Translation of: Reaction to the second implementation report of 2026

Original title: Reactie op de tweede 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 July 31, 2026, the Board of financial supervision of Bonaire, Sint Eustatius and Saba (Cft) received Sint Eustatius' implementation report (UR) on the second quarter of 2026.[1] In this letter, we respond to the second UR of 2026. In Annex 1 to this letter you will find further clarification and substantiating figures.

Conclusion
The Cft's judgment on Sint Eustatius' second implementation report is positive. Based on the second 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 the regular expenses is 48 percent, which is in line with the budget. The regular income amounts to 55 percent, which is a little ahead of the budgeted amount. Furthermore, the Cft observes further improvement in financial management. The establishment of an obligations register does remain an important point of attention.

Subsequent steps
The Cft recommends Sint Eustatius to further improve the implementation reports, dedicating specific attention to the establishment of an obligations register and the administrative processing of the special benefits.

Explanatory statement
Result and realization
The second UR shows a preliminary surplus of USD 2.1 million up to and including the second quarter. In 2026 in its entirety, Sint Eustatius expects to realize a budgetary balance. The preliminary surplus is explained by the fact that the realization of the expenses is a little lower than budgeted, whereas the realization of the income is ahead of proportional realization.

Up to and including the second quarter of this year, Sint Eustatius realizes 48 percent of the budgeted regular expenses, which means the realization of the expenses in general terms is in line with the budget. However, the transportation, depreciation expenses and general expenses entries are a little lower than the amount budgeted.

Up to and including the second quarter, 55 percent of the regular income has been realized, which means the realization of the income in general terms is in line with the budget. The higher realization of income is mainly caused by the realization of taxes and local levies.

Personnel expenses
In its response to the first UR of 2026, the Cft recommended to closely monitor the number of vacancies, to subsequently report on the approach for filling these vacancies in the second UR.[2] In the second quarter, seven vacancies were filled and one employee left, which means on balance, staffing increased by six FTE. Although progress was made, the filling of vacancies does not meet the goal set.

Financial management
Sint Eustatius continues on the road towards further professionalization of financial management. In the second quarter, more work was done to optimize AFAS and to improve the implementation reports. Work is also done to further structure the internal control and the internal audit function. However, the internal audit function is not yet operational.

The follow-up of the points of attention identified for the 2025 annual accounts is reported on in this UR. For example, Sint Eustatius implemented an automated system for the harbor that is linked to AFAS. Furthermore, Sint Eustatius is exploring the introduction of a system for asset management and it invests in the ongoing professionalization of financial staff.

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 2: Endnotes

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[1] Pursuant to Article 22 of the Act on Finances of the Public Entities Bonaire, Statia and Saba (*Wet financiën openbare lichamen Bonaire, Sint Eustatius en Saba* – FinBES Act), the Cft responds to the second 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.

[2] Cft, Reaction to the first implementation report of 2026 Sint Eustatius, May 13, 2026, reference Cft 202600043.