



Translation of: Reaction to the first implementation report of 2026

Original title: Reactie op de eerste uitvoeringsrapportage 2026

In case of differences in interpretation between the English translation and the Dutch version of the text, or in legal proceedings or escalation procedures pursuant to applicable regulations, the original Dutch version shall always be leading.

Dear Ms. Francis,

On April 30, 2026, the Board of financial supervision of Bonaire, Sint Eustatius and Saba (Cft) received Sint Eustatius' implementation report (UR) on the first quarter of 2026 and the first draft budget amendment (OBW) of 2026.¹ This letter is in response to the first UR 2026. At Sint Eustatius' request, we will not yet process the OBW 2026 that was already shared, awaiting the updated version. In Annex 1 to this letter, you will find further clarification and substantiating figures for this reaction.

Conclusion

The Cft's judgment on Sint Eustatius' first UR is positive. Based on the first UR of 2026, the Cft expects that in 2026, Sint Eustatius will meet the central budgetary standard set forth in the FinBES Act. The realization of expenditures is delayed compared to the projection. However, the Cft currently sees no reason to decrease the budgeted expenditures through a budget amendment (BW). The Cft observes further improvement of financial management, despite the fact that adequate administrative processing of the special grants is missing.

Subsequent steps

The Cft recommends Sint Eustatius:

1. Given the limited progress in filling vacancies in both 2024 and 2025, the Cft recommends closely monitoring the number of open vacancies and providing further clarification in the second UR on the approach being applied
2. To further improve the reports, paying specific attention to the completeness of the reported special grants and related expenditures.

Explanatory statement

Ad. 1: Result and realization

Partly based on the preliminary USD 1.1 million surplus after the first quarter, the Cft anticipates at least a balanced budget in 2026, which would mean that Sint Eustatius meets the central budgetary standard. The surplus in the first quarter is mainly due to the fact that actual expenditures are somewhat lower than budgeted, while revenues are ahead of schedule. On the expenditure side, personnel expenses (refer to Ad. 2), subsidies and financial contributions remain below budget. The higher revenues are mainly attributable to higher-than-expected tax revenues and local levies. The UR shows that these assessments are generally imposed in the first quarter, meaning that the budget appears realistic for the time being.

Ad. 2: Personnel expenses

The lower-than-budgeted personnel expenditure is due to delays in filling vacancies in both 2024 and 2025. The total personnel budget amounts to 268 FTE, of which 199.5 FTE has been filled. This means that 68.5 FTE (25.6 percent) remains vacant. The Cft does observe that Sint Eustatius is making efforts to improve and is making progress. In 2025, the total staffing establishment amounted to 254 FTE, of which 187 FTE was filled. This reflects an increase in both the total staffing establishment and the number of filled positions.

Ad. 3: Financial management

The first UR shows that Sint Eustatius is taking further steps towards the professionalization of financial management, particularly with regard to the explanations and estimates included in the budget. The Cft specifically requests attention to the administrative processing of special revenues and expenditures. The Cft observes that the budgeted special grant of USD 30.1 million on both the revenue and expenditure side was inadvertently not included in the UR.

Trusting to have provided you with sufficient information.

Sincerely,

The Chair of the Board of financial supervision of Bonaire, Sint Eustatius and Saba

[signature]

Hans Hoogervorst

A copy of this letter was sent to:

The Island Council of the Public Entity Sint Eustatius

The Head of Finance of the Public Entity Sint Eustatius

Annex 4: Endnotes

¹ Pursuant to Article 22 of the Act on Finances of the Public Entities Bonaire, Sint Eustatius and Saba (*Wet financiën openbare lichamen Bonaire, Sint Eustatius en Saba* - FinBES Act), the Cft responds to the first UR of 2026. The FinBES Act, supplemented by the criteria set out in the Decree on Budget and Justification Public Entities BES (BBV BES), forms the framework for the assessment of the UR.