Asociación Costa Rica por Siempre
(A Costa Rican Entity)

Financial Statements
December 31, 2022 and 2021

Together with the Independent Auditor's Report

Asociación Costa Rica por Siempre

Financial Statements
December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Executive Management of
Asociación Costa Rica por Siempre

Opinion

We have audited the accompanying financial statements of Asociación Costa Rica por Siempre ("the Association"), which comprise the statement of financial position as of December 31, 2022, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, including notes to the financial statements and a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2022, its financial performance and cash flows for the year then ended, in conformity with the International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities regarding such standards are described in the section titled *Auditor's responsibility regarding the audit of the financial statements* of our report. We are independent from the Association in accordance with article 9 of the Regulatory Law of Public Accountants Profession and the Creation of the Association of Public Accountants of Costa Rica (Act 1038), the Code of Professional Ethics of said association, and the Code of Ethics for Accounting Professionals of the International Ethics Standards Board for Accountants (IESBA), which apply to our audit of the financial statements. We have met all other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and those charged with Corporate Governance over the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is also responsible for assessing the Association's ability to continue as a going concern, disclosing matters related to the going concern as appropriate and using the going concern basis of accounting; except if Management intends to liquidate the Association or terminate its operations, or if there is no other realistic alternative but doing so.

Those charged with the Association's Management are responsible for overseeing the Association's financial reporting process.

To the Executive Management of
Asociación Costa Rica por Siempre

Auditor's responsibilities regarding the audit of the financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and issue an audit report including our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when one exists. Misstatements could be due to fraud or error, and are considered significant when, individually or as a whole, they could be expected to reasonably influence economic decisions made by its users based on these financial statements. As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. As auditors, we also:

- Identify and assess the risk of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to those risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of a material misstatement due to fraud going undetected is higher than one due to error, since fraud may involve collusion, forgery, intentional omissions, intentionally mistaken statements, or the circumvention of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are adequate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as going concern. If we conclude that there is material uncertainty, we are required to highlight in our audit report the corresponding disclosures in the financial statements or express a modified opinion if those disclosures are not appropriate. Our conclusions are based on audit evidence obtained as of the date of our audit report. Nevertheless, future events or conditions could cause the Association to not continue as a going concern.

To the Executive Management of
Asociación Costa Rica por Siempre

- We assessed the global presentation, structure, and content of the financial statements, including disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicated with those in charge of the Association's Management regarding the scope and timing of our audit and the significant findings, including any significant deficiencies in internal control that we identified during our audit.

March 22, 2023

Ernst & Young, S.A.

Jennifer Badilla Moore – CPA No. 6557
EPIC Corporate Center, 6th floor,
Escazú, Costa Rica

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Asociación Costa Rica por Siempre
Statement of Financial Position
As of December 31, 2022 and 2021

Amounts in US dollars

	Notes	**December 31, 2022**			December 31, 2021		
		Unrestricted	**Restricted**	**Total**	Unrestricted	Restricted	Total
ASSETS							
Current assets:							
Cash and cash equivalents	5	**$ 1,078,127**	**$ 1,683,944**	**$ 2,762,071**	$ 1,101,323	$ 5,501,316	$ 6,602,639
Investments in financial assets	6	**1,579,541**	**68,632,781**	**70,212,322**	1,718,738	72,752,739	74,471,477
Accumulated interest receivable	6.4	**16,819**	**331,821**	**348,640**	25,439	317,609	343,048
Accounts receivable from projects	7.1	**45,084**	**1,455,848**	**1,500,932**	98,661	1,009,034	1,107,695
Other accounts receivable		**19**	**-**	**19**	3,581	462	4,043
Prepaid expenses		**27,867**	**-**	**27,867**	33,078	-	33,078
Total current asset		**2,747,457**	**72,104,394**	**74,851,851**	2,980,820	79,581,160	82,561,980
Non-current assets:							
Furniture and equipment, net	8	**62,007**	**-**	**62,007**	69,718	-	69,718
Right-of-use assets	19	**94,404**	**-**	**94,404**	143,658	-	143,658
Investments in financial assets	6	**-**	**-**	**-**	-	1,000,000	1,000,000
Other financial assets		**4,943**	**-**	**4,943**	4,944	-	4,944
Total non-current assets		**161,354**	**-**	**161,354**	218,320	1,000,000	1,218,320
Total assets		**$ 2,908,811**	**$ 72,104,394**	**$ 75,013,205**	$ 3,199,140	$ 80,581,160	$ 83,780,300
NET ASSETS AND LIABILITIES							
Current liabilities:							
Accounts payable on projects	7.2	**$ 1,351,795**	**$ 155,637**	**$ 1,507,432**	$ 873,852	$ 237,799	$ 1,111,651
Trade accounts payable		**22,347**	**45**	**22,392**	31,114	113,403	144,517
Leases liabilities	19	**53,686**	**-**	**53,686**	47,980	-	47,980
Accrued expenses payable	9	**92,890**	**-**	**92,890**	72,312	-	72,312
Deferred income	10	**646,152**	**(646,152)**	**-**	1,279,635	(1,279,635)	-
Total current liabilities		**2,166,870**	**(490,470)**	**1,676,400**	2,304,893	(928,433)	1,376,460
Non-current liabilities:							
Lease liabilities	19	**54,645**	**-**	**54,645**	108,331	-	108,331
Total non-current liabilities		**54,645**	**-**	**54,645**	108,331	-	108,331
Total liabilities		**2,221,515**	**(490,470)**	**1,731,045**	2,413,224	(928,433)	1,484,791
Net assets:							
Accumulated surplus		**687,296**	**72,594,864**	**73,282,160**	817,796	81,509,593	82,327,389
Severance reserve		**-**	**-**	**-**	(31,880)	-	(31,880)
Total net assets		**687,296**	**72,594,864**	**73,282,160**	785,916	81,509,593	82,295,509
Total net assets and liabilities		**$ 2,908,811**	**$ 72,104,394**	**$ 75,013,025**	$ 3,199,140	$ 80,581,160	$ 83,780,300

See accompanying notes to the financial statements

Asociación Costa Rica por Siempre
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021

Amounts in US dollars

		December, 31 2022			December 31, 2021		
	Notes	**Unrestricted**	**Restricted**	**Total**	**Unrestricted**	**Restricted**	**Total**
INCOME							
Donations	11	$ -	$ 5,126,832	$ 5,126,832	$ -	$ 6,246,616	$ 6,246,616
Gains (losses) on fair value measurement of financial assets	12	-	(8,378,756)	(8,378,756)	-	5,650,015	5,650,015
Interest on investments in financial assets		32,823	1,337,990	1,370,813	57,297	1,155,145	1,212,442
Interest from cash and cash equivalents		1,488	4,265	5,753	952	5,829	6,781
Trust management services	13	1,071,754	(1,071,754)	-	1,019,609	(1,019,609)	-
Other income		73,793	(8,964)	64,829	175,112	20,884	195,996
Total income		1,179,858	(2,990,387)	(1,810,529)	1,252,970	12,058,880	13,311,850
PROJECT EXPENSES							
Expenses from projects approved by Trusts							
Expenses from projects approved by Fideicomiso Irrevocable	14.1	-	-	-	-	662,000	662,000
Expenses from projects approved by Canje I	14.2	-	523,952	523,952	-	503,882	503,882
Expenses from projects approved by Canje II	14.3	-	869,674	869,674	-	897,474	897,474
Program expenses							
Protected area program expenses	15	-	1,116,086	1,116,086	-	1,620,726	1,620,726
Economía Verde y Azul program expenses	16	-	2,948,350	2,948,350	-	1,411,714	1,411,714
Total project expenses		-	5,458,062	5,458,062	-	5,095,796	5,095,796
OPERATING EXPENSES							
Expenses related to Canje I	17.1	19,292	-	19,292	11,874	-	11,874
Expenses related to Canje II	17.2	44,943	-	44,943	34,369	-	34,369
Expenses related to Palo Verde		-	7,696	7,696	-	26,649	26,649
Employee salaries and benefits	18	788,462	315,353	1,103,815	797,600	313,935	1,111,535
Professional services		46,281	39,632	85,913	44,039	7,210	51,249
Advisory		57,629	-	57,629	50,916	-	50,916
National and international tours		16,139	-	16,139	17,303	-	17,303
Communication		53,198	-	53,198	45,427	-	45,427
Representation and response to inquiry expenses		2,248	-	2,248	7,663	-	7,663
Board of Directors meetings and annual tour		2,674	-	2,674	2,841	-	2,841
Fees for brokerage services		-	320,776	320,776	-	307,765	307,765
NET exchange differences		11,279	(219,329)	(208,050)	200	115,455	115,655
Low-value rentals		13,534	-	13,534	11,583	-	11,583
Fund raising		32,356	-	32,356	55,048	-	55,048
Depreciation	8	13,998	-	13,998	12,908	-	12,908
Subtotal operating expenses (continues in the next page)		$ 1,102,033	$ 464,128	$ 1,566,161	$ 1,091,771	$ 771,014	$ 1,862,785

See accompanying notes to the financial statements

Asociación Costa Rica por Siempre
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021

Amounts in US dollars

	Notes	December 31, 2022 Unrestricted	December 31, 2022 Restricted	December 31, 2022 Total	December 31, 2021 Unrestricted	December 31, 2021 Restricted	December 31, 2021 Total
Subtotal operating expenses (continued from previous page)		**$ 1,102,033**	**$ 464,128**	**$ 1,566,161**	$ 1,091,771	$ 1,394,062	$ 2,485,833
Depreciation of Right-of-use assets	19	**49,254**	**-**	**49,254**	43,838	-	43,838
Financial expenses		**14,259**	**742**	**15,001**	15,268	1,149	16,417
Other expenses		**112,932**	**1,410**	**114,342**	64,572	869	65,441
Total operating expenses		**1,278,478**	**466,280**	**1,744,758**	1,215,449	1,396,080	2,611,529
Total expenses		**1,278,478**	**5,924,342**	**7,202,820**	1,215,449	5,868,828	7,084,277
Surplus (deficit) for the year, net		**(98,620)**	**(8,914,729)**	**(9,013,349)**	37,521	6,190,052	6,227,573
Other comprehensive income		**-**	**-**	**-**	-	-	-
Total comprehensive income for the year		**$ (98,620)**	**$ (8,914,729)**	**$ (9,013,349)**	$ 37,521	$ 6,190,052	$ 6,227,573

Asociación Costa Rica por Siempre
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021

Amounts in US dollars

		Unrestricted						
	Notes	Accumulated surplus	Reserve for severance pay	Total unrestricted	Accumulated surplus	Restricted Financial instrument valuation	Total restricted	Total net assets
Net assets as of January 1, 2021		$ 714,109	$ 34,286	$ 748,395	$ 75,319,541	$ -	$ 75,319,541	$ 76,067,936
Total comprehensive income of the year:		37,521	-	37,521	6,190,052	-	6,190,052	6,227,573
Severance reserve transfers		66,166	(66,166)	-	-	-	-	-
Net assets as of December 31, 2021		817,796	(31,880)	785,916	81,509,593	-	81,509,593	82,295,509
Total comprehensive income of the year:		**(98,620)**	**-**	**(98,620)**	**(8,914,729)**	**-**	**(8,914,729)**	**(9,013,349)**
Severance reserve transfers		**(31,880)**	**31,880**	**-**	**-**	**-**	**-**	**-**
Net assets as of December 31, 2022		**$ 687,296**	**$ -**	**$ 687,296**	**$ 72,594,864**	**$ -**	**$ 72,594,864**	**$ 73,282,160**

See accompanying notes to the financial statements

Asociación Costa Rica por Siempre
Statements of Cash Flows
For the years ended December 31, 2022 and 2021

Amounts in US dollars

	Notes	December 31, 2022 Unrestricted	December 31, 2022 Restricted	December 31, 2022 Total	December 31, 2021 Unrestricted	December 31, 2021 Restricted	December 31, 2021 Total
Cash flows from operating activities:							
Net (deficit) surplus for the year		$ **(98,620)**	$ **(8,914,729)**	$ **(9,013,349)**	$ 37,520	$ 6,190,052	$ 6,227,572
Adjustments for:							
(Losses) gains from financial assets measured at fair value	12	**-**	**8,378,756**	**8,378,756**	-	(5,650,015)	(5,650,015)
Revenue from third-party donations	11	**-**	**(3,738,546)**	**(3,738,546)**	-	(4,187,775)	(4,187,775)
Interest income		**(34,311)**	**(1,376,566)**	**(1,376,566)**	(58,249)	(1,160,974)	(1,219,223)
Depreciation furniture and equipment	8	**16,298**	**-**	**16,298**	12,908	-	12,908
Depreciation expense of right-of-use assets	19	**49,254**	**-**	**49,254**	43,838	-	43,838
Interest expense from lease	19	**11,454**	**-**	**11,454**	12,632	-	12,632
		(55,925)	**(5,616,774)**	**(5,672,699)**	48,649	(4,808,712)	(4,737,042)
Changes in:							
Accounts receivable from projects		**53,577**	**(446,814)**	**(393,237)**	17,255	(698,401)	(681,146)
Other accounts receivable		**12,182**	**(13,750)**	**(1,568)**	(27,431)	(107,370)	(134,801)
Prepaid Expenses		**5,211**	**-**	**5,211**	(10,489)	-	(10,489)
Accounts payable on projects		**477,943**	**(82,162)**	**395,781**	737,798	(54,954)	682,844
Trade accounts payable		**(8,767)**	**(113,358)**	**(122,125)**	9,585	90,922	100,507
Accrued expenses payable		**20,616**	**-**	**20,616**	20,115	-	20,115
Deferred income		**(633,483)**	**633,483**	**-**	233,692	(233,692)	-
Third-party donations	11	**-**	**3,738,546**	**3,738,546**	-	4,187,775	4,187,775
Interest received		**34,311**	**1,342,255**	**1,376,566**	58,249	1,160,974	1,219,223
Cash flows provided by (used in) operating activities		**(94,335)**	**(558,574)**	**(652,909)**	1,087,423	(463,458)	623,965
Cash flows from investment activities:							
Investments in financial instruments		**139,197**	**(3,258,798)**	**(3,119,601)**	(1,299,014)	2,145,093	846,079
Additions of furniture and equipment	8	**(8,624)**	**-**	**(8,624)**	(51,623)	-	(51,623)
Cash flows provided by (used in) investment activities		**130,573**	**(3,258,798)**	**(3,128,225)**	(1,350,637)	2,145,093	794,456
Cash flows from financing activities:							
Lease obligation payments	19	**(59,434)**	**-**	**(59,434)**	$ (58,127)	-	(58,127)
Cash flows used in financing activities		**(59,434)**	**-**	**(59,434)**	$ (58,127)	-	(58,127)
Go to the next page		$ **(23,196)**	$ **(3,817,372)**	$ **(3,840,568)**	$ (321,341)	$ 1,681,635	$ 1,360,294

See accompanying notes to the financial statements

Asociación Costa Rica por Siempre
Statements of Cash Flows
For the years ended December 31, 2022 and 2021

Amounts in US dollars

	Notes	December 31, 2022			December 31, 2021		
		Unrestricted	**Restricted**	**Total**	Unrestricted	Restricted	Total
Continued from previous page		**$ (23,196)**	**$ (3,817,372)**	**$ (3,840,568)**	$ (321,341)	$ 1,681,635	$ 1,360,294
Net (decrease) increase in cash and cash equivalents		**(23,196)**	**(3,817,372)**	**(3,840,568)**	(321,341)	1,681,635	1,360,294
Cash and cash equivalents at the beginning of the year		**1,101,323**	**5,501,316**	**6,602,639**	1,422,664	3,819,681	5,242,345
Cash and cash equivalents at year end	5	**$ 1,078,127**	**$ 1,683,944**	**$ 2,762,071**	$ 1,101,323	$ 5,501,316	$ 6,602,639
Transactions that did not require cash:							
Transfer to reserve for severance payment		**$ 31,880**	**$ -**	**$ 31,880**	$ (66,166)	$ -	$ (66,166)

Amounts in US dollars

1. Corporate Information

Asociación Costa Rica por Siempre as the reporting entity

Asociación Costa Rica por Siempre ("the Association") is an entity incorporated on November 2, 2009 per the laws of the Republic of Costa Rica. The Association is a non-profitable entity that manages the public-private conservation initiative developed by the Costa Rican Government and its associates The Nature Conservancy, Linden Trust for Conservation, and Gordon & Betty Moore Foundation. Its main objective is to consolidate an ecologically representative system of protected marine and land areas, efficiently managed and financed by a stable source, that allows Costa Rica to be the first developing country to fulfill the goals of the Work on Protected Areas of the Convention on Biological Diversity of the United Nations. The Association's legal address is San José, Northern Sabana, Torre Sabana building, 5th floor.

As the reporting entity, the Association records its transactions in these financial statements separately from the transactions of Fideicomiso Irrevocable Costa Rica por Siempre, Fideicomiso para la Inversión y Administración de Fondos para la Ejecución del FCA-ACRXS-BCT-2011 ("Canje II"), and Fideicomiso de Inversión y Administración de Fondos para la Ejecución del FCA ACRXS BAC Dos Mil Dieciocho ("Canje I") (jointly "the Trusts").

Fideicomiso Irrevocable Costa Rica por Siempre ("Fideicomiso Irrevocable or Irrevocable Trust")

Fideicomiso Irrevocable Costa Rica por Siempre was created on July 27, 2010 by the Linden Trust for Conservation (Founding Trustor), an entity incorporated, organized, and existing under the laws of the United States of America; Asociación Conservación de la Naturaleza (TNC) (Founding Trustor), an entity incorporated, organized, and existing under the laws of the Republic of Costa Rica, and Asociación Costa Rica por Siempre (Trustee). As defined in the monitoring and execution plan, the objective is that Costa Rica fulfills the goals of the Work Program on Protected Areas of the Convention on Biological Diversity of the United Nations by consolidating an ecologically representative system of protected marine, land, and freshwater areas that is resilient to global climate change, managed efficiently, and financially stable in the long term.

Trust funds are composed of contributions made by founding trustors, contributions made by successive trustors, and interest or returns generated by such funds. Trust funds will be held in custody and managed by the trustee and cannot be used for purposes other than those set forth in the Irrevocable Trust.

The Trustee must identify the trust funds in a separate and independent way in an endowment fund composed of the funds used for covering the recurring expenses incurred for protected areas and in an amortization fund composed of the funds used for covering project initiation expenses.

Fideicomiso de Inversión y Administración de Fondos para la Ejecución del FCA ACRXS BAC Dos Mil Dieciocho ("Canje I")

Canje I is an agreement whereby Costa Rica, a developing country that has debt with the United States, agreed, in exchange for the settlement of a portion of its external debt, to create a fund to finance projects that help conserve tropical forests.

Canje I was signed on September 13, 2007 to invest these funds in 6 prioritized geographic areas: Osa, La Amistad, Tortuguero, Maquenque, Northeast area of Rincón de la Vieja, and Nicoya. These funds will be used for tropical forest conservation activities in Costa Rica. To achieve this, sustainable development, promotion of conservation, local development, and reasonable use of natural resources for local communities are essential principles to consider.

For the signing of this forest conservation agreement, the Association assumed the management of Canje I as of June 14, 2017. Prior to this date, Management was handled by INBIO.

Fideicomiso para la Inversión y Administración de Fondos para la Ejecución del FCA-ACRXS-BCT-2011 ("Canje II")

Canje II is an agreement whereby Costa Rica, a developing country that has debt with the United States, agreed, in exchange for the settlement of a portion of its external debt, to create a fund to finance projects that help conserve tropical forests.

Canje II was signed in 2010 to finance the consolidation of wild areas of the National System of Conservation Areas (SINAC in Spanish), prioritized in the Costa Rica por Siempre Program, under the agreements made by the Costa Rican Government in the Convention on Biological Diversity (CBD) of the United Nations.

Presentation and approval of the financial statements

In its financial statements, the Association classifies as "restricted" all funds received from donors with restriction of use due to the agreements signed. The other resources are classified as "unrestricted."

The Association's financial statements as of December 31, 2022 were authorized for issue by Executive Management on March 22, 2023.

2. Basis for preparation of financial statements

2.1 Statement of Compliance

The financial statements of the Association as of December 31, 2022 and 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements are a translation of the report originally issued in Spanish. In the case of any discrepancy between the Spanish version and the English version, the Spanish version prevails.

2.2 Basis of valuation and presentation currency

The financial statements of the Association as of December 31, 2022 and 2021 were prepared on the historical cost basis except for certain items that have been measured under the valuation methods detailed in note 4. The functional and presentation currency of the financial statements is the US dollar ($ or US$).

3. Changes in accounting policies and disclosures

The accounting policies adopted by the Association to prepare its financial statements as of December 31, 2022, are consistent with those that were used for the preparation of the financial statements as of December 31, 2021.

Other amendments and interpretations were applied for the first time in 2022 but did not significantly impact the Association's financial statements. These amendments and new interpretations have required certain additional disclosures, and in some cases, the revision of certain accounting policies. The Association has not early adopted any issued standard, interpretation, or amendment that is not yet effective.

References to the conceptual framework - Amendments to IFRS 3
The amendments replace a reference to a previous version of the *Conceptual Framework* with a reference to the current version issued in March 2018, without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the problem of potential “day 2” gains or losses of arising from liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Provisions and Contingent Assets* or IFRIC 21 *Liens* if separately incurred. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, instead of the *Conceptual Framework*, to determine whether an obligation exists on the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that the contingent assets do not qualify for recognition on the acquisition date.

According to the transitional provisions, an entity applies the amendments prospectively, i.e., to business combinations that occur after the start of the current year being reported where the modifications apply for the first time (the initial application date).

Property, plant and equipment: Income before the intended use - Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of items produced while bringing that asset to the location and condition necessary to operate in the manner intended by management. Instead, an entity recognizes revenues from the sale of such items and their production in the period’s profit or loss.

According to transitional provisions, an entity applies the amendments retroactively only to elements of property plant and equipment available for use as of the start of the first year reported when an entity applies the amendment for the first time (the initial application date).

Onerous contracts – Costs from contract compliance - Amendments to IAS 37
An onerous contract is a contract where the inevitable costs of meeting the contractual obligations (i.e., the costs that an entity cannot avoid because of the contract) exceed the economic benefits it expects to receive in connection with said contract.

The amendments specify that while assessing whether a contract is onerous or loss-making, an entity must include the costs directly related to a contract to provide goods or services, including incremental costs (e.g., direct labor costs and materials) and an allocation of costs directly related to the contract's activities (e.g., depreciation of the equipment used to fulfill the contract and contract manage and oversight costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly attributable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on January 1, 2022.

IFRS 1 First-time Adoption of International Financial Reporting Standards– Subsidiary as first-time adopter

The amendment allows a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination through which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on January 1, 2022, with earlier adoption permitted.

IFRS 9 Financial instruments: Commissions for the 10-percent test to derecognize financial liability accounts

The amendment clarifies the commissions that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These commissions include only those paid or received by the borrower and the lender, including commissions paid or received by either the borrower or lender on the other's behalf. A similar amendment has not been proposed for IAS 39 Financial Instruments: Recognition and Measurement.

According to the transitional provisions, an entity applies the amendment to the financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the initial application date).

IAS 41 Agriculture - Tax in fair value measurements

The amendment eliminates the requirement in paragraph 22 of IAS 41, which states that the entities should exclude tax cash flows when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period that begins on January 1, 2022, with early adoption permitted.

4. Summary of Significant Accounting Policies

4.1 Currency and Foreign Currency Transactions

4.1.1 Functional and presentation currency of financial statements

The legal tender of Costa Rica is the Costa Rican Colon (¢). However, the Association adopted the US Dollar ($ or US$) as the functional and presentation currency of its financial statements, since it better reflects its events and transactions.

It adopted the US Dollar as its functional currency because a significant portion of investments in financial assets is in US Dollars, and cash flows of regular operating activities are usually in US Dollars to be later used in this currency.

Given that the Association's accounting records are in Colones per the Costa Rican regulations and that it adopted the US Dollar as functional currency, the conversion of Colones into US Dollars was conducted as follows: a) monetary assets and liabilities were converted using the exchange rate in effect as of the date of the statement of financial position; b) non-monetary assets and liabilities and equity, measured at historical cost, were converted using the exchange rate in effect as of the date of the original transaction; and c) items of the statement of comprehensive income were converted into Dollars using the exchange rate that represent the amounts existing as of the dates of the transactions, except for items related to non-monetary items converted using the exchange rate in effect as of the date of the original transaction. The remaining monetary effect after the application of these conversion procedures is recognized in the exchange differential line in the results of the year.

4.1.2 Foreign currency transactions

Transactions in foreign currency, any currency other than the functional currency, are recorded at the exchange rate ruling on the transaction date.

In determining its financial situation and income, the Association appraises and adjusts its assets and liabilities denominated in foreign currencies at the exchange rate ruling on the date of this valuation and determination. Exchange differences that may result from the application of these procedures are recognized in the results of the year in which they occur.

4.2 Current and non-current classification

The Association records assets and liabilities in the statement of financial position based on current/non-current classification.
An asset is classified as current when the Association expects to realize the asset or has the intention to sell or consume it in the normal operating cycle; when it is held primarily for the purpose of trading; when it is expected to be realized within twelve months after the reporting period; and when the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
The Association classifies the rest of its assets as non-current.

A liability is classified as current when the Association expects to settle the liability in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period, or when there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
The Association classifies all other liabilities as non-current.

4.3 Cash and cash equivalents

Cash and instruments reflected in the statement of financial position include cash at banks and highly liquid, short-term instruments with a maturity of three months or less, which are easily convertible into a known amount of cash and are exposed to a minimum risk of changes in value.

Financial assets are measured at fair value with changes in profit or loss on the reporting date, without deducting transaction costs that may be incurred in their sale or disposal.

For the cash flow statements, cash on hand and cash equivalents are cash on hand and short-term deposits as aforementioned, net of bank overdrafts since they were considered an integral part of the Association's cash management.

4.4 Financial Instruments

A financial instrument is any contract that recognizes a financial asset at one entity, and a financial liability or equity instrument at another entity.

The valuation of the Association's financial instruments is determined using the fair value or amortized cost, as defined below:

Fair value – The fair value of a financial instrument negotiated in an organized financial market is determined using as reference the prices quoted in that financial market for negotiations performed as of the date of the statement of financial position. For financial instruments for which there is no active financial market, the fair value is determined using valuation techniques. These techniques include recent market transactions between interested, fully informed parties who act independently; references to the fair value of another substantially similar financial instrument; and discounted cash flows or other valuation models.

All assets and liabilities measured at fair value or which the Association discloses at fair value are classified within the following fair value hierarchy. This classification is based on the least amount of information used to determine this value, and which is significant to determine the fair value taken as a whole. The fair value hierarchy is comprised of the following three levels:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.

- Level 2: Measurement techniques where the lowest level of information used to measure fair value is directly or indirectly observable.

- Level 3: Measurement techniques in which the lowest level of information used for the fair value measurement is not observable.

The nature of the fair value estimates is subjective and involves uncertain aspects and Management's judgment; therefore, these amounts are not determined with absolute precision. Consequently, should there be changes in the assumptions on which estimates are based, these could differ from final results.

Amortized cost - Amortized cost is calculated using the effective interest method less any allowance for impairment. The calculation takes into consideration any award or discount in the acquisition and includes the transaction costs and fees which are an integral part of the effective interest rate.

4.5 Financial assets

4.5.1 Initial recognition and measurement of financial assets

The Association initially classifies its financial assets based on the method through which they will be subsequently measured: at amortized cost, at fair value through changes in other comprehensive income, or at fair value through changes in profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows and the Association's business model for their management. Except for accounts receivable with no significant financing component or for which the Association has applied the practical resource, the Association initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not measured at fair value with changes in results. Accounts receivable with no significant financing components or for which the Association has applied the practical expedient are measured at the transaction price as determined in IFRS 15.

For a financial asset to be classified and measured at amortized cost or fair value in other comprehensive income, it must generate cash flows that are principal and interest payments only (the SPPI criterion) on the principal owed. This is the SPPI assessment performed at the instrument level. Financial assets generating cash flows other than SPPI are classified and measured at fair value through profit or loss, regardless of the business model.

The Association's business model to manage financial assets refers to the method to manage its financial assets and generate cash flows. The business model determines whether the cash flows will be obtained from the collection of contractual cash flows, from the sale of the financial assets or both.

Purchases or sales of financial assets that require the delivery of assets within a term established by regulations or by a covenant in the market (regular business transactions) are recognized on the negotiation date, i.e., the date on which the Association agrees to buy or sell the financial asset.

Financial assets recorded at amortized cost

Financial assets are measured at amortized cost at the beginning when the following conditions are met: (a) financial assets are maintained within a business model whose objective is to obtain contractual cash flows and (b) the contractual terms of financial assets establish specific deadlines for cash flows derived only from payments to principal and interests of effective balance.

Financial assets at fair value through changes in other comprehensive income

Financial assets are designated at fair value with changes in other comprehensive income when the following conditions are met: (a) financial assets are held within a business model whose objective is to obtain contractual cash flows from the sale of the financial asset; and (b) the contractual terms of financial assets establish specific deadlines for cash flows derived only from payments to principal and interests of effective balance.

Financial assets at fair value through changes in profit or loss
The remaining financial assets that do not classify into any of the categories previously mentioned are designated through fair value with changes in results. In addition, on initial recognition of a financial asset, the Association can irrevocably designate a financial asset that meets the measurement requirements of the categories previously mentioned, measured at fair value with changes in results, if doing so removes or significantly reduces an accounting mismatch that could otherwise arise.

4.5.2 Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Financial assets recorded at amortized cost
After initial recognition, these financial assets are recorded at amortized cost using the effective interest method less a credit loss allowance. Gains or losses are recognized in results when financial assets are derecognized, amended, or impaired, as well as through the amortization process. Financial assets of the Association measured at amortized cost are represented by investments in certificates of deposit at fixed term and accounts receivable for which the business model defined by the Association consists of recovering the principal and its interests.

Financial assets at fair value through changes in profit or loss
A financial asset gain or loss that is measured at fair value with changes in results from its initial classification is recognized in the results of the period. The Association’s financial assets at fair value through changes in profit or loss are represented by investments in foreign and local financial institutions, consisting of bonds, shares, and alternative instruments, as well as investment funds in the Costa Rican market, on which the management model defined by the Association's Management holds the instruments to negotiate.

4.5.3 Impairment of financial assets
The Association recognizes an allowance for expected credit losses for the financial assets recorded at amortized cost. The expected credit losses are based on the difference between the contractual cash flows owed in the contract and all the cash flows that the Association expects to receive, discounted at an approximation to the effective interest rate. The expected cash flows will include the sales of the guarantees held or other improvements to the credit conditions essential for the contract conditions.

For the debt instruments, the allowance for expected credit losses is based on the asset term. The analysis of such losses is carried out by the Association at the end of each reporting period, considering whether the risk of deterioration has increased significantly since the initial recognition. The Association uses a simplified method to calculate the expected credit losses in accounts receivable. Therefore, the Association does not follow up on the changes in credit risk but instead recognizes an adjustment based on the experience of expected credit losses as of the date of its financial statements.

4.5.4 Derecognition of financial assets
Financial assets are derecognized by the Association when the rights to receive cash flows from the asset have expired, or when the financial asset is transferred along with its inherent risks and benefits and contractual rights to receive cash flows from the asset are surrendered, or when the Association retains the contractual rights to receive cash flows and assumes the obligation to pay them to one or more parties.

4.5.5 Financial income

Income from financial instruments is recognized in relation to the time elapsed, calculated over the average monthly balances for the invested principal, applying the effective interest method. Interest income is included in financial income of the comprehensive income statement.

4.6 Financial liabilities

4.6.1 Initial recognition and measurement

Financial liabilities are classified as of their initial recognition as financial liabilities at fair value through profit or loss, notes and loans payable, accounts payable and derivative financial instruments designated as hedging instruments in an effective hedge, as appropriate. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities initially recognized at fair value on the date of acceptance or contracting of the liability, plus, in the case of notes and loans payable, directly attributable transaction costs. The Association's financial liabilities include accounts payable and other accrued expenses payable.

4.6.2 Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through with changes in results

Financial liabilities at fair value through profit or loss include financial liabilities held for trading acquired for the purpose of selling in the near term. The gains or losses that may result from the negotiation of these financial liabilities are recognized in the results of the year in which they occur.

Other accounts and accrued expenses payable

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. The Association recognizes gains or losses in the income statement when the financial liability is derecognized as well as through the amortization process.

4.6.3 Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation has been paid, canceled, or expires. When a financial liability is replaced by another, the Association derecognizes the original and recognizes a new financial liability. Differences that may result from these financial liability replacements are recognized in the income of the year when they are incurred.

4.6.4 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to liquidate them for the net amount or to realize the assets and settle the liabilities simultaneously.

4.7 Furniture and equipment

After initial recognition, furniture and equipment are recorded at acquisition cost less accumulated depreciation, and accumulated impairment losses, if any. These costs include the cost to replace components of furniture and equipment when such cost is incurred, if it meets the criteria for recognition. Depreciation and disbursements for repair and maintenance that do not meet the conditions for recognition as assets and depreciation are recognized as expenses in the year in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of each type of asset. The residual value of depreciable assets, estimated useful life, and depreciation methods are reviewed annually by Management and are adjusted when relevant, at the end of each financial year.

A breakdown of estimated useful lives is shown below:

	Estimated useful life
Computer equipment	5 years
Office furniture	10 years
Vehicles	10 years

A component of furniture and equipment is written off when it is sold or when the Association no longer expects future benefits from its use. Any loss or gain from the asset’s disposal, calculated as the difference between the net carrying amount and the sales proceeds, is recognized in the results of the year in which the transaction occurs.

4.8 Impairment of non-financial assets

The Association assesses the carrying amounts of non-financial assets at each reporting date to determine deductions in value when events or circumstances indicate that recorded values may not be recovered. If any indication exists, and the carrying amount exceeds the recoverable amount, the Association measures the assets or cash-generating units at their recoverable amounts, defined as the higher of fair value less costs to sell and its value in use. Resulting adjustments are recorded in the results of the year in which they are determined.

For non-financial assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Association re-estimates the asset’s recoverable amount and if necessary, reverses the loss increasing the asset until its new recoverable amount, which will not exceed the asset’s net carrying amount prior to recognizing the original impairment loss, recognizing the credit in the year's income statement.

4.9 Revenue recognition

Ordinary revenues from agreements with donors or related parties (the Trusts) are recognized when the Association transfers the control of the services for an amount that reflects the consideration to which the Association expects to be entitled in exchange for such services. The Association has concluded that it acts as the main party in revenue agreements.

4.9.1 Revenues from donations

Donations are either recognized as income when they are received, in case they are not subject to a performance obligation that the Association should fulfill subsequently,

4.9.2 Revenue from administrative services

The Association recognizes the revenue from the administrative services rendered to the Trusts over time since they simultaneously receive and consume the benefits provided by the Association. Taking into consideration the joint submission from the Association and the Trusts of these financial statements, the revenue from administrative services for the Association and the corresponding expenses for the Trusts are in the same line of the income statement.

4.10 Cost and expense recognition

Costs and expenses are recognized in the statement of comprehensive income when incurred.

4.11 Benefits for termination of employment contracts

Compensations accrued as credit for the Association's employees, according to the provisions of the Costa Rican Labor Code, may be requested in case of death, retirement, or unjustified dismissal. Compensation is determined as 8.33% of average salaries earned by the employee during the last 6 months worked for each year of service, for a maximum of 8 years. The Association allocates 3% of monthly paid salaries to the Complementary Pension Fund.

Every month, the Association transfers US$1,667 from its accumulated surplus to the severance reserve to support any amount in excess that must be paid as severance, including transferred amounts and the severance calculated on the above employment rights. For each severance, the Association reverses the amount of the reserve and recognizes it as an expense of the year when incurred.

4.12 Leases

At the beginning of the contract, the Association determines whether the contract is or contains a lease, i.e., if the contract includes the right to control the use of an asset identified during a period in exchange of an economic consideration.

4.12.1 Association as lessee

The Association applies a unique recognition and measurement approach for all leases, except for short-term leases and leases for low-value assets. The Association recognizes lease liabilities to pay for leases and rights from using underlying assets.

Right-of-use assets:

The Association recognizes right-of-use assets as of the date of start of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment loss and are adjusted for any new measurement of lease liabilities.

The cost of assets from the right of use includes the recognized lease liabilities, initial direct costs incurred, and lease payments made on the start date or before the lease, less the received lease discounts. Right-of-use assets are depreciated through the straight-line method during the shortest term between the lease and the estimated useful life of assets. As of December 31, 2022, the Association has a 4-year lease contract for a part of a building.

If the ownership of the leased asset is transferred to the Association as of the end of the lease term or if the cost of the asset from the right of use shows that the lessee has a purchase option, the Association will depreciate the asset from its starting date to the end of the useful life of the underlying asset.

Lease liabilities

As of the date of start of the lease, the Association recognizes lease liabilities measured at the present value of lease payments to be realized during the lease term. The lease payments include fixed payments less any incentive of leases receivable, variable lease payments less any incentive from leases receivable, variable lease payments relying on an index or rate, and amounts payable for the guarantees of residual value. They also include the purchase option price that is reasonably certain to be exercised by the Association and the payments of fines for terminating the lease (if the lease term shows that the Association executes the cancellation option).

Variable lease payments that are not dependent on an index or rate are recognized as expenses (unless incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Association uses its incremental borrowing rate on the lease as of the contract commencement date because the interest rate implicit in the lease is not easily determinable. After the start date, the amount of the lease liabilities increases to show the interest accrual and is reduced by the lease payments made. In addition, the carrying amount of lease liabilities is measured again if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the evaluation of an option to purchase the underlying asset.

Short-term leases and leases for low value assets

The Association applies the exemption to recognize short-term leases in the short-term lease of low-value equipment (i.e., those leases with a 12-month leasing term or less from the start date and do not include a purchase option). Low-value assets are recognized as expenses over the term of the lease.

4.13 Income tax

In accordance with the non-profit nature of the Association and the Trusts, it is not subject to the income tax payment in accordance with the Costa Rican tax legislation.

4.14 Significant accounting judgments, estimates and assumptions

The preparation of the Association's financial statements requires Management to conduct estimates, judgments, and assumptions affecting the reported figures of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities as of the reporting date. Given the implicit uncertainty of these estimates and assumptions, adjustments affecting the disclosed amounts of assets and liabilities may be required in the future.

In the process of applying its accounting policies, the Association has considered the following relevant judgments, estimates or assumptions:

Determination of the lease term of contracts with renewal and termination options - Association as lessee

The Association determines the lease term as the non-cancellable lease period, along with any period covered by a lease extension option if it is reasonably certain that the option will be used, or any period covered by the lease termination option, if it is reasonably certain that the option will not be used.

4.15 Standards issued that have not yet entered into effect

The International Financial Reporting Standards or their interpretations and amendments issued but not yet effective as of the reporting date of financial statements are described below: The standards or interpretations and amendments described are only those that, per Management's opinion, may have a significant effect on the Association's disclosures, position, or financial performance when they are applied on a future date. The Association intends to adopt these new and modified standards and interpretations, if applicable, when they enter into effect.

Amounts in US dollars

Definition of Accounting Estimates – Amendments to IAS 8
In February 2021, IABS made amendments to IAS 8 to introduce a definition of "accounting estimates." The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and error correction. They also clarify how entities use measuring techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur in or after the start of that period. Early adoption is permitted as long this fact is disclosed.

Disclosure of accounting policies - Amendments to IAS 1 and Practice Document N°2 - In February 2021, IASB issued amendments to IAS 1 as well as Practice Document N˚ 2 *Judgments on Materiality or Relative Importance*, which provide orientation and examples to help entities to apply judgments on materiality on the accounting policies disclosures. Amendments are intended to help entities disclose accounting policies that would be more useful when replacing the requirements that the entities disclose their "significant" accounting policies for a requirement to reveal their "material" accounting policies and add guidance on how the entities apply the concept of materiality in the decision-making on accounting policies disclosures.

Amendments to IAS 1 are applicable for annual periods beginning on January 1, 2023; early adoption is allowed. Since amendments to Practice Document N˚ 2 provide non-mandatory orientation on the application of the definition of materiality in accounting policies information, an effective date for these amendments is not necessary.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12
In May 2021, the International Accounting Standards Board issued amendments to IAS 12 that reduce the scope of the exception to the initial recognition under IAS 12. This implies that said exception is not applicable to transactions that result in taxable temporary differences that are deductible for equal amounts.

The amendments must be applied to transactions that occur on or after the start of the first comparative period presented. Additionally, at the start of the first comparative period presented, a deferred tax asset must be recognized (as long as there are sufficient tax gains) along with a deferred tax liability for all of the deducible and taxable temporary differences associated with leases and dismantling obligations.

The amendments are applicable for annual periods beginning on January 1, 2023.

IFRS 17 Insurance contracts
In May 2017, IASB issued IFRS 17, an integrated accounting standard for insurance contracts that comprises its recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 general objective is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Compared to IFRS 4 requirements, which are heavily based on the expansion of previous local accounting policies, IFRS 17 offers a comprehensive model for insurance contracts that covers all relevant accounting matters.

The core of IFRS 17 is the general model, supplemented by:

- An specific adaptation of contracts with characteristics of direct participation (variable rate approach).
- A simplified approach (premium assignation approach) mainly for short-term contracts.

IFRS 17 is effective for financial statement reporting periods beginning on or after January 1, 2023, and comparative figures are required. Early adoption is permitted, as long as the entity may apply IFRS 9 and IFRS 15 on or before the date of the first application of IFRS 17.

5. Cash and cash equivalents

Cash at banks is composed of funds held in separate bank accounts. A portion of cash is restricted and can only be used for disbursements of agreements or contracts signed by the Association and international entities and institutions (donors).

Cash and cash equivalents are as follows:

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
General petty cash	**$ 252**	**$ -**	**$ 252**
Cash at banks	**1,077,875**	**1,608,944**	**2,686,819**
	1,078,127	**1,608,944**	**2,687,071**
Investments in financial assets at amortized cost	**-**	**75,000**	**75,000**
	$ 1,078,127	**$ 1,683,944**	**$ 2,762,071**

	December 31, 2021		
	Unrestricted	Restricted	Total
General petty cash	$ 235	$ -	$ 235
Cash at banks	682,295	4,005,316	4,687,611
	682,530	4,005,316	4,687,846
Investments in financial assets at amortized cost	418,793	1,496,000	1,914,793
	$ 1,101,323	$ 5,501,316	$ 6,602,639

Cash deposited in bank accounts earns interest based on daily rates determined by the corresponding banks.

As of December 31, 2022 and 2021, investments in financial assets at amortized cost are composed of certificates of deposit with an initial maturity date of 3 months. These certificates are in US Dollars and accrued an annual 3% interest rate for 2022, and an annual 1% interest rate for 2021.

Amounts in US dollars

6. Investments in financial assets

6.1 Classifications of investments in financial assets according to their nature

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
Financial assets at fair value with changes in profit or loss:			
Investments in overseas financial institutions - US Dollars	**$ -**	**$ 48,009,212**	**$ 48,009,212**
Investments in local financial institutions - US Dollars	**-**	**17,834,046**	**17,834,046**
Investments funds in local financial institutions - US Dollars	**129,541**	**369,100**	**498,641**
Investments funds in local financial institutions – Colones	**-**	**479,346**	**479,346**
	129,541	**66,691,704**	**66,821,245**
Financial assets recorded at amortized cost:			
Certificate of term deposit in local financial institutions - US Dollars	**1,450,000**	**115,000**	**1,565,000**
Certificate of term deposit in local financial institutions - Colones	**-**	**1,826,077**	**1,826,077**
	1,450,000	**1,941,077**	**3,391,077**
Total investments	**$ 1,579,541**	**$ 68,632,781**	**$ 70,212,322**

	December 31, 2021		
	Unrestricted	Restricted	Total
Financial assets at fair value with changes in profit or loss:			
Investments in overseas financial institutions - US Dollars	$ -	$ 55,782,719	$ 55,782,719
Investments in local financial institutions - US Dollars	-	15,933,011	15,933,011
Investments funds in local financial institutions - US Dollars	741,586	474,834	1,216,420
Investments funds in local financial institutions – Colones	-	9,700	9,700
	741,586	72,200,264	72,941,850
Financial assets recorded at amortized cost:			
Certificate of term deposit in local financial institutions - US Dollars	977,152	80,000	1,057,152
Certificate of term deposit in local financial institutions - Colones	-	1,472,475	1,472,475
	977,152	1,552,475	2,529,627
Total investments	$ 1,718,738	$ 73,752,739	$ 75,471,477

Amounts in US dollars

6.2 Classifications of investments in financial assets according to their maturity date

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
Current	**$ 1,579,541**	**$ 67,632,781**	**$ 69,212,322**
Non-current	**-**	**1,000,000**	**1,000,000**
Total investments	**$ 1,579,541**	**$ 68,632,781**	**$ 70,212,322**

	December 31, 2021		
	Unrestricted	Unrestricted	Total
Current	$ 1,718,738	$ 72,752,739	$ 74,471,477
Non-current	-	1,000,000	1,000,000
Total investments	$ 1,718,738	$ 73,752,739	$ 75,471,477

6.3 Summary of financial assets by currency

	December 31 2022	December 31 2021
Dollars	**$ 67,906,899**	$ 73,989,302
Colones	**2,305,423**	1,482,175
	$ 70,212,322	$ 75,471,477

6.4 Characteristics of the Association's financial assets

Investments in foreign financial institutions are made through JP Morgan, are held for trading, and are composed of bonds, shares, and alternative instruments. JP Morgan is in turn the entity that provides the fair values recognized by the Association. In 2022, the average losses from investments in Dollars were approximately -14% (2021: a gain of approximately 10%). The remaining returns are derived from fluctuations in the fair values of the investment portfolio.

Investments in local financial institutions are made through Banco BAC San José, S.A., are held for trading, and are composed of bonds from public or private Costa Rican entities.

Investment funds are a separate equity, owned by investors (the Association and other investors) who have contributed their resources to be invested in publicly offered securities. The investor's property rights are represented through shares that also grant the investor the right to a proportional share of earnings or losses generated by that investment fund. Interest in investment funds is recorded at fair value when acquired and are subsequently measured at their fair value per the interest market value as of the statement of financial position. The fair value is reported by the financial entities that manage the investment funds in which the Association participates (2022 and 2021: Banco BAC San José, S.A.). In 2022, the average returns on funds in Dollars and Colones were 2% and 3%, respectively (2021: 5.75% in Dollars).

Financial assets recorded at amortized cost are represented by certificates of fixed term deposits whose maturity dates extend up to November 2023 (2021: maturity dates up to December 2022, except for a certificate of US$1,000,000 with maturity date in October 2023) and accrue interest rates as follows: from 2.82% to 5.36% in Dollars in 2022, and from 5.00% to 8.80% in Colones (2021: from 3.85% to 4.00% in US Dollars, and from 4.46% to 5.68% in Colones). Accrued interest receivable from these certificates amount to US$348,640 as of December 31, 2022 (2021: US$343,048).

6.5 Fair value hierarchy

All assets measured at fair value or which the Association discloses at fair value are classified within the fair value hierarchy described in note 4.4. The nature of the fair value estimates is subjective and involves uncertain aspects and Management's judgment, therefore these amounts are not determined with absolute precision. Consequently, should there be changes in the assumptions on which estimates are based, these could differ from final results.

Below is the comparison by class of financial assets between the carrying amounts and the fair values as of December 31, 2022 and 2021:

		December 31, 2022	
	Hierarchy	**Carrying amount**	**Fair value**
At fair value through profit or loss	Level 1	**$ 66,821,245**	**$ 66,821,245**
At amortized cost	-	**$ 3,391,077**	**$ 3,391,077**

		December 31, 2021	
	Hierarchy	Carrying amount	Fair value
At fair value through profit or loss	Level 1	$ 72,941,850	$ 72,941,850
At amortized cost	-	$ 2,529,627	$ 2,529,627

7. Accounts receivable and accounts payable to projects

The main function of Asociación Costa Rica por Siempre is to manage funds from donations which are later used for conservation projects. The resources of each project are held per their purposes in an exclusive and restricted bank account. Accounts receivable and payable on projects establish control and follow-up on those funds whose execution comes from a bank account with a different purpose, and are comprised as follows:

Amounts in US dollars

7.1 Accounts receivable

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
Operating budget – Asociación Costa Rica por Siempre	**$ 45,084**	**$ -**	**$ 45,084**
Irrevocable Trust- Granting Fund			
Irrevocable Trust- Amortization Fund	**-**	**350,627**	**350,627**
WAITT II	**-**	**2,391**	**2391**
CARSI	**-**	**100,000**	**100,000**
Lamping	**-**	**998,778**	**998,778**
Shark Conservation Fund	**-**	**4,052**	**4,052**
	$ 45,084	**$ 1,455,848**	**$ 1,500,932**

	December 31, 2021		
	Unrestricted	Restricted	Total
Operating budget – Asociación Costa Rica por Siempre	$ 98,661	$ -	$ 98,661
Irrevocable Trust - Granting Fund	-	780,475	780,475
RedLAC	-	17,821	17,821
Canje I Projects	-	98,654	98,654
CARSI	-	89,788	89,788
Irrevocable Trust - Amortization Fund	-	22,285	-
Shark Conservation Fund	-	11	11
	$ 98,661	$ 1,009,034	$ 1,107,695

7.2 Accounts payable

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
Operating budget – Asociación Costa Rica por Siempre	**$ 1,351,795**	**$ -**	**$ 1,351,795**
Portafolio Fideicomiso Irrevocable	**-**	**100,000**	**100,000**
Canje I Projects	**-**	**240**	**240**
Gente Project	**-**	**1,498**	**1,498**
AFD project	**-**	**11,483**	**11,483**
Waitt II	**-**	**673**	**673**
BRIDGE-MAVA	**-**	**22,691**	**22,691**
BRIDGE-FFEM	**-**	**4,052**	**4,052**
BRIDGE-ACRXS	**-**	**15,000**	**15,000**
	$ 1,351,795	**$ 155,637**	**$ 1,507,432**

Amounts in US dollars

	December 31, 2021		
	Unrestricted	Restricted	Total
Operating budget – Asociación Costa Rica por Siempre	$ 873,852	$ -	$ 873,852
Portafolio Fideicomiso Irrevocable	-	100,000	100,000
CARSI	-	84,639	84,639
Canje I Projects	-	4,845	4,845
Irrevocable Trust - Amortization Fund	-	7,393	7,393
Palo Verde	-	1,851	1,851
Shark Conservation Fund	-	2,588	2,588
Canje I	-	3,000	3,000
Secas Islands	-	4,791	4,791
Todos a Bordo campaign	-	492	492
Gente Project	-	6,800	6,800
AFD Project	-	20,500	20,500
Waitt II	-	900	900
	$ 873,852	$ 237,799	$ 1,111,651

8. Furniture and equipment

	Furniture and equipment	Computer equipment	Vehicles	Total
Cost:				
As of January 1, 2021	$ 38,549	$ 72,977	$ -	$ 111,526
Additions	-	12,023	39,600	51,623
Disposal	-	-	-	-
As of December 31, 2021	38,549	85,000	39,600	163,149
Additions	**1,738**	**5,886**	**1,000**	**8,624**
Disposals	**(3,004)**	**(9,600)**	**-**	**(12,604)**
As of December 31, 2022	**$ 37,283**	**$ 81,286**	**$ 40,600**	**$ 159,169**
Accumulated depreciation:				
As of January 1, 2021	$ 27,780	$ 52,743	$ -	$ 80,523
Depreciation for the year	2,324	7,944	2,640	12,908
Disposal	-	-	-	-
As of December 31, 2021	30,104	60,687	2,640	93,431
Depreciation for the year	**2,841**	**9,330**	**4,127**	**16,298**
Disposals	**(2,967)**	**(9,600)**	**-**	**(12,567)**
As of December 31, 2022	**$ 29,978**	**$ 60,417**	**$ 6,767**	**$ 97,162**
Carrying value:				
As of January 1, 2021	$ 10,769	$ 20,234	$ -	$ 31,003
As of December 31, 2021	$ 8,445	$ 24,313	$ 36,960	$ 69,718
As of December 31, 2022	**$ 7,305**	**$ 20,869**	**$ 33,833**	**$ 62,007**

Amounts in US dollars

9. Accrued expenses

	December 31	
	2022	2021
Withholdings to social security	**$ 40,157**	$ 31,102
Vacations	**21,680**	13,758
Income tax of employees	**15,628**	11,013
Thirteenth-month bonus	**6,491**	8,549
Tax on remittances sent abroad	**-**	3,918
Value added tax	**-**	2,271
Bonuses to personnel	**8,934**	1,701
	$ 92,890	$ 72,312

Accrued expenses and other accounts payable do not generate interest, are not subject to any discounts for early payment, do not generate late interest, and have maturity terms of 45 days after the date of the statement of financial position, except for thirteenth-month bonus and vacation which may be paid within a term not exceeding 360 days.

10. Deferred income

Deferred income corresponds to the budget approved and received by the Association from the Trusts to cover its operating costs during the next financial year. Below is the breakdown of deferred income. For reporting purposes, it is settled in the same line between restricted and unrestricted funds.

	December 31, 2022	December 31, 2021
Fideicomiso Irrevocable	**$ 646,152**	$ 1,279,635
	$ 646,152	$ 1,279,635

11. Revenues from donations

Trust funds (donations) are composed of contributions made by founding trustors (The Nature Conservancy) for the Trust projects approved. It also includes the contributions received from the Central Bank of Costa Rica. Revenues from Fideicomiso Irrevocable correspond to the funds received from the Central Bank of Costa Rica for Canje I and Canje II Trusts.
II. Funds under the Asociación Costa Rica por Siempre item include donations received from third parties and the portion of funds from Fideicomiso Irrevocable, Canje I, and Canje II, which have been transferred to the Association and used in the approved projects. These funds ($1,388,286 in 2022 and $2,058,841 in 2021) are recorded as revenues of the Association and as project expenses.

Amounts in US dollars

	December 31, 2022					
		Unrestricted		**Restricted**		**Total**
Asociación Costa Rica por Siempre	**$**	**-**	**$**	**2,613,228**	**$**	**2,613,228**
Canje Trust - Amortization Fund		**-**		**2,513,604**		**2,513,604**
	$	**-**	**$**	**5,126,832**	**$**	**5,126,832**

	December 31, 2021					
		Unrestricted		Restricted		Total
Asociación Costa Rica por Siempre	$	-	$	3,733,012	$	3,733,012
Canje Trust - Amortization Fund				2,513,604		2,513,604
Canje Trust - Granting Fund		-	$	6,246,616	$	6,246,616
	$	-	$	3,733,012	$	3,733,012

Revenues from donations to the Association are as follows:

		2022		2021
Canje II Trust (Note 14.3)	**$**	**869,674**	$	897,474
BRIDGE-FFEM		**528,250**		-
Canje I Trust (Note 14.2)		**518,611**		499,367
AFD project (FACILITÉ)		**201,408**		457,457
AFD project		**187,065**		174,717
WAITT II		**100,000**		100,000
Scheinberg		**64,000**		-
INTO-BID		**60,000**		-
Shark Conservation Fund		**53,334**		157,518
BRIDGE-ACRXS		**21,044**		-
MOTT Fundation		**9,842**		-
Fideicomiso Irrevocable Costa Rica por Siempre (Note 14.1)		**-**		662,000
MAVA Fundation		**-**		377,992
AFD project (FAPS)		**-**		304,260
CARSI		**-**		82,227
JPMorgan (RedLAC)		**-**		20,000
	$	**2,613,228**	$	3,733,012

For the purposes of cash flows, only donations from third parties have been presented. In other words, transfers of funds of Canje I, Canje II, and Fideicomiso Irrevocable Costa Rica por Siempre were excluded for the purposes of cash flows. As of December 31, 2022, donations from third parties for US$3,738,546 (2021:US$4,187,775) were recorded.

12. Loss from fair value measurement of financial assets

Financial losses from the measurement of financial assets at fair value were US$8,378,756 in 2022 (gain of US$5,650,015 in 2021).

Amounts in US dollars

13. Trust management services

		2022		2021
Budgetary support:				
Irrevocable Trust	**$**	**633,483**	$	627,150
Canje I		**153,388**		153,338
Canje II		**136,500**		135,000
Overhead		**148,383**		104,121
	$	**1,071,754**	$	1,019,609

In 2022 and 2021, Fideicomiso Irrevocable, Canje I and Canje II, made payments to the Association for budgetary support. Fideicomiso Irrevocable determined the amount payable to the Association according to Clause 20 “Trustee fees” of the “Contract with Fideicomiso Irrevocable de Administración de Fondos” between Linden Trust for Conservation and the Association.

Canje I and II determined the amount to be paid to the Association in accordance with the approval of the “Annual Budget,” which was approved by the “Oversight Committee” of the Association.

“Overhead” refers to the management service fees of donation agreements and payments to BRIDGE-FFEM, Gente Project, BRIDGE- MAVA, Shark Conservation Fund, WAITT II, and MOTT Foundation for US$148,383 in 2022 (2021: RedLAC, Shark Conservation Fund, Lamping, CARSI, and WAITT II for US$104,121).

14. Expenses from projects approved by the Trusts

14.1 Fideicomiso Irrevocable

As of December 31, 2022, expenses from projects approved by Fideicomiso Irrevocable are USD$0 (2021: US$662,000). These expenses correspond to transfers made by Fideicomiso Irrevocable to the Association for program execution.

14.2 Canje I

As of December 31, 2022, expenses from projects approved by Canje I are US$523,952 (2021: US$503,882). These expenses correspond to transfers made by Canje I to the Association. Revenues from donations to the Association by Canje I (presented in Note 11) amount to US$518,611 (2021: US$499,367). The variation of values presented in this note corresponds to exchange differences.

14.3 Canje II

Asociación Costa Rica por Siempre’s Technical Committee identifies the projects to be launched in the conservation areas and determines which projects should be declared deserted or canceled. The Technical Committee establishes the budget in which the project resources will be allocated. Then, the Supervision Committee of the Trust analyzes the recommendations of the Technical Committee and approves the economic content of the "Calls for tenders," which are comprised by the list of conservation projects that will be conducted in the near future, generally within the next twelve months.

Amounts in US dollars

Below are the expenses of projects approved in the 2022 XIII Call for US$869,674:

Grant agreement		Amount
The projects approved in the 2018 XIII Call were as follows:		
IICD-XIII-2023-01, Implementation of prioritized actions of the prevention		
IICD-XIII-2023-02, General management plan of the land and marine block of the Guanacaste Conservation Area	$	70,744
IICD-XIII-2023-03, II implementation phase of the ecological integrity monitoring plans of the ACT prioritized ASPs		41,053
IICD-XIII-2023-04, Improvement of management effectiveness and ecological integrity of the Protected Wild Areas of ACAT through the elaboration and implementation of specific plans and strategic actions related to the indicators of the field management of natural and cultural resources		70,247
IICD-XIII-2023-05, Implementation of prioritized actions of the Carara NP Ecological Integrity Monitoring Plan		76,562
IICD-XIII-2023-06, Implementation of prioritized actions of the Ecological Integrity Monitoring Plans of Corcovado National Park and Golfo Dulce Forest Reserve		22,027
IICD-XIII-2023-07, Elaboration and implementation of the natural resource management plans of the Arenal Volcano NP, Juan Castro Blanco Water NP and RNVS Caño Negro		62,371
IICD-XIII-2023-08, II Phase of the participatory implementation of the RRNN Scope Plans in the prioritized ASPs of the Central Conservation Area		52,579
IICD-XIII-2023-09, Update of the General Management Plan of Chirripó National Park		152,840
IICD-XIII-2023-10, Elaboration of the research plan and implementation of the research and ecological integrity plans of PILA and Chirripó NP		28,737
IICD-XIII-2023-11, Implementation of the Prevention, Protection and Control Plan of the Caribbean Friendship Conservation Area, with the participation of governance structures for the protection of biodiversity and natural resources		104,803
IICD-XIII-2023-12, Cadastral and registry study of the prioritized areas of the site of importance for the conservation of Guácimo-Pococí aquifers		62,726
IICD-XIII-2023-13, Implementation of prioritized actions of the Resource Management Plan for the restoration of the ecological integrity of the prioritized lagoons, the Sustainable Tourism Plan, and the Plan for the Use of Fishery Resources of the Barra del Colorado National Wildlife Refuge		69,791
IICD-XIII-2023-14, Elaboration of the Regional Action Plans for the Amistad Pacífico Conservation Area and the Tortuguero Conservation Area		41,510
Total projects approved in the XII Call		13,684
The projects approved in the 2018 XIII Call were as follows:	$	869,674

Amounts in US dollars

Below are the expenses of projects approved in the 2021 XII Call for US$897,474:

Grant agreement		Amount
The projects approved in the 2021 XII Call were as follows:		
IICD-XII-2022-02 Preparation and implementation of a comprehensive research plan for the Protected Wilderness Areas of the Arenal Tempisque Conservation Area and its geographical environment	$	77,469
IICD-XII-2022-04 Rapid evaluation of the prioritized biodiversity resources of the Guanacaste Conservation Area and preparation of its respective biodiversity natural resource management plan, and field implementation of its Prevention, Protection and Control Plan		71,582
IICD-XII-2022-05 Participatory management of the natural resources of the Natural Heritage Site of the Cordillera de Talamanca–La Amistad Reserves/La Amistad International Park as a mechanism for biodiversity conservation and economic reactivation		63,469
IICD-XII-2022-10 Attention to the Site of Importance for the Conservation of the Guácimo and Pococí Aquifers: proposal for the expansion of the Guácimo and Pococí Aquifer Protection Zone		44,874
IICD-XII-2022-11 Preparation and implementation of the climate change adaptation and mitigation plan for the Golfo Dulce RF block, Corcovado NP, Piedras Blancas NP, Golfito RNFS and Amistosa CB		63,110
IICD-XII-2022-12 Preparation of the Regional Action Plan for the Arenal-Huetar North and Central Conservation Areas		13,441
IICD-XII-2022-15 Preparation of the General Management Plan for the Iguanita National Wildlife Refuge		17,814
IICD-XII-2022-17 Update of the General Management Plan of the conservation block Tenorio Volcano National Park and Tenorio Protective Zone		7,156
IICD-XII-2022-03 Participatory implementation of plans in the field of natural resources in protected wild areas of the Central Conservation Area		146,556
IICD-XII-2022-08 Acquisition of specialized equipment, induction and implementation of the ecological integrity monitoring plans of the wild protected areas of the Tempisque Conservation Area		71,080
IICD-XII-2022-09 Implementation of the ecological integrity monitoring plan of the Barra del Colorado National Wildlife Refuge		42,002
IICD-XII-2022-13 Care of the Site of Importance for the Conservation of Parismina		44,874
IICD-XII-2022-14 Preparation of the General Management Plan for the Térraba Sierpe National Wetland		40,486
IICD-XII-2022-16 Preparation of the General Plan for the Limoncito National Mixed Wildlife Refuge		24,292
IICD-XII-2022-01 Preparation and implementation of natural resource management plans for the Arenal Volcano National Park, Juan Castro Blanco National Water Park and Caño Negro Mixed National Wildlife Refuge		47,858
IICD-XII-2022-06 Preparation and implementation of the research plan and preparation of the climate change adaptation and mitigation plan for the Amistad Pacífico Conservation Area		106,046
IICD-XII-2022-07 Implementation of the specific plans for resource management and ecological integrity of the Carara National Park		15,365
Total projects approved in the XII Call	$	897,474

Amounts in US dollars

15. Protected area program expenses

Program expenses are money that the Association receives and subsequently uses in conservation projects within protected areas with the support of Fideicomiso Irrevocable and Canje II through the Asociación Costa Rica por Siempre Program.

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
Donation agreements (Canje)	**$ -**	**$ 712,866**	**$ 712,866**
Advisory	**-**	**309,738**	**309,738**
Specific equipment for conservation projects	**-**	**89,263**	**89,263**
Communication	**-**	**2,184**	**2,184**
Special events	**-**	**2,035**	**2,035**
	$ -	**$ 1,116,086**	**$ 1,116.086**

	December 31, 2021		
	Unrestricted	Restricted	Total
Donation agreements (Canje)	$ -	$ 1,147,882	$ 1,147,882
Consulting	-	413,030	413,030
Specific equipment for conservation projects	-	55,836	55,836
National and international tours	-	2,399	2,399
Meals and meetings	-	720	720
Communication	-	434	434
Special events	-	425	425
	$ -	$ 1,620,726	$ 1,620,726

16. Economía Verde y Azul program expenses

	2022	2021
AFD project	**$ 1,088,651**	$ 140,761
Gente project	**582,349**	99,204
Donation agreements I Canje de Deuda	**449,450**	788,666
BRIDGE-MAVA	**368,881**	-
RedLAC	**124,273**	51,464
WAITT II	**87,754**	68,678
BRIDGE FFEM	**77,196**	-
Lamping	**70,529**	70,415
Shark Conservation Fund	**36,911**	96,746
SCHEINBERG	**31,928**	-
BRIDGE – ACRXS	**15,000**	-
MOTT Fundation	**8,916**	-
Secas Islands	**6,512**	54,580
Regional Compliance Management	**-**	40,728
Pacífico Helmsley	**-**	472
	$ 2,948,350	$ 1,411,714

Amounts in US dollars

17. Canjes I and II expenses

17.1 Canje I

	December 31, 2022		
	Unrestricted	**Restricted**	**Total**
Legal services	**6,313**	**-**	**6,313**
Tours by technical team and local workshops	**6,615**	**-**	**6,615**
National tours of Oversight Committee	**4,952**	**-**	**4,952**
Attention to meeting of the Oversight Committee	**1,412**	**-**	**1,412**
	$ 19,292	**$ -**	**$ 19,292**

	December 31, 2021		
	Unrestricted	Restricted	Total
Legal services	3,224	-	3,224
Tours by technical team and local workshops	7,573	-	7,573
National tours of Oversight Committee	1,077	-	1,077
	$ 11,874	$ -	$ 11,874

17.2 Canje II

	December 31, 2022		
	Unrestricted	Restricted	Total
Communication materials	$ **11,102**	$ -	$ **11,102**
Strengthening of eligible entities	**10,029**	**-**	**10,029**
Legal	**7,500**	**-**	**7,500**
International Canje II tours	**5,000**	**-**	**5,000**
Advisory by subject matter experts	**4,000**	**-**	**4,000**
Tours of technical team and local workshops	**3,283**	**-**	**3,283**
Membership of environmental funds for Latin America and the Caribbean	**2,959**	**-**	**2,959**
National tours of Oversight Committee	**1,044**	**-**	**1,044**
Attention to meetings of the Oversight Committee	**26**	**-**	**26**
	$ 44,943	**$ -**	**$ 44,943**

	December 31, 2021		
	Unrestricted	Restricted	Total
Communication materials	$ 11,998	$ -	$ 11,998
Strengthening of eligible entities	5,562	-	5,562
Advisory by subject matter experts	4,918	-	4,918
Tours of technical team and local workshops	4,720	-	4,720
National tours of Oversight Committee	3,104	-	3,104
International Canje II tours	3,065	-	3,065
Attention to meeting of the Oversight Committee	507	-	507
Travel fees for the Oversight Committee	495	-	495
	$ 34,369	$ -	$ 34,369

Amounts in US dollars

18. Employee salaries and benefits

		2022		2021
Salaries	**$**	**703,419**	$	686,181
Social security contributions		**200,213**		190,179
Thirteenth-month bonus		**62,516**		59,804
Other personnel expenses		**137,667**		175,371
	$	**1,103,815**	$	1,111,535

In the years ended December 31, 2022 and 2021, the Association incurred in expenses for the defined contribution plan of US$26,283 and US$25,118, which correspond to resources transferred to the Complementary Pension Fund, as explained in note 4.11.

19. Leases

The Association has signed a 3-year lease contract of a building. The Association's obligations related to leases are guaranteed by the lessor's ownership of the leased asset.

The Association also has certain low-value equipment leases with a lease term of 12 months or less to which the recognition criteria of short-term lease and low-value asset leases apply.

		2022		2021
Right-of-use assets	**$**	**143,658**	$	209,886
Addendum for reduction to the contract fee		**-**		(22,390)
Depreciation expenses		**(49,254)**		(43,838)
	$	**94,404**	$	143,658

Below are the carrying amounts of lease liabilities and movements of each year:

		2022		2021
Balance at beginning of year	**$**	**156,311**	$	224,196
Addendum for reduction to the contract fee		**-**		(22,390)
Interests credited		**11,454**		12,632
Payments made		**(59,434)**		(58,127)
Balance at year end		**108,331**		156,311
Less - Short-term maturities		**53,686**		47,980
Long-term lease liabilities	**$**	**54,645**	$	108,331

Amounts in US dollars

20. Objectives and policies for financial risk management

The main financial instruments held by the Association are cash, accounts receivable, investments in securities, and accrued accounts and expenses payable. The main purpose of these financial instruments is to provide funding for the Association's operations. The Association has other financial assets and liabilities of a miscellaneous nature, which arise directly from its operations.

The main risks that could have a relatively significant effect on the financial instruments are market risk, liquidity risk and credit risk.

The Association reviews and agrees on policies to handle these risks, as summarized below:

20.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of variations in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk, and other price risks.

The main market risk that may affect the Association's financial instruments is the interest rate risk taking into consideration fluctuations in interest rates and prices of investments in securities. The Association does not consider there is a risk of currency exchange for having its assets and liabilities substantially denominated in US dollars. It is not considered that other price risks exist.

20.2 Interest rate risk

The Association's incomes and operating cash flows depend substantially on changes in interest rates. Important drops in interest rates could limit the Association's capacity to carry out its activities.

The Investment Committee periodically reviews market trends to identify opportunities for investment or risks of drops in rates that would imply adjustments to the Association's budget.

Sensitivity Analysis:
The Association has conducted a sensitivity analysis over potential variations in interest rates. The effect of a reasonable variation in interest rates of +/- 25 base points in 2022 would be US$173,031 increasing or decreasing the financial revenues (2021: +/- 25 base points and US$186,179).

20.3 Liquidity risk

Liquidity risk is the risk that it will be difficult for an entity to meet the obligations associated with financial liabilities that are settled with cash or another financial asset. The approach to manage liquidity is to ensure, as much as possible, that it will always have sufficient liquidity to fulfill its obligations when they are due, under normal conditions and tense situations, without incurring in unacceptable losses or jeopardizing the reputation of the Association.

The Association uses different financial projections that allow to handle its operational cash flows, ensuring the sufficient cash to cover its operating needs. Currently, the Association does not have any financial obligations, so its liquidity risk is low.

All liabilities held by the Association as of December 31, 2022 and 2021 have maturity dates not exceeding twelve months from the date of the statement of financial position, except for long-term lease liabilities.

20.4 Credit risk

Credit risk is the risk that one of the counterparts does not comply with its obligations derived from a financial instrument or purchase contract, and this translates into a financial loss. The Association considers that its credit risk is low since its cash and investments in securities are held in first-quality Costa Rican and foreign entities.

The maximum credit risk exposure is represented by the balance of each financial asset as shown on the statement of financial position.

21. Equity management

The main objective of the Association's equity management is to conserve and increase the resources allocated to conservation programs and to generate enough resources to fulfill the Association and Trusts purposes.

The Association manages its equity structure and assesses any necessary adjustments considering the economic conditions.

22. Events occurring after the reporting date of the financial position

Association's Management has no knowledge of any other subsequent event, occurring between the reporting date and the date of issue of the financial statements that requires modification of the figures presented in the authorized financial statements or disclosure in the notes thereof.

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