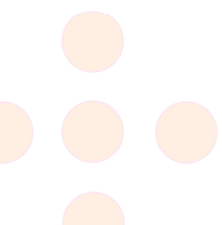


STICHTING FUNDACION PARKE NACIONAL ARUBA
FINANCIAL STATEMENTS 2022

STICHTING FUNDACION PARKE NACIONAL ARUBA

Table of contents

	Page
1. ACCOUNTANTS REPORT	
1.1 General	3
2. EXECUTIVE BOARD'S REPORT	
2.1 Executive Board's report	5
3. FINANCIAL STATEMENTS	
3.1 Balance sheet as at 31 December 2022	10
3.2 Statement of activities for the year 2022	12
3.3 Cash flow statement for the year 2022	13
3.4 Notes to the financial statements	14
3.5 Notes to the balance sheet	16
3.6 Notes to the statement of activities	24
4. AUDITOR'S REPORT	
4.1 Other information	27
4.2 Independent auditor's report	28



STICHTING FUNDACION PARKE NACIONAL ARUBA

1.1 GENERAL

Incorporation foundation

Fundacion Parke Nacional Aruba (the Foundation or FPNA) was established on September 26th, 2003 and is registered in the Foundation Registry of the Aruban Chamber of Commerce under as S-679.0.

The Foundation is governed by a Board of Supervisors and an Executive Board. In the year 2020-2021 these boards were comprised of the following individuals:

The Board of Supervisors:

- H.A. van der Wal, vice-chair
- S. Luidens-Daryanani, member
- E. Biemans, member as per November 1, 2020

The Executive Board:

- N.J. Silva, Chief Conservation Officer
- N.L. Kuiperi, delegated by the B.O.S. as interim C.E.O.

Activities

FPNA has the purpose of managing conservation areas and/ or natural parks. Further to conservation area management the Foundation's objectives – within the scope of the sustainable development goals of our Nation, relevant statutes and the strategic objectives of the Government of Aruba- also include, the following:

- a. Preserve, protect, restore, develop, acquire and obtain conservation areas that are valuable in terms of ecology, geology, culture and national heritage; provided that ownership of acquired conservation, areas be transferred to the Nation of Aruba.
- b. Conduct or facilitate the execution of scientific research benefitting biodiversity, conservation management and preservation, restoration, as well as the development of knowledge.
- c. Inspire the population as a whole, and learning youth in particular, and also foreign visitors, about the importance and value of protected conservation areas, as well as, to contribute to public consciousness in areas such as nature conservation, sustainability and others.
- d. Deliver (scientific) contributions to nature conservation- and environmental policy of the Government of Aruba; as well as,
- e. Do all that is required to secure the above objectives in the broadest sense of its meaning.

2. EXECUTIVE BOARD'S REPORT

STICHTING FUNDACION PARKE NACIONAL ARUBA

2.1 EXECUTIVE BOARD'S REPORT

As 2022 opened, another string of the Covid-19 virus, Omnicron, menaced the post-pandemic recovery by scaring a great many travelers towards the end of 2021 and the beginning of the first quarter of 2022. But as time progressed, and the fact that most people have become more aware of the necessary precautions against the Covid-19 virus, the number of visitors soon picked up, falling just 7.1% short with the projected number of visitors for the first quarter, but a solid 24.4% above the previous year.

Continuing the financial management policy, as with the previous two years, i.e. keeping the operational expenditure as low as possible, whilst at the same time closely monitoring the income streams and cash-flow, remained a priority during the year, until the Covid-19 Corona virus is no longer considered a threat to the economy.

The monthly updated financial reports compared to the projections made in the approved 2022 budget, indicated that we are on track towards a solid recovery, which led us to start planning a rollout of the implementation of "Plateau I" of the Multi Annual Corporate Strategy 2023-2032 plan (a.k.a. MACS-2032).

The primary tasks that had to be in place prior to implementing any part of the Multi Annual Corporate Strategy 2023-2032 plan, is the updating of the organizational structure of the FPNA in order to fit the MACS-2032 strategy.

A staffing wish list was compiled by the HR, alongside the projected capital investments, and other planned expenditures, and were reviewed with the Financial Manager's alongside the projected cash-flow in preparing the 2023 budget.

One of the main focal points of the MACS-2032 is to position the FPNA on track to financial independence from the Government and resiliency in the long term, in which sustainable conservation of its protected nature areas is accounted for in the first place during a (any) crisis.

This includes the creation of a reserve fund for several purposes, of which one will be for capital investments and expenditures, one will be used to purchase private properties located within the Parke Arikok bounds, in accordance with the MACS-2032 plan, and an additional account as an emergency reserve for between 6 to 9 months in order to keep the Park operating during a crisis situation.

Conversations continued with the Government of Aruba with respect to the development of the Western Wetlands, whereby the Bubali Plas, Saliña Cerca, Saliña Malmok, and Saliña Druif will all form part of this sustainable recreational park concept.

Negotiations continued with the owners and representatives of this property of great historical and cultural value known as "Cunucu, or Plantage Fontein" in order to purchase the 42.947m² property land, that includes the only freshwater spring on the island of Aruba, and that has been exclusively in private ownership for over 180 years.

The Board of Directors kept the Board of Supervisors continuously informed of the progress and development of these negotiations, which were successfully concluded on August 28 with the signing of the purchase deed at the Notary.

Several meetings were held with Stichting Monumentenfonds in order to start preparing and coordinate taking inventory of what will be needed to restore and rebuild this great historical and cultural property

Talks with the DOW on the latest update of the "Riool-Water Zuivelings Installatie", a.k.a. the RWZI, continued, whereby the DOW presented, together with Royal Haskoning, a plan to update the RWZI plant, which is in urgent need of an extreme maintenance update and

STICHTING FUNDACION PARKE NACIONAL ARUBA

renovation. Financing this project will only be possible upon changing the legal structure of the RWZI to a private entity. The Government of Aruba together with Utilities Aruba N.V. are diligently working towards this new legal structure.

Due to an unusual heavy rainfall season, the soil became very saturated, hence was not able to absorb all of the fallen rainwater, causing excess water in the Bubali Plas not able to dissipate at the same rate, creating an unwanted situation for the residences in the area. A series of emergency meetings were held between the FPNA, the Department of Public Works (DOW), together with the Bureau Rampenbestrijding (BRA), where it was mutually decided to divert this excess water in the Bubali Plas to Saliña Druif and Tanki di Sero Musquita.

In order to execute this diversion of "water-overflow" to Saliña Druif and Tanki di Sero Musquita, a 12" valve needed to be purchased and installed in the water line to the tanks located at Tierra del Sol in West Punt. The FPNA provided the funds necessary to accomplish this much needed acquisition and installation due to budgetary constraints of the DOW. This solution afforded the relief required for the residences and surroundings of the Bubali Plas area.

The FPNA together with the Marine Park Management continued with its Stakeholders' engagement meetings and information inquiries as part of the Marine Park Management process. The Marine Park management report will help with the structuring of the proposed rules and regulations pertaining to Aruba's surrounding waters.

As part of the Stakeholders' engagement meetings, information exchange evenings' were also organized with the local spear fishermen in order to discuss spearfishing and "Sustainable Fisheries". Valuable information was exchanged and discussed regarding the regulations that are currently being prepared to eventually guide this, whereby everyone will benefit from these rules and guidelines in the long run.

Conversation for a grant contract in excess of €700,000 funded by the European Union, and in cooperation with the University of Aruba, Wageningen University, ScubbleBubbles, and the FPNA for the project "Turning the Tide: maintaining economic resilience on Aruba through hands-on restoration and conservation of its marine biodiversity" as part of the benefit of the 12 Caribbean Overseas Territories (OCTs) concerning Caribbean OCTs' Resilience, Sustainable Energy and Marine Biodiversity Program (RESEMBID) is ongoing with very good perspective. The current artificial reef and coral reforestation project is well on its way of being executed.

As of late the oceans of the Caribbean has been plagued with the Stoney Coral Tissue Loss Disease (SCTLD) causing large coral colonies to die-off. This disease has ruined the beautiful and famous coral reefs amongst others, of Cancún, Jamaica, Grand Cayman, St. Maarten, and has been spotted in 5 different dive sites in Bonaire, and recently has also been spotted on some of the coral reefs here in Aruba, whereby the FPNA together with the DNM agreed upon a protocol, and to use the International Guidelines published and suggested by Florida International University to closely monitor the expansion and development of this SCTLD.

Because of the spread of the SCTLD here in Aruba, the FPNA together with the DNM organized several informative meetings with private and local snorkeling & diving organizations in order to review the SCTLD findings and to transmit and spread responsible diving and disinfection protocols and practices as per recommendations and guidelines made by Florida International University.

Discussions with the Government of Aruba regarding expansion of the Ramsar protected areas, including but not limited to Mangel Halto / Pos Chiquito area, Saliña Cerca, Saliña Malmok, and others are ongoing and progressing and hope to be finalized within the next fiscal year. A presentation by the DNM to the Minister of Nature was done, showing the dis-

STICHTING FUNDACION PARKE NACIONAL ARUBA

balance between the additional areas under the FPNA's management and the subsidy being awarded to the FPNA, for which the Government of Aruba has promised to be taking a closer look into.

As part of the FPNA's awareness campaign a botanical garden named "Centro di Cultivo" was opened this year with its primary purpose to provide and promote the cultivation of local flora that would provide eatable fruits for the local "Prikichi" and the "Lora", after their planned "re-introduction".

Much in line with its Multi Annual Corporate Strategy 2032 the Lora Conservation and Reintroduction program, was suddenly initialized due to an unexpected arrival of 34 ten-days' old baby Lora's at the border. The Lora reintroduction program was hurried, and immediate care had to be sought for these baby Lora's by volunteers, while at the same time the construction of a large holding cage, which was granted to the FPNA by the AVI-Fauna, was completed. In the meantime, these Lora's are growing and getting ready to be released into the wild.

The FPNA is awaiting conclusion of some formal registration paperwork from local and international authorities, together with the arrangement of some logistical challenges to be completed prior to the release into the wild of these Lora's.

The Shoko Conservation program has also continued with the partnering with several housing developers by providing areas where artificial Shoko nests can be permanently placed, in the hope that the people living around these nests will become more conscious and mindful of the Shoko's place in nature, at the same time stimulating awareness and its importance of people's place within the fauna's eco-system. The FPNA, through this partnering with the different housing developers, and the awareness of the people living around these artificial nests, hopes to increase the Shoko's population to a healthy and sustainable level in the coming years.

In the process the Government of Aruba also requested the assistance of the FPNA with the project "Nos Tera Nos Pais - Ploegen Serlimar", i.e. helping with directing maintenance crews that would provide cleanup services to the surrounding FPNA managed areas of Mangel Halto, the Balashi Gold Mine Ruins, and alongside the roads that lead to and are within the park managed areas.

The FPNA had several meetings with the Government of Aruba in order to determine the exact size of each team, their tasks and responsibilities, and have come to an agreement that this project will be budget-neutral for the FPNA, and that the FPNA will supervise four teams; each team consisting of a crew of three persons. These teams are very motivated and have been working energetically and with a lot of enthusiasm.

In a coordinated project assignment and undertaking, the FPNA, together with Wageningen University & Research, and the DNM, a vegetation inventory is being implemented and completed, in order to study the effects on Aruba's flora regarding the "extreme" development that has taken place the past 20 years on Aruba.

Aruba's economy, specifically the tourism sector, is well on its way to a full recovery in 2022, closely reaching the record levels of pre-pandemic 2019. But the Board of Directors have kept their focus on closely monitoring FPNA's financial performance vis-a-vis the number of visitors entering the park, as not to hasten to accomplish the same levels of visitors as in 2019, but rather paying attention to developing awareness of the influence these visitors' will have within the park towards with the focus on having a low-impact to the environment and its eco-systems.

The total number of local and tourist visitors to the Park for 2022 reached just over 160.370, being 3.2% higher than 2021, but still 35.5% below the 2019 pre-Covid-19 Pandemic levels.

STICHTING FUNDACION PARKE NACIONAL ARUBA

In view of the continuous recovery of the tourism sector and the Aruban economy in general, the Board of Directors of the FPNA maintained keeping a close watch of its monthly financial reports, while at the same time preparing for the execution of our 10-year strategic plan, the MACS 2023-2032, moving forward towards a robust and resilient financial position, that will carry the FPNA solidly into the next decade.

The Board of Directors wishes to extend a heartfelt thank you, and its appreciation to the entire Fundacion Parke Nacional Aruba team, whom all contributed to the continuous and steady progress.

On behalf of the Board of Directors,

Norman L. Kuipéri
CEO ad-interim
Fundacion Parke Nacional Aruba

3. FINANCIAL STATEMENTS

STICHTING FUNDACION PARKE NACIONAL ARUBA

3.1 BALANCE SHEET AS AT 31 DECEMBER 2022

		<u>31-12-2022</u>	<u>31-12-2021</u>
		AWG.	AWG.
Assets			
Fixed assets			
<i>Property, plant and equipment</i>	1	5,549,935	1,201,929
Current assets			
<i>Inventories and work in progress</i>		18,067	4,206
<i>Receivables</i>	2	149,360	167,638
<i>Cash and cash equivalents</i>	3	3,410,454	4,346,785
Total		<u><u>9,127,816</u></u>	<u><u>5,720,558</u></u>

STICHTING FUNDACION PARKE NACIONAL ARUBA

		31-12-2022	31-12-2021
		AWG.	AWG.
Equity and liabilities			
Equity	4		
Foundation capital		100	100
Appropriated reserves		1,436,167	-
Special purpose funds		387,570	511,815
General reserves		1,050,472	2,336,102
Result for the year		333,790	150,537
		3,208,099	2,998,554
Equalization fund	5	1,506,151	982,780
Non-current liabilities			
Other long-term liabilities	6	1,523,860	-
Current liabilities			
Short-term loans	7	914,908	-
Trade payables		66,797	168,585
Taxes and social security contributions	8	592,928	461,470
Other payables and short term liabilities	9	1,315,073	1,109,169
		2,889,706	1,739,224
Total equity and liabilities		9,127,816	5,720,558

STICHTING FUNDACION PARKE NACIONAL ARUBA

3.2 STATEMENT OF ACTIVITIES FOR THE YEAR 2022

		2022	2021
		AWG.	AWG.
Revenues	10	5,345,996	4,342,002
Wage subsidy		-	731,898
Gross margin		5,345,996	5,073,900
Expenses			
Personnel expenses	11	3,380,554	2,857,105
Depreciation of property, plant and equipment		122,592	99,113
Other operating expenses	12	1,509,060	1,967,145
Total operating expenses		5,012,206	4,923,363
Net result		333,790	150,537

STICHTING FUNDACION PARKE NACIONAL ARUBA

3.3 CASH FLOW STATEMENT FOR THE YEAR 2022

Cash flow from operating activities

Operating result	333,790	150,537
<i>Adjustments for</i>		
Depreciation	122,592	99,113
Decrease in provisions	-	(447,217)
Exchange rate differences	-	(192,195)
	122,592	(540,299)
<i>Changes in working capital</i>		
Decrease (increase) in inventories	(13,861)	(662)
Decrease (increase) in trade receivables	(41,362)	45,995
Decrease (increase) in other receivable	59,640	(129,411)
Increase (decrease) in other payables	235,574	1,039,453
	239,991	955,375

Cash flow from operating activities

	696,373	565,613
--	---------	---------

Cash flow from investment activities

Purchase of property, plant and equipment	(4,470,598)	(70,594)
---	-------------	----------

Cash flow from financing activities

Special purpose funds	(124,245)	-
Contribution equalization accounts 5	563,883	62,400
Distribution equalization accounts 5	(40,512)	(30,307)
Proceeds from borrowings	2,544,725	-
Repayments from borrowings	(105,957)	-

Cash flow from financing activities

	2,837,894	32,093
--	-----------	--------

Movements cash

	(936,331)	527,112
--	-----------	---------

Turnover movement cash and cash equivalents

Cash and cash equivalents at the beginning of the period	4,346,785	3,819,673
Increase (decrease) cash and cash equivalents	(936,331)	527,112
Cash and cash equivalents at the end of the period	3,410,454	4,346,785

STICHTING FUNDACION PARKE NACIONAL ARUBA

3.4 NOTES TO THE FINANCIAL STATEMENTS

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with financial reporting guidelines as promulgated by the Board for Financial Reporting Standards in the Netherlands for non-profit organizations (RJ 640).

The financial statements are presented in Aruban florins (AWG), which is the organization's functional currency. Transactions in foreign currencies are translated to Aruban florins at the exchange rate applicable to the date of the transaction. Assets and liabilities are stated at historical cost, unless otherwise mentioned. Income and expenses are accounted for on an accrual basis.

Accounting principles

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Other reserves

The funds received for the purpose of investing in tangible fixed assets are accounted for in the equalization account. The funds received are deducted from to the result in proportion to the depreciation.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

STICHTING FUNDACION PARKE NACIONAL ARUBA

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Revenue recognition

Net turnover comprises the income from the supply of goods and services after deduction of discounts and such like and of taxes levied on the turnover.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

STICHTING FUNDACION PARKE NACIONAL ARUBA

3.5 NOTES TO THE BALANCE SHEET

ASSETS

Fixed assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
1 Property, plant and equipment		
Land and buildings	5,286,330	1,066,933
Furniture, fixtures and fittings	114,989	47,942
Vehicles	144,616	87,054
Property, plant and equipment in progress and prepayments of property, plant and equipment	<u>4,000</u>	<u>-</u>
	<u>5,549,935</u>	<u>1,201,929</u>

STICHTING FUNDACION PARKE NACIONAL ARUBA

Property, plant and equipment

	Land and buildings	Furniture, fixtures and fittings	Vehicles	Property, plant and e- quipment in progress and prepay- ments of property, plant and e- quipment	Total
	AWG.	AWG.	AWG.	AWG.	AWG.
Balance as at 1 January 2022					
Acquisition costs	1,222,960	349,581	393,179	-	1,965,720
Accumulated deprecia- tion	<u>(156,027)</u>	<u>(301,639)</u>	<u>(306,125)</u>	-	<u>(763,791)</u>
Book value as at 1 January 2022	<u>1,066,933</u>	<u>47,942</u>	<u>87,054</u>	-	<u>1,201,929</u>
Movements					
Additions	4,279,278	118,526	68,794	4,000	4,470,598
Depreciation	<u>(59,881)</u>	<u>(51,479)</u>	<u>(11,232)</u>	-	<u>(122,592)</u>
Balance movements	<u>4,219,397</u>	<u>67,047</u>	<u>57,562</u>	<u>4,000</u>	<u>4,348,006</u>
Balance as at 31 December 2022					
Acquisition costs	5,502,238	468,107	461,973	4,000	6,436,318
Accumulated deprecia- tion	<u>(215,908)</u>	<u>(353,118)</u>	<u>(317,357)</u>	-	<u>(886,383)</u>
Book value as at 31 December 2022	<u>5,286,330</u>	<u>114,989</u>	<u>144,616</u>	<u>4,000</u>	<u>5,549,935</u>

Current assets

	<u>31-12-2022</u> AWG.	<u>31-12-2021</u> AWG.
2 Receivables		
Accounts receivable	63,243	21,881
Taxes and social security charges	50,296	125,492
Other receivables and current assets	<u>35,821</u>	<u>20,265</u>
	<u>149,360</u>	<u>167,638</u>

STICHTING FUNDACION PARKE NACIONAL ARUBA

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
Taxes and social security charges		
SVB receivable	<u>50,296</u>	<u>125,492</u>
	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
Other receivables and current assets		
Prepaid expenses and other receivables	32,007	16,727
Security deposits	<u>3,814</u>	<u>3,538</u>
	<u>35,821</u>	<u>20,265</u>
	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
3 Cash and cash equivalents		
Caribbean Mercantile Bank N.V.	2,721,661	4,071,855
Savings accounts	358,300	113,516
Aruba Bank N.V.	303,090	149,004
Cash in transit	22,124	6,945
Petty cash	<u>5,279</u>	<u>5,465</u>
	<u>3,410,454</u>	<u>4,346,785</u>

One designated bank account held with Caribbean Mercantile Bank, with a balance of AWG 680,982 is restricted, and may be solely utilized for purposes of funding the activities of Parke Marino Aruba. As such the aforementioned restricted account is not at free disposal of the Foundation.

EQUITY AND LIABILITIES

4 Equity

Movements in equity were as follows:

	<u>Foundation capital</u>	<u>Appropriated reserves</u>	<u>Special purpose funds</u>	<u>General reserves</u>	<u>Total</u>
	AWG.	AWG.	AWG.	AWG.	AWG.
Balance as at 1 January 2022	100	-	511,815	2,486,639	2,998,554
Result for the year	-	-	-	333,790	333,790
Addition in financial year	-	-	73,302	-	73,302
Addition/ (Release) in current year	<u>-</u>	<u>1,436,167</u>	<u>(197,547)</u>	<u>(1,436,167)</u>	<u>(197,547)</u>
Balance as at 31 December 2022	<u>100</u>	<u>1,436,167</u>	<u>387,570</u>	<u>1,384,262</u>	<u>3,208,099</u>

STICHTING FUNDACION PARKE NACIONAL ARUBA

Appropriated reserves

During 2022 the Foundation allocated three reserves to the appropriated reserves. These were appropriated as follows:

-'Calamity reserve'

The purpose of this reserve is to be able to cover the payroll and other necessary expenses to keep the entity well maintained and protected against any liability, in an event of business interruption. The reserve will be build up in 5 years, starting year end 2022. It is expected to reach a 6 months reserve estimated at AWG. 2,430K at the end of year 2027. For 2022 a 20% or AWG. 486K of the estimated amount will be reserved and will continue reserving a 20% of a new estimated amount for the next 4 consecutive years. After the 5th year, the reserve will be trued up every year, when there is a change on the estimated payroll and mentioned expense amounts. This reserve will be covering the payroll; payroll related taxes; board members remuneration; protected areas outside the park cleaning contractors and supplies; basic inside park buildings and areas maintenance & cleaning; security contract; utility costs; communication cost; transportation cost; office lease and contracts that cannot be stopped temporarily.

-'Maintenance Capex Reserve'

This is a reserve, for capital expenses that are necessary for the entity to continue operating in it's current state and spendings to extend the lifetime of the assets. For year-end 2022, a 5 % of the asset value or AWG. 125,167 will be reserved.

-'Growth Capex Reserve'

Reserve for expenditure on new assets that are intended to grow the company's productive capacity, to invest in assets to enhance the goals of FPNA and to increase cash flow. An amount of AWG 825K will be reserved for the growth capex for projects to be completed in 2024. Which are, Mondri conservation cafe and its gift shop, Costa conservation cafe and its gift shop.

Special purpose fund

During 2019 the Foundation for Marine Protected Areas were brought under the Foundation's management. Initial management activities and investments related to these protected areas, collectively called, Parke Marino Aruba, were funded by the Government of Aruba for an amount of AWG 750,000.

During 2022 the Foundaion allocated three additional project to the special purpose funds. These projects are related to Conservation & Research, Greenhouse and Marine-water monitoring.

STICHTING FUNDACION PARKE NACIONAL ARUBA

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
5 Equalization fund		
Equalization fund	<u>1,506,151</u>	<u>982,780</u>
	<u>2022</u>	<u>2021</u>
	AWG.	AWG.
Equalization fund		
Balance as at 1 January	982,780	950,687
Addition	563,883	62,400
Release	<u>(40,512)</u>	<u>(30,307)</u>
Balance as at 31 December	<u>1,506,151</u>	<u>982,780</u>

The equalization account is for investment in property, plant and equipment from monetary donations and grants received. The release is matched to the deprecation of the related asset and reported in the income statement.

Provisions

	<u>2022</u>	<u>2021</u>
	AWG.	AWG.
Provision for employee lay-off severance settlements		
Balance as at 1 January	-	447,217
Decrease other provision	<u>-</u>	<u>(447,217)</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

In prior years the Foundation established a provision for employee severance in connection with planned staff reductions. Reporting guideline 252 of the Dutch Accounting Standards Board, requires such provisions to be established on condition that there is a detailed lay-off plan in place, whereby the employees targeted to be dismissed be notified.

In absence of such a plan and the notification of employees in question the provision for employee lay-off severance settlements was adjusted to reflect state of affairs at the end of the year 2019.

In 2020 the foundation added an amount of AWG. 385,000 to the provision for employee severance in connection with planned staff reductions in accordance with a detailed lay-off plan. The employee severance has been paid in 2021.

STICHTING FUNDACION PARKE NACIONAL ARUBA

Non-current liabilities

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
6 Other long-term liabilities		
Other long-term liabilities	<u>1,523,860</u>	<u>-</u>
	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
Other long-term liabilities		
Loan - Aruba Bucuti Beach Hotel	1,500,000	-
Lease - Setar	<u>23,860</u>	<u>-</u>
	<u>1,523,860</u>	<u>-</u>
	<u>2022</u>	<u>2021</u>
	AWG.	AWG.
Loan - Aruba Bucuti Beach Hotel		
Balance as at 1 January	<u>-</u>	<u>-</u>
Movements		
Increase	2,500,000	-
Repayment	<u>(100,000)</u>	<u>-</u>
Balance movements	<u>2,400,000</u>	<u>-</u>
Balance as at 31 December		
Principal amount	2,500,000	-
Cumulative repayments	(100,000)	-
Current portion	<u>(900,000)</u>	<u>-</u>
Balance as at 31 December	<u>1,500,000</u>	<u>-</u>

In 2022 the Foundation entered into a mortgage loan agreement with Aruba Bucuti Beach Hotel N.V. to finance the purchase of a private property located within the boundaries of Arikok measuring approximately 42,947 square meters and recorded in the Land Register as Land Aruba, Third Division, Section F8 Index D800, with the thereon constructed building(s).

The principal amount of the loan is in the amount of AWG. 2,500,000, with an interest of 0% per annum (interest free loan). If a default in the repayment of the mortgage loan they will apply a 4% default interest. The monthly payment during September - December 2022 is in the amount of AWG. 25,000 (total 100,000). Commencing January 2023 the monthly payment will be in the amount of AWG. 75,000. The mortgage loan has a duration of 3 years.

STICHTING FUNDACION PARKE NACIONAL ARUBA

	2022 AWG.	2021 AWG.
Lease - Setar		
Balance as at 1 January	-	-
Movements		
Increase	44,725	-
Repayment	(5,957)	-
Balance movements	38,768	-
Balance as at 31 December		
Principal amount	44,725	-
Cumulative repayments	(5,957)	-
Current portion	(14,908)	-
Balance as at 31 December	23,860	-

In 2022 the Foundation entered into a lease agreement with SETAR N.V. for three (3) years for the lease of twenty five (25) GPS radio's.

Current liabilities

	31-12-2022 AWG.	31-12-2021 AWG.
7 Short-term loans		
Short-term portion loan - Aruba Bucuti Beach Hotel	900,000	-
Short-term portion lease - Setar	14,908	-
	914,908	-
	914,908	-
8 Taxes and social security contributions		
Sales tax accrual **)	577,748	416,928
Employee payroll, social security charges withheld	15,180	37,256
Employee payroll, income tax withheld	-	7,286
	592,928	461,470
	592,928	461,470

****) Sales tax accrual**

In March 2020 we have obtained tax advise regarding the foundation sales tax liability. According to memo from the tax advisor, as of July 1, 2018, the foundation does not qualify for sales tax exemption.

STICHTING FUNDACION PARKE NACIONAL ARUBA

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG.	AWG.
9 Other payables and short term liabilities		
SVB accrual for repayment of wage subsidy **)	957,559	957,559
Employee time back compensation	142,962	107,348
Deferred income - Tours revenue	67,228	-
Accrued expenses	74,859	-
Employee vacation allowance accrual	<u>72,465</u>	<u>44,262</u>
	<u>1,315,073</u>	<u>1,109,169</u>

**) SVB is claiming payment and/ or repayment from FPNA in the amount of AWG 957,560. FPNA has initiated an objection procedure against the SVB's decision.

STICHTING FUNDACION PARKE NACIONAL ARUBA

3.6 NOTES TO THE STATEMENT OF ACTIVITIES

	2022	2021
	AWG.	AWG.
10 Revenues		
Subsidy Government of Aruba	2,653,600	2,033,580
Conservation fees	2,571,732	1,943,631
Food and beverages	139,591	88,212
Donations	130,283	268,517
Turnover 19	(160,820)	-
Other income	11,610	8,062
	5,345,996	4,342,002
	2022	2021
	AWG.	AWG.
11 Personnel expenses		
Wages and salaries	2,345,312	2,142,899
Social security premiums and pension premiums	463,022	447,330
Other personnel expenses	572,220	266,876
	3,380,554	2,857,105
	2022	2021
	AWG.	AWG.
Social security premiums and pension premiums		
AOV/AWW payroll tax	220,279	202,080
AZV payroll tax	186,713	180,987
SVB premiums net of sick-pay compensation	(4,987)	6,938
Pension contribution	61,017	57,325
	463,022	447,330
	2022	2021
	AWG.	AWG.
Other personnel expenses		
Contracted employees	224,349	31,616
Remuneration Board of Supervisors	145,000	122,550
Uniforms	61,280	12,335
Employee training	29,311	11,627
Vacation allowance	-	35,161
Other personnel expenses	112,280	53,587
	572,220	266,876

Average number of employees in 2022: 47 (2021: 55)

STICHTING FUNDACION PARKE NACIONAL ARUBA

	2022	2021
	AWG.	AWG.
12 Other operating expenses		
Housing expenses	454,074	462,534
Selling expenses	37,653	27,560
Car expenses	69,915	86,730
General expenses	568,447	592,864
Other expenses	378,971	797,457
	1,509,060	1,967,145
	2022	2021
	AWG.	AWG.
Housing expenses		
Security	168,861	172,507
Janitorial services	99,016	82,015
Maintenance	58,281	82,074
Utilities	37,640	35,265
Equipment rental	33,601	35,430
Supplies	22,055	21,791
Insurance	20,347	19,649
Rent	10,757	10,569
Other housing expenses	3,516	3,234
	454,074	462,534
	2022	2021
	AWG.	AWG.
Selling expenses		
Advertising and promotions	26,988	26,734
Travel and lodging	10,665	826
	37,653	27,560
	2022	2021
	AWG.	AWG.
Car expenses		
Repair and maintenance cars	30,323	50,374
Fuel expenses	21,100	16,975
Insurance premium cars	14,652	14,932
Other car expenses	3,840	4,449
	69,915	86,730

STICHTING FUNDACION PARKE NACIONAL ARUBA

	<u>2022</u>	<u>2021</u>
	AWG.	AWG.
General expenses		
Professional fees	249,637	276,038
Food & beverage outlet costs	72,906	49,304
Office supplies	37,075	17,585
Bank charges	45,153	30,832
Telephone and communication	43,137	43,384
Other general expenses	53,399	64,845
Subscriptions	32,910	18,851
Automation	27,918	44,248
Lease and maintenance office equipment	12,884	11,664
Research expenses	9,225	6,210
Postage and delivery	123	638
Conservation fee wristbands	-	39,750
Disposal of assets	(550)	-
Closing and exchange differences	(15,370)	(10,485)
	<u>568,447</u>	<u>592,864</u>
	<u>2022</u>	<u>2021</u>
	AWG.	AWG.
Other expenses		
Dotation / (Release) equalization fund	523,371	32,093
Dotation / (Release) special purpose fund - others	14,233	-
SVB - accruals for repayment of wage subsidy	-	957,559
Dotation / (Release) special purpose fund - Marine Park	(158,633)	(192,195)
	<u>378,971</u>	<u>797,457</u>

4. AUDITOR'S REPORT

4.1 Other information

- The Board of Directors will look into the correct time in 2023 to initialize official conversations and dialogue with the labor union in order to formalize a Collective Labor Agreement (CLA) with the FPNA employees, as noted in the Multi Annual Commercial Strategic Plan 2023-2032.

- A review of the projected surpluses will be discussed in the first quarter of 2023 with respect to the strategic allocation of these overages within different reserve accounts, for amongst others, but not limited to, the purchasing of private property land located within the Parke Arikok boundaries, the building of an Emergency Reserve Fund in case of another pandemic outbreak or other unforeseen extreme disruptive catastrophe.

- The purchasing of private property land located within the Parke Arikok boundaries will be carefully planned with proper evaluations and stakeholders' engagement, before such capital expenditures and investments are presented for approval for execution.

- The creation of an Emergency Reserve Fund for business continuity will also be implemented, with the goal to deal with possibly another pandemic outbreak, or some other unforeseen extreme disruptive catastrophe, which will be managed with a conservative mindset and approach in order to be able to mitigate the financial effects of the crisis objectively and responsibly. Sensible and thorough financial management practices will be followed, until such time that the outlook and projections can be considered stable and infallible again.

STICHTING FUNDACION PARKE NACIONAL ARUBA

We hereby offer you the report concerning the annual report 2022 for STICHTING FUNDACION PARKE NACIONAL ARUBA, Aruba.

4.2 INDEPENDENT AUDITOR'S REPORT

To: The Executive Board of STICHTING FUNDACION PARKE NACIONAL ARUBA

Report on the audit of the financial statements 2022

Our opinion

We have audited the financial statements 2022 of Stichting Fundacion Parke Nacional Aruba, established in Aruba.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Fundacion Parke Nacional Aruba as at 31 December 2022, and of its result and cash flows for the year 2022 in accordance with the Financial Reporting Standards in the Netherlands for non-profit organizations (RJ 640).

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of activities for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Fundacion Parke Nacional Aruba in accordance with the Code of Ethics for Professional Accountants. Furthermore, we have complied with the Dutch Code of Ethics.

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

STICHTING FUNDACION PARKE NACIONAL ARUBA

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the financial report contains other information that consists of Report of the Executive Board. Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Audit Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The Executive Board of the Foundation is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting standards applicable in The Netherlands. Furthermore, the Executive Board is responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless they either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the Foundation's ability to continue as a going concern in the financial statements.

STICHTING FUNDACION PARKE NACIONAL ARUBA

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- Concluding on the appropriateness of the Executive Board'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 a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

STICHTING FUNDACION PARKE NACIONAL ARUBA

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 findings in internal control that we identify during our audit.

PlusAccountants N.V.
Eagle, Aruba
November 29, 2023

A handwritten signature in blue ink, appearing to be 'Anthony G. Croes', written over a light blue horizontal line.

Anthony G. Croes RA
Registeraccountant
Report no. 2022 / R11 - 1885