

FOUNDATION DUTCH CARIBBEAN
NATURE ALLIANCE
BONAIRE

Financial Statements 2015

CONTENTS

Independent auditor's report	3
Financial statements	
Balance sheet as at December 31, 2015	5
Statement of operations for the year 2015	7
Cash flow statement for the year 2015	9
Notes to the financial statements	
- General information	10
- Summary of significant accounting policies	11
- Notes to the Balance sheet	15
- Notes to the Statement of operations	21
- Commitments and contingencies	25
- Restricted project overview	28
Other information	29
Balance sheet as at December 31, 2015 for Trust Fund Only	30
Statement of operations for the year 2015 for Trust Fund Only	31
Balance sheet as at December 31, 2015 for Secretariat Only	32
Statement of operations for the year 2015 for Secretariat Only	34

INDEPENDENT AUDITOR'S REPORT

To: The Board and Management of
Dutch Caribbean Nature Alliance Foundation
Kaya Finlandia 10a
Bonaire

We have audited the accompanying financial statements 2015 of Dutch Caribbean Nature Alliance Foundation, Bonaire, which comprise the balance sheet as at 31 December 2015, the statement of operations and 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 are responsible for the preparation and fair presentation of these financial statements. 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 International Standards on Auditing (ISAs). 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 Dutch Caribbean Nature Alliance Foundation as at 31 December 2015 and of its result and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

Curaçao, 15 June 2016
60626775 120/21306

for Ernst & Young Accountants

A handwritten signature in blue ink, appearing to read 'C. Smorenburg', is written over a large, light blue circular scribble.

C. Smorenburg RA AA

BALANCE SHEET AS AT DECEMBER 31, 2015

A s s e t s

	Notes	<u>2015</u>	<u>2014</u>
		USD	USD
Tangible Fixed Assets			
Furniture and equipment	3	12,332	12,395
Financial Fixed Assets			
Investments	4	15,657,277	15,346,533
Interest to be received		20,828	2,462
Long-term receivables	5	229,108	229,108
		<u>15,907,213</u>	<u>15,578,103</u>
Current assets			
Cash and cash equivalents	6	2,436,741	1,287,855
Receivables	7	116,863	128,020
		<u>2,553,604</u>	<u>1,415,875</u>
Total assets		<u><u>18,473,149</u></u>	<u><u>17,006,373</u></u>

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

	Notes	<u>2015</u>	<u>2014</u>
		USD	USD
Foundation's equity			
Capital	8	56	56
General reserve	8	685,607	834,157
Trust Fund	8	14,864,350	14,437,365
		<u>15,550,013</u>	<u>15,271,578</u>
Current liabilities			
Deferred income	9	1,646,478	383,052
Other liabilities	10	1,276,658	1,351,743
		<u>2,923,136</u>	<u>1,734,795</u>
Total equity and liabilities		<u><u>18,473,149</u></u>	<u><u>17,006,373</u></u>

STATEMENT OF OPERATIONS FOR THE YEAR 2015

	Notes	2015	Budget 2015	2014
		USD	USD	USD
R e v e n u e s				
Grants	11	1,094,812	651,570	827,034
Grant BZK for operations	11	228,511	208,680	280,728
Grant BZK to Trust Fund	11	911,610	832,500	1,032,450
Net result on financial investments	12	(711,690)	-	40,028
Donations		6,750	-	7,500
		<u>1,529,993</u>	<u>1,692,750</u>	<u>2,187,740</u>
E x p e n s e s				
Governance expenses				
Governance		61,496	44,400	53,177
Secretariat expenses				
	13			
Personnel expenses		119,596	104,340	117,794
Housing expenses		31,610	32,000	27,758
Administrative and general expenses		58,369	56,905	72,805
Professional services		5,759	6,000	4,406
Office equipment		124	555	1,979
Depreciation		11,641	-	14,997
Activities				
	14			
G1: Fundraising and long term funding		61,456	61,050	57,164
G2: Representation and communication		54,118	62,160	55,090
G3: Capacity building expenses		543,574	116,550	153,339
G4: Provide central repository		4,410	5,550	15,110
Park Support expenses	15	153,257	107,670	157,753
Ministry EZ/RCN Support		34,138	41,070	35,067
		<u>1,139,548</u>	<u>638,250</u>	<u>766,439</u>
Operating result (transfer)		390,445	1,054,500	1,421,301

STATEMENT OF OPERATIONS FOR THE YEAR 2015 (CONTINUED)

	2015	Budget 2015	2014
	USD	USD	USD
Operating result (transferred)	390,445	1,054,500	1,421,301
Interest income	10,739	-	11,208
Gain/(loss) on foreign currency transactions	(122,749)	-	(109,531)
Result for the year	278,435	1,054,500	1,322,978
Funds reserved for Trust Fund	426,985	1,054,500	1,386,970
Funds reserved for General reserve	(148,550)	-	(63,992)

CASH FLOW STATEMENT FOR THE YEAR 2015

	<u>2015</u>	<u>2014</u>
	USD	USD
Operating activities		
Result for the year	278,435	1,322,978
Adjustments for:		
Depreciation expenses	11,641	14,997
Increase / (decrease) of deferred income	1,263,426	92,228
Working capital adjustments:		
(Increase) / decrease in receivables	11,158	(11,294)
(Decrease) / increase in other liabilities	(75,085)	(129,369)
Net cash flow from operating activities	1,489,575	1,289,540
Investing activities		
Net purchase and disposal of property and equipment	(11,579)	(3,350)
Net cash flow from investing activities	(11,579)	(3,350)
Financing activities		
Increase in financial investments	(310,744)	(1,263,668)
(Increase)/decrease in long-term receivables	(18,366)	(18,163)
Net cash flow from financing activities	(329,110)	(1,281,831)
Net increase/(decrease) in cash and cash equivalents	1,148,886	4,359
Cash and cash equivalents at January 1	1,287,855	1,283,496
Cash and cash equivalents at December 31	2,436,741	1,287,855

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The Dutch Caribbean Nature Alliance (DCNA) is a foundation incorporated and domiciled in the Dutch Caribbean: established on St. Maarten and registred 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"), consists of a locked Rabobank Trust Fund account and endowment fund portfolios managed by UBS Financial Services Inc. and Schretlen & Co N.V. 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.

2 Summary of significant accounting policies

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, with the exception of investments and other accounts mentioned below which have been prepared 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 are also shown separately.

The financial statements have been approved by the DCNA board on May 26th, 2016.

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.

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.

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.

2 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 or disposal. 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.

Impairment of non-financial assets

The Foundation assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Foundation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated cash flows are discounted to their present value using a discount rate that reflects current market assessments to the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in statement of operations in those expense categories consistent with the function of the impaired asset.

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. 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.

2 Summary of significant accounting policies (continued)

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; discounted cash flow analysis or other valuation models.

Long-term receivables

Long-term receivables are primary financial assets with fixed or determinable payments that are not quoted in an active market.

Long-term receivables are recognized initially at fair value plus directly attributable transactions costs. All long-term receivables have a maturity date with a period longer than one year.

Cash and cash equivalents

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

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.

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.

2 Summary of significant accounting policies (continued)

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.

Losses are taken into account when foreseeable.

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 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

	2015	2014	
	USD	USD	
3 Furniture and equipment			
Furniture	3,997	8,929	
Office equipment	8,335	3,466	
	<u>12,332</u>	<u>12,395</u>	
	Office equipment	Furniture	Total
	USD	USD	USD
January 1, 2015			
Purchase value	56,604	38,550	95,154
Accumulated depreciation	(53,138)	(29,621)	(82,759)
Book value	<u>3,466</u>	<u>8,929</u>	<u>12,395</u>
Changes			
Additions	11,579	-	11,579
Depreciation expenses	(6,710)	(4,932)	(11,642)
	<u>4,869</u>	<u>(4,932)</u>	<u>(63)</u>
December 31, 2015			
Purchase value	68,182	38,549	106,731
Accumulated depreciation	(59,847)	(34,552)	(94,399)
Book value	<u>8,335</u>	<u>3,997</u>	<u>12,332</u>

	<u>2015</u>	<u>2014</u>
<i>Useful lives</i>		
Office equipment	3 – 5 years	3 – 5 years
Furniture	5 years	5 years
	<u>2015</u>	<u>2014</u>
	USD	USD
4 Financial fixed assets		
Investments	<u>15,657,277</u>	<u>15,346,533</u>
	<u>15,657,277</u>	<u>15,346,533</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>2015</u>	<u>2014</u>
	USD	USD
Net book value at 1 January	15,346,533	14,082,865
Net acquisitions and sales	1,044,095	1,223,640
Revaluations	(287,661)	600,705
Dividends received	189,461	206,724
Interest income	88,638	72,435
Gain/(loss) on foreign currency transactions	(619,548)	(717,291)
Trust Fund portfolio expenses	(104,241)	(122,545)
Balance at 31 December	<u>15,657,277</u>	<u>15,346,533</u>

Net acquisition and sales include funding from the Ministry of the Interior and Kingdom Relations € 750,000 and Dutch Postcode Lottery € 200,000.

	2015	2014
	USD	USD
5 Long-term receivables		
Essential operational support loan to STENAPA	97,962	97,962
Essential operational support loan to Nature Foundation	28,066	28,066
Emergency fund loan to Nature Foundation	36,097	36,097
Emergency fund loan to STENAPA	35,983	35,983
Emergency fund loan to Saba Conservation Foundation	31,000	31,000
	229,108	229,108

Long-term receivables concern loans granted to St. Eustatius National Parks Foundation, Nature Foundation and Saba Conservation Foundation for operational support. These loans have no maturity date and bear no interest. The parks involved will be to initiate repayment.

	2015	2014
	USD	USD
6 Cash and cash equivalents		
Rabobank	2,358,271	1,170,559
Maduro Curiel's bank	75,158	114,355
Paypal	3,312	2,941
	2,436,741	1,287,855

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.

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	2015	2014
	USD	USD
7 Receivables		
Earmarked grants receivables	58,925	84,464
Donations receivable	34,250	27,500
Prepayments	15,954	7,884
Deposits	4,500	4,500
Other receivables	865	2,174
Bank interest to be received	2,369	1,498
	<u>116,863</u>	<u>128,020</u>

8 Foundation's equity

Capital	56	56
General reserve	685,607	834,157
Trust Fund	14,864,350	14,437,365
	<u>15,550,013</u>	<u>15,271,578</u>

General reserve

Balance at 1 January	834,157	898,149
Addition/(release) from result current year	(148,550)	(63,992)
Balance at 31 December	<u>685,607</u>	<u>834,157</u>

Trust Fund

Balance at 1 January	14,437,365	13,050,395
Addition from result current year	426,985	1,386,970
Balance at 31 December	<u>14,864,350</u>	<u>14,437,365</u>

FOUNDATION DUTCH CARIBBEAN NATURE ALLIANCE
BONAIRE

	<u>Capital</u> USD	<u>General Reserve</u> USD	<u>Trust Fund</u> USD	<u>Total</u> USD
Balance as at January 1, 2014	56	898,149	13,050,395	13,948,600
Result for 2014	-	(63,992)	1,386,970	1,322,978
Balance as at December 31, 2014	<u>56</u>	<u>834,157</u>	<u>14,437,365</u>	<u>15,271,578</u>
Balance as at January 1, 2015	<u>56</u>	<u>834,157</u>	<u>14,437,365</u>	<u>15,271,578</u>
Result for 2015	-	(148,550)	426,985	278,435
Balance as at December 31, 2015	<u><u>56</u></u>	<u><u>685,607</u></u>	<u><u>14,864,350</u></u>	<u><u>15,550,013</u></u>

	2015	2014
	USD	USD
9 Deferred income		
Deferred income - Save our Sharks (NPL)	1,376,448	-
Deferred income - NetBiome	114,179	136,769
Deferred income - Ministry EZ (Research Liaison Assistant)	63,589	96,000
Deferred income - Vogelbescherming (VBN)	39,109	62,757
Deferred income - WNF (Saba Marine Conservation)	18,559	47,333
Deferred income - Ministry EZ (Dutch Caribbean Biodiversity)	27,902	27,902
Deferred income - Prins Bernhard Fund for Nature (PBNF)	6,692	12,291
Total deferred income	1,646,478	383,052

For details of the deferred income and projects overview, please refer to note 17 restricted project overview.

10 Other liabilities

BZK funds received in advance	1,024,802	1,140,120
Accrued expenses	232,447	181,831
Social security and wage tax payable	2,036	15,843
Vacation days payable	6,971	6,351
Payable to park management organizations	2,205	2,945
Wage tax payable	1,582	1,582
Credit Card	1,819	981
Wage payable	277	277
Pension Plan Payable	137	138
Other	4,382	1,675
	1,276,658	1,351,743

NOTES TO THE STATEMENT OF OPERATIONS

	2015	2014
	USD	USD
11 Grants		
Unrestricted Income – Dutch Postcode Lottery	548,154	690,180
Total Unrestricted Income	548,154	690,180
Restricted Income – Save our Sharks (NPL)	433,636	50,337
Restricted Income – Ministry EZ (Research Liaison Assistant)	32,411	35,811
Restricted Income – Vogelbescherming Nederland	23,648	25,764
Restricted Income – WNF (Saba Marine Conservation)	28,774	21,404
Restricted Income – Prins Bernard Natuur Fonds	5,599	3,423
Restricted Income – Ministry EZ (Dutch Caribbean Biodiversity database)	-	72
Restricted Income – NetBiome	22,590	43
Total Restricted Income	546,658	136,854
Total Grants	1,094,812	827,034

For details of the restricted income and projects overview, please refer to note 17 restricted project overview. Due to a currency exchange adjustment to the Save Our Sharks project, ‘grants’ do not fully reconcile with ‘funds spent 2015’ in note 17.

Grant BZK to Trust Fund

Of the funding support received from Ministry BZK, Euro 750,000 (USD 911,610) is earmarked for the Trust Fund. In 2015 DCNA received Euro 938,000 in advance for the year 2016.

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	2015	2014
	USD	USD
12 Net result on financial investments		
Revaluations	(287,661)	600,705
Dividends income	189,461	206,724
Interest income	110,299	72,435
Loss on foreign currency translations	(619,548)	(717,291)
Trust Fund portfolio expenses	(104,241)	(122,545)
	(711,690)	40,028

13 Secretariat expenses

Personnel expenses

Wages and salaries	89,658	86,737
Social security expenses	15,514	15,232
Pension plan	6,375	6,507
Other	8,049	9,318
	119,596	117,794

During the year 2015 the foundation had a maximum of 6 employees (2014: total employees 6). One full time employee is subsidized through a grant from The Ministry EZ.

Housing expenses

Rent	27,000	27,000
Utility expenses	4,610	758
	31,610	27,758

Administrative and general expenses

Accounting support	38,861	46,868
Office expenses	9,743	14,271
Communication expenses	5,675	5,252
Transportation	207	2,573
Other	3,883	3,841
	58,369	72,805

	<u>2015</u>	<u>2014</u>
	USD	USD
14 Activities		
G1: Fundraising and long-term funding		
Fundraising	39,604	34,990
Manage existing funders	244	212
Other expenses	259	-
Personnel expenses	21,349	21,962
	<u>61,456</u>	<u>57,164</u>
G2: Representation and communication expenses		
Communication – writing	15,874	7,425
Develop and produce communication materials	12,764	11,825
International representation expenses	2,457	2,264
Communication – film	1,023	8,641
Communication – copy editing	651	-
Promotion and representation	-	2,125
Communication – media	-	972
Communication – strategy	-	(124)
Personnel expenses	21,349	21,962
	<u>54,118</u>	<u>55,090</u>

	<u>2015</u>	<u>2014</u>
	USD	USD
G3: Capacity building expenses		
Save our Sharks	402,513	-
Saba Marine Conservation	28,774	21,403
Bird Conservation	21,556	28,284
Net Biome	22,590	43
Training and workshops	19,788	16,184
Management success	17,912	9,928
Management Plans	6,926	-
Conch Restoration Lac	572	582
Park guide books	5,598	3,443
Turtle Conservation	5,438	109
Nature Education	4,413	2,480
Legislation Handbook	1,827	-
GIS	1,592	3,673
Dutch Caribbean Biodiversity Database	-	72
Other	976	1,317
Personnel expenses	3,099	65,821
	<u>543,574</u>	<u>153,339</u>

15 Park Support expenses

Auditing services	132,067	133,822
Auditing Travel Expenses	10,836	13,358
Park Outreach Support	715	10,573
Park Uniforms	9,638	-
	<u>153,256</u>	<u>157,753</u>

16 Commitments and contingencies

Commitment Dutch Ministry of the Interior (BZK)

Under a grant agreement (*tijdelijke subsidieregeling IUCN NL ten behoeve van DCNA*) published in the Staatscourant 17th 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.

The Minister voor Bestuurlijke Vernieuwingen en Koninkrijksrelaties modified the grant agreement on 26th June 2013.

One of the conditions set by BZK for the 10 years subsidy is that the parks create a Trust Fund in which Euro 24 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 permit to do so.

From 2009 onwards BZK agreed that IUCN NL should deposit an amount of Euro 750,000 directly into DCNA's Rabobank Trust Fund account. The balance of funds to be deposited into DCNA's Secretariat Rabobank current account as non-earmarked funding.

On the 2nd of September 2011 The Ministry of Interior (BZK) announced its intention to reduce the amount of the subsidy by 1,5% for the remaining duration of the grant due to general austerity measures. For 2015, DCNA received 188.000 euro.

During the 2016 Board meetings, the Trust Fund Committee will advise the DCNA Board about the future of the Trust Fund. Taken into account the original goal of 24 million euro will not be met.

DCNA reports, via IUCN NL, yearly to the Dutch Ministry with:

- Technical and financial reports (Financial Statements and independent auditor's report) from the DCNA Secretariat and each of the participating park management organisations;
- Action plans and budgets for the year ahead from the DCNA Secretariat and each of the participating park management organisations.

16 Commitments and contingencies (continued)

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 is initially for a five-year period followed by a review and the amount of the funding award may vary from year to year. The Board of DCNA took the decision to allocate Euro 200,000 yearly to build the capital of the Trust Fund.

DCNA successfully passed the Dutch Postcode Lottery evaluation in 2012 and beneficiary status has been confirmed for a further period of five years.

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

Commitment Dutch Postcode Lottery – IUCN NL

In 2010 a joint special project application submitted by IUCN NL and DCNA was approved and provided funding for an ambitious ecosystem restoration project "We ARE the World". One component of this project provides STINAPA Bonaire with Euro 300,000 over three years to restore Queen Conch populations in Lac and to develop a sustainable fishery in the bay.

DCNA is responsible for project oversight and financial management. DCNA has been given discharge for all financial and technical reporting.

Commitment Dutch Postcode Lottery – Save Our Sharks Project

In 2014 a special project application 'Save Our Sharks' was submitted and approved in 2015. In order to create a 'safe haven' for sharks around the Dutch Caribbean, DCNA received Euro 1,662,550 for a three year project. DCNA is responsible for project oversight and financial management. DCNA reports annually to the Lottery submitting a technical and a financial report.

Commitment Vogelbescherming Nederland (VBN)

In 2008 VBN ran a fundraising campaign amongst their membership to provide funding support to the Dutch Caribbean for much needed bird conservation work. Since that time VBN has

16 Commitments and contingencies (continued)

continued to provide essential support to DCNA in the Netherlands as well as earmarked funding for region bird conservation efforts such as seabird and terrestrial bird monitoring, capacity building, development of outreach materials (ID cards, books) and educational materials and most recently co-funding to develop birding trails, implementing crowd source fundraising project and a data analysis workshop.

DCNA reports annually to Vogelbescherming with project reports and project financial reporting.

Commitment Ministry EZ

Since the constitutional change in October 2010, the Ministry EZ has acquired considerable legal obligations regarding nature conservation in the Dutch Caribbean. DCNA has worked closely with the Ministry since the establishment of the RCN on Bonaire. This collaboration resulted since 2012 in several contributions: Recently in December 2014 USD 97,000 for a new staff position of Research Liaison. The second of Euro 50,000 to support work on the content management of the Ministry financed 'Dutch Caribbean Biodiversity Database'.

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 to be earmarked for the implementation of a biodiversity-monitoring plan for the Dutch Caribbean.

Saba Marine Conservation

At the request of the Saba Conservation Foundation, DCNA submitted a proposal to the Wereld Natuur Fonds (WNF) for funding to hire an additional ranger for the Saba Marine Park. DCNA is responsible for the financial administration of the project as well as the project technical and financial reporting to WNF

Operating lease commitment

In December 2011 DCNA hired new office on Kaya Finlandia from Maria Gloria P.S. Apolinario at a cost of USD 2,250 per month up to the period of November 2016. A refundable deposit of USD 4,500 was paid at the beginning of the agreement. The DCNA Board will take a decision during 2016 about the prolongation of the current lease contract.

17 Restricted project overview

Funder – Project	Deferred income 2014 USD	Funds received 2015 USD	Funds to be received USD	Funds spent 2015 USD	Funds released 2015 USD	Deferred income 2015 USD
Dutch Postcode Lottery						
Save our Sharks	-	1,844,499	-	468,051	-	1,376,448
Vogelbescherming Nederland						
Bird Conservation Project	62,757	-	-	23,648	-	39,109
Prins Bernhard Nature Funds						
Park Guide Books	12,291	-	-	5,599	-	6,692
Net Biome	136,769	-	-	22,590	-	114,179
Ministry EZ						
Research Liaison Assistant	96,000	-	-	32,411	-	63,589
Ministry EZ						
Dutch Caribbean Biodiversity Database	27,902	-	-	-	-	27,902
Wereld Natuur Fonds						
Saba Marine Conservation	47,333	-	-	28,774	-	18,559
Total	383,052	1,844,499	-	581,073	-	1,646,478

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 2015.

This decision was captured in DCNA's Board approved Bylaws ver 007/2009 [Article 8.2]. The eventual division of funds from the Trust Fund (post 2016) is captured in Article 8.2.1.

Proposed appropriation of 2015 result

The 2015 result of USD 278,435 will be appropriated as follows:

	2015
	USD
Funds reserved for Trust Fund	426,985
Funds reserved for General Reserve	(148,550)
	<u>278,435</u>

Events after balance sheet date

There are no events after balance sheet date.

BALANCE SHEET AS AT DECEMBER 31, 2015 FOR TRUST FUND ONLY

A s s e t s

	<u>2015</u>	<u>2014</u>
	USD	USD
Financial fixed assets		
Investments	15,657,277	15,346,533
Interest to be received	20,828	2,462
Total assets	<u><u>15,678,105</u></u>	<u><u>15,348,995</u></u>

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

Equity

Funding	14,864,350	14,437,365
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Current liabilities

BZK funds received in advance	813,737	911,610
Other liabilities	18	20
Total equity and liabilities	<u><u>15,678,105</u></u>	<u><u>15,348,995</u></u>

STATEMENT OF OPERATIONS FOR THE YEAR 2015 FOR TRUST FUND ONLY

	<u>2015</u>	<u>2014</u>
	USD	USD
I n c o m e		
Grant BZK	911,610	1,032,450
Dutch Postcode Lottery	227,138	276,078
Interest income	-	3,001
Net result on financial investments	(711,690)	40,028
	<u>427,058</u>	<u>1,351,557</u>
Other financial income/(expenses)		
Bank costs	(73)	(141)
Loss on foreign currency transactions	-	35,554
	<u>426,985</u>	<u>1,386,970</u>

BALANCE SHEET AS AT DECEMBER 31, 2015 FOR SECRETARIAT ONLY

A s s e t s

	<u>2015</u>	<u>2014</u>
	USD	USD
Tangible Fixed Assets		
Furniture and equipment	12,332	12,395
Financial Fixed Assets		
Long-term receivables	<u>229,108</u>	<u>229,108</u>
	229,108	229,108
Current assets		
Cash and cash equivalents	2,436,741	1,287,855
Receivables	<u>116,863</u>	<u>130,482</u>
	2,553,604	1,418,337
Total assets	<u><u>2,795,044</u></u>	<u><u>17,006,373</u></u>

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

	<u>2015</u>	<u>2014</u>
	USD	USD
Foundation's equity		
Capital	56	56
General reserve	<u>685,607</u>	<u>834,157</u>
	685,663	834,213
Current liabilities		
Deferred income	1,646,478	383,052
Other liabilities	<u>462,903</u>	<u>1,351,743</u>
	2,109,381	1,734,795
Total equity and liabilities	<u><u>2,795,044</u></u>	<u><u>17,006,373</u></u>

STATEMENT OF OPERATIONS FOR THE YEAR 2015 FOR SECRETARIAT ONLY

	2015	2014
	USD	USD
R e v e n u e s		
Grants	867,674	827,034
Grant BZK for operations	228,511	280,728
Donations	6,750	7,500
	<u>1,102,935</u>	<u>2,187,740</u>
E x p e n s e s		
Governance expenses		
Governance	61,496	53,177
Secretariat expenses		
Personnel expenses	119,596	117,794
Housing expenses	31,610	27,758
Administrative and general expenses	58,296	72,805
Professional services	5,759	4,406
Office equipment	124	1,979
Depreciation	11,641	14,997
Activities		
G1: Fundraising and long-term funding	61,456	57,164
G2: Representation and communication	54,118	55,090
G3: Capacity building expenses	543,574	153,339
G4: Provide central repository	4,410	15,110
Park Support expenses	153,257	157,753
Ministry EZ/RCN Support	34,138	35,067
	<u>1,139,475</u>	<u>766,439</u>
Operating result (transfer)	(36,540)	1,421,301

STATEMENT OF OPERATIONS FOR THE YEAR 2015 FOR SECRETARIAT ONLY

	<u>2015</u>	<u>2014</u>
	USD	USD
Operating result (<i>transferred</i>)	(36,540)	1,421,301
Interest income	10,739	11,208
Gain on foreign currency transactions	(122,749)	(109,531)
Result for the year	<u>(148,550)</u>	<u>(63,992)</u>
Funds reserved for General Reserve	(148,550)	(63,992)

