donations		2,096	-	107
Other Income		1,115	19,339	4,417
		<u>1,975,840</u>	<u>780,908</u>	<u>3,179,551</u>
<b>Expenses</b>				
Trust fund disbursement	10*	1,000,000	-	400,000
Governance expenses		54,915	96,540	163,903
Secretariat expenses	11			
Personnel expenses		203,568	223,900	93,685
Housing expenses		9,989	20,400	17,085
Administrative and general expenses		10,380	26,390	64,942
Trust fund allocation	*	(100,000)	(100,000)	(46,800)
Professional services		5,415	15,100	23,299
Depreciation		8,403	-	5,822
Activities	12			
G1: Fundraising and long-term funding		18,181	24,382	2,282
G2: Representation and communication		5,987	7,000	14,003
G3: Capacity building expenses		138,460	270,514	150,229
G4: Provide central repository		12,512	10,000	8,379
Park Support expenses	13	76,234	84,802	49,375
Ministry EZ/RCN Support expenses		98,789	101,880	118,341
		<u>1,542,833</u>	<u>780,908</u>	<u>1,064,545</u>
<b>Operating result (transferred)</b>		<b>433,007</b>	<b>-</b>	<b>2,115,006</b>





**STATEMENT OF OPERATIONS FOR THE YEAR 2020 (CONTINUED)**

	<b>2020</b>	Budget 2020	2019
	USD	USD	USD
<b>Operating result (transferred)</b>	<b>433,007</b>	-	<b>2,115,006</b>
Interest income	76	-	179
Gain/(loss) on foreign currency transactions	*	-	(161,843)
Extraordinary expenses	14	-	(136,708)
<b>Result for the year</b>	<b>941,084</b>	-	<b>1,816,634</b>
Funds reserved for Trust Fund	690,748	-	1,858,209
Funds reserved for General reserve	250,336	-	(41,575)

Since two separate administrations are being held, no specific distribution code has been applied to divide the result between the Trust Fund and the General Reserve.



**CASH FLOW STATEMENT FOR THE YEAR 2020**

	<u>2020</u>	<u>2019</u>
	USD	USD
<b>Operating activities</b>		
Result for the year	941,084	1,816,634
Adjustments for:		
Depreciation expenses	8,403	5,822
Working capital adjustments:		
Decrease in receivable	100,235	31,954
Decrease in other liabilities	(135,276)	(182,379)
Decrease in deferred income	(88,761)	(133,983)
<b>Net cash flow from operating activities</b>	<b>825,685</b>	<b>1,538,048</b>
<b>Investing activities</b>		
Net purchase and disposal of furniture and equipment	(6,493)	(18,589)
Increase in financial investments	(750,352)	(1,224,013)
<b>Net cash flow from investing activities</b>	<b>(756,845)</b>	<b>(1,242,602)</b>
<b>Financing activities</b>		
Decrease in long-term receivables	-	136,708
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>136,708</b>
Net increase in cash and cash equivalents	68,840	432,154
Cash and cash equivalents at January 1	1,392,981	960,827
<b>Cash and cash equivalents at December 31</b>	<b>1,461,821</b>	<b>1,392,981</b>



## NOTES TO THE FINANCIAL STATEMENTS

### General information

The Dutch Caribbean Nature Alliance (DCNA) is a foundation incorporated and domiciled in the Dutch Caribbean: established on St. Maarten and registered with its headquarters on Bonaire. The principal activities of the foundation are to safeguard the biodiversity and promote the sustainable management of the natural resources of the islands of the Dutch Caribbean, both on land and in the water, for the benefit of present and future generations, by supporting and assisting the protected area management organizations and nature conservation activities in the Dutch Caribbean.

DCNA established a Trust Fund, which has been set up with the intention that, once it is fully capitalized, the revenues will provide core funding to cover the ongoing operational costs for one marine protected area and one terrestrial protected area on each of the islands of the Dutch Caribbean as well as covering basic Secretariat operational costs, as specified in the Articles of Incorporation and Bylaws.

DCNA's Trust Fund (referred to as "Financial investments") consist of a locked Rabobank Trust Fund account and endowment fund portfolios managed by UBS Financial Services Inc. and Rabobank. Funds held on DCNA's Rabobank Trust Fund account cannot be accessed other than to make transfers to one or more of DCNA's endowment fund portfolios.

### Summary of significant accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with Guideline for annual reporting for micro and small organizations of the Dutch Accounting Standards Board ('Richtlijnen voor de Jaarverslaggeving voor micro- en kleine rechtspersonen'). There have been no changes in the accounting policies compared to prior year.

The financial statements have been prepared on a historical cost basis, with the exception of investments and other accounts mentioned below which are being valued on a fair value basis.

The financial statements of DCNA include the Trust Fund and the Secretariat. In order to provide transparency, balances and statement of operations of the Trust Fund and the Secretariat are also shown separately in the appendices.

The financial statements have been ratified by the DCNA Board in the Board meeting of 21 April 2021.



## Summary of significant accounting policies (continued)

### Disclosure of changes in the comparative figures

Changes to the comparative figures were made for presentation purposes. The cash investment accounts of the investments' portfolio have been reclassified to cash and cash equivalents. Furthermore, the Trust Fund disbursement and foreign exchange differences of the portfolios have been presented separately and no longer as part of the net result on investments. Comparative figures with changes are indicated with an asterisk (\*).

### Significant accounting judgments, estimates and assumptions

The preparation of the Foundation's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Foundation's accounting policies, management has made the following judgments, which have the most significant effect on the financial statements: Management assessed the collectability of the earmarked grants receivable and determined that it complied with the requirements according to the agreement and therefore considers this balance as collectable.

### Foreign currency translation

The financial statements are presented in USD, which is the foundation's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### Tangible Fixed Assets

Furniture and equipment are stated at cost, excluding the cost of day to day servicing, less accumulated depreciation and accumulated impairment losses. Further expenditures, such as repair and maintenance expenses, are added to cost only if it is probable that the Foundation will enjoy future economic benefits associated with the expenditure and the cost can be reliably estimated.

Depreciation is calculated on a straight-line basis over the useful economical life of the furniture and equipment as indicated in note 1 taking into account the residual value. If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.



## Summary of significant accounting policies (continued)

An item of property and equipment is removed from the financial statements upon disposal or when no future economic benefits are expected from its use. Any gain or loss on removal from the financial statements of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of operations in the year the asset is removed.

### Receivables

Receivables are recognized initially at fair value plus directly attributable transactions costs.

After initial recognition, receivables are carried at amortized cost using the effective interest rate method. An estimate for doubtful debts is made when collection of the amount is no longer probable. Gains and losses are recognized in the statement of operations when the receivables are removed from the financial statements or impaired, as well as through the amortization process.

### Financial investments

Financial investments are recognized initially at fair value. Directly attributable transaction costs are directly recorded through the statement of operations for DCNA's locked Rabobank account and are recorded as one bulk item at the end of the year for DCNA's endowment portfolios. After initial recognition, financial investments are recorded at fair value with gains or losses recognised in the statement of operations.

#### *Fair value*

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, and discounted cash flow analysis or other valuation models.

### Cash and cash equivalents

Cash and cash equivalents, carried at nominal value, in the balance sheet comprise cash at banks.

Cash at banks and in hand not expected to be at the Foundation's free disposal longer than 12 months is classified as financial assets under fixed assets.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.



## Summary of significant accounting policies (continued)

### Other liabilities

Other liabilities are recognized initially at fair value. After initial recognition, other liabilities are subsequently measured at amortized cost.

### Impairment of non-financial assets

The Foundation assesses, at each reporting date, whether a non-financial asset or group of non-financial assets is impaired. The Foundation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Foundation estimates the asset's recoverable amount. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

### Impairment of financial assets

The Foundation assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognized in the income statement for all categories of financial assets carried at amortized cost. The amount of impairment losses on financial assets carried at (amortized) cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognized, a previously recognized impairment loss is reversed to a maximum of the amount required to carry the asset at (amortized cost) at the time of the reversal if no impairment had taken place. The impairment loss reversal should be recognized in the income statement. The carrying amount of the receivables is reduced through the use of an allowance account.

### Provisions

A provision is recognized if the Foundation has a legal or constructive obligation as at the balance sheet date and if it is probable that an outflow of resources will be required to settle the obligation and the amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned as at the balance sheet date. If the effect of the time value of money is material, the provision shall be measured at the present value, with exception of provision for deferred taxation.

### Derecognition of financial assets and liabilities

A financial instrument is derecognized if a transaction results in the transfer, to a third party, of all or nearly all rights to economic benefits and of all or nearly all the risks attached to the position.



## **Summary of significant accounting policies (continued)**

### **Grants**

Grants are recognized where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost that it is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life to the related asset.

Where the foundation receives non-monetary grants, the assets and that grant are recorded at nominal amounts and are released to the statement of operations over the expected useful life of the relevant asset by equal instalments.

### **Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the foundation and the income can be reliably measured. Income is measured at the fair value of the consideration received, excluding discounts and rebates.

### **Expenses**

Expenses are recognised according to the accrual method, taking the valuation principles as mentioned above into consideration and allocated to the financial year to which they relate.

Foreseeable and other obligations as well as potential losses arising before the financial year are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

### **Personnel**

Wages, salaries and social charges are recognized in the income statement according to the terms of employment to the extent they are due to either employees or the tax authorities.

### **Taxation**

The foundation is exempted from profit tax.

### **Cash flow statement**

The cash flow statement is compiled according to the indirect method. The cash flow statement gives details of the source of cash, which became available during the year and the use to which these funds were applied. Sources and application of cash are categorised into activities they relate to.



**NOTES TO THE BALANCE SHEET**

	<b>2020</b>	2019
	USD	USD
<b>1 Furniture and equipment</b>		
Furniture	11,287	15,096
Office equipment	8,319	6,420
	<u>19,606</u>	<u>21,516</u>

	Office equipment	Furniture	Total
	USD	USD	USD
<b>January 1, 2020</b>			
Cost	40,278	50,927	91,205
Accumulated depreciation	(33,858)	(35,831)	(69,689)
<b>Carrying amount at January 1, 2020</b>	<u>6,420</u>	<u>15,096</u>	<u>21,516</u>
<b>Changes</b>			
Additions	7,313	444	7,757
Disposals	(11,476)	(7,616)	(19,092)
Depreciation expenses	(5,266)	(3,137)	(8,403)
Accumulated depreciation disposals	11,328	6,500	17,828
	<u>1,899</u>	<u>(3,809)</u>	<u>(1,910)</u>
<b>December 31, 2020</b>			
Cost	36,115	43,755	79,870
Accumulated depreciation	(27,796)	(32,468)	(60,264)
<b>Carrying amount at December 31, 2020</b>	<u>8,319</u>	<u>11,287</u>	<u>19,606</u>

	<b>2020</b>	2019
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*Useful lives*

Office equipment	3 – 5 years	3 – 5 years
Furniture	5 years	5 years





	<u>2020</u>	<u>2019</u>
	USD	USD
<b>2 Financial fixed assets</b>		
Investments	17,957,904	17,207,552
	<u>17,957,904</u>	<u>17,207,552</u>

Financial investments consist of a locked Rabobank Trust Fund account and endowment fund portfolios managed by UBS Financial Services Inc. and Rabobank. The financial investments are allocated to the trust fund.

	<u>2020</u>	<u>2019</u>
	USD	USD
Net book value at 1 January	17,207,552	15,620,574
Trust fund disbursements	(1,000,000)	(565,000)
Revaluations	1,047,488	2,157,753
Dividends received	156,030	159,779
Interest income	197,447	194,362
Gain / (loss) on foreign currency transactions	464,488	(245,343)
Trust Fund portfolio expenses	(115,101)	(114,573)
Balance at 31 December	<u>17,957,904</u>	<u>17,207,552</u>

	<u>2020</u>	<u>2019</u>
	USD	USD
<b>3 Cash and cash equivalents</b>		

Rabobank	1,008,275	867,398
UBS investment account	309,777	337,132
Maduro & Curiel's Bank N.V.	70,379	90,269
Rabobank investment account	56,519	92,457
PayPal	16,618	5,278
Petty cash	253	447
	<u>1,461,821</u>	<u>1,392,981</u>

Cash at banks earned interest at floating rates based on daily bank deposit rates. Rabobank (current account) is held in Euro's. Cash and cash equivalents are at free disposal. The Rabobank and UBS investment accounts are cash accounts held at Rabobank and UBS accounts for trading.



	<u>2020</u>	<u>2019</u>
	USD	USD
<b>4 Receivables</b>		
Earmarked grants receivables	59,948	153,656
Prepayments	10,840	8,399
Accounts receivable	2,747	9,273
Deposits	1,378	1,591
Other receivables	-	2,229
	<u>74,913</u>	<u>175,148</u>

Earmarked grants receivables concern the funds of the research liaison project that have not yet been received as per year end. According to the agreement, the grant will be received upon final settlement of the grant agreement.

	<u>2020</u>	<u>2019</u>
	USD	USD
<b>5 Foundation's equity</b>		
Capital	56	56
General reserve	927,099	676,763
Trust Fund	<u>18,367,495</u>	<u>17,676,747</u>
	<u>19,294,650</u>	<u>18,353,566</u>

**General reserve**

Balance at 1 January	676,763	718,338
Allocation from result current year	250,336	(41,575)
Balance at 31 December	<u>927,099</u>	<u>676,763</u>

**Trust Fund**

Balance at 1 January	17,676,747	15,818,538
Allocation from result current year	690,748	1,858,209
Balance at 31 December	<u>18,367,495</u>	<u>17,676,747</u>



	<u>Capital</u> USD	<u>General Reserve</u> USD	<u>Trust Fund</u> USD	<u>Total</u> USD
<b>Balance as at January 1, 2019</b>	56	718,338	15,818,538	16,536,932
Result for 2019	-	(41,575)	1,858,209	1,816,634
<b>Balance as at December 31, 2019</b>	<u>56</u>	<u>676,763</u>	<u>17,676,747</u>	<u>18,353,566</u>
<b>Balance as at January 1, 2020</b>	56	676,763	17,676,747	18,353,566
Result for 2020	-	250,336	690,748	941,084
<b>Balance as at December 31, 2020</b>	<u><b>56</b></u>	<u><b>927,099</b></u>	<u><b>18,367,495</b></u>	<u><b>19,294,650</b></u>

2020

2019

USD

USD

## 6 Deferred income

Deferred income - NetBiome	63,330	74,259
Deferred income - Pregger Sharks Expedition	41,594	-
Deferred income - Ministry EZ (Dutch Caribbean Biodiversity)	27,902	27,902
Deferred income - GCFI (Nature Education)	7,483	7,483
Deferred income - Prins Bernhard Fund for Nature (PBNF)	4,742	4,742
Deferred income - Junior Exchange Program (WNF/STINAPA)	-	1,966
Deferred income - Ministry EZ (Research Liaison Assistant)	-	86,449
Deferred income - Sustainable Financing SSS Islands (WNF)	-	22,550
Deferred income - Save our Sharks (NPL)	-	8,461
Total deferred income	<u>145,051</u>	<u>233,812</u>

For details of the deferred income and projects overview, please refer to note 15 restricted project overview.



	<u>2020</u>	<u>2019</u>
	USD	USD
Accrued expenses	30,101	106,244
Audit & accounting expenses	29,573	28,893
Vacation days payable	10,488	6,126
Payable to park management organizations	3,746	46,200
Credit Card	346	1,876
Social security and wage tax payable	-	15,622
Other	289	4,858
	<u>74,543</u>	<u>209,819</u>

## 7 Other liabilities



## NOTES TO THE STATEMENT OF OPERATIONS

	<b>2020</b>	2019
	USD	USD
<b>8 Grants</b>		
Unrestricted Income – Dutch Postcode Lottery	539,655	562,930
Total Unrestricted Income	539,655	562,930
Restricted Income – Ministry EZ (Research Liaison Assistant)	91,513	116,330
Restricted Income – Sustainable Financing SSS Islands	30,638	40,195
Restricted Income – WNF (Pregger Sharks Expedition)	12,064	-
Restricted Income – NetBiome	10,929	15,005
Restricted Income – Junior Ranger Exchange Program	1,966	23,155
Restricted Income – Save our Sharks (NPL)	-	12,948
Restricted Income – WNF Emergency Hurricane Support	-	6,923
Restricted Income – Vogelbescherming Nederland	-	191
Total Restricted Income	147,110	214,747
Total Grants	686,765	777,677

For details of the restricted income and projects overview, please refer to note 14 restricted project overview.

	<b>2020</b>	2019
	USD	USD
<b>9 Net result on financial investments</b>		
Unrealized gains / (losses)	1,054,685	1,918,682
Realized gains / (losses)	(7,197)	239,071
Dividends income	156,030	159,808
Interest income	197,447	194,362
Trust Fund portfolio expenses	(115,101)	(114,573)
	1,285,864	2,397,350



## 10 Trust fund disbursement

In July 2020 the foundation made the annual disbursement amounting USD 1,000,000 to the national parks management organizations of all six Dutch Caribbean Islands. The annual disbursement was allocated as follow:

<b>Organization</b>	<b>2020</b>	<b>2019</b>
	USD	USD
Fundashon Parke Nashonal Arikok	150,000	48,000
STINAPA Bonaire	150,000	73,600
CARMABI	150,000	73,600
Saba Conservation Foundation	150,000	59,600
STENAPA	150,000	59,600
St. Maarten Nature Foundation	150,000	38,800
DCNA Secretariat	100,000	46,800
<b>Total</b>	<b>1,000,000</b>	<b>400,000</b>

## 11 Secretariat expenses

### Personnel expenses

	<b>2020</b>	<b>2019</b>
	USD	USD
Wages and salaries	169,650	67,756
Social security expenses	22,310	7,691
Pension plan	2,475	1,470
Other	9,133	16,768
	<u>203,568</u>	<u>93,685</u>

During the year 2020 the foundation had 5 employees (2019: total employees 4). One full time employee is subsidized through a grant from The Ministry EZ. One full time employee is subsidized through a grant from The Dutch Postcode Lottery.

### Housing expenses

Rent	7,625	14,257
Utility expenses	1,743	2,828
Parking	621	-
	<u>9,989</u>	<u>17,085</u>



### Administrative and general expenses

Office expenses	4,373	4,299
Communication expenses	1,150	1,865
Sales tax	(248)	26,899
Write off receivables	-	136,708
Moving expenses	-	25,501
Transportation	-	772
Other	5,105	5,606
	<u>10,380</u>	<u>201,650</u>

### Trust fund allocation

In July 2020 the Foundation received an amount of USD 100,000 from the trust fund to cover their secretariat expenses.

	<u>2020</u>	<u>2019</u>
	USD	USD

## 12 Activities

### G1: Fundraising and long-term funding

Fundraising	1,858	1,272
Other expenses	16,323	1,010
	<u>18,181</u>	<u>2,282</u>

### G2: Representation and communication expenses

International representation expenses	3,527	9,676
Develop, produce and distribute communication materials	1,794	4,000
Communication	666	327
	<u>5,987</u>	<u>14,003</u>

### G3: Capacity building expenses

Management success	52,745	-
Sustainable Finance Study	50,170	65,819
Shark Conservation	16,264	8,637
Net Biome	10,929	15,005
Training, workshops & staff exchanges	4,942	4,705
Sustainable Financing SSS Islands (WNF)	1,075	23,155
Institutional Capacity Building	-	31,021
Management Plans	-	265
Best of Bats	-	50
Other	2,335	1,572
	<u>138,460</u>	<u>150,229</u>

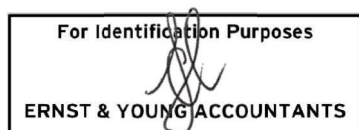


### 13 Park Support expenses

Park Outreach Support	44,898	24,446
Auditing Services	18,744	17,500
Accounting Services	7,913	9,288
Auditing Travel Expenses	3,629	2,105
Save our Sharks	-	(362)
Auditing Services previous years	1,050	(3,602)
	<u>76,234</u>	<u>49,375</u>

### 14 Extraordinary expenses


Write off receivables	-	(136,708)
	<u>-</u>	<u>(136,708)</u>





## 15 Restricted projects overview

Funder - Project	Deferred income 31/12/2019 A USD	Grant receivable 31/12/2019 B USD	Funds received 2020 C USD	Grant receivable 31/12/2020 D USD	Deferred income 2020 E = (A-B+C+D) USD	Project expenses 2020 F USD	Funds spent DCNA G USD	Funds spent Funders H = (F-G) USD	Corrections Funds Released I USD	Deferred income 31/12/2020 J= (E-H+I) USD
<b>Prins Bernhard Nature Funds</b>										
Park Guidebooks	4,742	-	-	-	4,742	-	-	-	-	4,742
<b>Net Biome</b>	74,259	-	-	-	74,259	10,929	-	10,929	-	63,330
<b>Junior Ranger Exchange Program</b>	1,966	16,199	16,199	-	1,966	1,075	-	1,075	(891)	-
<b>DCNA SOS</b>	8,461	8,461	8,461	-	8,461	-	-	-	(8,461)	-
<b>GCFI</b>	7,483	-	-	-	7,483	-	-	-	-	7,483
<b>Ministry EZ</b>										
Research Liaison Assistant Dutch Caribbean Biodiversity Database	86,449	99,880	39,932	59,948	86,449	91,513	-	91,513	5,064	-
	27,902	-	-	-	27,902	-	-	-	-	27,902
<b>Wereld Natuur Fonds</b>										
Sustainable Financing Study	22,550	29,116	29,116	-	22,550	50,170	19,532	30,638	8,088	-
Pregger Sharks Expedition	-	-	53,658	-	53,658	16,085	4,021	12,064	-	41,594
	<b>233,812</b>	<b>153,656</b>	<b>147,366</b>	<b>59,948</b>	<b>287,470</b>	<b>169,772</b>	<b>23,553</b>	<b>146,219</b>	<b>3,800</b>	<b>145,051</b>

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## **Commitments and contingencies**

### **Commitment Dutch Postcode Lottery**

The Dutch Postcode Lottery provided DCNA with start-up funding under their Special Project funding submitted by their beneficiary IUCN NL in 2005. These funds were reallocated to DCNA's Trust Fund in December 2006 as part of an initial Euro 1.19 million deposit to comply with BZK funding requirements.

In 2008 DCNA was accepted as a Lottery beneficiary and was granted Euro 500,000 in non-earmarked fund. This announcement was made at the Lottery Goed Geld Gala in February 2009.

This partnership was initially for a five-year period followed by a review and the amount of the funding award may vary from year to year. DCNA successfully passed the Dutch Postcode Lottery evaluation in 2012 and beneficiary status has been confirmed for a further period of five years.

In 2017 DCNA successfully passed the Dutch Postcode Lottery evaluation and beneficiary status has been confirmed for a further period of five years. The new contract was signed in 2018 for the years 2018 - 2022.

DCNA reports annually to the Lottery by submitting an Annual report, Financial Statements that include an independent auditor's report for the Secretariat.

### **Commitment Ministry EZ**

DCNA received EUR 50,000 to support work on the content management of the Ministry financed 'Dutch Caribbean Biodiversity Database' in 2012.

DCNA reports informally on a regular basis to the Ministry EZ.

### **NetBiome**

Funding was received in 2012 from NetBiome, a consortium of EU overseas territories and regions in which the KNAP Fund had participated. Since the dissolution of the Netherlands Antilles and accession of the BES islands to the Netherlands, the Net Biome initiative was taken over by the Ministry of Economic Affairs. Of the USD 127,000 income from Net Biome, USD 50,000 was to be pledged to the second joint call. The remaining funds are earmarked for the implementation of a biodiversity-monitoring plan for the Dutch Caribbean.

### **Wereld Natuur Fonds**

The Peggere Shark Expedition is a collaboration between WNF and DCNA. The total amount of the project is EUR 57,700. WNF and DCNA contributed with an amount of EUR 47,700 and EUR 10,000 respectively. For the year 2020, the total expenses amounted to USD 16,085. These expenses were also allocated between WNF and DCNA. An amount of USD 12,064 were allocated to WNF and USD 4,021 to DCNA. The project is for a period of 2 years.



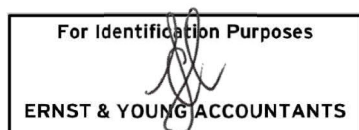
## **Commitments and contingencies (continued)**

### **Operating lease commitment**

In May 2019 DCNA hired new office on Kaya Nikiboko Zuid from Yvonne Gevers-Hartogh at a cost of USD 1,300 per month up to the period of April 30, 2024. A refundable deposit of USD 1,300 was paid at the beginning of the agreement.

### **Subsequent events**

No subsequent events noted after balance sheet date.



## OTHER INFORMATION

### Articles of incorporation provisions governing result appropriation

DCNA's Articles of Incorporation (Article 3 Section 7) state that the Foundation may spend up to 20% of its total annual income from all sources and capital gains from investments to cover its own overhead and operational expenses (excluding any asset management fees or costs associated with asset management) unless otherwise agreed by the Board.

In June 2005 the Board unanimously agreed that all dividends and revenues from the Trust Fund are to be reinvested in the Trust fund for the duration of the funding assistance from the Dutch Ministry of the Interior i.e. until the end of 2016. This decision was captured in DCNA's Board approved Bylaws year 2007/2009 [Article 8.2]. The eventual division of funds from the Trust Fund (post 2016) is captured in Article 8.2.1.

In February 2016 the DCNA Board unanimously approved "Action Plan DCNA Trust Fund Beyond 2016". These decisions were reconfirmed at the DCNA Board meeting in March 2017. Decisions included that the annual disbursements to the park management organisations on each island for the period 2017-2019 would total USD 400,000 per annum this being the revenue generated by DCNA's financial investments. However, it was subsequently discussed during the October 2019 Board Meeting that the Board should consider an equal distribution of the Trust Fund amongst the six parks.

The New Distribution Formula, was formally approved via e-mail in April 2020 as follows:

- o 15% Fundashon Parke Nacional Arikok
- o 15% STINAPA Bonaire
- o 15% CARMABI
- o 15% Saba Conservation Foundation
- o 15% STENAPA
- o 15% Nature Foundation
- o 10% DCNA


The Annual disbursement to the park management organisations on each island for the period 2020 totals US\$ 1,000,000 and is part of the revenue generated by DCNA's financial investments. This disbursement is considered a one-time disbursement taking into consideration the COVID-19 impact on the revenues of the parks. This disbursement to each Park was based on the New Distribution Formula outlined above and has been approved in 2020 by the DCNA Board. There will be discussions centred around an increased disbursement to counteract the effects of the COVID-19 Pandemic in 2021.



**Proposed appropriation of 2020 result**

The 2020 result of USD 941,084 will be appropriated as follows:

	<u>2020</u>
	USD
Funds reserved for Trust Fund	690,748
Funds reserved for General Reserve	<u>250,336</u>
	<u>941,084</u>

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**APPENDIX I**

**BALANCE SHEET AS AT DECEMBER 31, 2020 FOR TRUST FUND ONLY  
 (after proposal of result appropriation)**

**A s s e t s**

	<u>2020</u>	<u>2019</u>
	USD	USD
<b>Financial fixed assets</b>		
Investments	17,957,904	17,207,552
<i>Current assets</i>		
Interest to be received	-	1
Cash and cash equivalents	409,598	469,212
<b>Total assets</b>	<b><u>18,367,502</u></b>	<b><u>17,676,765</u></b>

**E q u i t y   a n d   l i a b i l i t i e s**

**Equity**

Funding	18,367,495	17,676,747
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**Current liabilities**

Other liabilities	7	18
<b>Total equity and liabilities</b>	<b><u>18,367,502</u></b>	<b><u>17,676,765</u></b>



**STATEMENT OF OPERATIONS FOR THE YEAR 2020 FOR TRUST FUND ONLY**


	<b>2020</b>	2019
	USD	USD
<b>I n c o m e</b>		
Net result on financial investments held for trading	1,285,864	2,397,350
	<u>1,285,864</u>	<u>2,397,350</u>
 <i>Expenses</i>		
Trust fund disbursement	1,000,000	400,000
Bank expenses	74	127
	<u>1,000,074</u>	<u>400,127</u>
<b>Operating result</b>	<b>285,790</b>	<b>1,997,223</b>
Interest income	-	-
Gain/(loss) on foreign currency transactions	404,958	(139,014)
<b>Result for the year</b>	<u>690,748</u>	<u>1,858,209</u>

**APPENDIX II**

**BALANCE SHEET AS AT DECEMBER 31, 2020 FOR SECRETARIAT ONLY  
 (after proposal of result appropriation)**

**A s s e t s**

	<u>2020</u>	<u>2019</u>
	USD	USD
<b>Tangible Fixed Assets</b>		
Furniture and equipment	19,606	21,516
<b>Current assets</b>		
Cash and cash equivalents	1,052,223	923,769
Receivables	74,913	175,147
	<u>1,127,136</u>	<u>1,098,916</u>
<b>Total assets</b>	<u><u>1,146,742</u></u>	<u><u>1,120,432</u></u>

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**E q u i t y   a n d   l i a b i l i t y**

	<u>2020</u>	<u>2019</u>
	USD	USD
<b>Foundation's equity</b>		
Capital	56	56
General reserve	927,099	676,763
	<u>927,155</u>	<u>676,819</u>
 <b>Current liabilities</b>		
Deferred income	145,051	233,812
Other liabilities	74,536	209,801
	<u>219,587</u>	<u>443,613</u>
 <b>Total equity and liabilities</b>	 <u><u>1,146,742</u></u>	 <u><u>1,120,432</u></u>

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**STATEMENT OF OPERATIONS FOR THE YEAR 2020 FOR SECRETARIAT ONLY**

		<b>2020</b>	Budget 2019	2019
		USD	USD	USD
<b><i>Revenues</i></b>				
Grants		686,765	761,569	777,677
Donations		2,096	-	107
Other Income		1,115	19,339	4,417
		<u>689,976</u>	<u>780,908</u>	<u>782,201</u>
<b><i>Expenses</i></b>				
Governance expenses		54,915	96,540	163,903
Secretariat expenses	11			
Personnel expenses		203,568	223,900	93,685
Housing expenses		9,989	20,400	17,085
Administrative and general expenses		10,306	26,390	64,815
Trust fund allocation	10	(100,000)	(100,000)	(46,800)
Professional services		5,415	15,100	23,299
Depreciation		8,403	-	5,822
Activities	12			
G1: Fundraising and long-term funding		18,181	24,382	2,282
G2: Representation and communication		5,987	7,000	14,003
G3: Capacity building expenses		138,460	270,514	150,229
G4: Provide central repository		12,512	10,000	8,379
Park Support expenses	13	76,234	84,802	49,375
Ministry EZ/RCN Support		98,789	101,880	118,341
		<u>542,759</u>	<u>780,908</u>	<u>664,418</u>
<b>Operating result (transferred)</b>		<b>147,217</b>	<b>-</b>	<b>117,783</b>

**STATEMENT OF OPERATIONS FOR THE YEAR 2020 FOR SECRETARIAT ONLY**

	<u>2020</u>	<u>Budget 2020</u>	<u>2019</u>
	USD	USD	USD
<b>Operating result (transferred)</b>	<b>147,217</b>	-	<b>117,783</b>
Interest income	76	-	179
Gain/(loss) on foreign currency transactions	103,043	-	(22,829)
Extraordinary expenses	-	-	(136,708)
<b>Result for the year</b>	<u><b>250,336</b></u>	<u>-</u>	<u><b>(41,575)</b></u>
Funds reserved for General Reserve	250,336	-	(41,575)

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