

**STICHTING FUNDACION  
PARKE NACIONAL ARIKOK**

**Financial Statements 2011**

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To: The Board and Management of  
Stichting Fundacion Parke Nacional Arikok

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements 2011 of Stichting Fundacion Parke Nacional Arikok, Aruba, which comprise the balance sheet as at 31 December 2011, the statement of operations for the year then ended, the cash flow statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### **Board's and Management's responsibility**

The Board and Management of the foundation is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the Netherlands. The Board and Management have elected to prepare the financial statements in accordance with accounting principles generally accepted in the Netherlands. Furthermore the Board and Management are responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Dutch Standards on Auditing (NV-COS). This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Fundacion Parke Nacional Arikok as at 31 December 2011 and of its result for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

Aruba, 25 June 2012  
60626775 049/rm/er

for Ernst & Young Accountants

A handwritten signature in blue ink, appearing to be 'E.R. Status van Eps', written over a horizontal line.

E.R. Status van Eps, CPA

**BALANCE SHEET AS AT 31 DECEMBER 2011**  
(after appropriation of result)

**A s s e t s**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>Non-current assets</b>		
Property and equipment	128,697	151,332
<b>Current assets</b>		
Receivables and other current assets	91,334	33,813
Cash and cash equivalents	526,020	474,387
	<u>617,354</u>	<u>508,200</u>
<b>Total assets</b>	<u><u>746,051</u></u>	<u><u>659,532</u></u>

STICHTING FUNDACION PARKE NACIONAL  
ARIKOK

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

	<b>2011</b>	<b>2010</b>
	<u>Afl.</u>	<u>Afl.</u>
<b>Foundation's equity</b>		
Capital	100	100
General reserve	269,330	(97,764)
	<u>269,430</u>	<u>(97,664)</u>
 <b>Non Current liabilities</b>		
Deferred income – investment subsidies	128,697	151,488
	<u>128,697</u>	<u>151,488</u>
 <b>Current liabilities</b>		
Other liabilities	347,924	583,126
Payable to the Island Government	-	22,582
	<u>347,924</u>	<u>605,708</u>
 <b>Total equity and liabilities</b>	<u><u>746,051</u></u>	<u><u>659,532</u></u>

**STATEMENT OF OPERATIONS FOR THE YEAR 2011**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>I n c o m e</b>		
Subsidy	2,567,457	3,655,460
Entrance fees	603,351	79,064
Rental income	52,560	30,660
	<u>3,223,368</u>	<u>3,765,184</u>
<b>E x p e n s e s</b>		
Personnel expenses	2,147,879	3,000,989
Accommodation expenses	329,966	338,735
Administrative and general expenses	237,966	303,720
Car expenses	106,494	131,176
Depreciation	33,969	33,454
	<u>2,856,274</u>	<u>3,808,074</u>
<b>Result for the year</b>	<u>367,094</u>	<u>(42,890)</u>

**CASH FLOW STATEMENT FOR THE YEAR 2011**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>Operating activities</b>		
Result for the year	367,094	(42,890)
Adjustment to reconcile result to net cash flows:		
Non-cash:		
Depreciation expenses	33,969	33,454
(Decrease)/increase of deferred income	(22,791)	141,430
Working capital adjustments:		
(Increase)/decrease of receivables	(57,521)	48,548
(Decrease)/increase of other payables	(235,202)	501,881
Decrease of payable to the Island Government	(22,582)	(441,258)
<b>Net cash flow from operating activities</b>	<u>62,967</u>	<u>241,165</u>
<b>Investing activities</b>		
Purchase and proceeds from sale of property and equipment (net)	(11,334)	-
<b>Net cash flow from investing activities</b>	<u>(11,334)</u>	<u>-</u>
Net increase/decrease in cash and cash equivalents	51,633	241,165
Cash and cash equivalents at 1 January	474,387	233,222
<b>Cash and cash equivalents at 31 December</b>	<u><u>526,020</u></u>	<u><u>474,387</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

### General

#### Foundation information

“Stichting Fundacion Parke Nacional Arikok” is a foundation incorporated and domiciles in Aruba under the name of Parke Arikok for the management and conservation of nature in the area of Arikok. The principal activities of the foundation are:

- Acquiring, leasing or renting of right of ownership or possession or taking control of related property;
- Administration and management of such properties;
- Open the properties to public, as much as is possible taking into account the preconditions of the enduring conservation of nature, nature reserves and cultural history;
- Acquiring funding necessary to achieve goals;
- Interfering with policies of the government and cooperating with the government in the field of nature conservation, nature reserve protection and cultural history, regarding the related terrain and waters;
- Cooperating with other organizations actively involved with nature conservation, nature reserve protection and cultural history;
- Activating the public opinion regarding the goals of the foundation;
- Conducting research, gathering information, educating and issuing publications.

#### Basis of preparation

The financial statements have been prepared on a historical cost basis, unless noted otherwise. The financial statements are presented in Aruban florin (Afl.) and all values are rounded to the nearest whole number.

The financial statements have been approved by the supervisory board 25 June 2012.

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands.

#### Comparison with previous year

This is the first set of financial statements prepared by Stichting Fundacion Parke Nacional Arikok in accordance with accounting principles generally accepted in the Netherlands (Dutch GAAP). The accounting principles used, are changed from the Foundation’s own GAAP to Dutch GAAP as of 1 January 2011. The principal accounting policies applied in the preparation of these financial statements and the effects of this change are specified below and in note 4.2, respectively.

### **Significant accounting judgements, estimates and assumptions**

The preparation of the foundation's financial statements require management to make judgements, 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.

### **Contingencies and commitments**

#### **Commitment BZK**

Under a grant agreement ('tijdelijke subsidieregeling IUCN NL ten behoeve van DCNA') published in the Staatscourant 17 November 2006, Nr. 225 page 9, BZK grants Euro 1 million per year for the coming ten years to support nature conservation in the Dutch Caribbean. One of the conditions set by BZK for the 10 years subsidy is that the parks create a Trust Fund in which Euro 18.9 million should be capitalised in 10 years. This asset in turn would then guarantee sustainable financial support and active management of the natural resources to the parks for the future. These funds are passed to DCNA via a grant agreement with IUCN NL.

The parks have signed a contract and Memorandum of Understanding with DCNA, in which they agree to contribute an amount equal to what they receive from BZK into the Trust Fund. The Trust Fund is managed by DCNA. Under this contract the Trust Fund must be properly managed in order to provide sustainable support after a 10 year period for an indefinite timeframe. Once fully capitalized the Trust fund guarantees to provide funding sufficient to cover basic operational support for up to one land and one marine park on each island of the Dutch Caribbean for as long as revenues permits to do so.

### **Summary of significant accounting policies**

#### **Foreign currency translation**

The financial statements are presented in AFL, 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.

**Property and equipment**

Property 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 life of the assets.

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

**Receivables**

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

After initial recognition, receivables are carried at amortized cost using the effective interest rate method. 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.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand.

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.

**Other liabilities**

Other liabilities are recognized initially at fair value.

After initial recognition, other liabilities are subsequently measured at amortized cost. Gains and losses are recognized in the statement of operations when the liabilities are removed from the financial statements as well as through the amortization process.

**Subsidy**

Subsidies are recognised where there is reasonable assurance that the subsidy will be received and all attaching conditions will be complied with. When the subsidy relates to an expense item, it is recognised as income over the period necessary to match the subsidy on a systematic basis to the cost that it is intended to compensate. Where the subsidy relates to an asset, it is set up as deferred income. Where the foundation receives non-monetary subsidies, the assets and that subsidy are recorded at nominal amounts and are released to the income statement over the expected useful life of the relevant asset by equal instalments.

**Expenses**

Expenses are being recognized according to the accrual method, taking the valuation principles as mentioned above into consideration.

**Cash flow**

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 the year and the use to which these funds were applied. Sources and application of cash are categorized into activities they relate to.

**Events after balance sheet date**

There are no events after balance sheet date.

**NOTES TO THE BALANCE SHEET**

**Property and equipment**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
Land and buildings	40,864	46,875
Furniture & Fixture	80,432	93,961
Vehicles	7,401	10,496
	<u>128,697</u>	<u>151,332</u>

	<u>Land and building</u>	<u>Furniture &amp; fixture</u>	<u>Vehicles</u>	<u>Total</u>
	Afl.	Afl.	Afl.	Afl.
<b>1 January 2011</b>				
Purchase value	66,790	187,511	104,951	359,252
Accumulated depreciation	(19,915)	(93,550)	(94,455)	(207,920)
Book value	<u>46,875</u>	<u>93,961</u>	<u>10,496</u>	<u>151,332</u>
<b>Changes</b>				
Additions	-	14,429	-	14,429
Depreciation expenses	(6,011)	(27,958)	-	(33,969)
Disposals	-	-	(30,950)	(30,950)
Depreciation disposals and impairment	-	-	27,855	27,855
	<u>(6,011)</u>	<u>(13,529)</u>	<u>(3,095)</u>	<u>(22,635)</u>
<b>31 December 2010</b>				
Purchase value	66,790	201,940	74,001	342,731
Accumulated depreciation	(25,926)	(121,508)	(66,600)	(214,034)
Book value	<u>40,864</u>	<u>80,432</u>	<u>7,401</u>	<u>128,697</u>

### Useful lives

The useful lives of the assets are estimated as follows:

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
Land and buildings	0 – 40	0 – 40
Furniture & Fixture	5 – 10	5 – 10
Vehicles	3 – 5	3 – 5

As of July 2009 the foundation moved into a new building, build at the park Arikok. This building was not included in the fixed asset register since that no transfer of ownership has occurred or is still unclear whether the transfers of ownership to the foundation will occur. All operating expenses such as maintenance, cleaning and insurance expenses are paid by the foundation taken into consideration that these expenses are subsidized.

The yearly amortization related of deferred income Investment subsidy is amortized over the useful lives of the equipment purchased which is purchased using subsidy received from the islands government.

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>Receivables and other current assets</b>		
SVB-receivable	42,238	7,481
Receivable concessions	31,833	10,217
Deposit	6,054	4,010
Advances personnel	5,100	6,300
Advance payments	5,608	5,555
Other	501	250
	<u>91,334</u>	<u>33,813</u>

**Cash and cash equivalents**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
CMB operational account	28,760	347,907
CMB savings account	103,480	86,805
CMB sales account	389,415	-
Cash	2,013	943
Cash in transit	2,352	38,732
	<u>526,020</u>	<u>474,387</u>

**Foundation's equity**

Capital	100	100
General reserve	269,330	(97,764)
	<u>269,430</u>	<u>(96,664)</u>

**General reserve**

Balance at 1 January	(97,764)	(54,874)
Result current year	367,094	(42,890)
Balance at 31 December	<u>269,330</u>	<u>(97,764)</u>

**Reconciliation of equity and result under previous GAAP**

The following reconciliations show the effect on the Foundation's equity of the transition from the Foundation's previous GAAP to Dutch GAAP at 1 January 2010 and 1 January 2011, and the Foundation's results for the year ended 31 December 2010.

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>Equity according to Foundation's own GAAP 1 January</b>	(60,475)	(85,938)
Reserve vacation allowance (a)	(55,601)	(3,567)
Adjustment to personnel advances (b)	(18,955)	-
Adjustment reserve "projectgelden" (c)	38,714	34,631
Adjustment inventory (cost price entrance tickets) (d)	(1,447)	-
<b>Equity according to Dutch GAAP 1 January</b>	<u>(97,764)</u>	<u>(54,874)</u>

#### **Explanation of transition to Dutch GAAP**

##### *(a) Reserve vacation allowance*

Under previous GAAP, the Foundation has not reserved the vacation allowance to employees. The adjustment reflects the vacation allowance liability at year end.

##### *(b) Adjustment to personnel advances*

This adjustment reflects a receivable from the Islands Government related to a substitute employee which was not subsidized.

##### *(c) Adjustment reserve "projectgelden"*

Under previous GAAP, the Foundation deferred donation received for non-earmarked projects. This adjustment reflects the release of the deferred amount through equity.

##### *(d) Adjustment inventory (cost price entrance tickets)*

Under previous GAAP, the Foundation recorded entrance tickets as inventory. Based on Dutch GAAP entrance tickets are not valued as inventory.

	<u>2010</u>
	Afl.
<b>Result for the year according to Foundation's own GAAP</b>	(3,768)
Adjustment to personnel advances (a)	(18,955)
Adjustment payable rent San Fuego 64 (b)	(18,720)
Adjustment inventory (cost price entrance tickets) (c)	(1,447)
<b>Result for the year according to Dutch GAAP</b>	<u>(42,890)</u>



**Explanation of transition to Dutch GAAP**

*(a) Adjustment to personnel advances*

This adjustment reflects a receivable from the Islands Government related to a substitute employee which was not subsidized.

*(b) Adjustment payable rent San Fuego 64*

Under previous GAAP, the Foundation has not reserved a payable for a rent at San Fuego 64. The rent agreement was entered in 2007 and as of 31 December 2010 the Foundation has a payable amount of AFL. 62,460.

*(c) Adjustment inventory (cost price entrance tickets)*

Under previous GAAP, the Foundation recorded entrance tickets as inventory. Based on Dutch GAAP entrance tickets are not valued as inventory.

**Deferred income – Investment Subsidy**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
Book value as at 1 January	151,488	10,058
Investments for the year	14,429	-
Depreciation for the year	(33,969)	(33,454)
Disposals, depreciation disposals and impairment	(3,251)	-
Adjustments investment subsidy (book years 2007 up to 2010)	-	204,600
Depreciation (book years 2007 up to 2010)	-	(29,716)
	<u>128,697</u>	<u>151,488</u>

Deferred income investment subsidy regards fund received from the Island Government of Aruba in order to invest in property and equipment. Income is recognized over the useful lives of the equipment.

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>Other liabilities</b>		
Social security payable	40,555	378,836
Reservation Vacation payable to employees	55,304	55,601
Rent payable San Fuego 64	81,180	62,460
Salary payable ex-employee	95,471	-
Operational expenses payable	73,920	78,510
Other	1,494	7,719
	<u>347,924</u>	<u>583,126</u>
<b>Payable to the Island Government</b>		
<b>At 1 January</b>	22,582	463,840
Subsidy received:		
Personnel	1,937,084	2,817,349
Operating	585,000	585,000
Subsidy expenses:		
Personnel	(1,937,084)	(3,000,989)
Operating	(607,582)	(686,729)
Adjustments previous years	-	(155,889)
<b>At 31 December</b>	<u>-</u>	<u>22,582</u>

The subsidy received from the Island Government for operating and personnel expenses agree to the subsidy agreement (“Ministeriele beschikking”) received on 21 April 2011 and the monthly personnel allowances. In accordance with Island decree, there is no definition of what expenses are or are not subsidized. The Island decree of 26 June 1990 states that a subsidy is to cover a negative operating result. The Island decree also states that the subsidy received is not higher than what is necessary in order to cover the operating and personnel expenses and not higher than the amount that was available in the budget issued by the Foundation to the Island Government.

As of the issued date of these financial statements, the Board of the Foundation did not receive any confirmation of the payable balance to the Island Government.

The adjustment previous years consist of deferred income – investment subsidy which was investments in property and equipment that has not been deferred. The adjustment also consists of a rent agreement started in 2007 for a building situated at San Fuego 64. During the years the lease agreement was not paid and not properly reserved.

**NOTES TO THE STATEMENT OF OPERATIONS**

**Subsidy**

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
Subsidy personnel	1,937,084	3,000,989
Subsidy operating	607,582	621,017
Investment subsidy	22,791	33,454
	<u>2,567,457</u>	<u>3,655,460</u>

**Personnel expenses**

Salaries and wages	1,707,520	2,591,189
AOV/AWW premium	142,118	165,457
AZV premium	143,084	183,546
ZV/OV premium	45,958	42,611
Cessantia premium	1,680	-
Other personnel expenses	158,342	40,551
Sick pay received	(50,823)	(22,365)
	<u>2,147,879</u>	<u>3,000,989</u>

The foundation employed an average of 44 personnel during 2011 (2010: 44).

**Accommodation expenses**

Rent buildings	38,194	34,981
Electricity and water	58,300	53,093
Insurance	24,478	19,283
Security costs	88,433	96,278
Cleaning expenses	70,761	96,586
Maintenance expenses	49,785	38,514
	<u>329,966</u>	<u>338,735</u>

	<u>2011</u>	<u>2010</u>
	Afl.	Afl.
<b>Administrative and general expenses</b>		
Office supplies	30,170	31,749
Telephone expense	34,301	32,524
Office expenses	22,424	23,889
Professional expenses	81,888	128,273
Promotion	14,851	20,027
Cost price entrance tickets	37,581	3,519
IT-services	-	12,212
Travel expenses	5,555	10,111
Bank charges	2,794	3,428
Postage	28	260
Write off bad debt	8,647	15,330
Other general expenses	(273)	22,398
	<u>237,966</u>	<u>303,720</u>
<b>Car expenses</b>		
Fuels	64,136	67,080
Maintenance department	11,946	24,101
Lease expenses	26,093	26,291
Motor vehicle tax	4,319	13,704
	<u>106,494</u>	<u>131,176</u>