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**STICHTING FUNDACION PARKE NACIONAL  
ARIKOK**

**Financial Statements 2012**

## CONTENTS

Independence Auditors' report	1
Financial statements	
1 Balance sheet as at 31 December 2012	3
2 Statement of operations for the year 2012	5
3 Cash flow statement for the year 2012	6
4 Notes to the financial statements	
4.1 General	7
4.2 Notes to the balance sheet	11
4.3 Notes to the statement of operations	16
Total pages in this report	17



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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 2012 of Stichting Fundacion Parke Nacional Arikok, Aruba, which comprise the balance sheet as at 31 December 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with accounting principles generally accepted in the Netherlands. Furthermore management is 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 Dutch law, including the Dutch Standards on Auditing. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 qualified audit opinion.



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*Basis for qualified opinion*

The balance sheet includes inventories of USD 66,786. This balance has been derived from the company's accounting records. The foundation has no proper registration and no proper control in place to monitor the movement of the inventory items. There was no inventory count held at the year ending 31 December 2012. Consequently, we were unable to satisfy ourselves as to the completeness existence and valuation of the inventory by other audit procedures.

*Qualified opinion with respect to the financial statements*

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements give a true and fair view of the financial position of Stichting Fundacion Parke Nacional Arikok as at December 31, 2012 and of its result for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

Aruba, 18 August 2014  
60626775-041/rm/er

Ernst & Young Accountants

E.R. Stadius van Eps, CPA

**BALANCE SHEET AS AT 31 DECEMBER 2012**  
(after appropriation of result)

**A s s e t s**

	<u>2012</u>	<u>2011</u>
	Afl.	Afl.
<b>Non-current assets</b>		
Property and equipment	179,779	128,697
<b>Current assets</b>		
Inventory	66,786	-
Receivables and other current assets	135,785	91,334
Cash and cash equivalents	1,280,363	526,020
	<u>1,482,934</u>	<u>617,354</u>
<b>Total assets</b>	<u><u>1,662,713</u></u>	<u><u>746,051</u></u>

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

	<u>2012</u>	<u>2011</u>
	Afl.	Afl.
<b>Foundation's equity</b>		
Capital	100	100
General reserve	1,139,833	269,330
	<u>1,139,933</u>	<u>269,430</u>
 <b>Non Current liabilities</b>		
Deferred income – investment subsidies	179,779	128,697
	<u>179,779</u>	<u>128,697</u>
 <b>Current liabilities</b>		
Other liabilities	343,001	347,924
	<u>343,001</u>	<u>347,924</u>
 <b>Total foundation's equity and liabilities</b>	<u><u>1,662,713</u></u>	<u><u>746,051</u></u>

**STATEMENT OF OPERATIONS FOR THE YEAR 2012**

	<b>2012</b>	2011
	Afl.	Afl.
<b>I n c o m e</b>		
Subsidy	2,625,051	2,567,618
Entrance fees	1,211,564	601,440
Rental income	16,331	52,560
Other	35,002	1,750
Grants	38,088	-
	<u>3,926,036</u>	<u>3,223,368</u>
<b>E x p e n s e s</b>		
Personnel expenses	2,339,768	2,147,879
Accommodation expenses	263,667	329,966
Administrative and general expenses	311,958	237,966
Car expenses	86,844	106,494
Depreciation	53,296	33,969
	<u>3,055,533</u>	<u>2,856,274</u>
<b>Result for the year</b>	<u><u>870,503</u></u>	<u><u>367,094</u></u>

**CASH FLOW STATEMENT FOR THE YEAR 2012**

	<u>2012</u>	<u>2011</u>
	Afl.	Afl.
<b>Operating activities</b>		
Result for the year	870,503	367,094
Adjustment to reconcile result to net cash flows:		
Non-cash:		
Depreciation expenses	53,296	33,969
Increase/(decrease) of deferred income	51,082	(22,791)
Working capital adjustments:		
Increase of receivables	(111,237)	(57,521)
Decrease of other payables	(4,923)	(235,202)
Decrease of payable to the Island Government	-	(22,582)
<b>Net cash flow from operating activities</b>	<u>858,721</u>	<u>62,967</u>
<b>Investing activities</b>		
Purchase and proceeds from sale of property and equipment (net)	<u>(104,378)</u>	<u>(11,334)</u>
<b>Net cash flow from investing activities</b>	<u>(104,378)</u>	<u>(11,334)</u>
Net increase/decrease in cash and cash equivalents	754,343	51,633
Cash and cash equivalents at 1 January	526,020	474,387
<b>Cash and cash equivalents at 31 December</b>	<u><u>1,280,363</u></u>	<u><u>526,020</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:

- Manage, 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 in accordance with accounting principles generally accepted in the Netherlands.

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 in June 2013.

#### Comparison with previous year

Compared with previous year, there have been no changes in the accounting policies applied.

#### 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.

The current board appointed as per 1 August 2012 is in the process of reviewing the commitment. The board is lacking crucial information about contributions done by BZK to SFPNA or about donations done by SFPNA to the DCNA Trust Fund as stipulated in the contract signed on 13 December 2007, as the current administration does not contain this information.

## **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.

### **Inventory**

Inventory is valued at the lower of cost or net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

### **Receivables and other current assets**

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 complied 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>2012</u>	<u>2011</u>
	Afl.	Afl.
Land and buildings	34,853	40,864
Furniture & fixture	83,628	80,432
Inventory & vehicles	61,298	7,401
	<u>179,779</u>	<u>128,697</u>

  

	<u>Land and building</u>	<u>Furniture &amp; fixture</u>	<u>Inventory &amp; vehicles</u>	<u>Total</u>
	Afl.	Afl.	Afl.	Afl.
<b>1 January 2012</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>
<b>Changes</b>				
Additions	-	36,376	71,902	108,278
Depreciation expenses	(6,011)	(33,180)	(14,105)	(53,296)
Disposals	-	-	(39,000)	(39,000)
Depreciation disposals and impairment	-	-	35,100	35,100
	<u>(6,011)</u>	<u>3,196</u>	<u>53,897</u>	<u>51,082</u>
<b>31 December 2012</b>				
Purchase value	66,790	238,316	106,903	412,009
Accumulated depreciation	(31,937)	(154,688)	(45,605)	(232,230)
Book value	<u>34,853</u>	<u>83,628</u>	<u>61,298</u>	<u>179,779</u>

### Useful lives

The useful lives of the assets are estimated as follows:

Land and buildings	0 – 40
Furniture & Fixture	5 – 10
Vehicles	3 – 5

As of July 2009 the foundation moved into a new building, built 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.

### Inventory

The inventory, consisting of shirts, caps, glassware, bags, and other miscellaneous items, was purchased during 2012 from Marietje Souvenir en Print Shop N.V. for the amount of Afl. 70,000. The inventory has a balance of Afl. 66,786 as per year-end.

	<b>2012</b>	2011
	Afl.	Afl.
<b>Receivables and other current assets</b>		
SVB-receivable	57,311	42,238
Accounts receivable	28,232	-
Advance payments	24,073	5,608
Advances personnel	19,000	5,100
Deposit	5,525	6,054
Receivable concessions	-	31,833
Other	1,644	501
	<u>135,785</u>	<u>91,334</u>

**Cash and cash equivalents**

	<b>2012</b>	2011
	Afl.	Afl.
Aruba Bank N.V. current account	613,693	-
CMB operational account	227,901	28,760
CMB savings account	101,349	103,480
CMB sales account	327,117	389,415
Cash	3,606	2,013
Cash in transit	6,697	2,352
	<u>1,280,363</u>	<u>526,020</u>

**Foundation's equity**

Capital	100	100
General reserve	1,139,833	269,330
	<u>1,139,933</u>	<u>269,430</u>

**General reserve**

Balance at 1 January	269,330	(97,764)
Result current year	870,503	367,094
Balance at 31 December	<u>1,139,833</u>	<u>269,330</u>

**Deferred income – Investment Subsidy**

	<b>2012</b>	2011
	Afl.	Afl.
Book value as at 1 January	128,697	151,488
Investments for the year	108,278	14,429
Depreciation for the year	(53,296)	(33,969)
Disposals, depreciation disposals and impairment (net)	(3,900)	(3,251)
	<u>179,779</u>	<u>128,697</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>2012</u>	<u>2011</u>
	Afl.	Afl.
<b>Other liabilities</b>		
Social security payable	131,075	40,555
Reservation Vacation payable to employees	50,486	55,304
Rent payable San Fuego 64	84,377	81,180
Salary payable ex-employee	-	95,471
Operational expenses payable	77,734	73,920
Other	(671)	1,494
	<u>343,001</u>	<u>347,924</u>
<b>Payable to the Island Government</b>		
<b>At 1 January</b>	-	22,582
Subsidy received:		
Personnel	2,091,133	1,937,084
Operating	585,000	585,000
Subsidy expenses:		
Personnel	(2,091,133)	(1,937,084)
Operating	(585,000)	(607,582)
<b>At 31 December</b>	<u>-</u>	<u>-</u>

The subsidy received from the Island Government for operating and personnel expenses agree to the subsidy agreement (“Ministeriele beschikking”) 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.



**NOTES TO THE STATEMENT OF OPERATIONS**

**Subsidy**

	<b>2012</b>	2011
	Afl.	Afl.
Subsidy personnel	2,091,133	1,937,084
Subsidy operating	585,000	593,314
Investment subsidy realized	(51,082)	37,220
	<u>2,625,051</u>	<u>2,567,618</u>

**Entrance fees**

Local	113,440	99,077
Tourists	1,108,546	500,149
Others	2,462	2,214
Cost price wristbands	(12,884)	-
	<u>1,211,564</u>	<u>601,440</u>

**Personnel expenses**

Salaries and wages	1,932,063	1,707,520
AOV/AWW premium	163,406	142,118
AZV premium	162,049	143,084
ZV/OV premium	50,561	45,958
Cessantia premium	1,680	1,680
Other personnel expenses	122,295	158,342
Sick pay received	(92,286)	(50,823)
	<u>2,339,768</u>	<u>2,147,879</u>

The foundation employed an average of 45 personnel during 2012 (2011: 44).

**Accommodation expenses**

	<b>2012</b>	2011
	Afl.	Afl.
Rent office supplies	18,590	19,474
Rent buildings	(24,959)	18,720
Electricity and water	54,394	58,300
Insurance	24,874	24,478
Security costs	63,705	88,433
Cleaning expenses	71,177	70,761
Maintenance expenses	55,886	49,800
	<u>263,667</u>	<u>329,966</u>

**Administrative and general expenses**

Office supplies	27,606	30,170
Telephone expense	35,356	34,301
Office expenses	4,914	22,424
Professional expenses	178,098	81,888
Promotion	13,857	14,851
Cost price entrance tickets	1,225	37,873
IT-services	13,077	-
Travel expenses	9,543	5,555
Bank charges	2,686	2,794
Postage	69	28
Write off bad debt	28,767	8,647
Other general expenses	(3,240)	(565)
	<u>311,958</u>	<u>237,966</u>

**Car expenses**

Fuels	42,621	64,136
Maintenance department	15,755	11,946
Lease expenses	24,310	26,093
Motor vehicle tax	4,158	4,319
	<u>86,844</u>	<u>106,494</u>