

**TOLEDO INSTITUTE FOR DEVELOPMENT AND
ENVIRONMENT**

**FINANCIAL STATEMENTS
(Audited)**

DECEMBER 31, 2022 AND 2021

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT

December 31, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of Toledo Institute For Development And Environment:

Opinion

We have audited the financial statements of Toledo Institute For Development And Environment which comprise the statements of financial position as at December 31, 2022 and 2021 and the statements of comprehensive revenues and expenses, changes in net assets, and cash flows for the years 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 Toledo Institute For Development And Environment as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRSs for SMEs).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Toledo Institute For Development And Environment in accordance with 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 these requirements. We believe that the audit evidence we have obtained is sufficient 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 International Financial Reporting Standards for Small and Medium-sized Entities (IFRSs for SMEs) and for such internal controls 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 Toledo Institute For Development And Environment'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 Toledo Institute For Development And Environment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Toledo Institute For Development And Environment's financial reporting process.



Auditors' 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 auditors' 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 controls 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 Toledo Institute For Development And Environment's internal controls.
- 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 Toledo Institute For Development And Environment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Toledo Institute For Development And Environment 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.

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 controls that we identify during our audit.

Coye & Associates

Chartered Accountants

August 17th, 2023

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022 AND 2021

	<u>NOTES</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Current Assets			
Cash on hand and at bank		\$ 1,682,994	\$ 1,485,071
Accounts receivable and prepayments	4	<u>280,786</u>	<u>216,035</u>
Total Current Assets		<u>1,963,780</u>	<u>1,701,106</u>
Non-current Assets			
Property and equipment	5	4,373,332	4,425,059
Investment in land	6	143,867	143,867
Investment, Endowment Funds	7	<u>2,254,962</u>	<u>2,363,449</u>
TOTAL ASSETS		<u>\$ 8,735,941</u>	<u>\$ 8,633,481</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable and accruals	8	\$ 105,691	\$ 119,598
Deferred support	9	1,397,835	1,402,066
Total Current Liabilities		<u>1,503,526</u>	<u>1,521,664</u>
Non-current Liabilities			
Gratuity payable	10	18,024	14,999
Severance pay provision	11	<u>119,821</u>	<u>108,166</u>
Total Non-current Liabilities		<u>137,845</u>	<u>123,165</u>
TOTAL LIABILITIES		<u>1,641,371</u>	<u>1,644,829</u>
NET ASSETS			
Unrestricted		2,178,948	2,734,978
Temporarily restricted		<u>4,915,622</u>	<u>4,253,674</u>
NET ASSETS		<u>7,094,570</u>	<u>6,988,652</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 8,735,941</u>	<u>\$ 8,633,481</u>

The financial statements on pages 3 to 6 were approved and authorized for issue by the Board of Directors on August 17th, 2023 and are signed on its behalf by:

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements.

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>NOTES</u>	Unrestricted	Temporarily restricted	<u>2022</u>	<u>2021</u>
Public support					
Contributions and grants:	12				
BIOPAMA		\$ -	\$ 106,423	\$ 106,423	\$ 156,512
Belize Fund for Sustainable Future		-	11,471	11,471	-
Environmental Defense Fund		-	12,524	12,524	892
DNS/GOB		-	92,735	92,735	124,957
European Union		-	-	-	192
Gulf and Caribbean Fisheries Inst. Inc.		-	34,289	34,289	15,395
GEF Small Grants Programme		-	43,413	43,413	47,765
MARFund (Belize Marine Fund)		-	16,000	16,000	6,889
MARFund Small Grants Program		-	-	-	36,955
MARFund - FFEM (Marfish)		-	24,944	24,944	54,364
MARFund- Summit		-	263	263	8,084
Massachusetts Audubon Society		-	285,445	285,445	83,007
OCEANS 5 and Summit		-	106,201	106,201	87,909
Overbrook Foundation		-	132,711	132,711	118,818
Protected Areas Conservation Trust (PACT)		-	287,009	287,009	682,440
Seacology capital grant, amortization		-	-	-	1,063
The Summit Foundation		-	312,198	312,198	177,712
The New England Bio Labs		-	-	-	492
UNICEF		-	14,566	14,566	60,375
World Wildlife Fund		-	20,721	20,721	643
Total Public support		<u>-</u>	<u>1,500,913</u>	<u>1,500,913</u>	<u>1,664,464</u>
Revenues					
Interest income	13	\$ -	\$ 18,115	\$ 18,115	\$ 39,085
Other revenue		114,229	-	114,229	65,212
TIDE Tours		391,669	-	391,669	35,421
Other - Donation		54,000	-	54,000	-
Total Public Support and Revenues		<u>559,898</u>	<u>1,519,028</u>	<u>2,078,926</u>	<u>1,804,182</u>
Program expenses by protected areas:					
Cayman Crown		-	211,799	211,799	-
DNS/TIDE Private Lands		-	121,613	121,613	111,348
Payne Creek National Park		358,885	-	358,885	296,833
Port of Honduras Marine Reserve		-	452,961	452,961	871,940
TIDE Sustainability Initiative		38,851	-	38,851	25,432
		<u>397,736</u>	<u>786,373</u>	<u>1,184,109</u>	<u>1,305,553</u>
General and administrative		405,061	-	405,061	517,593
TIDE Tours Expense		313,131	-	313,131	39,208
Total Expenses		<u>1,115,928</u>	<u>786,373</u>	<u>1,902,301</u>	<u>1,862,354</u>
Change in Net Assets for the Year		<u>(556,030)</u>	<u>732,655</u>	<u>176,625</u>	<u>(58,172)</u>

The accompanying notes form an integral part of these financial statements.

**TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>NOTES</u>	Unrestricted	Temporarily restricted	<u>2022</u>	<u>2021</u>
Net Assets, beginning of the year		2,734,978	4,253,674	6,988,652	7,046,824
Change in Net Assets for the Year		(556,030)	732,655	176,625	(58,172)
Prior year adjustments		-	(70,707)	(70,707)	-
Net Assets, end of year		<u>\$ 2,178,948</u>	<u>\$ 4,915,622</u>	<u>\$ 7,094,570</u>	<u>\$ 6,988,652</u>

The accompanying notes form an integral part of these financial statements.

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets for the Year	\$ 176,625	\$ (58,172)
Adjustments for non-cash income and expenses:		
Depreciation of property and equipment	118,075	146,065
Gain/Loss on disposal of property and equipment	8,217	110
Increase in gratuity provision	3,025	23
Increase in severance pay provision	11,655	8,949
Prior period adjustments	(70,707)	-
Changes in current assets and liabilities:		
Account receivable and prepayments	(64,751)	(58,896)
Accounts payable and accruals	(13,907)	11,265
Deferred support	(4,232)	211,162
Gratuity paid	-	(2,737)
Severance paid	-	(25,243)
NET ADJUSTMENTS	<u>(12,625)</u>	<u>290,698</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>164,000</u>	<u>232,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(74,564)	(203,960)
Increase in investments	108,487	(4,540)
NET CASH FLOWS (USED BY) INVESTING ACTIVITIES	<u>33,923</u>	<u>(208,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
NET INCREASE (DECREASE) IN CASH	197,923	24,026
CASH BALANCE AT BEGINNING OF YEAR	<u>1,485,071</u>	<u>1,461,045</u>
CASH BALANCE AT END OF YEAR (Note)	<u>\$ 1,682,994</u>	<u>\$ 1,485,071</u>

The accompanying notes form an integral part of these financial statements.

**TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
CONSOLIDATED STATEMENTS OF EXPENSES BY FUNCTIONAL AREA
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>							<u>2021</u>	<u>TOTAL</u>	<u>TOTAL</u>
	General and Administration	Cayman Crown	Payne Creek National Park	Port of Honduras Marine Reserve	TIDE Protected Private Lands	Tide Sustainability Initiative	Tide Tours			
Salaries and Benefits	\$ 160,819	\$ 90,060	\$ 192,614	\$ 184,087	\$ 58,737	\$ 7,922	\$ 33,756	\$ 727,995	\$ 721,715	
Travel and Transportation	2,423	410	112	647	248	100	105,630	109,570	23,445	
Cleaning and Sanitation	2,490	-	2,271	1,500	1,739	215	-	8,215	2,615	
Donations	125	-	-	-	-	400	-	525	661	
Dues and Subscriptions	826	-	-	90	-	-	-	916	-	
Insurance, Licensing and Permits	4,497	-	3,435	7,839	1,781	1,199	10,623	29,374	28,284	
Postage and Delivery	2,883	-	3,311	730	48	12	433	7,417	2,306	
Professional Services	21,900	30,117	25,189	44,395	-	(14,625)	15,308	122,284	128,950	
Public Awareness and Environmental Education	207	5,011	1,976	27,223	229	21,351	983	56,980	82,695	
Repairs and Maintenance	30,610	6,179	15,528	24,239	6,943	3,231	11,915	98,645	180,879	
Supplies	15,463	-	3,536	5,151	2,613	-	33,381	60,144	53,782	
Training and Capacity Building	595	200	1,612	1,906	1,554	-	182	6,049	40,050	
Taxes	2,142	-	-	-	-	-	37,714	39,856	3,679	
Board and Advisory Expense	3,124	-	458	790	-	-	-	4,372	1,156	
Utilities	7,398	1,328	1,969	1,077	56	-	1,031	12,859	11,032	
Telephone and Communications	9,805	1,706	3,317	5,039	677	-	441	20,985	19,004	
Bank Charges	2,748	382	3,104	1,149	149	1,576	2,521	11,629	11,394	
Reserves and Parks Improvement	-	-	15,127	768	838	-	-	16,733	28,700	
Networking	1,407	394	388	8,119	-	1,255	-	11,563	3,734	
Hospitality and Entertainment	-	-	-	-	-	93	-	93	-	
Institutional Strengthening	2,356	-	984	4,850	1,457	5,827	-	15,474	10,662	
Research and Monitoring	-	56,032	1,434	36,210	4,582	75	-	98,333	104,839	
Recruitment	-	-	544	1,104	36	-	-	1,684	1,313	
TIDE Scholarship Program	6,224	-	-	315	-	127	-	6,666	2,035	
Depreciation	117,721	-	-	-	-	-	354	118,075	146,065	
Loss (gain) on disposal of Property and Equipment	7,699	-	-	-	-	-	518	8,217	110	
Surveillance Patrol and Enforcement	1,277	182	41,072	57,766	39,594	-	-	139,891	138,294	
Disaster Preparedness	8	-	-	2,879	300	-	-	3,187	-	
Community Support and Development	314	3,792	40,904	35,088	32	10,093	58,341	148,564	66,185	
Sub-grants (E.U. Project Partners)	-	16,006	-	-	-	-	-	16,006	48,770	
	<u>\$ 405,061</u>	<u>\$ 211,799</u>	<u>\$ 358,885</u>	<u>\$ 452,961</u>	<u>\$ 121,613</u>	<u>\$ 38,851</u>	<u>\$ 313,131</u>	<u>\$ 1,902,301</u>	<u>\$ 1,862,354</u>	

The accompanying notes form an integral part of these financial statements.

**TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022 AND 2021**

1. GENERAL

Status

The Toledo Institute For Development And Environment (TIDE) is a non-profit organization limited by guarantee and incorporated in Belize. The address of its registered office is 1 Mile San Antonio Rd., Punta Gorda Town, Belize C.A. TIDE is registered as a non-governmental organization (NGO) under the Non-Governmental Organizations Act, Chapter 315 of the Laws of Belize. TIDE wholly owns a subsidiary, TIDE Tours, a Company limited by guarantee and not having a share capital, which is a licensed tour operator that provides community-based tourism experiences.

The Authority TIDE and its wholly owned subsidiary together are referred to as (the Group).

TIDE's mission is to foster community participation in resource management and sustainable use of ecosystems within the Maya Mountain Marine Corridor of Southern Belize. Recognising the interdependent nature of this landscape and its people, TIDE works with stakeholders to implement holistic landscape-level strategies to preserve the natural processes and habitats that sustain biodiversity and people. TIDE manages three protected areas: Port Honduras Marine Reserve, Payne's Creek National Park and TIDE Private Protected Lands.

TIDE is funded by various international conservation groups and international foundations, by private contributions and by its own revenue-generating activities.

These group consolidated financial statements were authorized for issue by the Board of Directors on August 17th, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

2.a. Basis of preparing the financial statements

The consolidated financial statements of Toledo Institute For Development And Environment (TIDE) have been prepared in accordance with 'International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the TIDE's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3.

2.b. Consolidation - Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries, except for those subsidiaries that have been acquired and are held with the intention of selling or disposing of within one year from the acquisition date, are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022 AND 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.b. Consolidation - Subsidiaries (continued)

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the business combination. Any adjustments to the cost of the combination that is contingent on future events, is included in the cost of the combination if the adjustment is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Intangible assets are not recognised if their fair value cannot be measured reliably without undue cost or effort at the acquisition date; contingent liabilities are not recognised if their fair value cannot be measured reliably. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between TIDE and its subsidiary, which are related parties, are eliminated in full. Intra-group losses are also eliminated but might indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of the subsidiary are consistent with the policies adopted by TIDE.

2.c. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Belize dollars which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Activities.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Activities 'Other income'. All other foreign exchange gains and losses are presented in the Statement of Activities within expenses.

2.d. Reporting currency

These financial statements are prepared in the currency of Belize. The official exchange rate of the Belize dollar is fixed at BZ\$2 to US\$1.

2.e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022 AND 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.f. Accounts receivables

Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

2.g. Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of furniture and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of activities during the period in which they are incurred. expires.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method, at the following rates:

Buildings	2%
Motor vehicles	25%
Boat	20%
Outboard motor	33%
Equipment	20%
Computer	33%
Furniture and equipment	10%

When property and equipment are disposed of by sale or scrapping, the cost and related accumulated depreciation are removed from the financial statements and any resulting gain or loss, determined by comparing the proceeds with the carrying amount, are recognised within general administrative expenses.

2.h. Impairment of non-financial assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.i. Investment in land

Investment in land is recorded at cost less impairment.

2.j. Accounts payable

Interest Accounts payable are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022 AND 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.k. Employee benefit obligations

Termination benefit - severance

The Group recognises termination benefits in accordance with the Labour Act (the Act), Chapter 297 of the Substantive Laws of Belize and the Group's policy.

The Act was revised in April 2011 to require that employees who have been employed for (a) five to ten years be paid severance pay of one week's pay for each year of service if retiring on or after 60 years of age or on medical grounds or if terminated for other than good and sufficient cause and (b) employees, with more than ten years of service, be paid severance pay of two weeks' pay for each year of service. The revision also provided for employees whose ten years of service included years of service prior to the commencement of the revision be paid a week's salary for each year served prior to the commencement of the revision and two weeks' salary for each year served after the commencement of the revision. The revision was effective as of December 31, 2011.

2.l. Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.m. Support and revenue recognition

Support from contributions, which would include grants, are recognized when received. All support are considered to be available for unrestricted use unless specifically restricted by donors.

Grants which benefit future periods (deferred support) are recognised in the statement of comprehensive income on a systematic basis over the periods in which the Group recognizes the related costs for which the grants are intended to compensate. Grants are not recognised in equity.

A grant receivable as compensation for expenses already incurred is recognised as support when it becomes receivable.

Donated property and equipment are recorded at estimated fair market value and accounted for as support for operations in the year in which received. Donated property and equipment which are depreciable are treated as deferred support and allocated to support over the periods and in the proportions in which depreciation on those assets is charged to operations.

The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the entity's activities. Interest income is recognised using the effective interest method.

TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022 AND 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.n. In-kind contributions

No amounts have been reflected in the financial statements for contributed services but the Group acknowledges that it has benefited from contributed services provided by individuals. The specialized skills provided would typically need to be purchased if not provided by donation.

2.o. Business tax

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenue receipts earned by TIDE Tours and are payable within the following month.

Complying with deferred taxation accounting pursuant to Section 29 of International Financial Reporting Standard for Small and Medium- sized Entities (IFRS for SMEs) is not applicable.

2.p. Expenditure recognition

Expenditure is recognized when incurred.

2.q. Comparative information

Where necessary, comparative amounts have been reclassified to conform with changes in presentation in the current year

3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

Key sources of estimation uncertainty:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year would be the estimated useful lives of property and equipment.

4. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 239,756	\$ 184,634
Prepayments	17,128	14,296
Interest receivable	<u>23,902</u>	<u>17,105</u>
	<u>\$ 280,786</u>	<u>\$ 216,035</u>

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5. PROPERTY AND EQUIPMENT

	<u>2022</u>	<u>2021</u>
Costs/Valuation:		
Land and buildings	\$ 4,117,330	\$ 4,103,078
Boat and equipment	815,500	810,706
Other equipment	577,568	568,296
Motor Vehicles	481,375	481,375
Office Furniture and Equipment	62,784	63,800
Other	11,615	-
Total Costs	<u>6,066,172</u>	<u>6,027,255</u>
Accumulated depreciation and impairment		
Land and buildings	\$ 203,553	\$ 187,038
Boat and equipment	621,890	586,411
Other equipment	427,989	419,723
Motor Vehicles	392,947	363,471
Office Furniture and Equipment	46,461	45,553
Total Accumulated depreciation and impairment	<u>\$ 1,692,840</u>	<u>\$ 1,602,196</u>
Net Property, plant and equipment	<u>\$ 4,373,332</u>	<u>\$ 4,425,059</u>

6. INVESTMENT IN LAND

	<u>2022</u>	<u>2021</u>
Land - 1,110 acres of Rio Grande land annex jointly owned with Leanne and Craig Knox et al	\$ 143,867	\$ 143,867
	<u>\$ 143,867</u>	<u>\$ 143,867</u>

7. INVESTMENT, ENDOWMENT FUNDS

	<u>2022</u>	<u>2021</u>
Bank term deposits with original maturities exceeding three months	\$ 2,254,962	\$ 2,363,449
	<u>\$ 2,254,962</u>	<u>\$ 2,363,449</u>

8. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 96,925	\$ 113,465
Sundry payables and accruals	8,766	6,133
	<u>\$ 105,691</u>	<u>\$ 119,598</u>

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9. DEFERRED SUPPORT

	<u>2022</u>	<u>2021</u>
Balance brought forward	\$ 1,402,066	\$ 1,190,904
Less: Transfers to support	(1,571,621)	(1,671,020)
Prior Year Adjustments	15,157	
Additions	<u>1,552,233</u>	<u>1,882,182</u>
Balance carried forward	<u><u>\$ 1,397,835</u></u>	<u><u>\$ 1,402,066</u></u>

The following organizations have provided support which will benefit future periods:

BIOPAMA	\$ 150,703	\$ 38,148
Chemeketa- Reef to Ridge programme	8,656	8,656
DNS/GOB	37,246	23,865
MARFund - Marfish	83,360	14,682
MARFund (Belize Marine Fund)	53,900	50,108
MARFund Small Grants Program	7,283	9,104
MARFund- Summit	9,162	9,162
Massachusetts Audubon Society	170,863	127,832
New England Bio Labs Foundation, unamortized portion	-	999
Overbrook Foundation	52,204	131,762
PACT (Port Honduras Marine Reserve and Payne's Creek National Park)	388,110	450,582
PACT (Emergency funds to replace stolen boat and engine from TIDE's private protected lands)	25	6,008
Seacology capital grant, unamortized portion	50,972	52,012
The Summit Foundation	226,749	286,688
Global Environmental Facility's Small Grants Programme	7,823	42,235
Environmental Defense Fund	8,245	14,108
Drake University	-	134,042
European Union	613	766
World Wildlife Fund for Nature	1,307	1,307
Oceans 5 and Summit	4,249	-
UNICEF	166	-
GCFI	21,614	-
Belize Fund for Sustainable Future	114,585	-
	<u><u>\$ 1,397,835</u></u>	<u><u>\$ 1,402,066</u></u>

10. GRATUITY PAYABLE

	<u>2022</u>	<u>2021</u>
Balance brought forward	\$ 14,999	\$ 17,713
Additional accruals for gratuity	4,707	23
Less: Paid during the period	(1,682)	(2,737)
Balance carried forward	<u><u>\$ 18,024</u></u>	<u><u>\$ 14,999</u></u>

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11. SEVERANCE PAY PROVISION

	<u>2022</u>	<u>2021</u>
Balance carried forward	\$ 108,166	\$ 124,460
Additional accruals for gratuity	11,655	8,949
Less: Paid during the period (Prior Yr Adjustment)	-	(25,243)
Balance carried forward	<u>\$ 119,821</u>	<u>\$ 108,166</u>

12. CONTRIBUTIONS AND GRANTS:

12.1. BIOPAMA-IUCN (International Union for the Conservation of Nature and Natural Resources)

TIDE entered into an agreement with IUCN, where IUCN through the BIOPAMA project agrees to provide funding in an amount not exceeding EUR 400,000 (BZ\$904,214) for project entitled 'To improve the Knowledge, Monitoring and Protection of Mesoamerican Reefs Fish, Spawning Aggregations and Replenishment Zones'. The life of the grant is from 1 July 2020 until 30 June 2023.

Funding of BZ\$110,057 was received in 2021. Funding of BZ\$250,892 was received in 2022.

12.2. Tropical Forest Conservation Agreement (DNS)

In September 2001, TIDE signed into a "Tropical Forest Conservation Agreement" (FCA) with the Government of Belize (GOB), The Nature Conservancy (TNC), Programme for Belize (Pfb), Belize Audubon Society (BAS) and Protected Areas Conservation Trust (PACT). Under a Debt for Nature Swap (DNS) agreement between the Government of the United States of America (USA) and GOB, the USA agreed to cancel certain debts owed by the GOB to the USA in exchange for a commitment by GOB to fund forest conservation activities in Belize. The monies that were to be used for the debt payments were restructured under the FCA to be used to (i) provide funds for TIDE, Pfb, BAS and PACT Foundation to carry out forest conservation activities and (ii) to accumulate funds that can be used to conserve, maintain and restore the protected reserve lands in perpetuity by the establishment of endowment funds.

Activities that are allowed for funding under the agreement include the establishment, restoration and protection of protected areas and reserves; developing and implementing scientifically sound land and ecosystems management practices; training programs that increase the technical, scientific and managerial capacities of the organizations; restoration, protection or sustainable use of diverse animal and plant species and research on medicinal uses of tropical plant life to treat human related illnesses.

The agreement provides that GOB make scheduled payments to TIDE beginning in 2002 and ending in 2027. In accordance with the agreement, a portion of the funds is designated "endowment funds" and a portion is designated "land management funds".

As of December 31, 2022, the total funds received under the agreement amounted to BZ\$5,956,014. Of this amount, BZ\$1,833,684 has been placed in the endowment fund account as required by the agreement.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.2. Tropical Forest Conservation Agreement (DNS) (continued)

Endowment Fund:

The agreement provides that there shall be no disbursements or transfers from the Endowment Fund accounts during the "build-up period", that is, from 2001 until March 31, 2011. It also stipulates that after the "build-up period", disbursements from the Endowment Fund accounts shall not, in the aggregate, exceed more than five percent of the total amount held on deposit in the Endowment Fund account on the last day of the previous fiscal year or as the parties shall otherwise agree in writing. It provides, furthermore, that a maximum of fifteen percent of the five percent is allowed to be spent on overhead expenses.

The endowment fund account started with an initial allocation of BZ\$28,568 received for the fiscal year 2001/2002. Similar amounts were received in the years 2002/2003 and 2003/2004. Subsequently, the annual endowment allocation was increased to BZ\$134,084 in accordance with the scheduled payments.

The Endowment Fund had a balance of BZ\$2,254,962 at the end of the 2022 fiscal year (2021 - BZ\$2,363,449).

During the examination by the auditors, the auditors found no disbursements or expenditures of FCA income in violation of the authorized purposes as stipulated in the FCA agreement.

12.3. European Union

The European Union, represented by the European Commission (the 'Contracting Authority'), signed a contract with TIDE to award a grant of EUR 1,000,000 (BZ\$2,799,621) to finance the implementation of the project entitled: 'Restoring fisheries in the Mesoamerican Barrier Reef System'. The implementation period of the project started upon the Signing of the contract on December 22, 2016. The estimated life of the project is 36 months. The execution period of the contract shall end when the payment of the balance is made by the Contracting Authority and, in any event, at the latest 18 months after the end of the implementation period.

Funds received for the period ended December 31, 2017 were BZ\$731,816, BZ\$547,783 was received in 2019 and BZ\$618,861 was received in 2020. A balance of BZ\$73,477 is yet to be requested for reimbursement from the EU based on the review of the contracting authority.

12.4. Mesoamerican Reef Fund (MAR Fund)

12.4.a. MARFund (Belize Marine Fund)

TIDE was awarded a grant of US\$45,000 (BZ\$90,000) for a project entitled 'Contributing to the Knowledge, Monitoring and Protection of the Mesoamerican Reefs Fish Spawning Aggregations and Replenishment'. Originally the life of the project was December 1, 2019 to November 30, 2020; the Grantor granted a six month no-cost extension. The new period was December 1, 2019 to May 31, 2021.

Funding of BZ\$55,000 was received in 2019, BZ\$26,000 was received during 2020 and BZ\$9,000 in 2021 when the project was completed. Funding of BZ\$24,000 was received in 2022.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.4.b. MARFund Small Grants Program

TIDE was awarded a grant of US\$27,853 (BZ\$55,706) for a project entitled 'Towards the Knowledge, Monitoring and Protection of MAR Fish Spawning Aggregations and Replenishment'. Originally the life of the project was March 2, 2020 to February 28, 2021; the Grantor granted a six month no-cost extension. The new period was March 2, 2020 to August 31, 2021.

Funding of BZ\$50,136 was received in 2020 and BZ\$5,570 in 2021 when the project was completed.

12.4.c. MARFund - FFEM (Marfish)

TIDE was awarded a grant of US\$78,725 (BZ\$157,450) for a project entitled 'Knowledge, Monitoring and Protection of the Mesoamerican Reefs Fish Spawning Areas'. Originally the life of the project was two years but a no-cost time extension of one year was granted in order to complete activities that were cancelled due to Covid-19 pandemic. The new period for the project is December 2019 to July 2023.

On May 15, 2022, a budget modification for additional funding of the total amount of fifty-four thousand four hundred and nine US dollars (US\$ 54,409) from funding approved by The Summit Foundation (US\$ 16,909) and Oceans 5 (US\$ 37,500). An additional funding of US\$39,000 from FFEM for monitoring sentinel sites in Cayman Crown is added to this modification. Also, TIDE has a balance of US\$23,618 from FFEM. The amounts from FFEM total US\$62,618, which when added to the new funding indicated above of US\$54,409, sums a grand total of US\$117,027.

Funding of BZ\$110,215 was received in 2020. No funding was received in 2021. Funding of BZ\$93,622 was received in 2022.

12.4.d. MARFund - Summit

TIDE was awarded a grant of US\$10,529 (BZ\$21,058) as emergency funding in response to the COVID-19 pandemic, for the management of Port Honduras Marine Reserve, Paynes Creek National Park and TIDE Private Protected Lands. The grant is to be used through remainder of 2020 to early 2021.

The full amount of the grant was received during 2020. The project was completed during the year 2021.

12.5. Massachusetts Audubon Society

The Massachusetts Audubon Society granted US\$50,000 (BZ\$100,000) during 2020 and US\$50,000 (BZ\$100,000) during 2021 to support ongoing conservation efforts within the Maya Mountain Marine Corridor with a focus on Payne Creek National Park. The grant was received in full in 2021.

In 2022 TIDE received US\$75,000 (BZ\$150,000) being Donation for grant award to support the project, "Enhancing management effectiveness including visitor experience of the Payne's Creek National Park" for period November 1, 2022, to May 31, 2023. The grant was received in full in 2022.

During the year, Massachusetts Audubon Society also granted US\$20,000 (BZ\$40,000) for staff and board team building event, summer camp activities, Scuba Dive Certification, scholarships, Conservation Festival and BTB co-financing. The grant was received in full in 2022.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.6. Overbrook Foundation

- 12.6.a.** The Overbrook Foundation awarded a grant of US\$70,000 (BZ\$140,000) in support of TIDE for General operating support. The life of the grant is from March 1 2019 until February 28, 2021.

The funding of BZ\$70,000 was received in 2019 and the remaining balance of BZ\$70,000 was received in 2020

- 12.6.b.** The Overbrook Foundation awarded a grant of US\$35,000 (BZ\$70,000) in support of TIDE for Management of Port of Honduras Marine Reserve. The life of the grant is from December 1, 2019 until November 30, 2020.

The funding of BZ\$70,000 was received in 2020.

- 12.6.c.** The Overbrook Foundation awarded a grant of US\$35,000 (BZ\$70,000) in support of TIDE for Management of Port of Honduras Marine Reserve. The life of the grant is from 1 December 2020 until 30 November 2021.

The funding of BZ\$70,000 was received in 2021.

- 12.6.d.** The Overbrook Foundation awarded a grant of US\$35,000 (BZ\$70,000) in 2021 for general support to continue TIDE's Conservation and sustainable development work. The life of the grant is from March 1, 2021 until February 28, 2023.

The funding of BZ\$70,000 was received in 2021 and the remaining balance of BZ\$70,000 was received in 2022.

12.7. Protected Areas Conservation Trust (PACT)

- 12.7.a.** TIDE entered into an agreement with PACT, where the Trust agrees to provide funding in the amount of BZ\$353,600 for the project entitled 'Marine Conservation in Southern Belize - Port of Honduras Marine Reserve' within a two-year period starting July 2019. The objective of the project is to expand and establish climate adaptation measures and maintain ecosystems services and environmental value of four marine protected areas in Southern Belize.

Funds amounting to BZ\$319,500 were received during 2019. In July 2020, through no fault of TIDE, PACT requested that project be closed and arrangements were made to reimburse all unspent funds to PACT.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.7. Protected Areas Conservation Trust (PACT) (Continued)

12.7.b. TIDE entered into a partnership agreement with PACT, where the PACT agrees to provide funding in the amount of BZ\$1,752,000 for the program entitled 'Maintaining the effective and sustainable management of the resources within Port Honduras Marine Reserve (PHMR) and Payne's Creek National Park' (PCNP) over a three-year period. The objective of the program is to contribute towards improved protection, biodiversity conservation and increased investments for the benefit of the National Protected Areas System (NPAS) priority ecosystems and their buffering communities.

Funds amounting to BZ\$235,750 were received during 2019, funds amounting to BZ\$799,279 were received in 2020 and BZ\$674,221 were received in 2021.

In 2021, PACT agreed for the use of BZ\$27,960 of the BZ\$34,751 contingency funds for 'Emergency repairs and maintenance to PCNP and PHMR ranger station facilities.

PACT also approved in July of 2021 a request by TIDE for a reprogramming of several line items within the financial report totalling BZ\$107,302.28 from year 2 to year 3 to ensure that the program meets its intended results.

PACT also approved in May of 2022 a request by TIDE for a reallocation of funds and the addition of new line items within the financial report totaling BZ\$21,030.33 to ensure that the program meets its intended results. Additionally, PACT approved a disbursement of contingency funds in the amount of BZ\$1,096.12 towards TIDE's fire management program.

12.7.c. In 2019, PACT awarded a capital grant of BZ\$20,000 to replace stolen boat and engine from TIDE's Private Protected Lands. This grant is being recognized in the statement of activities over the useful life of the asset.

12.7.d. In 2022, TIDE entered into a partnership agreement with PACT – SI-22-06, where the PACT agrees to provide funding in the amount of BZ\$249,895.15 for the program entitled "To increase management effectiveness of the PHMR and PCNP over a one-year period. The objective of the program is to contribute towards increased management effectiveness by 3% for every investment partner, strengthen PA Governance and Increase financial leveraging capacity into the BNPAS.

Funds amounting to BZ\$238,536.28 were received in 2022

12.8. Seacology

Seacology awarded a capital grant of US\$30,000 (BZ\$60,000), via Philanthropic Ventures Foundation, for the expansion of housing for paying volunteers. This grant is being recognized in the statement of activities over the useful life of the asset.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.9. The Summit Foundation

- 12.9.a.** The Summit Foundation granted US\$124,000 (BZ\$248,000) for general support of effective management of the Port Honduras Marine Reserve. The grant period is from July 1, 2019 to October 31, 2020. The funding was received in full during 2019.
- 12.9.b.** In August 2020, The Summit Foundation approved a general operating support grant of US\$125,000 (BZ\$250,000) to TIDE. The grant period is from August 1, 2020 to July 31, 2021. The funding was received in full during 2020. An extension of the grant period to January 31, 2022 was agreed to by both parties in November 2021.
- 12.9.c.** In October 2021, The Summit Foundation approved a general operating support grant of US\$125,000 (BZ\$250,000) to TIDE. The grant period is from October 1, 2021 to September 30, 2022. The funding was received in full during 2021.
- 12.9.d.** In November 2022, The Summit Foundation approved a general operating support grant of US\$315,000 (BZ\$630,000) to TIDE over 30 months. This is intended to provide: \$127,000 for the period November 1, 2022 – October 31, 2023 and \$188,000 for November 1, 2024 – April 30, 2025.

Funds in the amount of BZ\$254,000 were received in 2022.

12.10. The New England Bio Labs Foundation

In 2019, TIDE received a capital grant (BZ\$3,320) for two laptops from the New England Bio labs Foundation. This grant is being recognized in the statement of activities over the useful life of the assets.

12.11. UNICEF

TIDE entered into a partnership agreement with UNICEF, where UNICEF agreed to provide funding in an amount not exceeding BZ\$80,000 for the project entitled 'Implement community-based programmes focused on empowerment, protection and prevention of family violence'. The grant period is from July 2020 to June 2021.

Funding of BZ\$5,059 was received in 2020 and BZ\$58,612 in 2021.

12.12. World Environmental Center

The World Environmental Center granted US\$43,000 (BZ\$86,000) in 2018 for project entitled "Follow-up investment for four inclusive and sustainable, community-based, natural resource businesses around the Maya Mountain and Columbia River Forest Reserves, Toledo, Belize". The estimate life of the grant was from 1 October 2018 to December 31, 2019.

Funds amounting to BZ\$71,959 was received during 2019. The remaining balance of BZ\$14,041 was received in 2020.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.13. World Wildlife Fund (WWF)

TIDE entered into an agreement with WWF where WWF agreed to provide funding in an amount not exceeding US\$6,571 (BZ\$13,142) for project entitled 'Collecting and Compiling Data for the Resilience Analysis of Belize's Marine Protected Areas System to Climate Change using Socio-economic and Biophysical datasets. The estimated life of the grant was July 7, 2020 to September 14, 2020.

The full amount of the grant was received during 2020.

World Wildlife Fund (WWF)

TIDE entered into an agreement with WWF where WWF agreed to provide funding in an amount not exceeding US\$15,400 (BZ\$30,800) for project entitled "Climate-Smarting Marine Protected Areas and Coastal Management in the MAR." The estimated life of the grant was 10 June 2021 to 5 December 2021.

In August 2022, Amendment #1 to Contract #11560 with an increase by US\$4,000 or BZ\$8,000 was made and an extension granted to December 30, 2022. The Revised Budget is now US\$19,400 or BZ\$38,800.

In December 2022, Amendment #2 to Contract #11560 with an extension to March 10, 2023, was granted.

Funds in the amount of BZ\$3,180 were received in 2021. Funding in the amount of BZ\$19,610 was received in 2022

12.14. Gulf and Caribbean Fisheries Institute, Inc.

The Gulf and Caribbean Fisheries Institute, Inc, granted US\$10,931 (BZ\$21,862) with respect to improving Fisheries Resilience in Port Honduras Marine Reserve, Belize through Coral Disease Monitoring and Response. The estimated life of the grant is July 2021 to July 2022.

Funds amounting to BZ\$10,931 were received in 2021. Funds in the amount of BZ\$10,931 were received in 2022.

In 2022, another grant was approved by this donor for Review of TIDE's Financial Sustainability Program and Development of a Five-Year Financial Sustainability Strategy. The grant period is 07-Dec-2022 to 30-Jun-2023. The first disbursement of \$24,000 was made in 2022

12.15. Environmental Defense Fund, Incorporated

The Environment Defence Fund, Incorporated, granted US\$7,500 (BZ\$15,000) to share resources from the Small-Scale Fisheries Resource and Collaboration Hub ("SSF Hub"), participate in the SSF Hub's community forum, and provide feedback to SSF Hub partners on improvements. The estimated life of the grant was September 15, 2021 to 1 March 1, 2022.

The full amount of the grant was received during 2021.

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12. CONTRIBUTIONS AND GRANTS (CONTINUED)

12.16. The GEF Small Grants Programme

The GEF Small Grants Programme, granted US\$100,000 (BZ\$200,000) for building capacities in forest fire management among Indigenous Peoples and local communities in Belize. The estimated life of the grant is January 11, 2021 to June 30, 2022.

Funds amounting to BZ\$90,000 were received in 2021. Funds in the amount of BZ\$9,000 were received in 2022.

12.17. Ocean 5 and Summit

This Grant Agreement was signed between TIDE and MAR Fund as counterpart to the MAR Fish Project. The budget of US\$78,409 is being funded as follows: Summit Foundation (US\$23,409) and Oceans 5 (US\$55,000).

Total funding amounting to US\$31,364 (BZ62,728) was received in 2021.

12.18. Ocean 5 and Summit

In December, 2022, an agreement between the Belize Fund for a Sustainable Future (BFSF) and TIDE in connection with the request submitted for gap funding was made as part of the project titled “Strengthening Management of Belize Marine Protected Areas to assist GOB Meet the Commitments of the Blue Bonds Conservation Funding Agreement (CFA)”. The implementation period of this grant is 1st November 2022 to 31st March 2023. BFSF agreed to provide funding in the amount of BZ\$126,057.54. .

The full amount of this grant was received during 2022.

13. INTEREST INCOME

	<u>2022</u>	<u>2021</u>
Interest income on term deposits	\$ 18,115	\$ 39,085
	<u>\$ 18,115</u>	<u>\$ 39,085</u>

14. TRANSFER FROM TEMPORARILY RESTRICTED FUNDS

	<u>2022</u>	<u>2021</u>
Budgeted allocation from DNS temporarily restricted funds to be utilised for the period October 2021 to September 2022 (October 2020 to September 2021)	\$ 120,773	\$ 123,469
	<u>\$ 120,773</u>	<u>\$ 123,469</u>

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15. TAXATION

The provisions of the Income and Business Tax Act provides for the exemption of receipts of any ecclesiastical, charitable or educational institution of a public character from business tax in so far as such receipts are not derived from a trade or business carried on by the institution.

Tour revenue is chargeable at a rate of 6% and other revenues generated by TIDE Tours are chargeable at a rate of 1.75%.

16. CONTINGENT LIABILITY

During 2019, the Group, received notices of assessment totalling BZ\$123,000 in taxes, penalties and interest for the years 2015 to 2017 in relation to TIDE Tours revenues. The Group has disputed the assessments on the grounds that they are unreasonable, excessive and illegal and sought clarity on the basis of the imposition of taxes on a registered NGO. In March 2019, the Group lodged an appeal for hearing, consideration and decision. The appeal is still ongoing and the outcome of the appeal is uncertain since the Group has not received a response to the appeal lodged.

17. COVID-19

A coronavirus (Covid-19) outbreak was first documented in Wuhan, Hubei Province, China in December 2019. Coronaviruses are a large family of zoonotic viruses that cause illness ranging from the common cold to severe respiratory diseases. On March 11, 2020 the WHO declared the novel coronavirus outbreak to be a pandemic. On March 23, 2020, Belize declared its first confirmed case of Covid-19 in Belize. Due to Covid-19, the Government of Belize declared a State of Emergency for the Country of Belize effective midnight April 1, 2020.

The global economic impact has been significant. The Group has no intention to liquidate or cease operations; it expects to continue to generate sufficient revenues to be able to continue to operate for the foreseeable future. The pandemic had impacted the Company's 2020 and 2021 financial results. The Board of Directors took strategic precautionary measures to cut salaries and reduce the level of staff. Salaries were normalized once operations improved.

The income through its subsidiary, TIDE Tours, was significantly impacted by Covid-19 in 2021, and the coronavirus outbreak continues to impact the operations in 2022.