



St. Maarten Development Fund Foundation

Annual Report 2017

December 31, 2017

Introduction:

The Sint Maarten Development Fund Foundation (SMDF) further executed its mandate during 2017 in extending financing to **twenty-four (24)** qualifying Foundations with projects and ongoing programs that fit within the SMDF vision and policy document “*Contributing to a Society that Cares 2013 – 2023*”.

The Government of Sint Maarten provided, as principal donor, **ANG. 3,587,673** to SMDF in 2017, of which ANG. 687,022 was budgeted for operations and **ANG. 2,900,651** budgeted for Funding expenses. A total of **ANG. 2,940,657** was disbursed to Foundations with projects and programs that fit within the policy of SMDF.

SMDF funded **ANG. 40,006** more than received from the Donor over 2017 from its funding account. Unused funds by Foundations, amounting to **ANG. 62,130** were deducted from the grant agreements of the respective Foundations.

Operational expenses were **ANG. 686,741** inclusive depreciation expense or **ANG. 281.00** below the 2017 budget of **ANG. 687,022**.

Supervisory Board of Directors:

The capacity of the Supervisory Board of SMDF counts four (4) persons with each member filling a particular profile further detailed herein. The personal particulars of the members are as of December 31, 2017 as follows:

Supervisory Board – personal particulars:

| Member name: | Age: | Function: | Profession: | Appointment: |
|--------------------------------------|-------------|------------------|---|----------------------|
| EMMANUEL, Richelda G. | 49 | President | Head Court of Guardianship | May 2012 May 2016 |
| ARNELL, Joy J. | 55 | Vice President | Acting Secretary General VSA | May 2012 May 2016 |
| GUMBS, Marinka J. | 39 | Treasurer | Senior Consultant Price Waterhouse Coopers DC | May 2012 May 2016 |
| BARY, Zylena J. | 40 | Member | Attorney at Law | October 2014 |
| Nationalities: | | | | |
| All members are of Dutch Nationality | | | | |

Supervisory Board – additional functions:

The President of the Supervisory Board, Mrs. Richelda G. Emmanuel had no other additional functions in private or public sector organizations during 2017.

Vice President of the Supervisory Board, Ms. Joy Arnell, serves as member on the Board of the Stichting Voortgezet Onderwijs, which oversees two Secondary schools and Stichting Justitiele Inrichtingen (SJI), the institution charged with rehabilitation and social care as Vice President of the Supervisory Board.

The Treasurer, Ms. Marinka J. Gumbs, was Treasurer of the Bengali Foundation (BF) during 2017. The Bengali Foundation was created to manage a trust fund for the benefit of the minor child of slain officer Benjamin. In addition, Ms Gumbs served as President of the Democratic Party Foundation during 2017.

Member of the Supervisory Board, Attorney at Law Ms Zylena Bary, served up to May, 2016 on the Supervisory Board of Directors of the Utility Company NV GEBE. Ms Bary does not have additional functions besides her Attorney practice.

Supervisory Board profiles & by-laws:

The Supervisory Board has established profiles in addition to the established by-laws for Board and Management in which the function of Chair is specifically elaborated on.

The following are the required professional competencies/backgrounds for the individual members:

- Displayed background in social & community development with experience in funding institutions, project management and Governmental relations – Emmanuel, R.
- Social & community background with experience in social and community development work – Arnell, J.
- Financial background – Gumbs, M.
- Legal professional with displayed social and community involvement – Bary, Z.

Supervisory Board meetings:

The Supervisory Board convened a total of six (6) meetings during 2017, comprising one (1) meeting with the Auditor, one (1) Board meeting dedicated to Board and Management evaluation session and four (4) Board meetings. The Board self-evaluation and evaluation of Management was conducted out of the absence of the Director. This meeting is recorded by the Secretary/ Treasurer of the Board. Minutes of all meetings are recorded and approved in subsequent meetings.

Board fees and related expenses were ANG. 28,764 in 2017 comprising ANG. 27,000 in Board fees and ANG. 1,764 in Board related expenses. Board fees comprise monthly stipends of ANG. 750.00 for the President, ANG. 500.00 for the Vice President, Treasurer and Member respectively. The budget for Board fees and related expenses for the year 2017 was ANG. 33,000.00 for Board fees and ANG. 4,200 for Board related expenses. A fifth member with a Financial profile was to be identified and appointed during 2017.

Staffing:

Staffing during 2017 comprised of a Managing Director, and a Financial Administrator up to January 31, 2017. Following a three (3) year term, the agreement with the Program Manager ended. The position was expanded to include development of new sources of funding and NGO capacity development. A staffing plan was approved by the Supervisory Board.

The Program & Development Manager was recruited effective February 1, 2017. Ms. Makhicia Brooks (29) comes with a Master's degree in International Development with a focus on global and national policy and a Bachelor's degree in Political Science with a minor in International relations. Ms Brooks graduated summa cum laude. Ms Brooks has been an instructor at the University of St. Maarten in Project management. Ms Brooks was recruited for a two (2) year term.

During the fourth quarter of 2017, SMDF extended the agreement which commenced in 2016 with the Financial Administrator Ms Jennai Marlin (30) conducts timely monthly review of reports submitted by client Foundations and verifies the legal expenditures in accordance to the grant agreements.

During the first quarter of 2017, Management decided to not fill the budgeted position of Office Administrator and instead to use the funds allocated (ANG. 54,000) for the position towards program/ project funding. The position of Office Administrator will be filled during 2018, allowing the Program & Development Manager to concentrate on the tasks assigned. In view of the location of the offices of the Program & Development Manager, much interruption by visitors occur.

As a subsequent event to 2017, we wish to report that the position of Office Administrator was filled as of May 15, 2018 from a field of 46 applicants.

Management agreement:

The term of agreement for the Foundations Director expired on December 31, 2015 and was extended to December 31, 2017. The notice period by either side is ninety (90) days. Terms of agreement are exclusive of employers and other employee related recurring expenses. The Director function has been outsourced to a company unrelated to the Foundation. On December 6, 2017, the Supervisory Board approved an extension from January 1, 2018 to December 31, 2019.

Additional functions held by the Director during 2017, is of Chairman of the St. Maarten Alzheimer Foundation and of member of the Board of Directors of the St. Maarten Chamber of Commerce & Industry until June 2017.

Government relations:

SMDF reports to Government based on a Fund Management Agreement (“FMA”), on a quarterly basis or five (5) times annually, inclusive submission of the Annual report & Audited Financial statements by June 30, of each year. The FMA, executed in 2014, sets out the terms of understanding and obligation for the management and reporting of the use of funds from the Government of St. Maarten. During 2017 in addition to reporting, communications were dispatched to the Prime Minister, Minister of Finance, Council of Ministers, the audit Chamber and the Department of Statistics as detailed herein:

| Date: | Letter to: | Subject matter: |
|------------------|--------------------------|-------------------------------------|
| January 25, 2018 | Prime Minister | Quarter # 4 - 2017 Financial report |
| December 8, 2017 | Minister of Finance | Fund disbursement schedule 2018 |
| October 31, 2017 | Prime Minister | Quarter # 3 - 2017 Financial report |
| June 31, 2017 | Department of Statistics | Audited Financials 2016 |
| July 18, 2017 | Prime Minister | Quarter # 2 - 2017 Financial report |
| June 26, 2017 | Prime Minister | Annual Audited Report 2016 |
| May 8, 2017 | Prime Minister | Quarter # 1 – 2017 Financial report |
| April 6, 2017 | Department of Statistics | Annual Audited report 2012-2015 |
| March 28, 2017 | From Minister of Finance | Fund disbursement schedule 2017 |
| March 1, 2017 | Prime Minister | Audit Chamber Requested information |
| January 18, 2017 | Prime Minister | Quarter # 4 - 2016 Financial report |

During 2016, Government deviated from the payment terms within the FMA which specifies three (3) payments during the year. Government disbursed five (5) payments with the consent of SMDF. During the month of March 2017, Government confirmed via the Minister of Finance, the disbursement schedule for 2017 in conformity with the Fund management agreement and disbursed three (3) equal payments in January, April and July 2017.

Results of funding:

SMDF conducted evaluations of the results achieved by each Foundation over the year 2017 in relation to the stated goals in the application submitted and the terms within the concluded grant agreements with such Foundations.

Office facility and lease extension:

SMDF has a lease agreement for its offices since 2012. During the first quarter of 2016, SMDF extended the lease agreement under similar terms to November 30, 2018. The terms are ANG. 3,393.00 inclusive a monthly maintenance and generator fee.

Agreement with Accounting firm:

SMDF has an agreement with the accounting firm of BDO Accountants St. Maarten for compilation of quarterly financial reporting on behalf of SMDF for operations and funding activities.

In addition, the Accounting firm BDO provides expertise to carry out agreed upon procedures on expenditures and such related reporting by Foundations receiving grants from SMDF as compiled and administered by the SMDF Financial administrator. These reviews are conducted at the offices at SMDF. During 2017, the accounting review expense amounted to ANG. 26,265.

Appointment of Auditor:

The Supervisory Board approved the appointment in October 2016 of Stichting Overheids Accountant Bureau ("SOAB") as Auditor based on a presentation of three (3) quotations for Audit services from Baker Tilly St. Maarten and BDO Accountants. The Supervisory Board based on recommendation of Management, accepted the services of SOAB for the year 2017. The offer from SOAB for the 2017 audit was deemed to be in the best interest of the Foundation.

Reporting Obligations:

Management of SMDF instituted a policy that payments to Foundations receiving grants would be executed on a monthly basis by the 21st of each month with each Foundation required to submit reporting for the funds received in prior month by the 10th of the following month. Such policy is contrary to other funding agencies and the subsidy policy of the Government of St. Maarten.

Each Foundation is required to submit reporting of their expenditures and a social report on a monthly basis, but prior to the 10th of each month. This procedure and policy allows the Foundation to execute closer monitoring and provide guidance to the Foundations with grant agreements. Foundation are appreciative of the policy as the work attendant strengthens internal control, reduces work for their accountants and facilitates cash flow management. In addition, Foundations execute more efficient and faster financial closure of projects at year end.

A reasonable number of Foundations reported satisfactorily within the time frames set by SMDF. An improvement on the quality of reporting has been evidenced during 2017. Due to hurricanes Irma and Maria in September 2017, the SMDF communicated to the Foundations, new reporting dates for September and October as well as submission deadline dates for submission of Grant applications.

SMDF was able to conclude financial closure of 90% of Foundations during the first Quarter of 2018. This closure was preceded by a report on factual findings issued by BDO in March 2018, covering the year 2017. All this despite the effects caused by hurricane Irma.

Remaining funds from AMFO:

In October 2016, SMDF requested of the Minister of Interior Affairs & Kingdom relations the transfer of ANG. 1,903,000 to SMDF. On November 1, 2016, the Director of Kingdom Relations confirmed that the transfer would be affected under certain conditions.

The full amount of ANG. 1,903,000 was received on November 17, 2016 and deposited in a segregated account.

The funding from the Ministry of Interior Affairs has been allocated for a project titled "*Senior Project*" that is earmarked to alleviate living conditions of seniors on St. Maarten. SMDF put a project team in place consisting of Mrs. Patricia Lourens (Project Manager), Lusandra Wilson (Project Execution Coordinator) and Mr. Joseph Dollison (Technical Coordinator) to execute the project commencing March 2017. Both Lourens and Wilson were retained based on ads placed in daily newspapers.

The Director of SMDF met with Messrs. Erwin Arkenbout, Director of Kingdom Relations and Chris Johnson, Dutch Government Resident Representative on St. Maarten on February 3, 2017. Mr. Arkenbout was satisfied with the report and plan of approach communicated on February 1, 2017 regarding the Elderly project to be executed.

Based on a broad-based communication with Community councils, faith-based organizations and NGO's active senior care, SMDF was able to identify qualifying seniors based on the valuable input by these organizations.

Home repair topped the needs with 75 homes requiring repairs. Other expressed needs were for transportation, home care services, nutrition, vehicles and wheelchairs, canes and walkers.

In April 2017, SMDF made a presentation on the progress of the Senior project to the Director of the Ministry of Kingdom relations, the Head of the Representation Office of Curacao, Aruba and St. Maarten and the Head of the Representative office of the Netherlands in Philipsburg.

In August 2017, the Director of SMDF along with the Program and Development Manager and Project Execution Coordinator made a presentation to Minister of Interior Affairs and Kingdom Relations Mr. Ronald Plasterk to provide an update of the results of the needs intake process and the next steps for implementation.

At the end of August, the Supervisory Board received the Management plan for execution of the project. At the same time St. Maarten went into high alert for approaching hurricane Irma. The project was restarted in October 2017. In addition, SMDF submitted a request to the Ministry of Interior Affairs of the Netherlands for additional funds as over 50% of the homes earmarked for maintenance were heavily damaged or completely destroyed based on a second round of technical assessments and social workers visits.

The Ministry of Interior Affairs granted approval for a budget of ANG. 2,500,000 of which the full amount was received in January 2018.

Contracts for repairs and construction were signed with five (5) contractors in November 2017 for the first 23 homes based on a bidding procedure followed by an open budget negotiation.

At the end of 2017, SMDF's Senior Project showed total expenditures for the start up period in April to December, 2017 of ANG. 675,545. On account of hurricane Irma, contractors were sourced again in October 2017 with first payments effected during the first week of December 2017.

As a subsequent event to the Senior Project, Stitching Overheids Accountants Bureau (SOAB) prepared an Audited Financial report which was delivered in March 2018 to the Ministry of Interior Affairs of the Netherlands covering the year 2017.

As a condition to the funding received from the Ministry of Interior Affairs of the Netherlands, communicated on December 21, 2017, SMDF is required to four (4) reports on respectively February 1, 2018, April 1, 2018, June 6, 2018 and in December 2018. In addition, SMDF may only expend 10% of the grant amounts extended towards project preparation, execution, management and reporting.

Significant Events:

Hurricane Irma will be recorded in the annals of history, as the most devastating hurricane to strike any island in the Eastern Caribbean to date. With hurricane strength winds placing the storm between a category 5 and 6 hurricane, most of St. Maarten infrastructure was severely affected. Without question, the resilience with which the SMDF operations resumed were noteworthy. SMDF conducted assessments of all of its clients and directly assisted four (4) Foundations financially.

SMDF commemorated its fifth (5th) Anniversary in May 2017. Two months following hurricane Irma, on November 15, a reception was hosted at the Belvedere Community Center, exclusively for the SMDF client foundations as a special tribute to the Directors and staff of these outstanding organizations. SMDF issued full page ads on November 14 and 15, outlining the services it provides and clients served.

In August 2017, SMDF and the Windward Islands Bank, Ltd. N.V., executed a Fund Management Agreement where the Bank entrusts SMDF to manage a portion on its community & social donation budget.

By December 2017, SMDF and CORDAID, a humanitarian funding agency based in the Netherlands, agreed to enter into an agreement for the joint project to strengthen the Community Councils on St. Maarten. The Supervisory Board approved SMDF Management recommendation and advise, that such working agreement would be in the best interest of the community SMDF serves and the Foundation.

Corporate Governance:

The Supervisory Board and the Management of SMDF, are compliant to the Corporate Governance Code (CGC) as legislated in 2009 on St. Maarten as applicable for Government owned companies and Foundations. A Corporate Governance checklist is completed annually by Management for presentation to the Supervisory Board. The Supervisory Board of SMDF approved appointment of a fifth (5th) Board member and has budgeted for this position to fill the Financial profile. Following such appointment and Audit Committee will be put in place.

To the General Audit Chamber, via the Prime Minister, SMDF submitted documents in March, 2017 for a report titled “*Administrative appointments Phase II*” within Government entities (Limited Liability Companies and Foundations). SMDF forms part of the “Collective Sector” and is self-governing entity in the sense that the Supervisory Board appoints members to the Board.

In November 2015, SMDF submitted extensive documentation to the Corporate Governance Council of St. Maarten, which included inter – alia:

- Articles of Incorporation of May 2012;
- Articles of Incorporation as amended in August 2013 to conform to CGC;
- Approval for amendment from the Prime Minister;
- Profiles for Supervisory Board members;
- Profile for the Managing Director;
- By- laws for the Supervisory Board
- By-laws for the Management Board or Managing Director;
- Board remuneration letter of approval from the Prime Minister;
- Corporate Governance checklist;

Supervisory Board members of SMDF may only serve two (2) terms of four years each. A resolution for the extension into the second term of four years was executed by the full Supervisory Board in May 2016. This resolution covers the extension for the first three members of the Board, allowing them to serve from May 2016 to May 2020. The Prime Minister was made aware of this resolution in accordance with reporting agreements between SMDF and the Government of St. Maarten The fourth (4th) member was appointed in October 2014.

Foundations serviced during 2017

| | |
|--|---|
| Youth Development (7): | |
| No Kidding with Our Kids Foundation | Afternoon School Activity Program |
| SECEO Foundation | Afternoon School Activity Program |
| Alpha & Omega After Projects Foundation | Afternoon School Activity Program |
| Belvedere Community Foundation | Afternoon School Activity Program |
| Voice of Youth Foundation | Vulnerable Youth Intervention project |
| St. Maarten Aids Foundation | Girl Power / Real Talk program |
| Alexander Early Stimulation After School program | Afternoon School Activity Program |
| Social Care (11): | |
| Ujima Foundation | Operation of Home for Vulnerable Boys |
| Ujima Foundation | Afternoon Intervention Project for Boys |
| I Can Foundation | Foster Home operation |
| New Start Foundation | Foster Home operation |
| Hope Outreach Foundation | Foster Home operation |
| I Too Can Learn Foundation | School for mentally challenged kids |
| Key to Freedom Foundation | Addiction Rehabilitation facility |
| Community Outreach Center | Literacy Project |
| Dr. J. Foundation | Crisis Center & temporary shelter |
| Dr. J. Foundation /Turning Point | Skills training Turning point |
| K1 Britannia | Voluntarism development organization |
| Senior Care (3): | |
| Helping Hands Foundation | Senior transportation service |
| Home Away from Home | Senior recreation program |
| Hope Estate Sr. Citizens Foundation | Senior recreation program |
| Gender Support (1): | |
| Safe Haven Foundation | Operation of Home for abused women |
| Poverty Alleviation (2): | |
| Bishop Ellis Foundation | Feeding program |
| Maximizing Pupils Chances Foundation | Feeding program |

Number of Programs per Thematic area:

| | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|-----------|-----------|-----------|-----------|
| Youth Development | 8 | 9 | 13 | 7 |
| Social Care & Vulnerable Groups | 7 | 11 | 13 | 11 |
| Senior Care & Support | 4 | 4 | 5 | 3 |
| Gender support | 1 | 1 | 1 | 1 |
| Poverty alleviation | 3 | 4 | 3 | 2 |
| | | | | |
| | 23 | 29 | 35 | 24 |

Program grants Extended 2013 - 2017

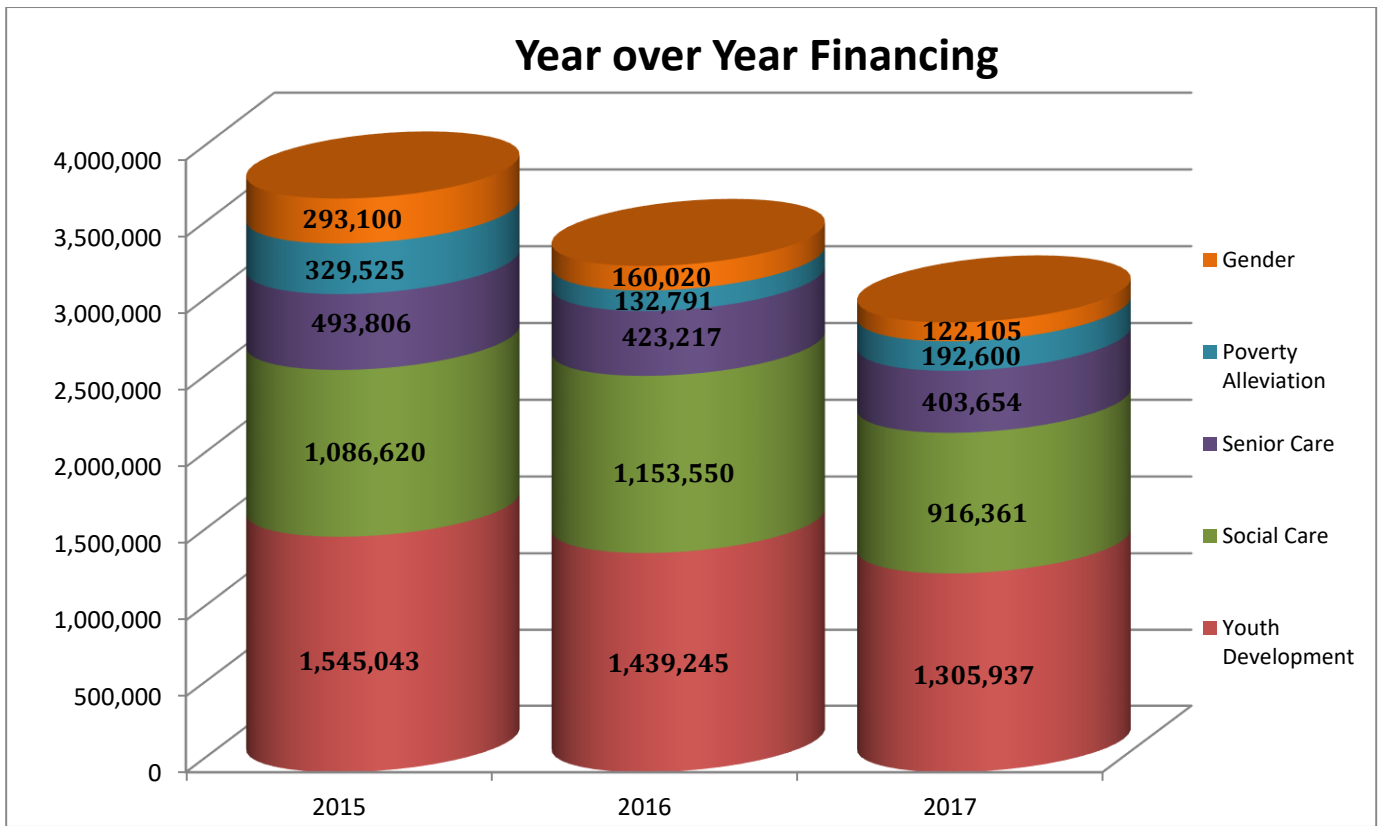
| 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| Grants Extended | Grants Extended | Grants Extended | Grants Extended | Grants Extended |
| 1,112,617 | 2,947,278 | 3,748,094 | 3,308,823 | 2,940,657 |

Program grants Extended per Theme Area 2015-2016

| | Budget | Actual | Budget | Actual |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2016 | 2016 | 2015 | 2015 |
| Youth Development | 1,290,168 | 1,439,245 | 1,065,000 | 1,545,043 |
| Social Care & vulnerable groups | 730,489 | 1,153,550 | 537,000 | 1,086,620 |
| Senior Care & Support | 468,821 | 423,217 | 400,000 | 493,806 |
| Gender support | 214,422 | 160,020 | 280,000 | 293,100 |
| Poverty alleviation | 181,714 | 132,791 | 454,000 | 329,525 |
| District improvement | | | 184,000 | |
| | | | | |
| | 2,885,614 | 3,308,823 | 2,920,000 | 3,748,094 |

Program grants Extended per Theme Area 2017

| | Budget | Actual |
|---------------------------------|------------------|------------------|
| | 2017 | 2017 |
| Youth Development | 1,206,123 | 1,305,937 |
| Social Care - Vulnerable groups | 804,082 | 916,361 |
| Senior Care & support | 446,712 | 403,654 |
| Gender support | 235,268 | 192,600 |
| Poverty alleviation | 208,466 | 122,105 |
| District improvement | | |
| | 2,900,651 | 2,940,657 |



The amount requested to be funded by the Government of St. Maarten for the year was 2017, was ANG. 4,870,000.00. The amount received for funding was ANG. 2,900,651 or approximately **59.56% lower** than the budget requested. Despite this, ANG. 40,000.00 more was extended in grants, which amount was used from the SMDF Operational budget.

Operating Expense comparison 2015 - 2017

| | Actual 2017 | Budget 2017 | Actual 2016 | Budget 2016 | Actual 2015 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Personnel expenses | 472,650 | 442,950 | 373,085 | 480,411 | 325,748 |
| Rent expense | 40,764 | 40,764 | 40,764 | 40,800 | 40,764 |
| Utilities | 18,996 | 18,000 | 16,673 | 9,000 | 2,713 |
| Maintenance | 3,103 | 2,600 | | | |
| Cleaning expense | 3,256 | 3,600 | 3,023 | 3,600 | 1,894 |
| Computer | 2,079 | 4,430 | 858 | 1,800 | 270 |
| Telephone | 6,950 | 7,200 | 6,927 | 7,200 | 7,091 |
| Courier services | 4,408 | 5,400 | 5,168 | 4,200 | 4,131 |
| Other Office expenses | 4,921 | 3,600 | 5,890 | 4,800 | 2,610 |
| Board expenses | 28,764 | 37,200 | 28,250 | 34,200 | 27,000 |
| Other professional expenses | 1,836 | 10,000 | 6,204 | 9,000 | 14,826 |
| Travel & representation | 5,784 | 18,695 | 5,212 | 8,900 | 6,070 |
| Accounting & audit | 46,331 | 47,000 | 120,236 | 65,400 | 133,941 |
| Fuel & transport allowance | 5,234 | 6,600 | 2,800 | 7,200 | 3,600 |
| Advertising & promotion | 13,913 | 13,200 | 1,274 | 3,600 | 716 |
| Insurance | 3,606 | 3,300 | 1,754 | 3,600 | |
| Other general expenses | 7,766 | 6,268 | 3,860 | 2,133 | 2,825 |
| Depreciation | 16,380 | 16,215 | 16,772 | 16,211 | 16,738 |
| | | | | | |
| | 686,741 | 687,022 | 638,750 | 702,059 | 590,937 |

Detailed variance report of Operating expenses 2017:

- Personnel expenses:** Personnel expenses budgeted for ANG. 442,950 are shown higher by ANG 29,700. This on account of cessantia and unused vacation days paid out to the former Program Manager. In addition, Management fee and related performance bonus pertaining to 2016 but disbursed in 2017 was accounted for in 2017 financial year. Performance bonus for 2017, budgeted for 2018, disbursed in January 2018 was as well accounted for in 2017.
- Utilities:** Utilities were budgeted for ANG. 18,000 for the year compared to an actual expense of ANG. 18,996 or with a negative variance to budget of ANG. 996.00. The higher than expected expense is attributable to greater use of the conference facilities by the Senior Project team members.
- Office expenses** were budgeted for the year for ANG. 3,600.00 and are higher by ANG. 1,321.00 on account of office supplies purchased in December still in inventory.

- **Maintenance expenses** are ANG. 503.00 higher than forecasted on account of unscheduled painting of the premises of SMDF after four years of operation.
- **Accounting, audit & professional fees:** noteworthy to report is that professional fees, accounting & audit expense was ANG. 46,331 compared to a budget of ANG. 47,000.00. Professional fees, accounting & audit were ANG. 73,970.00 in 2016.
- **Advertising & promotion** shows a negative variance to budget of ANG. 713.00 on account of multiple full center-fold spreads, graphic design services and printing services under forecasted to commemorate SMDF's fifth anniversary.
- **Other general expenses** shows a variance of ANG. 1,498.00 to budget due to higher and un-forecasted bank charges.

Overall, Management is pleased with the Operational financial performance of SMDF in relation to its budgetary vision and plan for 2017. An overall positive variance to budget of ANG. 281.00 was recorded for 2017.

Management letter 2017:

The following are the observations and recommendations made by the auditor for 2015/2016 financial years and actions to be taken to each observation and recommendation made by the Auditor via Management letter during 2017.

| Observation: | SMDF Comment: |
|---|----------------------|
| Sponsorship/ partnerships | In progress |
| In sourcing Accounting (AUP procedures) | Executed |
| Measuring KPI's of NGO's | In progress |
| Timely approval grant agreements & budgets | Executed end of 2017 |
| Analysis of NGO expenses on a monthly basis | Executed |
| Database of NGO expenses | Executed |
| Payroll uniformity - net versus gross funding | Executed |
| IT security (back up) | Executed end 2017 |
| Digitizing hard copy | Will commence 2018 |

The following are the observations and recommendations for 2017 made by the Auditor via a Management letter SMDF comments:

| Observation: | SMDF Comment: |
|--|---|
| Uniformity in application form and SMDF procedures & regulations | In agreement with Auditor recommendation. Application form requires simplification |
| Assessment of application by NGO by Program Manager | Transition from Program manager during the beginning of 2017. Joint reviews were conducted during Quarter # 4 - 2017 |
| Timely submission of reports by NGO's and implementation sanctions | During 2018 sanctions were introduced. In addition, letters will be sent to NGO's with receipt dates of reports over 2017/ 2018 |
| Assessment of social report | Template has been prepared with needs to the social report. The P&D Manager has communicated needs. |
| Payment process – segregation of duties | Effective March 2018, the Financial administrator prepares payments which are cross checked by the P&D Manager. The Director then executes. |
| Uniformity of documentation and reports | Management will monitor monthly |
| Quality review by Financial Administrator accompanied by memo in addition to checklist | Shall implement recommendation |

Youth Development

Alpha & Omega Projects Foundation

Belvedere Community Foundation

No Kidding with Our Kids Foundation

Sint Maarten AIDS Foundation

Stichting Ervaringsgericht Onderwijs

Voice of the Youth Foundation

Alpha & Omega Projects Foundation - Afterschool program

In 2017, enrollment continued to be a challenge for Alpha and Omega Projects Foundation. Throughout the first quarter of the year, the foundation maintained enrollment of 35 children in its after school activity program. During the summer months, the foundation hosted a summer camp that saw similar enrollment, however the passing of hurricane Irma seriously hampered operations, with the facility being closed during the months of September and October. When the program did resume, enrollment was approximately 17 with some children having left the island or moving to another program.

| | Goals | Results Achieved |
|----|---|---|
| 1. | To offer educational assistance by guidance and tutoring while in a safe environment. | The program put strong focus on its educational enrichment component |
| 2. | To encourage positive social and moral behavior in our children while exposing them to the arts of music, sports and dance. | With a firm leadership teaching style that included devotionals, the program placed strong focus on the moral upbringing of the children. |
| 3. | To teach and encourage through agriculture the importance of planting your own foods which leads to healthier diets. | The foundation did not have many agricultural activities, but it prioritized serving healthy well-balanced meals. |

Belvedere Community Foundation - Afterschool Program

Starting the year, Belvedere Community Foundation had an average of 113 children in its after-school activity program before the end of the school year. Going into the new school year, the foundation indicated that parents of approximately 90 children indicated they would re-enroll their children in the new school year. Unfortunately, the passing of hurricane Irma in early September negatively affected the after-school activity program. During the month of September, almost immediately after the hurricane's passing, the foundation opened its doors for the children of uniformed personnel, providing a safe space for these children while their parents and guardians worked to secure the country.

Seeing the importance of the foundation's post-Irma activities, SMDF provided additional financial support to have the facilities be deemed safe and comfortable, including the purchasing of multiple air conditioning units, financing repairs to the fencing around the facility as well as facilitating the replacement of much needed commercial grade kitchen equipment.

In October, it's first month transitioning back to regular operations, the foundation reported that many children had left the island and as such there were 47 children participating during that month. At the close of the year, the foundation registered 61 children in the program, approximately forty percent of the peak enrollment in January. This noticeable shift could be viewed as a reflection of the number of children that left the island after the hurricane's passing as well as the island's socioeconomic downturn.

| | Goals | Results Achieved |
|----|---|--|
| 1. | Parents will be at ease knowing that their children are in a safe environment that will provide a healthy meal daily; they will also become knowledgeable in areas such as marketing, networking, recycling, life-skills. | Many of the children in Belvedere Community Foundation's after-school-activity program come from difficult circumstances and the program is one of the few child friendly places that a parent can turn to within the Belvedere and surrounding areas. |
| 2. | Youth will become well versed in the environment as a source of development and self-sustainability in the long run. | The program puts strong emphasis on being efficient, creative and self-sustainable and instills that in young participants. |
| 3. | Youth will be able to enhance their literacy level, develop sportsmanship and form long lasting associations through networking that will also further develop team building. | Using various creative means of tutoring in math, reading and interactive game play, the program encourages positive interpersonal skills. |

No Kidding with our Kids Foundation - Afterschool Program

In its grant request for the year 2017, No Kidding With Our Kids Foundation indicated that would host between 150 and 175 children. While peak enrollment realized was approximately 126 students, the program continued without interruptions associated with the passing of hurricane Irma. The program continued its focus on developing the children's social skills and healthy lifestyle without incident.

While the foundation's operations continued without issues or challenges, the foundation's Director did indicate negative behavioral trends amongst the children in the program and requested future consideration for retention of a part-time Counselor to provide needed psychosocial services for the children. As this was also an expressed need put forward by Belvedere Community Foundation, SMDF will take this request into consideration to the benefit of the After-School-Activity programs that do not have direct access to Counselors or Social Workers.

| | Goals | Results Achieved |
|----|--|---|
| 1. | To increase the social development of the child, physical and social skills, to discover the world outside of home and family, to develop self-esteem and their assertiveness. | All participants were academically developed and were made aware of their culture. Their social emotional development increased as well as their sports and recreational development and were handed enough tools to become healthy, responsible, thoughtful adolescent, an enrichment for the community. |
| 2. | Increasing health, hygiene and physical development. | Health was tied into activities such as cooking and gardening while hygiene was tied into every activity as children were always reminded to wash their hands after all activities. Physical development was as aspect of all sport activities. Measurements of children's weight and height were noted 2 to 3 times throughout the year. |
| 3. | Increasing participation in various activities. | Throughout the year, children participated in various physical activities such as football, swimming, arts and crafts, and theatre amongst others. |

St. Maarten AIDS Foundation - Girl Power & Real Talk

This year was a year of transition for St. Maarten AIDS Foundation. The year started with Rajesh Chintaman as Executive Director and closed with the hiring of a new Director Judith Bell at the end of the year. The transition resulted in some slowdown in the foundation's operations, followed by a full stop with the passing of hurricane Irma. With the closures of schools throughout the month months of September and October, workshops were not held at many schools as the schools could not sacrifice any additional days and potentially jeopardize children's academic successes. As such, the foundation did not meet the number of intended beneficiaries but provisions have been made to host workshops at these schools before the end of the first half of the year.

| | Goals | Results Achieved |
|----|--|--|
| 1. | More knowledgeable, skilled and empowered teens who recognize potential pitfalls of short-term decisions and who can make their own decisions to stay healthy. | Together, Girl Power and Real Talk provided much needed knowledge for approximately 530 secondary students on St. Maarten. |
| 2. | Fewer incidence of teenage pregnancy. | As data for such is limited, it is difficult to confirm if this was achieved. |
| 3. | Fewer incidence of STIs, including HIV. | As data for such is limited, it is difficult to confirm if this was achieved. |

Stichting Expertisecentrum Ervarings Gericht Onderwijs

SECEO's program at the Sister Regina School in Simpson Bay continued to be enjoyed by the youth participants. In 2017, the program provided participants with access to various activities such as swimming, dance, theatre and kayaking amongst others. Additionally, the program manager continued to ensure that attention was paid to the emotional wellbeing of the children, with time being dedicated to one-on-one counseling and consultations with parents and guardians of children that display behavioral challenges.

| | Goals | Results Achieved |
|----|--|--|
| 1. | Development of a positive self-image. | The program's approach of allowing the children to openly dialogue with peers and instructors supported self-confidence building and a more positive self-image built. |
| 2. | Prevention of dropouts. | The majority of participants in the program continued in their academic ventures. |
| 3. | To increase parental involvement and connect positively. | The program continues to facilitate healthy positive dialogue between students and their parents, hosting counseling sessions when necessary |

Voice of the Youth Sint Maarten Foundation - Youth brigade

Voice of the Youth Foundation's unique program continued into its fourth year with the program increasing interest throughout the community and deepening its partnerships with similar organizations such as the VKS. Additionally, the significance of the program and potential contribution of the brigade's members was fully displayed in the days and weeks after the hurricane. During the emergency period, the brigade's members acted as support personnel for the VKS and Marines, assisting at the NIPA shelter and various clean-up sites. Their positive contributions to St. Maarten's society and showed the program's value – a value that SMDF will take into consideration for the funding year 2018.

| | Goals | Results Achieved |
|----|---|--|
| 1. | To present physical, mental, cognitive and social education for all members in order to promote self-confidence, self-esteem and higher level of thinking skills. | The program's activities for 2017 included meeting 4 times weekly with brigade members and offering support services during these activities. |
| 2. | To promote a sense of responsibility and discipline of the members, so they may function as role models and reliable sources of inspiration for other youngsters regarding the challenges of adolescents. | The brigade's rigorous program instills strict values are participants are placed in a military style program that puts great emphasis on responsibility and discipline. |
| 3. | To provide its members the opportunity for a second chance at learning, so they may become productive citizens of this community. | While the youth brigade does not offer an educational program, it does encourage participants to focus on their academic success. |

Social Care

C.O.M.E. Center Foundation
Dr. J. Foundation – Crisis Shelter
Dr. J. Foundation – Turning Point
Home Outreach Foundation
I Can Foundation
I Too Can Learn Foundation
K1 Britannia Foundation
Key To Freedom Foundation
New Start For Children Foundation
Ujima Foundation – Therapeutic Residential Facility
Ujima Foundation – Day Treatment Program

C.O.M.E. Center Foundation

COME Center's activities in 2017 broadened quite noticeably. At the start of 2017, the foundation's literacy program had approximately 12 students. Additionally, its twice weekly senior outreach program grew to having 20 – 30 persons at gatherings. With dedicated volunteers, the programs carried on consistently throughout the first eight months of the year. Then, with the passing of hurricane Irma, COME Center became a source of meals for many throughout the Philipsburg area and wider community at large. After the hurricane's passing, COME Center opened its doors and offered free meals daily. While a wider meals program was not initially funded in the grant agreement, SMDF supported the NGO's efforts by allowing senior outreach funds to be directed to the program's large community feeding program.

| | Goals | Results Achieved |
|----|--|---|
| 1. | The participants will be able to function better in daily life. | The foundation's literacy program provided much needed tools, building participants' capacities and abilities to function in their communities. |
| 2. | The participants will have more self esteem in their daily life. | With stronger communication skills, participants gained more self-confidence to speak for themselves in English. |
| 3. | The participants will have more chance to obtain (better) work. | This goal was not measured as the NGO did not provide sufficient indication of improved employment situations. |

Dr. J. Foundation – Crisis Shelter

In 2017, the Crisis Shelter operated by Dr. J. Foundation continued to keep its doors open as a transitional home for persons in emergency situations. The foundation's incorporators envisioned that the two-bedroom shelter would be a place where individuals or families could stay for a two to three-month period after unforeseen shocks to their lives, such as loss of a home. Unfortunately, in some instances, the persons staying in the facility stayed beyond what the foundation envisioned, creating difficult situations. In some instances, these difficult situations resulted in persons not wanting to leave the facility and the need for police presence and mediation. For this reason, the facility saw fewer residents than initially hoped for as the board sought to avoid any future incidents that would require a police presence.

| | Goals | Results Achieved |
|----|--|--|
| 1. | Guests in crisis and in need of emergency shelter would have been able to reside in a safe and healthy temporary living arrangement. | This was via the year-round operation of the shelter. |
| 2. | The guest in the shelter would have been able to receive a daily warm meal. | As SMDF only provided financing for food purchases in January, we cannot empirically verify that food was purchased and meals were provided year-round. |
| 3. | The guest would have received guidance and life skills training. All guests would have positively re-integrated back into the community. | While SMDF did not provide financing for activities related to this goal, we know that Dr. J. Foundation has a team of professional Psychologists, Social Workers and Counselors who are able to provide necessary life skills training. |

Dr. J. Foundation – Skills Training at Turning Point

A pilot program that began at the end of 2016, Dr. J. Foundation's Skills Training and Turning Point continued into 2017 with five (5) resident participants. The participants, all of which are males recovering from substance abuse, took classes in computer literacy and carpentry twice weekly. The computer classes helped the participants to become more comfortable with basic computer use and to become more knowledgeable of applications such as Microsoft Word and Excel. Additionally, the program's carpentry courses provided valuable skills in woodworking and building. Throughout the year, the participants crafted beds with intricate details as well as pencils, pens and other unique souvenirs. Prior to the passing of the hurricane, it was the Director's intention to develop partnerships with various businesses in the community, providing a market for the goods crafted by the men in the program. In 2018, SMDF will seek to support the program in bringing this goal to life.

| | Goals | Results Achieved |
|----|--|---|
| 1. | To have trained at least 15 residents with carpentry skills, tools as well as computer skills and knowledge and basic exposure to various skills in the making of arts and craft | This goal was not met as there were not 15 participants in the facility, and by extension the program. |
| 2. | To empower the trainees with carpentry tools and computer skills to foster self-reliance and or preparedness for the job market | Based on positive feedback and responses from the participants, the courses were impactful aside from their practical training component. |
| 3. | To facilitate change, not only in lifestyle, but with destructive behaviors and negative habits as well as decrease the chances of relapsing back to drugs and alcohol usage | This goal will require further monitoring of the participants. |
| 4. | To successfully and positively re-integrate 15 ex substance abusers into the community equipped with tools and skills for employment or self-reliance | As the facility did not see 15 residents, the program in turn did not have 15 participants, however those in the program were better equipped than they were prior to entering the program. |

Hope Outreach Foundation - Foster home for children:

In 2017, SMDF continued its funding relationship with Hope Outreach Foundation until the month of April. During that the first quarter of the year, SMDF provided funding for personnel expenses, school uniforms, tuition as well as music and utilities. Due to decisions made by organizations responsible for the operations of foster homes, Hope Outreach Foundation ceased operations in April. In turn, SMDF terminated the grant relationship and ceased disbursements to the foundation as financing was predicated upon the foundation carrying out its foster care activities.

| | Goals | Results Achieved |
|----|---|--|
| 1. | Expenses to safeguard programming continuity will be provided for | The grant agreement signed between SMDF and Hope Outreach Foundation provided a financial safeguard for the foundation to be able to continue its activities in accordance with foster guidelines. |
| 2. | Driveway will be updated. | SMDF did not provide financing for infrastructural works to the facility and cannot report if these goals were achieved. |
| 3. | Damaged doors and windows will be replaced. | As is the case in goal 2, SMDF did not provide financing for this activity. |

I Can Foundation

While I Can Foundation's foster care activities remained much of the same in 2017, it did see noticeable improvements to the foundation's administration. Internally, the foundation hired an Office Assistant, via SMDF funding, that took over much of the administrative tasks associated such as bookkeeping and preparing of the monthly reports. This resulted in improvements in the reporting relationship, bringing the foundation more in line with SMDF's requirements for timely reporting.

| | Goals | Results Achieved |
|----|---|---|
| 1. | Their educational needs have been met. | While SMDF provides minimal financing for tuition, as this is paid via the Government, SMDF did finance the presence of an after-school tutor for the children in the home. |
| 2. | The children's basic needs will be met. | |
| 3. | I Can will be able to keep its employees. | SMDF's grant making to I Can Foundation provides financing for six (6) staff members. |

I Too Can Learn Foundation - Children with Learning disabilities

I Too Can Learn Foundation saw challenges related to enrollment. While the program's Director made some improvements to the property in the beginning of 2017, the program was still unable to increase its enrollment numbers. At its peak enrollment, the program had 8 children, at its lowest there were 6 children in the program – a trend continued from 2017. Aside from its enrollment challenges, the program also had challenges with its facility after the hurricane. The rented building sustained damage to the roof and windows, resulting in operational down-time. Though SMDF has suggested expansion of the program and relocation, the foundation has not been receptive to such.

| | Goals | Results Achieved |
|----|---|---|
| 1. | The children get the basic elements of formation and education, which they would not get without ITCL. | The children in this program do have access to basic elements for formal education such as arithmetic, reading and writing. |
| 2. | The children are taken from a situation of social isolation and are prevented from getting in that situation in the future. | While the children are out of isolation during the school hours, we cannot, at this time, determine that future isolation is being prevented. |
| 3. | The parents of these children don't have to take care of these kids during the day, which will enable them to participate fully in society. | During the hours that the participants are at the facility, their parents and/or guardians are able to do other things, such as work. |

Key to Freedom Foundation - Open rehabilitation home:

In 2017, Key To Freedom continued to have some challenges in its internal management. During the course of the year, the foundation was unable to adequately manage all of its operations and in turn, SMDF provided more direct financial support, removing the administrative strain from the program's Director. In 2018, SMDF will be presenting a proposal to support the program's activities by providing assistance for the design of a more detailed client intervention plan. Moreover, SMDF will consider contracting a substance abuse and care expert to design a structured 9 – 12 month care program for the foundation.

| | Goals | Results Achieved |
|----|---|---|
| 1. | Make the outreach facility better suitable for sustainable intervention and rehabilitation. | Unfortunately, Key to Freedom's facility experienced a number of water management issues, undermining this goal. |
| 2. | Enhance the capacity, continuity and consistency of the operations. | Throughout the year, Key to Freedom was unable to organize any capacity-specific trainings, however its Director did visit Key to Freedom's partner organization in Curacao for training. |
| 3. | Professional training for the staff. | This was not done. |

K1 Britannia Foundation - Volunteer Program

K1 Britannia continued to expand its activities in 2017. While the organization's initial goals focused on expanding its Volunteer Program locally amongst communities and secondary schools, the passing of hurricane Irma saw the foundation surpassing its goal of having 400 ready and willing volunteers. During the first half of the year, the foundation continued its work with foster homes and organizations such as the Sister Basilia Center and Animal Defenders while expanding to assist newer organizations such as Green Star Foundation, assisting with an agricultural project.

| | Goals | Results Achieved |
|----|---|--|
| 1. | Giving everyone a chance to give back to the community in a way they enjoy, where the aim is to have 400 volunteers by the end of the year. | The foundation surpassed this goal. By July, the foundation had 439 registered volunteers and by October this number grew past 600. |
| 2. | Providing several organizations with much needed volunteers so they can contribute to target groups on SXM. | Through its year round efforts to encourage private sector volunteerism, K1 Britannia was able to encourage volunteer activities within a number of businesses. |
| 3. | Allowing secondary school students to find organizations with whom they can complete their community service. | The foundation has been successful in its partnerships with St. Dominic High School and Milton Peters College, providing an avenue for students to participate in more community service activities. |

New Start For Children Foundation - Foster home for children:

The year 2017 was an active one for New Start for Children Foundation. Throughout the year, the foster home reached its maximum capacity with 23 children in the home at one point. With a full house, the Benjamins and the additional caretakers were able to ensure that the children in their care were well taken care of, even during hurricane Irma which significantly damaged the home's and roof and furniture on the top floor. With most of the children's bedrooms being on the top floor, the home lost numerous mattresses due to water damage. To assist in getting the home back to normal capacity, SMDF replaced nine (9) mattresses in the days after the hurricane's passing. Moreover, through a co-financing arrangement with the Dutch Representative in Philipsburg, SMDF was able to make a financial commitment to construction of a new roof for the facility.

| | Goals | Results Achieved |
|----|---|--|
| 1. | Optimization of the functioning of Foster Homes. | With the right amount of staff members and well structured days and activities, the foster home ran optimally without any major disruptions. |
| 2. | A direct and positive impact on the lives of primarily children growing up in from Foster Homes. | Children in the home received support and attention needed for their social development. |
| 3. | Contributing to well-rounded children and future adults of St. Maarten society, that without this project subsidy, will not reach their full potential, with all negative consequences of such. | To ensure that the children in the home can be successful in their lives, the foundation ensured that the children were challenged academically, attended educational events and received additional tutoring and homework assistance when needed. |

Ujima Foundation – Day Treatment Program:

Ujima Foundation's Therapeutic Home proceeded without issue. At the start of the year, the program had 7 boys in the facility, with 8 being the highest enrollment in March, April and May. At the start of the school year in August, the facility had 5 boys with the program in conversations with the various schools to receive more boys. With the passing of hurricane Irma, enrollment remained at 5 throughout the remainder of the year.

The program's strength was tested with the passing of hurricane Irma. When the severity of the hurricane's force became fully apparent, the program's Director chose to close the facility a few days prior to the hurricane's arrival, however less than a month later, the facility was back open and the boys had returned to their structured lives. The decision to reopen the facility required all hands-on deck to clean and return the facility to its original state and get the boys back into a positive state of mind, but the challenge was met by the foundation's dedicated staff.

| | Goals | Results Achieved |
|----|--|--|
| 1. | The resident is able to return to his home and into society as psychologically healthy and emotionally stable individuals. | Using its proven methods, Ujima was able to rehabilitate young boys so that they were able to return home more stable. |
| 2. | The resident will have a sense of purpose and direction in their lives and become a productive citizen in society. | Through counseling and support, there were noticeable improvements in the viewpoints of the children. |
| 3. | The parents would have learned additional parenting skills to continue to guide their child and improve the family dynamics after leaving the program. | Through its integrated approach in which parents were involved in counseling sessions in order to adjust their parenting skills, supervision and contact with their children, Ujima was able to improve family dynamics so that the children will continue down a positive path. |

Ujima Foundation - Therapeutic Home:

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| | Goals | Results Achieved |
|----|--|--|
| 1. | To provide a therapeutic structured afterschool program for 12 "at risk boys" who have been identified as difficult to manage in their classroom settings and in the regular afterschool programs due to their out of controlled behavior and emotional struggles. | Throughout 2017, the program provided the described care for 15 – 22 young boys. |
| 2. | To provide psychological screening and treatment intervention (behavior management) for the identified troubled youth as well as provide family counseling and parenting sessions for the parents of these at-risk youths | With a full time, as well as a part-time, Counselor on staff, along with our personnel, the program offers extensive psychological support for the participants. |
| 3. | To fill the need for a day treatment program for our troubled youths and offer a continuum care for the residents who will be discharged from the Ujima Therapeutical Residential Program. | As one of only two after school activity programs specifically catering to young boys that display |

Senior Care & Support

Helping Hands Foundation

Home Away from Home Foundation

Senior Citizens Recreational Foundation

Helping Hands Foundation - Helping Hands in Action

During the first half of 2017, Helping Hands Foundation was settling in with a new Board and working out internal operational matters to improve its service. This was going well up to September. As was the case for many organizations, Helping Hands Foundation saw noticeable changes to its operations and facilities in 2017. The passing of hurricane Irma severely damaged the office that the foundation was renting, undermining much of its operational capacity. With the office's closure, there was no central location for operations, making managing the operation noticeably difficult. Moreover, the hurricane's passing also led to the departure of the foundation's Administrator, leaving the program without day-to-day operational management from September to the end of the year.

Despite the unfortunate turn of events, SMDF remains committed to the NGO and worked to expand the foundation's vehicle fleet with the purchase of four new buses. In 2018, SMDF will be working closely with the NGO to increase the number of clients served and develop a more efficient bus operation.

| | Goals | Results Achieved |
|----|--|---|
| 1. | Transportation: moving the elderly from their home to their destination and back home giving them more independence. | The foundation consistently provided transportation services throughout the year, executing approximately 7,400 trips for its clients. |
| 2. | Socialization: getting the elderly to be in contact with other elderly. | In the first eight months of the year, the foundation hosted weekly outreach activities for seniors, particularly those in the Cole Bay area. |
| 3. | Reduction of loneliness and wanting to live longer. | Through its activities, the foundation promoted interactions amongst seniors. |
| 4. | Interaction and communication with one another and enjoying flash backs of their youthful days. | The foundation's weekly outreach activities provided a meeting space for sharing and lively conversation amongst the senior participants. |

Home Away From Home Foundation - Senior care & support:

Home Away From Home Foundation maintained its history of providing uninterrupted senior outreach activities. In a few instances throughout the year, the foundation's main organizer and President of the Board Ms. Patricia Flanders had to travel abroad for various reasons. During that time, the foundation's activities carried on uninterrupted – led by volunteers. The choice to continue the program's activities even when its main organizer was abroad showed the commitment of the volunteers involved in the program as the foundation carried on for weeks without the main organizer and additional support from SMDF.

| | Goals | Results Achieved |
|----|--|---|
| 1. | Alleviate the loneliness that many seniors experience when they are stuck at home with no one around them, resulting in depression and withdrawal syndrome | While there is no specific measurement of depression amongst participating seniors, the social interaction amongst the seniors would have a positive impact on their lives. |
| 2. | The seniors has a reason to get up each day knowing that a group of seniors are all gathering weekly to socialize and enjoy spending time together | For many of the seniors, the gatherings are a highlight of their days, acting as a reason to leave their homes and interact with others. |
| 3. | Working with the disabled incorporating them with the many activities at the center and with the special outing activities. | Home Away From Home opened its activities for persons with disabilities and saw some participation from this group. |

Senior Citizens Recreational Foundation

Senior Citizens Recreational Foundation continued its activities in 2017 with some difficulties throughout the year. At the beginning of the year, the program's main organizer was operating the full program alone, creating some challenges. At SMDF's suggestion, the program retained an assistant person to support the main organizer, removing some of the logistical challenges. Near the end of the year, after the hurricane's passing, the program paused due to damage to the facility. With logistical assistance from SMDF, temporary repairs were done to the facility, allowing for activities to resume regular operations. Closing out the year, the program saw an average of 45-50 seniors at its gatherings.

| | Goals | Results Achieved |
|----|---|---|
| 1. | We would have reached many more seniors as well as the shut-ins. | In 2017, the Senior Citizens Recreational Foundation welcomed an average of 46 seniors to its gatherings. |
| 2. | The group would enjoy many hot meals/drink and would be able to socialize and meet many other seniors at the center. | All seniors at the program received free meals at the twice weekly gatherings. |
| 3. | Working with the disabled incorporating them with the many activities at the center and with the special outing activities. | The NGO has maintained its focus on including persons with disabilities into its activities and program. |

Poverty Alleviation
Bishop Ellis Foundation
Maximizing Pupils Chances Foundation

Bishop Ellis Foundation - Food bank for the poor and needy

At the beginning of the year, Bishop Ellis Foundation provided food baskets for 71 families, consisting of 200 persons. Throughout the year, the foundation's food baskets reached 225 persons and was invaluable to the persons served. In September the foundation did not distribute any food hampers as the Red Cross, Government and a number of other regional and international NGOs were distributing food stuffs and food vouchers. This step was taken to avoid duplication of recipients amongst the various organizations. In October the foundation indicated that it would conduct new needs assessment as there was anticipation of more persons in need after the passing of the hurricane. SMDF took this consideration in mind when reviewing the NGO's grant request for the year 2018.

| | Goals | Results Achieved |
|----|---|--|
| 1. | Enabling people to find nourishment and nutrition in their lives in challenging situations. | With the foundation providing food baskets for over 100 families, it is directly providing nourishment and nutrition and removing the worries of hunger. |
| 2. | Allowing people to focus on finding employment since basic food needs would have been met. | While it is true that removing the stress of malnutrition allows persons to focus on other aspects of their lives such as employment, there is no formal reporting of such from Bishop Ellis Foundation. |
| 3. | To help build self esteem and dignity in situations that could seem hopeless. | Through informal counseling and support, the foundation's volunteers worked to encourage food basket recipients to live fulfilled lives. |

Maximizing Pupils Chances Foundation - Healthy Breakfast Program at Milton Peters College

Throughout the year, Maximizing Pupils Chances met its target of providing much needed meals to an average of 90 children month over month during the first five months of the year. With the passing of hurricane Irma just three weeks into the school year, the program was not active during the summer months of June and July and only had a few days providing meals a few days in August. When the program finally resumed in October with the reopening of schools, it was a huge asset for the numerous children that had lost their homes or saw decreased incomes in their homes due to the economic downturn.

| | Goals | Results Achieved |
|----|---|---|
| 1. | Students are fed. | Throughout 2017, Maximizing Pupils Chances provided meals for approximately 90 children daily. |
| 2. | Students can see what is written on the board and can follow classes (because they are not hungry anymore). | The immediate distraction caused by hunger was eliminated through the provision of meals. |
| 3. | Success rate at school increases. | As students were not left hungry throughout the school day, the chances of better academic performance increased. |

Gender Support

Safe Haven Foundation

Safe Haven Foundation

At the end of 2016, Safe Haven Foundation hired a new Director and the foundation's activities quickly expanded. Aside from continuing its shelter operations uninterrupted, the foundation also hosted multiple public forums on domestic abuse to expand the level of dialogue within the community. Additionally, with SMDF's financial support, the foundation also welcomed a trainer from Trinidad and Tobago who hosted a seminar about healthy family dynamics and facilitated workshops with justice partners to ensure victims of domestic violence are given due care when they come into contact with police officers or other members of the justice system.

| | Goals | Results Achieved |
|----|--|---|
| 1. | Safe and empowered domestic violence victims | Significant improvement seen. The foundation provides valuable data on women and families who enter the shelter as well as data on women who make use of other support services. |
| 2. | Educated and empathetic community committed to eradicating domestic violence | Various initiatives by the Director included extensive consultations with members of the Public Prosecutor's Office and Police Force. Efforts also began to develop a protocol for the handling of domestic violence cases. |
| 3. | Better informed and executed policy on domestic violence | To date, this has not taken place as all stakeholders involved in this process have not agreed on a definition. |

June 20, 2018

The Supervisory Board of St. Maarten Development Fund Foundation (“SMDF”) confirms that the Management of SMDF has submitted the annual financial statements for the year 2017 to Stichting Overheids Accountants Bureau (“SOAB”) for their Auditing purposes. An unqualified Auditors opinion from the external accountant is contained in the Audited financial statements.

The Supervisory Board, in conformity with the stipulations within the Corporate Governance code reviewed with the Auditors of SOAB, the contents of the Audited financial statement for 2017.

The quarterly financial reporting provided by Management through an external Accounting firm has been a good basis to execute the oversight role of the Supervisory Board over the Management of the Foundation in addition to the frequency of Supervisory Board meetings with the Managing Director during 2017.

In the Supervisory Board meeting of June 20, 2018, the Supervisory Board unanimously approved the Audited financial statements for 2017 as well as the year report as prepared by Management.

The Supervisory Board of
St. Maarten Development Fund Foundation