



# Translation of: Reaction to the fourth implementation report of 2024 of Saba

Original title:

Reactie op de vierde uitvoeringsrapportage 2024 van Saba

*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 Mr. Johnson,

On January 29<sup>th</sup>, 2025, the Board of financial supervision of Bonaire, Sint Eustatius and Saba (Cft) received Saba's implementation report (UR) on the fourth quarter of 2024. With this letter you receive the Cft's reaction to this UR. In Annex 1 to this letter you will find a further clarification and substantiating figures to the reaction.

## **Conclusion**

The Cft's judgment on Saba's fourth UR of 2024 is positive. The report has been submitted timely and offers an adequate reflection of the implementation of the budget for 2024. The presentation of the UR is also in conformity with the agreements made with the Cft. Based on the fourth UR and the explanatory statement, the Cft anticipates that Saba will show a positive result in the Annual Accounts for 2024, which would mean that in 2024, Saba meets the central budgetary standard set forth in the FinBES.

Lastly, the Cft appreciates Saba's persistent efforts to improve financial management.

## **Subsequent steps**

- The Cft advises Saba to add the surplus to the general reserve in order to enhance the liquidity position and the financial resilience.
- The Cft requests Saba to also share a full picture of the implementation of the budgetary year 2024 when submitting the first UR for 2025.

## **Explanatory statement**

With a realization of 95 percent and 92 percent, respectively, both the income and the expenses are in line with the budget.

Up to and including the fourth quarter of 2024, Saba realizes a positive result of USD 1.7 million. This is a preliminary result, which after yet to be incorporated mutations on both the income and the expenses sides, will be amended by the annual accounts for 2024. The Public Entity anticipates that after the mutations, the result of USD 1.7 million set forth in the UR will decrease to approximately USD 1 million in the Annual Accounts for 2024, which would mean Saba meets the central budgetary standard.

For several years now, the financial resilience of the Public Entity has not been at the level determined by Saba's Island Council. Therefore, Saba has limited possibilities to compensate risks. The Cft advises Saba to add a surplus to the general reserve, in order to enhance the financial resilience and the liquidity position.

In the past years, Saba has continuously received unqualified audit opinions for its annual accounts. This does not stop the Public Entity from continuously working on the enhancement of financial management. In 2024, Saba made progress by focusing on the improvement of the relation with creditors and by addressing points of attention set forth in the audit report. The Cft appreciates this attitude.

Since not all mutations have been incorporated yet, it is desirable that Saba provides a complete image of 2024 when submitting the first UR. If against all expectations there is a deficit, then Saba must compensate this in 2025 and 2026, in accordance with the provisions of the FinBES Act. In such case, a first step to do so may be taken in the first budget amendment for 2025.

Trusting to have provided you with sufficient information.

Sincerely,

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

[signature]

Ms. L.M.C. Ongerling, MA

A copy of this letter was sent to:

The Island Council of the Public Entity Saba

The Head of Finance of the Public Entity Saba