Asociación Costa Rica por Siempre
(A Costa Rican Entity)

Financial Statements as at December 31, 2023 and 2022 with Independent Auditor's Report

Asociación Costa Rica por Siempre

(A Costa Rican Entity)

Financial Statements as at
December 31, 2023 and 2022

Content

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Oficentro Ejecutivo La Sabana
Edificio 6, 5° Piso
San José, Costa Rica
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Independent auditor's report

To the Shareholders and Board of Directors of
Asociación Costa Rica por Siempre

Opinion

We have audited the financial statements of Asociación Costa Rica por Siempre (the Association), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Association in accordance with article 9 of the Law of Regulation of the Public Accountant´s Profession and Creation of the Public Accountants Association (Law 1038); with the Code the Professional Ethics of the Public Accountant´s Association of Costa Rica and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

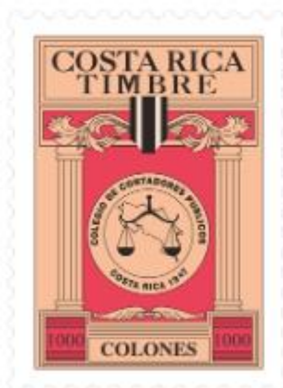
EMILIA MARIA VARGAS RODRIGUEZ (FIRMA)
PERSONA FISICA, CPF-04-0119-0543.
Fecha declarada: 18/03/2024 07:18:52 PM
Razón: Firma

Licda. Emilia Vargas Rodríguez
CPA No. 1185
March 18, 2024
San José, Costa Rica

Fidelity policy No. 0116FID000828512
Expiration date: September 30, 2024

Nombre del CPA: EMILIA MARIA VARGAS RODRIGUEZ
Carné: 1185
Cédula: 401190543
Nombre del Cliente: ASOCIACION COSTA RICA POR SIEMPRE
Identificación del cliente: 3002597387
Dirigido a: A la Dirección Ejecutiva de Asociación Costa Rica por Siempre
Fecha: 18-03-2024 05:42:20 PM
Tipo de trabajo: Informe de Auditoría

Timbre de ¢1000 de la Ley 6663 adherido y cancelado en el original.



Código de Timbre: CPA-1000-10522

Asociación Costa Rica por Siempre
(A Costa Rican Entity)
Statement of Financial Position
As of December 31, 2023 and 2022

Amounts in US dollars

			December 31, 2023			December 31, 2022	
	Notes	**Unrestricted**	**Restricted**	**Total**	Unrestricted	Restricted	Total
ASSETS							
Current assets:							
Cash and cash equivalents	5	**$ 3,295,435**	**$ 6,822,414**	**$ 10,117,849**	$ 1,078,127	$ 1,683,944	$ 2,762,071
Investments in financial assets	6	**92,597**	**76,116,907**	**76,209,504**	1,579,541	68,632,781	70,212,322
Accumulated interest receivable	6.4	**53**	**397,061**	**397,114**	16,819	331,821	348,640
Accounts receivable from projects	7.1	**137,724**	**3,170,968**	**3,308,692**	45,084	1,455,848	1,500,932
Other accounts receivable		**2,042**	**-**	**2,042**	19	-	19
Prepaid expenses		**35,140**	**-**	**35,140**	27,867	-	27,867
Total current asset		**3,562,991**	**86,507,350**	**90,070,341**	2,747,457	71,104,394	73,851,851
Non-current assets:							
Furniture and equipment, net	8	**57,668**	**-**	**57,668**	62,007	-	62,077
Right-of-use assets	19	**47,929**	**-**	**47,929**	94,404	-	94,404
Investments in financial assets	6	**-**	**-**	**-**	-	-	1,000,000
Other financial assets		**4,943**	**-**	**4,943**	4,943	-	4,943
Total non-current assets		**110,540**	**-**	**110,540**	161,354	1,000,000	1,161,354
Total assets		**$ 3,673,531**	**$ 86,507,350**	**$ 90,180,881**	$ 2,908,811	$ 72,104,394	$ 75,013,205
NET ASSETS AND LIABILITIES							
Current liabilities:							
Accounts payable on projects	7.2	**$ 3,070,911**	**$ 261,694**	**$ 3,332,605**	$ 1,351,795	$ 155,637	$ 1,507,432
Trade accounts payable		**9,681**	**(1,076)**	**8,605**	22,347	45	22,392
Leases liabilities	19	**54,645**	**-**	**54,645**	53,686	-	53,686
Accrued expenses payable	9	**121,964**	**-**	**121,964**	92,890	-	92,890
Deferred income	10	**-**	**-**	**-**	646,152	(646,152)	-
Total current liabilities		**3,257,201**	**260,618**	**3,517,819**	2,166,870	(490,470)	1,676,400

(continues in the next page)

Asociación Costa Rica por Siempre
(A Costa Rican Entity)
Statement of Financial Position
As of December 31, 2023 and 2022

Amounts in US dollars

	Notes	December 31, 2023 Unrestricted	December 31, 2023 Restricted	December 31, 2023 Total	December 31, 2022 Unrestricted	December 31, 2022 Restricted	December 31, 2022 Total
(continued from previous page)							
Non-current liabilities:							
Lease liabilities	19	**-**	**-**	**-**	54,645	-	54,645
Total non-current liabilities		**-**	**-**	**-**	54,645	-	54,645
Total liabilities		**3,257,201**	**260,618**	**3,517,819**	2,221,515	(490,470)	1,731,045
Net assets:							
Accumulated surplus		**416,330**	**86,246,732**	**86,663,062**	687,296	72,594,864	73,282,160
Severance reserve		**416,330**	**86,246,732**	**86,663,062**	687,296	72,594,864	73,282,160
Total net assets and liabilities		**$ 3,673,531**	**$ 86,507,350**	**$ 90,180,881**	$ 2,908,811	$ 72,104,394	$ 75,013,205

See accompanying notes to the financial statements

Asociación Costa Rica por Siempre
(A Costa Rican Entity)
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

Amounts in US dollars

	Notes	December 31, 2023 Unrestricted	December 31, 2023 Restricted	December 31, 2023 Total	December 31, 2022 Unrestricted	December 31, 2022 Restricted	December 31, 2022 Total
INCOME							
Donations	11	$ -	$ 10,827,295	$ 10,827,295	$ -	$ 5,126,832	$ 5,126,832
Gains (losses) on fair value measurement of financial assets	12	-	7,715,263	7,715,263	-	(8,378,756)	(8,378,756)
Interest on investments in financial assets		4,106	1,607,549	1,611,655	32,823	1,337,990	1,370,813
Interest from cash and cash equivalents		818	5,694	6,512	1,488	4,265	5,753
Trust management services	13	1,048,960	(1,048,960)	-	1,071,754	(1,071,754)	-
Other income		138,786	(107,651)	31,135	73,793	(8,964)	64,829
Total income		1,192,670	18,999,190	20,191,860	1,179,858	(2,990,387)	(1,810,529)
PROJECT EXPENSES							
Expenses from projects approved by Trusts							
Expenses from projects approved by Canje I	14.1	-	590,870	590,870	-	523,952	523,952
Expenses from projects approved by Canje II	14.2	-	641,887	641,887	-	869,674	869,674
Program expenses							
Protected area program expenses	15	-	1,531,088	1,531,088	-	1,116,086	1,116,086
Economía Verde y Azul program expenses	16	-	2,289,234	2,289,234	-	2,948,350	2,948,350
Total project expenses		-	5,053,079	5,053,079	-	5,458,062	5,458,062
OPERATING EXPENSES							
Expenses related to Canje I	17.1	19,060	-	19,060	19,292	-	19,292
Expenses related to Canje II	17.2	35,795	-	35,795	44,943	-	44,943
Expenses related to Palo Verde		-	-	-	-	7,696	7,696
Employee salaries and benefits	18	1,079,309	315,870	1,395,179	788,462	315,353	1,103,815
Professional services		36,040	42,075	78,115	46,281	39,632	85,913
Advisory		15,516	-	15,516	57,629	-	57,629
National and international tours		24,050	-	24,050	16,139	-	16,139
Communication		33,306	-	33,306	53,198	-	53,198
Representation and response to inquiry expenses		57	-	57	2,248	-	2,248
Board of Directors meetings and annual tour		771	-	771	2,674	-	2,674
Fees for brokerage services		-	278,997	278,997	-	320,776	320,776
NET exchange differences		14,933	(344,308)	(329,375)	11,279	(219,329)	(208,050)
Subtotal operating expenses (continues in the next page)		$ 1,258,837	$ 292,634	$ 1,551,471	$ 1,042,145	$ 683,457	$ 1,725,602

Asociación Costa Rica por Siempre
(A Costa Rican Entity)
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

Amounts in US dollars

		December 31, 2023			December 31, 2022		
	Notes	**Unrestricted**	**Restricted**	**Total**	Unrestricted	Restricted	Total
Subtotal operating expenses (continued from previous page)		**$ 1,258,837**	**$ 292,634**	**$ 1,551,471**	$ 1,042,145	$ 683,457	$ 1,725,602
Low-value rentals		**19,128**	**-**	**19,128**	13,534	-	13,534
Fund raising		**20,329**	**-**	**20,329**	32,356	-	32,356
Depreciation	8	**14,480**	**-**	**14,480**	13,998	-	13,998
Depreciation of Right-of-use assets	19	**46,475**	**-**	**46,475**	49,254	-	49,254
Financial expenses		**9,082**	**910**	**9,992**	14,259	742	15,001
Other expenses		**95,305**	**699**	**96,004**	112,932	1,410	114,342
Total operating expenses		**1,463,636**	**294,243**	**1,757,879**	1,278,478	685,609	1,964,087
Total expenses		**1,463,636**	**5,347,322**	**6,810,958**	1,278,478	6,143,671	7,422,149
Surplus (deficit) for the year, net		**$ (270,966)**	**$ 13,651,868**	**$ 13,380,902**	$ (95,620)	$ (8,914,729)	$ (9,013,349)

Asociación Costa Rica por Siempre
(A Costa Rica Entity)
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

Amounts in US dollars

	Notes	Unrestricted			Restricted			
		Accumulated surplus	Reserve for severance pay	Total Unrestricted	Acumulated	Financial instrument valuation	Total restricted	Total net assets
		$ 817,796	$ (31,880)	$ 785,916	$ 81,509,593	$ -	$ 81,509,593	$ 82,295,509
Total comprehensive income of the year:		(98,620)	-	(95,682)	(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
Total comprehensive income of the year:		**(270,966)**	**-**	**(270,966)**	**13,651,868**	**-**	**13,651,868**	**13,380,902**
Net assets as of December 31, 2023		**$ 416,330**	**$ -**	**$ 416,330**	**$ 86,246,732**	**$ -**	**$ 86,246,732**	**$ 86,663,062**

Asociación Costa Rica por Siempre
(A Costa Rican Entity)
Statements of Cash Flows
For the years ended December 31, 2023 and 2022

Amounts in US dollars

		December 31, 2023			December 31, 2022		
	Notes	**Unrestricted**	**Restricted**	**Total**	Unrestricted	Restricted	Total
Cash flows from operating activities:							
Net (deficit) surplus for the year		**$ (270,966)**	**$ 13,651,868**	**$ 13,380,902**	$ (98,620)	$ (8,914,729)	$ (9,013,349)
Adjustments for:							
(Losses) gains from financial assets measured at fair value	12	**-**	**(7,715,263)**	**(7,715,263)**	-	8,378,756	8,378,756
Revenue from third-party donations	11	**-**	**(9,594,537)**	**(9,594,537)**	-	(3,738,546)	(3,738,546)
Interest income		**(4,924)**	**(1,613,243)**	**(1,618,167)**	(34,311)	(1,342,255)	(1,376,566)
Depreciation furniture and equipment	8	**13,730**	**-**	**13,730**	16,298	-	16,298
Depreciation expense of right-of-use assets	19	**46,475**	**-**	**46,475**	49,254	-	49,254
Interest expense from lease	19	**7,159**	**-**	**7,159**	11,454	-	11,454
Loss on disposal of furniture and equipment	8	**827**	**-**	**827**	-	-	-
		(207,699)	**(5,271,175)**	**(5,478,874)**	(54,295)	(5,616,774)	(5,672,699)
Changes in:							
Accounts receivable from projects		**(92,640)**	**(1,715,120)**	**(1,807,760)**	53,577	(446,814)	(393,237)
Other accounts receivable		**14,743**	**(65,240)**	**(50,497)**	12,182	(13,750)	(1,568)
Prepaid Expenses		**(7,273)**	**-**	**(7,273)**	5,211	-	5,211
Accounts payable on projects		**1,719,116**	**106,057**	**1,825,173**	477,943	(82,162)	395,781
Trade accounts payable		**(12,666)**	**(1,121)**	**(13,787)**	(8,767)	(113,358)	(122,125)
Accrued expenses payable		**29,074**	**-**	**29,074**	20,616	-	20,578
Deferred income		**(646,152)**	**646,152**	**-**	(633,483)	633,483	-
Third-party donations	11	**-**	**9,594,537**	**9,594,537**	-	3,738,546	3,738,546
Interest received		**4,924**	**1,613,243**	**1,618,167**	34,311	1,342,255	1,376,566
Cash flows provided by (used in) operating activities		**801,427**	**4,907,333**	**5,708,760**	(94,335)	(558,574)	(651,316)
Cash flows from investment activities:							
Investments in financial instruments		**1,486,944**	**231,137**	**1,718,081**	139,197	(3,258,798)	(3,119,601)
Additions of furniture and equipment	8	**(10,218)**	**-**	**(10,218)**	(8,624)	-	(10,217)
Cash flows provided by (used in) investment activities		**1,476,726**	**231,137**	**1,707,863**	130,573	(3,258,798)	(3,129,818)
Go to the next page		**$ 2,278,153**	**$ 5,138,470**	**$ 7,416,623**	$ 36,238	$ (3,817,372)	$ (3,781,134)

See accompanying notes to the financial statements

Asociación Costa Rica por Siempre
(A Costa Rican Entity)
Statements of Cash Flows
For the years ended December 31, 2023 and 2022

Amounts in US dollars

		December 31, 2023			December 31, 2022		
	Notes	**Unrestricted**	**Restricted**	**Total**	Unrestricted	Restricted	Total
Continued from previous page		**$ 2,278,153**	**$ 5,138,470**	**$ 7,416,623**	$ 36,238	$ (3,817,372)	$ (3,781,134)
Cash flows from financing activities:							
Lease obligation payments	19	**(60,845)**	**-**	**(60,845)**	(59,434)	-	(59,434)
Cash flows used in financing activities		**(60,845)**	**-**	**(60,845)**	(59,434)	-	(59,434)
Net increase (decrease) in cash and cash equivalents		**$ 2,217,308**	**$ 5,138,470**	**$ 7,355,778**	(23,196)	$ (3,817,372)	$ (3,840,568)
Cash and cash equivalents at the beginning of the year		**1,078,127**	**1,683,944**	**2,762,071**	1,101,323	5,501,316	6,602,639
Cash and cash equivalents at year end	5	**$ 3,295,435**	**$ 6,822,414**	**$ 10,117,849**	$ 1,078,127	$ 1,683,944	$ 2,762,071
Transactions that did not require cash:							
Transfer to reserve for severance payment		**$ -**	**$ -**	**$ -**	$ 31,880	$ -	$ 31,880

Amounts in US dollars

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 with the identification number 3-002-597387, 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, 2023 were authorized for issue by Executive Management on March 18, 2023.

1. Basis for preparation of financial statements

2.1 Statement of Compliance

The financial statements of the Association as of December 31, 2023 and 2022 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, 2023 and 2022 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$).

2. Changes in accounting policies and disclosures

The accounting policies adopted by the Association to prepare its financial statements as of December 31, 2023, are consistent with those that were used for the preparation of the financial statements as of December 31, 2022.

Other amendments and interpretations were applied for the first time in 2023 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.

New standards, interpretations and amendments effective from 1 January, 2023.
The following new standards, effective for the financial statements for the period ended December 31, 2023, have not had a significant effect on the Association :

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
  International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

New standards, interpretations and amendments not yet effective.
There are a number of standards, amendments to standards and interpretations that have been issued by the IASB that are effective in future accounting periods, which the Association has decided not to adopt early.

The following modifications are effective for the period beginning January 1, 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1
- Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial
- Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Association is currently assessing the impact of these new accounting standards and amendments. The Association does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

The Association does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Association's financial statements.

3. 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 los
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 Subsecuente 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 los

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.

Amounts in US dollars

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 Subsecuent 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.

Amounts in US dollars

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, 2023, 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.

Amounts in US dollars

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. Efectivo y equivalentes de efectivo

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, 2023		
	Unrestricted	**Restricted**	**Total**
General petty cash	**$ 289**	**$ -**	**$ 289**
Cash at banks	**3,295,146**	**4,072,424**	**7,367,570**
	3,295,435	**4,072,424**	**7,367,859**
Investments in financial assets at amortized cost	**-**	**2,749,991**	**2,749,991**
	$ 3,295,435	**$ 6,822,414**	**$ 10,117,849**

	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

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

Amounts in US dollars

As of December 31, 2023and 2022, 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 2% interest rate.

5. Investments in financial assets

6.1 Classifications of investments in financial assets according to their nature

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Financial assets at fair value with changes in profit or loss:			
Investments in overseas financial institutions - US Dollars	**$ -**	**$ 53,661,332**	**$ 53,661,332**
Investments in local financial institutions - US Dollars	**-**	**20,528,623**	**20,528,623**
Investments funds in local financial	**92,597**	**615,541**	**708,139**
institutions - US Dollars	**-**	**521,750**	**521,750**
	92,597	**75,327,246**	**75,419,843**
Financial assets recorded at amortized cost:			
Certificate of term deposit in local financial institutions - US Dollars	**-**	**-**	**-**
Certificate of term deposit in local financial institutions - Colones	**-**	**789,661**	**789,661**
	-	**789,661**	**789,661**
Total investments	**$ 92,597**	**$ 76,116,907**	**$ 76,209,504**

	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	129,541	369,100	498,641
institutions - US Dollars	-	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

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

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Current	**$ 92,597**	**$ 76,116,907**	**$ 76,209,504**
Non-current	**-**	**-**	**-**
Total investments	**$ 92,597**	**$ 76,116,907**	**$ 76,209,504**

	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

6.3 Summary of financial assets by currency

	December 31,	
	2023	2022
Dollar	**$ 74,898,094**	$ 67,906,899
Colones	**1,311,410**	2,305,423
	$ 76,209,504	$ 70,212,322

6.4 Características de los activos financieros de la Asociación

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% (2022: a gain of approximately -14%). 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 (2023 and 2022: Banco BAC San José, S.A.). In 2023, the average returns on funds in Dollars and Colones were 5% and 6%, respectively (2022: 2% and 3% in Dollars and Colones, respectively).

Financial assets recorded at amortized cost are represented by certificates of fixed term deposits whose maturity dates extend up to September 2024 (2022: maturity dates up to November 2023, except for a certificate of US$1,000,000 with maturity date in October 2023) and accrue interest rates as follows: from 5.67% in Dollars in 2023, and from 7.65% to 8.59% in Colones (2022: from 2.82% to 5.36% in US Dollars, and from 5.00% to 8.80% in Colones). Accrued interest receivable from these certificates amount to US$397,114 as of December 31, 2023 (2022: US$348,640).

Amounts in US dollars

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, 2023 and 2022:

2023	Hierarchy	**Carrying amount**	**Fair value**
At fair value through profit or loss	Level 2	**$ 75,419,843**	**$ 75,419,843**
At amortized cost	Level 3	**$ 789,661**	**$ 789,661**

2022	Hierarchy	Valor en libros	Valor razonable
At fair value through profit or loss	Level 2	$ 66,821,245	$ 66,821,245
At amortized cost	Level 3	$ 3,391,077	$ 3,391,077

6. 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:

7.1 Accounts receivable

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Operating budget – Asociación Costa Rica por Siempre	**$ 137,724**	**$ -**	**$ 137,724**
Blue Fund	**-**	**3,068,520**	**3,068,520**
WAITT II	**-**	**100,000**	**100,000**
Irrevocable Trust- Amortization Fund	**-**	**2,391**	**2,391**
UNAFUT Promérica	**-**	**57**	**57**
	$ 137,724	**$ 3,170,968**	**$ 3,308,692**

Amounts in US dollars

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

7.2 Accounts payable

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Operating budget – Asociación Costa Rica por Siempre	**$ 3,070,911**	**$ -**	**$ 3,070,911**
Irrevocable Trust- Canje II	**-**	**135,000**	**135,000**
Irrevocable Trust- Granting Fund	**-**	**100,000**	**100,000**
Canje I Projects	**-**	**17,996**	**17,996**
Canje II Projects	**-**	**5,917**	**5,917**
Gente Project	**-**	**1,660**	**1,660**
MOTT CFSO	**-**	**781**	**781**
BRIDGE-FFEM	**-**	**283**	**283**
Campaign Simpe Móvil	**-**	**57**	**57**
	$ 3,070,911	**$ 261,694**	**$ 3,332,605**

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

Amounts in US dollars

7. Furniture and equipment

		Furniture and equipment		Computer equipment		Vehicles		Total
Cost:								
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)
December 31, 2022		37,283	$	81,286	$	40,600	$	159,169
Additions		**536**		**9,682**		**-**		**10,218**
Disposals		**(827)**		**-**		**-**		**(827)**
December 31, 2023	**$**	**36,992**	**$**	**90,968**	**$**	**40,600**	**$**	**168,560**
Accumulated depreciation:								
December 31, 2021	$	30,104		60,687		2,640		93,431
Depreciation for the year		1,575		8,296		4,127		13,998
Disposals		(1,701)		(8,566)		-		(10,267)
December 31, 2022		29,978	$	60,417	$	6,767	$	97,162
Depreciation for the year		**1,461**		**8,959**		**4,060**		**14,480**
Disposals		**(750)**		**-**		**-**		**(750)**
December 31, 2023	**$**	**30,689**	**$**	**69,376**	**$**	**10,827**	**$**	**110,892**
Carrying value:								
December 31, 2021	$	8,445	$	24,313	$	36,960	$	69,718
December 31, 2022	$	7,305	$	20,869	$	33,833	$	62,007
December 31, 2023	**$**	**6,303**	**$**	**21,592**	**$**	**29,773**	**$**	**57,668**

8. Accrued expenses

		December 31,		
		2023		2022
Withholdings to social security	**$**	**49,386**	$	40,157
Vacations		**33,698**		21,680
Income tax of employees		**18,486**		15,628
Thirteenth-month bonus		**11,291**		6,491
Bonuses to personnel		**9,103**		8,934
	$	**121,964**	$	92,890

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.

Amounts in US dollars

9. 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	
	2023	2022
Fideicomiso Irrevocable	**$ -**	$ 646,152
	$ -	$ 646,152

10. Revenues from donations

Trust funds (donations) consist of contributions made by founding trustors (The Nature Conservancy) for the approved Trust projects. They also include contributions received from the Central Bank of Costa Rica. Revenues from the Fideicomiso Irrevocable correspond to the funds received from the Central Bank of Costa Rica for the Canje I and Canje II Trusts.

Funds under the 'Asociación Costa Rica por Siempre' category include donations received from third parties and the portion of funds from the Fideicomiso Irrevocable, Canje I, and Canje II that has been transferred to the Association and used in approved projects. These funds ($1,232,757 in 2023 and $1,388,286 in 2022) are recorded as revenues of the Association and as project expenses

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Asociación Costa Rica por Siempre	**$ -**	**$ 9,067,772**	**$ 9,067,772**
Canje Trust - Amortization Fund	**-**	**1,759,523**	**1,759,523**
	$ -	**$ 10,827,295**	**$ 10,827,295**

	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

Amounts in US dollars

Revenues from donations to the Association are as follows:

		2023		2022
BEZOS (Blue Fund)	**$**	**3,000,000**	$	
Gordon + Betty Moore (Blue Fund)		**2,750,000**		-
BRIDGE-FFEM		**821,254**		528,250
WYSS Fundation		**750,000**		-
Canje II Trust		**641,887**		869,675
Fideicomiso Irrevocable Costa Rica por Siempre		**590,870**		-
Canje I Trust		**-**		518,611
AFD (FACILITÉ) Project		**-**		201,408
MAVA Fundation		**37,759**		-
MARFund		**26,250**		
AFD Project		**70,693**		187,065
Shark Conservation Fund				53,334
WAITT II		**100,000**		100,000
KFW		**48,000**		-
Campaign Simpe Móvil		**59**		-
Scheinberg		**81,000**		64,000
MOTT Fundation		**150,000**		9,841
BRIDGE-ACRXS		**-**		21,044
INTO-BID		**-**		60,000
	$	**9,067,772**	$	2,613,228

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, 2023, donations from third parties for US$ 9,594,537 (2022:US$3,738,546) were recorded.

11. Ingresos financieros

The investment portfolios of the Irrevocable Trust Costa Rica Forever, the Trust Second Debt-for-Nature Swap and the Trust for Investment and Fund Management for the Execution of the Forest Conservation Agreement-First Debt Swap, are composed of bonds, stocks and alternative instruments; from which losses or gains are generated due to fluctuations in the fair value of the investment portfolios.

Financial losses from the measurement of financial assets at fair value were US$7,715,263 in 2023 (US$$-8,378,756 in 2022).

12. Trust management services

		2023		2022
Budgetary support:				
Irrevocable Trust	**$**	**646,152**	$	633,483
Canje I		**153,388**		153,388
Canje II		**135,000**		136,500
Overhead		**114,420**		148,383
	$	**1,048,960**	$	1,071,754

In 2023 and 2022, 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 MAVA, WAITT II, Proyecto Gente, BRIDGE-FFEM y MOTT CFSO por $114,420 en 2023 (2022: BRIDGE-FFEM, Proyecto Gente, BRIDGE-MAVA, Shark Conservation Fund, WAITT II y MOTT Fundation por US$148,383).

13. Expenses from projects approved by the Trusts

13.1 Canje I

As of December 31, 2023, expenses from projects approved by Canje I are US$590,870 (2022: US$523,952). These expenses correspond to transfers made by Canje I to the Association.

13.2 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

El gasto de proyectos aprobado en 2023 en la XIV Convocatoria por un importe total de US$641,887, se detalla como sigue:

Grant agreement		Amount
The projects approved in the 2023 XIV Call were as follows:		
IICD-XIV-2024-01, Update of the General Management Plans of the Arenal Volcano National Park, Juan Castro Blanco National Water Park and Caño Negro Mixed National Wildlife Refuge.	$	89,547
IICD-XIV-2024-04, Preparation of the ecoregional Action Plan for the Tempisque Conservation Area with an ecosystem and landscape approach and Implementation of priority actions of the natural resources management plan and the climate change adaptation plan		4,930
IICD-XIV-2024-05, Implementation of Specific Ecological Monitoring Plans in the Prioritized Protected Wild Areas of the Arenal Tempisque Conservation Area (ACAT)		65,385
IICD-XIV-2024-06, Participatory implementation of prioritized actions of the climate change adaptation and mitigation plans of the ACC ASPs and their informative projection towards their local interest groups.		121,274
IICD-XIV-2024-07, Restoration of the masonry wall of stone blocks or ashlar of the Piñuelita Lagoon, as a measure of adaptation to Climate Change of the biodiversity of the Santa Rosa National Park		60,768
IICD-XIV-2024-08, II Phase of implementation of prioritized actions of the ecological integrity monitoring plans for the Golfo Dulce Forest Reserve and Corcovado National Park		54,125
IICD-XIV-2024-10, Participatory preparation of the SPNH ACLAC Climate Change Adaptation and Mitigation Plan		54,406
IICD-XIV-2024-11, Preparation of the Climate Change Adaptation and Mitigation Plan for the La Amistad Pacific Conservation Area		94,478
IICD-XIV-2024-12, Preparation of a Research Plan and updating of the Plan for the Prevention, Protection and Control of Carara National Park		25,955
IICD-XIV-2024-13, Characterization of the land tenure and use regime at the Guácimo and Pococí Aquifers Site of Importance for Conservation		71,019
Total projects approved in the 2023 XIV Call	$	641,887

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-2023-02, 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
Total projects approved in the 2018 XIII Call	$	869,674

Amounts in US dollars

14. 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, 2023		
	Unrestricted	**Restricted**	**Total**
Donation agreements (Canje)	**$ -**	**$ 1,155,110**	**$ 1,155,110**
Advisory	**-**	**375,769**	**375,769**
National and international tours	**-**	**409**	**409**
	$ -	**$ 1,531,088**	**$ 1,531,088**

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

15. Economía Verde y Azul program expenses

	2023	**2022**
Donation agreements I Canje de Deuda	**$ 664,504**	$ 449,450
Shark Conservation Fund	**-**	36,911
Lamping	**24,768**	70,529
RedLAC	**-**	124,273
WAITT II	**85,495**	87,754
Islas Secas	**-**	6,512
Gente Project	**724,377**	582,349
AFD Project	**5,763**	1,088,651
BRIDGE-MAVA	**12,100**	368,881
BRIDGE FFEM	**613,736**	77,196
MOTT Fundation	**-**	8,916
BRIDGE – ACRXS	**6,000**	15,000
SCHEINBERG	**32,072**	31,928
INTO-BID	**59,957**	-
ORRAA	**7,345**	-
MOTT CFSO	**11,616**	-
SCHEINBERG II	**41,501**	-
	$ 2,289,234	**$ 2,948,350**

Amounts in US dollars

16. Canjes I and II expenses

16.1 Canje I

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Legal services	**$ 11,058**	**$ -**	**$ 11,058**
Tours by technical team and local workshops	**6,949**	**-**	**6,949**
Attention to meeting of the Oversight Committee	**1,053**	**-**	**1,053**
	$ 19,060	**$ -**	**$ 19,060**

	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
Atención Sesiones Comité de Supervisión	1,412	-	1,412
	$ 19,292	$ -	$ 19,292

16.2 Canje II

	December 31, 2023		
	Unrestricted	**Restricted**	**Total**
Communication materials	**$ 11,900**	**$ -**	**$ 11,900**
Membership of environmental funds for Latin America and the Caribbean	**3,642**	**-**	**3,642**
Strengthening of eligible entities	**2,276**	**-**	**2,276**
Tours of technical team and local workshops	**4,545**	**-**	**4,545**
National tours of Oversight Committee	**2,980**	**-**	**2,980**
International Canje II tours	**42**	**-**	**42**
Attention to meetings of the Oversight Committee	**579**	**-**	**579**
Legal	**9,831**	**-**	**9,831**
	$ 35,795	**$ -**	**$ 35,795**

	December 31, 2022		
	Unrestricted	Restricted	Total
Communication materials	$ 11,102	$ -	$ 11,102
Membership of environmental funds for Latin America and the Caribbean	2,959	-	2,959
Strengthening of eligible entities	10,029	-	10,029
Advisory by subject matter experts	4,000	-	4,000
Tours of technical team and local workshops	3,283	-	3,283
National tours of Oversight Committee	1,044	-	1,044
International Canje II tours	5,000	-	5,000
Attention to meetings of the Oversight Committee	26	-	26
Legal	7500	-	7500
	$ 44,493	$ -	$ 44,493

Amounts in US dollars

17. Employee salaries and benefits

		2023		2022
Salaries	**$**	**909,818**	$	703,419
Social security contributions		**257,864**		200,213
Thirteenth-month bonus		**81,065**		62,516
Other personnel expenses		**146,432**		137,667
	$	**1,395,179**	$	1,103,815

In the years ended December 31, 2023 and 2022, the Association incurred in expenses for the defined contribution plan of US$26,283 and US$33,846, which correspond to resources transferred to the Complementary Pension Fund, as explained in note 4.11.

18. Leases

The Association has signed a 3-year lease contract of a building due in 2024. 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.

		2023		2022
Right-of-use assets	**$**	**94,404**	$	143,658
Depreciation expenses		**(46,475)**		(49,254)
	$	**47,929**	$	94,404

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

		2023		2022
Balance at beginning of year	**$**	**108,331**	**$**	156,311
Interests credited		**7,159**		11,454
Payments made		**(60,845)**		(59,434)
Balance at year end		**54,645**		108,331
Less - Short-term maturities		**54,645**		53,686
Long-term lease liabilities	**$**	**-**	**$**	54,645

Amounts in US dollars

19. 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:

19.1 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.

19.2 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 2023 would be US$190,524 increasing or decreasing the financial revenues (2021: +/- 25 base points and US$173,031).

19.3 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, 2023 and 2022 have maturity dates not exceeding twelve months from the date of the statement of financial position, except for long-term lease liabilities.

19.4 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.

20. 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.

21. 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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