

Audited Financial Statements

ONE ELEUTHERA FOUNDATION

30 June 2023

ONE ELEUTHERA FOUNDATION

Audited Financial Statements

30 June 2023

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INDEPENDENT AUDITORS' REPORT**T:** +1 (242) 322-7516
F: +1 (242) 322-7517To the Members of
ONE ELEUTHERA FOUNDATIONinfo@bakertilly.bs
www.bakertilly.bs***Opinion***

We have audited the accompanying financial statements of One Eleuthera Foundation ("the Foundation"), which comprise the statement of financial position as at 30 June 2023, and the statements of income and accumulated funds and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS 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 the Foundation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other responsibilities in accordance with the IESBA Code. 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 IFRS for SMEs, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

To the Members of
ONE ELEUTHERA FOUNDATION

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 it 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 ISA, 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 controls.
- 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 the Foundation'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 the Foundation'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 the Foundation 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To the Members of
ONE ELEUTHERA FOUNDATION

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.

30 September 2023

Nassau, The Bahamas


CHARTERED ACCOUNTANTS

ONE ELEUTHERA FOUNDATION

Statement of Financial Position
(Expressed in Bahamian dollars)

30 June 2023

| | Notes | 2023 \$ | 2022 \$ |
|--|-----------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5, 13, 15 | 1,452,173 | 1,343,012 |
| Accounts receivable | 6 | 2,400 | 4,775 |
| Due from related party | 13 | 14,600 | 144,913 |
| Prepayments | | 9,117 | 5,743 |
| | | <u>1,478,290</u> | <u>1,498,443</u> |
| NON-CURRENT ASSETS | | | |
| Property and equipment, net | 7 | 566,480 | 582,169 |
| Other assets | 8, 13, 15 | 2,480 | 152,480 |
| | | <u>568,960</u> | <u>734,649</u> |
| TOTAL ASSETS | | <u>2,047,250</u> | <u>2,233,092</u> |
| LIABILITIES AND ACCUMULATED FUNDS | | | |
| CURRENT LIABILITIES | | | |
| Funds held for third parties | 9 | 301,247 | 299,755 |
| Funds held for related party | 13 | 161,632 | 182,103 |
| Due to related party | 13 | 204,104 | - |
| Accounts payable and accrued expenses | 10, 13 | 125,244 | 54,321 |
| Other liabilities | | 39,155 | 511 |
| | | <u>831,382</u> | <u>536,690</u> |
| ACCUMULATED FUNDS | | | |
| Unrestricted fund | | 618,003 | 1,146,388 |
| Restricted funds | | 597,865 | 550,014 |
| | | <u>1,215,868</u> | <u>1,696,402</u> |
| TOTAL LIABILITIES AND ACCUMULATED FUNDS | | <u>2,047,250</u> | <u>2,233,092</u> |

These financial statements were approved on behalf of the Board of Directors on 30 September 2023 by the following:

Director - Keyron L. Smith/President & CEO

Director - Clifford Johnson/Treasurer

See accompanying notes. Independent Auditors' Report pages 1 through 3.

ONE ELEUTHERA FOUNDATION

Statement of Income and Accumulated Funds
(Expressed in Bahamian dollars)

Year ended 30 June 2023

| | Notes | Unrestricted Fund | | Restricted Funds | | Total Funds | |
|--|--------|-------------------|------------------|------------------|----------------|------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| INCOME | | | | | | | |
| Donations, gifts and grants | 11 | 1,049,251 | 1,042,670 | 225,921 | 447,422 | 1,275,172 | 1,490,092 |
| Other | 5, 13 | 25,834 | 7,500 | - | - | 25,834 | 7,500 |
| Total income | | 1,075,085 | 1,050,170 | 225,921 | 447,422 | 1,301,006 | 1,497,592 |
| EXPENSES | | | | | | | |
| Salaries and wages | 13 | 559,783 | 469,554 | - | - | 559,783 | 469,554 |
| Social purpose activities | 12, 13 | 376,277 | 138,148 | 178,070 | 354,904 | 554,347 | 493,052 |
| Insurance | 14 | 37,426 | 38,036 | - | - | 37,426 | 38,036 |
| Audit fees | | 31,261 | 19,557 | - | - | 31,261 | 19,557 |
| Consultation fees | | 28,000 | 60,750 | - | - | 28,000 | 60,750 |
| Meetings and travel | | 23,673 | 5,035 | - | - | 23,673 | 5,035 |
| Development | | 23,497 | 9,616 | - | - | 23,497 | 9,616 |
| Facilities and utilities | | 22,241 | 73,600 | - | - | 22,241 | 73,600 |
| Information technology and website | | 20,186 | 9,746 | - | - | 20,186 | 9,746 |
| National insurance contributions | | 16,673 | 14,488 | - | - | 16,673 | 14,488 |
| Depreciation | 7 | 15,689 | 16,604 | - | - | 15,689 | 16,604 |
| Communications | | 14,044 | 5,683 | - | - | 14,044 | 5,683 |
| Supplies | | 9,152 | 7,421 | - | - | 9,152 | 7,421 |
| Other staff cost | | 8,955 | 3,384 | - | - | 8,955 | 3,384 |
| Bank charges | | 8,576 | 6,449 | - | - | 8,576 | 6,449 |
| Repairs and maintenance | | 5,022 | 4,990 | - | - | 5,022 | 4,990 |
| Project management | | 2,846 | 4,823 | - | - | 2,846 | 4,823 |
| Merchandise | | 2,296 | - | - | - | 2,296 | - |
| Legal fees | | 1,830 | 6,710 | - | - | 1,830 | 6,710 |
| Bad debt | 6 | 1,181 | - | - | - | 1,181 | - |
| Membership subscriptions | | 1,176 | - | - | - | 1,176 | - |
| Advertisement and marketing | | 1,005 | 1,512 | - | - | 1,005 | 1,512 |
| Miscellaneous | | 350 | 525 | - | - | 350 | 525 |
| Business license | | 50 | - | - | - | 50 | - |
| Total operating expenses | | 1,211,189 | 896,631 | 178,070 | 354,904 | 1,389,259 | 1,251,535 |
| (DEFICIT) SURPLUS OF INCOME OVER EXPENSES BEFORE OTHER EXPENSES | | | | | | | |
| | | (136,104) | 153,539 | 47,851 | 92,518 | (88,253) | 246,057 |
| OTHER EXPENSES | | | | | | | |
| Waiver of advances to CTI | 13 | (150,000) | - | - | - | (150,000) | - |
| Impairment loss on other assets | 8, 13 | (150,000) | - | - | - | (150,000) | - |
| Post-retirement compensation | 10, 13 | (92,281) | - | - | - | (92,281) | - |
| | | (392,281) | - | - | - | (392,281) | - |
| (DEFICIT) SURPLUS OF INCOME OVER EXPENSES | | | | | | | |
| | | (528,385) | 153,539 | 47,851 | 92,518 | (480,534) | 246,057 |
| ACCUMULATED FUNDS, BEGINNING OF THE YEAR | | | | | | | |
| | | 1,146,388 | 992,849 | 550,014 | 457,496 | 1,696,402 | 1,450,345 |
| ACCUMULATED FUNDS, END OF THE YEAR | | | | | | | |
| | | 618,003 | 1,146,388 | 597,865 | 550,014 | 1,215,868 | 1,696,402 |

See accompanying notes. Independent Auditors' Report pages 1 through 3.

ONE ELEUTHERA FOUNDATION

Statement of Cash Flows
(Expressed in Bahamian dollars)

Year ended 30 June 2023

| | Notes | 2023 \$ | 2022 \$ |
|--|-------|------------|------------|
| CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN): | | | |
| OPERATING ACTIVITIES | | | |
| (Deficit) surplus over expenses | | (480,534) | 246,057 |
| Adjustments for non-cash items: | | | |
| Waiver of advances to CTI | 13 | 150,000 | - |
| Impairment loss on other assets | 8, 13 | 150,000 | - |
| Depreciation | 7 | 15,689 | 16,604 |
| Bad debts | 6 | 1,181 | - |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in accounts receivable | | 1,194 | (2,794) |
| (Increase) decrease in due from related party | | (19,687) | 101,724 |
| Increase in prepayments | | (3,374) | (247) |
| Increase (decrease) in funds held for third parties | | 1,492 | (6,400) |
| (Decrease) increase in funds held for related party | | (20,471) | 108,095 |
| Increase in due to related party | | 204,104 | - |
| Increase (decrease) in accounts payable and accrued expenses | | 70,923 | (72,472) |
| Increase (decrease) in other liabilities | | 38,644 | (23,757) |
| Net cash provided by operating activities | | 109,161 | 366,810 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 109,161 | 366,810 |
| Cash and cash equivalents, beginning of the year | | 1,343,012 | 976,202 |
| CASH AND CASH EQUIVALENTS, END OF THE YEAR | 5 | 1,452,173 | 1,343,012 |

See accompanying notes. Independent Auditors' Report pages 1 through 3.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

One Eleuthera Foundation (“the Foundation”), was incorporated on 14 March 2012 under the Companies Act 1992, of the Commonwealth of The Bahamas as a company limited by guarantee. Therefore, the Foundation has no authorized capital but is limited by guarantee whereby each Member has agreed that in the event of the Foundation’s winding-up, and its liabilities exceed its assets to contribute up to fifteen dollars (B\$15.00) each. At 30 June 2023, the Foundation had 25 members (2022: 26).

The Foundation is a non-profit community development company whose guiding principles are captured in the document called A Shared Vision. A Shared Vision established five foundational program areas through which the Foundation now streams its work, and they are as follows:

- Economy - The Foundation believes that Eleutherans should own and benefit the most from their ECONOMY and sponsors a variety of programs designed to accomplish this goal.
- Education - The Foundation believes that EDUCATION is key to Eleuthera’s future success and offers and supports a variety of programs designed to give persons the skills and knowledge they need to thrive.
- Environment - The Foundation believes that the protection of the ENVIRONMENT and its natural resources must be a high priority and promotes a variety of programs focused on conservation and sustainability.
- Health - The Foundation believes that the HEALTH and well-being of Eleutherans are essential and offers and supports a variety of programs to promote healthy living.
- Heritage - The Foundation believes in preserving Bahamian HERITAGE AND CULTURE and supports a number of efforts so that it can be celebrated by residents and guests for years to come.

These five foundational program areas are collectively referred to as the Foundation’s social purpose activities.

The Foundation is also registered under the Non-Profit Organizations Act, 2019.

The registered office of the Foundation is located at 3 Bayside Executive Park, West Bay Street and Blake Road, P.O. Box N-4875 Nassau, The Bahamas. The business office is located at Mingo Drive and Queen’s Highway, Rock Sound, Eleuthera.

2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Foundation’s financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (“IFRS for SMEs”) as issued by the International Accounting Standards Board (“IASB”) and prepared under the historical cost convention and are presented in Bahamian dollars, the Foundation’s functional currency.

3. NEW AND REVISED STANDARDS OR INTERPRETATIONS

The IASB has not made amendments to the IFRS for SME’s during the year.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overall considerations

These financial statements are prepared in accordance with the IFRS for SMEs issued by the IASB. Summary of principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Management's use of judgments and estimates

The Foundation uses accounting estimates and assumptions in the preparation of these combined financial statements. Although these estimates are based on management's best knowledge of current events and transactions, actual results may ultimately differ from those estimates. The effect of any changes in estimates will be recorded in the Foundation's financial statements when determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following presents a summary of these significant estimates and judgments:

Estimates

Estimation of useful lives of equipment

The useful lives of equipment are estimated based on the period over which these assets are expected to be available for use.

Cash and cash equivalents

Cash and cash equivalents are comprised of depository accounts with banks, other financial institutions and cash on hand which are subject to an insignificant risk of change in value.

Accounts receivable and other assets

Account receivables and other assets are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the financial asset.

Property and equipment, net

Property and equipment, which includes motor vehicles and computer equipment are initially recognized at cost, less depreciation in the statement of financial position. Cost includes the value of consideration exchanged. The cost of self-constructed assets includes the cost of material and direct labor, and any other cost directly attributed to bringing the asset to a working condition for its intended use. All other subsequent expenditures are expensed in the year in which they are incurred.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment, net (continued)

Where an item of property and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Repair costs for property and equipment will be subject to capitalization when the repair extends the useful life of the related asset. The cost is recorded as an increase to the appropriate asset account.

OEF capitalizes all expenditure on property and equipment with a cost greater than or equal to \$2,500 and a useful life of at least three (3) years. When an asset is purchased through a grant, the grant's capitalization rules may apply. OEF will conduct a regular inventory of its property and equipment and maintain a central list that includes the date of purchase, registration numbers, warranty information, original cost, and the assets' estimated useful lives.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of income and accumulated funds.

Donated assets and capitalized donated leases are recorded at their estimated values at the date of donation.

Depreciation and amortization are computed on a straight-line basis using the assets' estimated useful lives as follows:

| | Years |
|----------------------------|---------------|
| Buildings and improvements | 12 - 30 years |
| Motor vehicles | 2 - 6 years |

When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to the statement of income and accumulated funds.

Impairment of financial assets

An assessment is made at each reporting date to determine whether there is any indication of impairment of any assets. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

An assessment is made at each reporting date to determine whether there is any indication of impairment of any assets. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation).

A reversal of an impairment loss is credited to the statement of income and accumulated funds.

Funds held for third parties

Funds received in a custodial capacity for third parties are recorded as liabilities. The disbursement of these funds is recorded as a reduction in these liabilities.

Accounts payable and accrued expenses

Accounts payable and accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Restricted funds

Restricted funds are donations and gifts received by the Foundation upon which the donors have imposed restrictions on their expenditure. The receipt and expenditure of restricted funds are reported in the statement of income and accumulated funds except for the expenditure of restricted funds to purchase capital assets. The receipt of such funds is reported as income and once the capital assets are acquired an amount equal to the cost of the capital assets is transferred from the Accumulated Funds-Restricted to the Accumulated Fund-Unrestricted.

Unrestricted fund

The Unrestricted fund comprises donations and gifts upon which the donors have not imposed any restrictions on their expenditure. The Accumulated Fund-Unrestricted comprises the surplus of unrestricted income over expenses and Restricted funds received for the purchase of capital assets that have been acquired.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income

Income arises mainly from donations and restricted gifts.

Income is recognized to the extent that it is probable that the economic benefits will flow to the Foundation and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognized.

Donations, gifts and grants

Donations, gifts and grants are recorded as income upon receipt or when receipt is reasonably determined.

Donations and grants with performance-related conditions are recorded as income upon receipt and when receipt is reasonably determined and when the performance-related conditions are met.

Social purpose activities

These are expenditures incurred in one of the five foundational program areas of the Foundation. Expenses are recorded when incurred throughout the year.

Expenses

Expenses are recognized in the statement of income and accumulated funds upon utilization of the service or at the date of their origin.

Donation expense

Donation expenses are recorded upon the cash payment to provide other charitable organizations with monetary sponsorship.

Other income and expenses

Other income and expenses are recorded in the statement of income and accumulated funds on the accrual basis.

Income Taxes and Value Added Tax

There are no income taxes imposed on the Foundation in the Commonwealth of The Bahamas. The Foundation is subject to Valued Added Tax ("VAT") on all purchases of goods and services.

Related party transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Post-reporting date events

Post-reporting date events that provide additional information about the Foundation's position at the reporting date (adjusting event) are reflected in the financial statements. Post-reporting date events that are not adjusting events, if any, are disclosed when material to the financial statements.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Unrestricted fund: | | |
| RBC Royal Bank (Bahamas) Limited - current | 951,296 | 823,506 |
| One Eleuthera Cooperative Credit Union Limited | 26,948 | 26,948 |
| Cash on hand | 1,050 | 700 |
| | 979,294 | 851,154 |
| Restricted funds: | | |
| RBC Royal Bank (Bahamas) Limited - savings | 462,879 | 481,858 |
| RBC Royal Bank (Bahamas) Limited - fixed deposit | 10,000 | 10,000 |
| | 472,879 | 491,858 |
| Total cash and cash equivalents | 1,452,173 | 1,343,012 |

The current account with RBC Royal Bank (Bahamas) Limited is non-interest bearing. The RBC Royal Bank (Bahamas) Limited - fixed deposit is placed as collateral for the Foundation's Visa credit card facility and is non-interest bearing.

The balance of the savings account with RBC Royal Bank (Bahamas) Limited represents funds held for third parties and is therefore not available for the operating activities of the Foundation.

At 30 June 2023, the Foundation's savings account with One Eleuthera Cooperative Credit Union Limited ("OECCUL") earns interest at 0.5% per annum (2022: 0.5% per annum). Interest income earned and received from the savings account during the year was Nil (2022: \$142), which is presented in other income in the Foundation's statement of income and accumulated funds.

6. ACCOUNTS RECEIVABLE

Accounts receivable as at 30 June 2023 consist of the following:

| | 2023 | 2022 |
|---------------------|-------|-------|
| | \$ | \$ |
| Accounts receivable | 2,400 | 4,775 |

During the year, the Foundation wrote off a receivable amounting to \$1,181 (2022: Nil), which was recorded as bad debt expense in the statement of income and accumulated funds.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

7. PROPERTY AND EQUIPMENT, net

Property and equipment balance, net, comprised of the following:

| | Land \$ | Buildings and improvements \$ | Motor Vehicles \$ | Total \$ |
|----------------------------------|------------|-------------------------------------|-------------------------|-------------|
| Cost: | | | | |
| Balance at 30 June 2021 | 298,204 | 282,701 | 44,646 | 625,551 |
| Additions during the year | - | - | - | - |
| Balance at 30 June 2022 | 298,204 | 282,701 | 44,646 | 625,551 |
| Additions during the year | - | - | - | - |
| Balance at 30 June 2023 | 298,204 | 282,701 | 44,646 | 625,551 |
| Accumulated Depreciation: | | | | |
| Balance as at 30 June 2021 | - | (11,521) | (15,257) | (26,778) |
| Depreciation during the year | - | (11,522) | (5,082) | (16,604) |
| Balance as at 30 June 2022 | - | (23,043) | (20,339) | (43,382) |
| Depreciation during the year | - | (11,522) | (4,167) | (15,689) |
| Balance as at 30 June 2023 | - | (34,565) | (24,506) | (59,071) |
| Net carrying values: | | | | |
| 30 June 2023 | 298,204 | 248,136 | 20,140 | 566,480 |
| 30 June 2022 | 298,204 | 259,658 | 24,307 | 582,169 |

8. OTHER ASSETS

Other assets consist of the following:

| | 2023 \$ | 2022 \$ |
|----------------------------------|------------|------------|
| OECCUL member shares account | 1,840 | 1,840 |
| Security deposit | 540 | 540 |
| OECCUL qualifying shares account | 100 | 100 |
| OECCUL equity shares account | - | 150,000 |
| | 2,480 | 152,480 |

On 30 April 2022, OECCUL was placed into voluntary liquidation, and The Bahamas Co-operative League Limited ("BCLL") was appointed as its liquidator. During the year, BCLL as liquidator, advised that all member deposit and share accounts would be paid in full but was silent on the equity share accounts even though it has taken over members' loans of approximately \$940,000 from OECCUL. In these circumstances, the Foundation assessed that the equity shares account was fully impaired, resulting in an impairment loss of \$150,000. The Foundation will continue the discussion with BCLL with a view to a final resolution on this matter.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

9. FUNDS HELD FOR THIRD PARTIES

The Foundation serves as custodian for funds donated to a number of incorporated and unincorporated entities whose activities are not associated with the activities of the Foundation. The entities for whom the Foundation serves as custodian and their summarized receipts and payments during the year ended 30 June 2023, are as follows:

| Entity | Balance 30 June 2022 \$ | Receipts \$ | Disbursements \$ | Balance 30 June 2023 \$ |
|---------------------------------|----------------------------------|----------------|---------------------|----------------------------------|
| Space to Create | 280,704 | - | - | 280,704 |
| Jeff Moore Memorial Scholarship | 10,020 | 1,492 | - | 11,512 |
| Jail House Cupid's Cay | 9,031 | - | - | 9,031 |
| | 299,755 | 1,492 | - | 301,247 |

Space to Create

Space to Create, is a non-profit summer day camp for the youth of Harbour Island, Eleuthera, established by Will Simmons, an art teacher and a resident of Harbour Island in 2010. It joined forces with The Cape Eleuthera Institute to initiate Space 2 Explore, a program based around marine ecology and conservation.

Jeff Moore Memorial Scholarship

Jeff Moore Memorial Scholarship is a scholarship fund open to graduating high school seniors and students enrolled in college or university that are living in or from James Cistern, Eleuthera.

Jail House Cupid's Cay

Jail House Cupid's Cay program pertains solely to the restoration of the Old Jail House on Cupid's Cay in partnership with the Governor's Harbour Historical Society.

10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

| | 2023 \$ | 2022 \$ |
|------------------|------------|------------|
| Accounts payable | 18,113 | 40,571 |
| Accrued expenses | 107,131 | 13,750 |
| | 125,244 | 54,321 |

Accrued expenses include audit fees and \$92,281 in post-retirement compensation for the Founding CEO and President.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

11. DONATIONS, GIFTS AND GRANTS - RESTRICTED FUNDS

During the year, the Foundation received restricted donations and gifts for the following social purpose activities.

| | 2023 | 2022 |
|-----------------------|---------|---------|
| | \$ | \$ |
| Economic Development | 131,944 | 750 |
| Environment | 54,056 | 168,640 |
| Health and Wellness | 23,100 | 264,597 |
| Education | 12,750 | 12,935 |
| Cultural and Heritage | 4,071 | 500 |
| | 225,921 | 447,422 |

Economic development donations and gifts received are as follows:

| | 2023 | 2022 |
|---|---------|------|
| | \$ | \$ |
| Global Giving Social Enterprise Accelerator Grant | 75,000 | - |
| University of North Carolina in Charlotte ("UNCC") Studio Grant | 43,144 | - |
| Staff Retirement Fund | 8,800 | - |
| South Eleuthera Projects | 5,000 | - |
| Other | - | 750 |
| | 131,944 | 750 |

Environment donations and gifts received are as follows:

| | 2023 | 2022 |
|--|--------|---------|
| | \$ | \$ |
| Global Giving Hurricane Dorian Grant | 39,495 | 110,505 |
| Global Environment Facility ("GEF") Apiary Grant | 12,800 | - |
| Other | 1,761 | 4,135 |
| Clinton Global Foundation Solar Grant | - | 54,000 |
| | 54,056 | 168,640 |

Global Giving Foundation Hurricane Dorian Grant is a grant given to conduct a needs assessment; to hire Disaster Preparedness/Emergency Management Consultant; Purchase Essential Disaster Preparedness supplies and equipment; and for the publication and dissemination of integrated Disaster Preparedness for Eleuthera. The grant's period was from January 2023 to March 2023.

The Global Environment Facility ("GEF") Apiary Grant is a grant given to the Foundation to bring awareness to saving bees through the establishment of an apiary, and provision of training in Eleuthera, The Bahamas. An off grid solar powered "Honey Shack" for honey extraction for local farmers; Bee Keeping workshops in partnership with Inter-American Institute for Co-operation on Agriculture ("IICA"); educational videos, signage, a 12-week apiology course & training took place. This grant program ran from July 2020 and the grant is expected to be concluded by the end of 2023.

Clinton Global Foundation Solar Grant is an international grant given to the Foundation to provide 15KW of solar power for the CCH Farm Project.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

11. DONATIONS, GIFTS AND GRANTS - RESTRICTED FUNDS (continued)

Health and wellness donations received are as follows:

| | 2023 | 2022 |
|--------------------------------|--------|---------|
| | \$ | \$ |
| Breast cancer outreach program | 20,000 | 25,000 |
| Other | 3,100 | 3,535 |
| National feeding program | - | 234,920 |
| Emory research project | - | 1,142 |
| | 23,100 | 264,597 |

The National Feeding Program

Commencing in June 2020, the Foundation partnered with the Government of the Commonwealth of The Bahamas (“the Government”) to coordinate its National Feeding Program (“the Program”) throughout the island of Eleuthera in response to the COVID-19 Pandemic. As the zone leader for Eleuthera, the Foundation worked with partners in each settlement of the island to ensure food got into the hands of those who needed it most. The Foundation also solicited donations from its donor base for additional donations to the Program. Also, the Foundation and the Government agreed that up to 10% of the funds injected into the Program by the Government would be used by the Foundation to reimburse it for costs in administering the Program in Eleuthera. This Program ended in October 2021.

The Foundation did not receive any government grants during the year ended 30 June 2023 (2022: \$234,920).

Education donations and gifts are as follows:

| | 2023 | 2022 |
|------------------|--------|--------|
| | \$ | \$ |
| OEF Swim Program | 12,000 | 1,975 |
| Other | 750 | 10,960 |
| | 12,750 | 12,935 |

The OEF Swim program teaches children and adults to swim for 6 weeks during the summer. The program was introduced in 2021. In 2022 this program was reported under the environment social purpose activities because swimming was associated with the sea, which is a part of the environment, however because the primary purpose of the program is to teach individuals how to swim, the program was reclassified to the education pillar.

Culture and Heritage funds received amounted to \$4,071 (2022: \$500).

Expenses and disbursements for these restricted programs are disclosed in Note 12.

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

12. SOCIAL PURPOSE ACTIVITIES - EXPENSES

During the year, the Foundation incurred expenses in connection with its social purpose activities as follows:

| | Unrestricted Fund | | Restricted Funds | |
|-----------------------|-------------------|---------|------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ |
| Education | 291,458 | 14,611 | - | 10,460 |
| Economic Development | 52,724 | 95,884 | 37,756 | 86,499 |
| Cultural and Heritage | 32,095 | 26,815 | - | - |
| Health and Wellness | - | 375 | 11,000 | 181,001 |
| Environment | - | 463 | 129,314 | 76,944 |
| | 376,277 | 138,148 | 178,070 | 354,904 |

It has been the practice of the Foundation to make short-term interest free advances to CTI to meet its cash flow needs and such advances were repaid when CTI had a cash flow surplus. During the year the Foundation determined that it should provide regular financial support to CTI as part of its Social Purpose Activities, particularly where CTI's programs dovetail with one or more of the Foundation's key focus areas. For the year ended 30 June 2023, the Foundation donated \$275,000 to CTI and waived repayment of \$150,000 in advances as at 30 June 2022. The donations are included within Unrestricted Fund: Social Purpose Activities - Education. The \$150,000 waived repayment of advances to CTI is included as an expense in the statement of income and accumulated funds.

13. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances and transactions are comprised of the following:

| | | 2023 | 2022 |
|---|--|---------|---------|
| | | \$ | \$ |
| Balances: | | | |
| Cash and cash equivalents | One Eleuthera Cooperative Credit Union Limited | 26,948 | 26,948 |
| Due from related party | Centre for Training and Innovation | 14,600 | 144,913 |
| Other assets | One Eleuthera Cooperative Credit Union Limited | 1,940 | 151,940 |
| Funds held for related party | Cotton Bay Fund for South Eleuthera | 161,362 | 182,103 |
| Due to related party | Centre for Training and Innovation | 204,104 | - |
| Accounts payable and accrued expenses | Key management personnel | 92,281 | - |
| Transactions: | | | |
| Salaries and wages | Key management personnel | 292,019 | 277,333 |
| Social purpose activities - unrestricted fund | Centre for Training and Innovation | 275,000 | - |
| Waiver of advances to CTI | Centre for Training and Innovation | 150,000 | - |
| Impairment loss on other assets | One Eleuthera Cooperative Credit Union Limited | 150,000 | - |
| Post-retirement compensation | Key management personnel | 92,281 | - |
| Other income | One Eleuthera Cooperative Credit Union Limited | - | 142 |

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

13. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Cotton Bay Fund for South Eleuthera

Cotton Bay Fund for South Eleuthera (“CBFSE”), an unincorporated entity, is the successor organization to the Cotton Bay Fund (“CBF”) that was dissolved in 2016. Prior to its dissolution, CBF nominated the Foundation to receive funds, and make payments to and for the betterment of the residents of South Eleuthera. CBFSE was established as a donor-designated fund. Certain directors of the Foundation serve on the Review Committee of CBFSE that determines who receives grants and scholarships.

One of the Foundation’s offices is located in a building that is owned by CTI. However, CTI does not assess a rent charge on the Foundation for its occupancy.

As at 30 June 2023, the amount due from CTI of \$14,600 comprised of expenses of CTI paid by the Foundation and are fully collectible (2022: \$144,913).

The Foundation's due to related party amounting to \$204,104 pertains to the grants received from OEF-US specifically for CTI that had not been passed through at the balance sheet date.

The Foundation is a founding member of OECCUL, and a director of the Foundation also serves as a director of OECCUL.

On 30 June 2023, the Foundation concluded an agreement with its Founding President and CEO for payments post cessation of services on that date. The payments comprised an ex-gratia payment of \$92,281 to be paid in three equal monthly installments; continuation of his medical insurance plan to 30 June 2024 valued at \$10,851; and gifting of the motor vehicle he used with a book value of \$18,639. The cost of this settlement aggregated \$121,771. The incurred ex-gratia accrual of \$92,281 was recorded under unrestricted fund as post-retirement compensation in the statement of income and accumulated funds.

14. INSURANCE EXPENSE

During the year, the Foundation incurred insurance expenses as follows:

| | 2023 | 2022 |
|--------------------|---------------|---------------|
| | \$ | \$ |
| Health insurance | 33,435 | 34,001 |
| Building insurance | 2,232 | 2,273 |
| Vehicle insurance | 934 | 937 |
| General insurance | 825 | 825 |
| | <u>37,426</u> | <u>38,036</u> |

ONE ELEUTHERA FOUNDATION

Notes to Financial Statements

30 June 2023

15. POST-REPORTING DATE EVENTS

The Foundation evaluated the impact of all post-reporting date events from 1 July 2023 to 30 September 2023, the date of authorization of these financial statements that require adjustments in the financial statements.

Effective 1 July 2023, the Foundation appointed a new President and CEO.

On 22 July 2023, the Foundation received payment for the investment in OECCUL as follows:

| | 2023 |
|--------------------------|---------------|
| | \$ |
| Savings account | 26,948 |
| Member shares | 1,840 |
| Qualifying share account | 100 |
| | 28,888 |

Independent Auditors' Report pages 1 through 3.