

**Foundation for the Promotion and Guidance of  
Mental Health Care on St. Maarten (Mental Health  
Foundation)**

at St. Maarten

**Financial Statements 2020**

## Table of contents

	Page
<b>1. FINANCIAL STATEMENTS</b>	
1.1 Balance sheet as at 31 December 2020	3
1.2 Income statement for the year 2020	5
1.3 Notes to the financial statements	6
1.4 Notes to the balance sheet as at 31 December 2020	9
1.5 Notes to the income statement for the year 2020	17
1.6 <b>Independent auditors' report</b>	<b>21</b>

**1. FINANCIAL STATEMENTS**

**Mental Health Foundation, St. Maarten**

**1.1 BALANCE SHEET AS AT 31 DECEMBER 2020**

*(Before appropriation of result)*

		<u>31 December 2020</u>		<u>31 December 2019</u>	
		ANG	ANG	ANG	ANG
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible assets</b>	1		8,818		9,770
Software					
<b>Tangible Fixed assets</b>	2				
Land and buildings		1,565,518		1,653,701	
Computers		61,626		94,139	
Furniture and fixtures		110,346		123,281	
Vehicles		<u>139,624</u>		<u>128,026</u>	
			1,877,114		1,999,147
<b>Current assets</b>					
<b>Receivables</b>					
Accounts receivable	3	281,434		83,712	
Other receivables	4	15,713		18,563	
Prepayments		<u>21,541</u>		<u>20,981</u>	
			318,688		123,256
<b>Cash and cash equivalents</b>	5		826,079		771,616
<b>Total assets</b>			<u><u>3,030,699</u></u>		<u><u>2,903,789</u></u>

**Mental Health Foundation, St. Maarten**

		<u>31 December 2020</u>		<u>31 December 2019</u>	
		ANG	ANG	ANG	ANG
<b>EQUITY AND LIABILITIES</b>					
<b>Foundation's equity</b>	6				
Foundation's capital		100		100	
Other reserves		558,163		305,517	
Result for the year		<u>-230,033</u>		<u>194,691</u>	
			328,230		500,308
<b>Equalization reserve</b>	7		92,016		138,218
<b>Non-current liabilities</b>	8				
Long-term loans		417,971		638,108	
Advance receipts		<u>113,246</u>		<u>-</u>	
			531,217		638,108
<b>Current liabilities</b>					
Amounts owed to credit institutions	9	508,088		468,883	
Accounts payable	10	289,531		184,089	
AVBZ contribution liability	11	280,428		-	
USZV Settlement liability	12	646,127		707,535	
Payables relating to taxes and social security contributions	13	88,814		98,347	
Other payables and accrued expenses	14	<u>266,248</u>		<u>168,301</u>	
			2,079,236		1,627,155
<b>Total equity and liabilities</b>			<u><u>3,030,699</u></u>		<u><u>2,903,789</u></u>

Mental Health Foundation, St. Maarten

1.2 INCOME STATEMENT FOR THE YEAR 2020

		<u>2020</u>	<u>2019</u>
		ANG	ANG
<b>Income from contributions and consultations</b>	15	5,169,937	5,556,614
Other income	16	<u>202,841</u>	<u>340,625</u>
<b>Gross margin</b>		5,372,778	5,897,239
Wages and salaries	17	3,494,991	2,806,322
Social security contribution	18	373,742	353,683
Pension contribution	19	134,723	201,532
Other personnel expenses	20	148,787	215,367
Amortization and Depreciation		206,585	161,508
Housing expenses	21	402,833	442,772
Office expenses	22	150,474	113,494
Client direct expenses	23	156,965	165,236
Professional expenses	24	315,341	373,022
General expenses	25	<u>166,414</u>	<u>795,251</u>
<b>Total operating expenses</b>		<u>5,550,855</u>	<u>5,628,187</u>
<b>Operating result</b>		-178,077	269,052
Financial expenses	26	<u>-51,956</u>	<u>-74,361</u>
<b>Net result</b>		<u><u>-230,033</u></u>	<u><u>194,691</u></u>

## **Mental Health Foundation, St. Maarten**

### **1.3 NOTES TO THE FINANCIAL STATEMENTS**

#### **Entity information**

The Foundation for promotion and guidance of mental healthcare on St. Maarten, also known as Mental Health Foundation (MHF), (the 'Foundation') was incorporated on October 10, 2001 under the laws of St. Maarten. The address of the Foundation's registered office is Leopard Road #1, Cay Hill, St. Maarten. The main activities of the Foundation are the promotion and guidance of mental healthcare on St. Maarten.

These financial statements have been approved for issue by the Foundation's Supervisory Board on April 26, 2022.

#### ***General accounting principles***

##### **The accounting standards used to prepare the financial statements**

The financial statements have been prepared in accordance with Book 2 of the civil code applicable in St. Maarten. The Board and Management have been opted to prepare the financial statements in compliance with generally accounting principles in the Netherlands.

##### **Corporate Governance Code**

The Corporate Governance Code (the Code) enacted in 2009 is applicable to the foundation. The foundation aims to comply with the requirements related to the Code. However, the Mental Health Foundation is a relatively small foundation which makes it complicated to comply to all rules and regulations of the Code. Management continuously monitors the non-compliance points and tries to reduce the gap between the requirements and the situation of the foundation.

##### **Use of Judgements and Estimates**

In preparing the financial statements, Management of MHF, in accordance with accounting principles generally accepted in the Netherlands, have to make certain judgements and estimates that affect the application of the Foundation's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results can deviate from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Information about assumptions and estimation uncertainties at December 31, 2020 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year is included in the following notes:

Note 19 - measurement of post-employment benefits obligation: key measurement assumptions;

Note 11/12 - recognition and measurement of provision and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 3 - measurement of allowance for trade receivables: key assumptions in determining the likelihood of default.

##### **Conversion of amounts denominated in foreign currency**

Unless otherwise stated, the amounts in the financial statements are denominated in Antillean Guilders (ANG). Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign currency transactions during the reporting period denominated in United States Dollars are recognized in the financial statements at the rate of USD 1.00 = ANG 1.80.

## **Mental Health Foundation, St. Maarten**

### **Comparative figures**

The accounting policies have been consistently applied to all the years presented. Where necessary, the comparative figures have been adjusted to conform to current year's presentation.

### ***Accounting principles***

#### **Intangible assets**

Intangible fixed assets are stated at cost less accumulated amortization and, if applicable, less impairments in value. Amortization is computed based on the estimated useful lives of the assets using the straight line method.

#### **Tangible Fixed assets**

Tangible fixed assets are stated at cost, net of accumulated depreciation. Depreciation is computed based on the estimated useful lives of the assets using the straight line method and an eventual residual value has been taken into consideration. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period.

#### **Trade receivables**

Accounts receivable are shown after deduction of a provision for bad and doubtful debts where appropriate.

The accounts receivable have a maturity date due within one year.

#### **Cash and cash equivalents**

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value and are freely disposable unless stated otherwise.

#### **Equalization reserves**

The Foundation has formed an equalization reserve for donated tangible assets. The amounts that are related to donated fixed assets are amortized in line with the straight-line depreciation of the related assets.

#### **Provisions**

Provisions are formed in respect of concrete or specific risks and liabilities existing on the balance sheet date, which extent is uncertain, but can reasonably be estimated.

#### **Non-current liabilities**

Non-current liabilities are carried at face value, being the amount received taking into account of any premium or discount, less transaction costs. The difference between the book value determined and the ultimate repayment value, together with the interest due, is determined in such a manner that the effective interest is taken to the profit and loss account during the term of the liabilities.

#### **Current liabilities**

Current liabilities are liabilities due within one year or less.

#### **Pension**

The Foundation has a defined contribution plan and pays premiums based on a contract to an insurance company. Premiums are recognized as personnel costs when they are due.



## **Mental Health Foundation, St. Maarten**

### **Accounting principles for determining the result**

#### **General**

The net result is determined as the difference between the recognized income and the expenses relating to the reporting period. Costs are determined in accordance with the accounting policies applied to the balance sheet.

Income is realized in the year in which the services rendered are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

#### **Revenue recognition**

##### **Income from contributions**

The income from contributions is recognized in the period for which the contribution has been awarded and is based on the underlying agreements. In 2018, the Foundation entered into a contractual agreement with USZV of which the income is based on a fixed budget.

##### **Income from consultations**

The income from consultations is recognized based on the moment that the service is delivered to the patient. The income in the year includes all services provided up to the balance sheet date.

#### **Other operating income**

Other income includes (a) income recognized at the moment that the amounts have been awarded and is based on the underlying agreements and subsidy decrees; and (b) other income recognized in the period.

#### **Other operating expenses**

The Foundation's expenses represent the direct and indirect expenses attributable to the income. Expenses are based on the historical cost convention and allocated to the reporting year to which they are related.

#### **Profit tax**

Mental Health Foundation is a non-profit foundation, therefore no profit tax is due.

Mental Health Foundation, St. Maarten

1.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2020

Fixed assets

1 Intangible assets

The changes in intangible fixed assets are presented as follows:

	<u>Software</u> ANG
Net Book value as at 1 January 2020	9,770
Additions	4,589
Amortization	<u>-5,541</u>
Net Book value as at 31 December 2020	<u><u>8,818</u></u>

2 Tangible Fixed assets

	<u>31-12-2020</u> ANG	<u>31-12-2019</u> ANG
Land and Buildings	1,565,518	1,653,701
Computers	61,626	94,139
Furniture and Fixtures	110,346	123,281
Vehicles	<u>139,624</u>	<u>128,026</u>
Total	<u><u>1,877,114</u></u>	<u><u>1,999,147</u></u>

## Mental Health Foundation, St. Maarten

### Tangible Fixed assets

Changes in tangible fixed assets are presented as follows:

	<i>Land and buildings</i>	<i>Computers</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>Total</i>
	ANG	ANG	ANG	ANG	ANG
Balance as at 1 January 2020					
Costs	2,655,000	188,390	500,690	213,878	3,557,958
Accumulated depreciation	-1,001,299	-94,251	-377,409	-85,852	-1,558,811
Net Book value as at 1 January 2020	<u>1,653,701</u>	<u>94,139</u>	<u>123,281</u>	<u>128,026</u>	<u>1,999,147</u>
Movements					
Additions	31,410	-	32,845	68,796	133,051
Release equalization reserve	-	-	-3,276	-42,926	-46,202
Depreciation	-119,593	-30,894	-41,482	-9,075	-201,044
Disposals	-	-3,328	-10,219	-18,900	-32,447
Depreciation on disposals	-	1,709	9,197	13,703	24,609
Balance movements	<u>-88,183</u>	<u>-32,513</u>	<u>-12,935</u>	<u>11,598</u>	<u>-122,033</u>
Balance as at 31 December 2020					
Costs	2,686,410	185,062	523,317	263,774	3,658,563
Accumulated release of equalization reserve	-	-	-3,276	-42,926	-46,202
Accumulated depreciation	<u>-1,120,892</u>	<u>-123,436</u>	<u>-409,695</u>	<u>-81,224</u>	<u>-1,735,247</u>
Net Book value as at 31 December 2020	<u>1,565,518</u>	<u>61,626</u>	<u>110,346</u>	<u>139,624</u>	<u>1,877,114</u>

The estimated useful life for the current and comparative periods are as follows:

- Buildings	20 Years
- Furniture and Fixtures	3-5 years
- Computer	3-5 years
- Vehicles	3-5 years

The residual value of the tangible fixed assets is 10% of the cost which is taken into account in the calculation of the depreciation expense.

## Mental Health Foundation, St. Maarten

### Current assets

#### Receivables

	<u>31-12-2020</u>	<u>31-12-2019</u>
	ANG	ANG
<b>3 Accounts receivable</b>		
Accounts receivable	513,926	252,040
Provision for doubtful debts	<u>-232,492</u>	<u>-168,328</u>
	<u>281,434</u>	<u>83,712</u>

In 2020, the provision has increased by 64,164 resulting mainly from aged balances from 2019 and older.

#### 4 Other receivables

Other receivables	<u>15,713</u>	<u>18,563</u>
<b>Other receivables</b>		
Security deposit	15,713	15,713
Other receivables	<u>-</u>	<u>2,850</u>
	<u>15,713</u>	<u>18,563</u>

## Mental Health Foundation, St. Maarten

	<u>31-12-2020</u>	<u>31-12-2019</u>
	ANG	ANG
<b>5 Cash and cash equivalents</b>		
The Windward Island Bank Ltd, savings account (ANG)	611,563	423,982
Restricted cash (WIB Loan)	216,000	216,000
The Windward Island Bank Ltd, current account (USD)	7,262	131,698
Cash on hand	<u>-8,746</u>	<u>-64</u>
	<u><u>826,079</u></u>	<u><u>771,616</u></u>

Cash and cash equivalents consist of:

- cash on hand;
- Restricted cash in connection with WIB loan, see note 8.

## 6 Foundation's equity

Movements in the Foundation's equity were as follows:

	<i>Share capital</i>	<i>Other reserves</i>	<i>Result for the year</i>	<i>Total</i>
	ANG	ANG	ANG	ANG
Balance as at 1 January 2020	100	305,517	194,691	500,308
Restatement	-	57,955	-	57,955
Result for the year	-	-	-230,033	-230,033
Appropriation of result	-	194,691	-194,691	-
Balance as at 31 December 2020	<u>100</u>	<u>558,163</u>	<u>-230,033</u>	<u>328,230</u>

	<u>2018</u>	<u>2019</u>	<u>Total</u>
	ANG	ANG	ANG
<b>Restatement: Final Settlement with SZV</b>			
AVBZ Contribution	-104,173	346,737	242,564
ZV, FZOG & OZR (incl. crisis)	<u>3,418</u>	<u>403,598</u>	<u>407,016</u>
	-100,755	750,335	649,580
SZV Settlement presented per 2019 financial statements	<u>-</u>	<u>-707,535</u>	<u>-707,535</u>
Total	<u><u>-100,755</u></u>	<u><u>42,800</u></u>	<u><u>-57,955</u></u>

In Q1 2022, before the approval of these financial statements, a settlement agreement was reached between MHF and SZV whereby the parties agreed on the AVBZ, ZV, FZOG & OZR outstanding balances for the year ending 2018, 2019 and 2020. The net effect of the 2018 and 2019 settlement agreements amounting to ANG 57,955 was recorded as a restatement to prior year results.

	<u>2020</u>	<u>2019</u>
	ANG	ANG
<b>Undistributed profit</b>		
Balance as at 1 January	194,691	-635,485
Appropriation of result	-194,691	635,485
Result for the year	<u>-230,033</u>	<u>194,691</u>
Balance as at 31 December	<u><u>-230,033</u></u>	<u><u>194,691</u></u>

**Mental Health Foundation, St. Maarten**

**7 Equalization reserve**

Balance as at 1 January	138,218	184,421
Release	<u>-46,202</u>	<u>-46,203</u>
Balance as at 31 December	<u><u>92,016</u></u>	<u><u>138,218</u></u>

In 2018 MHF received multiple donations which consists of 6 vehicles that are being depreciated for a period of 3-5 years.

## Mental Health Foundation, St. Maarten

### 8 Non-current liabilities

	<u>31-12-2020</u>	<u>31-12-2019</u>
	ANG	ANG
The Windward Islands Bank Ltd.	855,856	1,019,419
Less: Short-term portion	<u>-437,885</u>	<u>-381,311</u>
Total	<u>417,971</u>	<u>638,108</u>
<b>The Windward Island Bank Ltd.</b>		
Outstanding principal amount as at January 1	1,019,419	1,376,854
Interest to date	<u>52,437</u>	<u>74,565</u>
	1,071,856	1,451,419
Repayment 2020/2019	<u>-216,000</u>	<u>-432,000</u>
Outstanding principal amount as per December 31	<u>855,856</u>	<u>1,019,419</u>

In 2010, MHF entered into a loan agreement with the Windward Island Bank Ltd. (WIB) with the principal amount of ANG 3,700,000 and interest rate of 6.25%. Repayment will take place within 15 years in monthly installments of ANG 36,000, commencing December 31, 2010.

As security MHF reserved an amount of ANG 216,000 which consists of 6 monthly mortgage payments. See note 5.

In August 2015, there was a revision of interest from 6.25% to 6%.

In September 2017, WIB granted MHF a grace period of 3 months (September - November 30, 2017), due to the passing of Hurricane Irma.

In March 2020, WIB granted MHF a further grace period of 6 months (March - August 2020) due to the effects of the COVID-19 pandemic

### Current liabilities

#### 9 Amounts owed to credit institutions

Short-term portion of long-term loan	437,885	381,311
Compliance result cash restrictions	<u>70,203</u>	<u>87,572</u>
	<u>508,088</u>	<u>468,883</u>

#### Short-term portion of long-term loan

Short-term portion of long-term loan	<u>437,885</u>	<u>381,311</u>
--------------------------------------	----------------	----------------

#### 10 Accounts payable

Accounts payable	<u>289,531</u>	<u>184,089</u>
------------------	----------------	----------------

**Mental Health Foundation, St. Maarten**

**11 AVBZ contribution liability**

AVBZ contribution liability	<u>280,428</u>	<u>-</u>
	<u>2020</u>	<u>2019</u>
	ANG	ANG
<b>AVBZ contribution liability</b>		
Balance as at 1 January		
AVBZ contribution liability	-	<u>442,623</u>
Balance as at 1 January	<u>-</u>	<u>442,623</u>
Movements		
Repayment of liability	<u>280,428</u>	<u>-442,623</u>
Balance movements	<u>280,428</u>	<u>-442,623</u>
Balance as at 31 December		
AVBZ contribution liability	<u>280,428</u>	<u>-</u>
Balance as at 31 December	<u>280,428</u>	<u>-</u>

In the 2019 meeting with AVBZ, it was agreed that the total amount of ANG 418,773 which was received in excess over the period 2011-2017 was be repaid by MHF in 12 monthly installments. The balance of ANG 23,850 was included in the settlement 2018.

In Q1 2022, before the approval of these financial statements, a new agreement was reached between MHF and SZV whereby the parties settled on the AVBZ outstanding balance amounting to ANG 280,428, representing the net effect of the outstanding balances for the years ended 2018 (ANG -104,173), 2019 (ANG 346,737) and 2020 (ANG 37,864). The corresponding amounts recorded for the years ended 2018 and 2019 were recorded as restatements to other reserves (Note 6).

**12 USZV Settlement liability**

USZV Settlement liability	<u>646,127</u>	<u>707,535</u>
<b>USZV Settlement liability</b>		
Balance as at 1 January		
USZV Settlement liability	<u>707,535</u>	<u>-</u>
Balance as at 1 January	<u>707,535</u>	<u>-</u>
Movements		
Issue in financial year	<u>-61,408</u>	<u>707,535</u>
Balance movements	<u>-61,408</u>	<u>707,535</u>
Balance as at 31 December		
USZV Settlement liability	<u>646,127</u>	<u>707,535</u>
Balance as at 31 December	<u>646,127</u>	<u>707,535</u>



## Mental Health Foundation, St. Maarten

In Q1 2022, before the approval of these financial statements, an agreement was reached between MHF and SZV whereby the parties settled on the outstanding balances for the years ended 2018 (ANG 3,418), 2019 (ANG 403,598) and 2020 (ANG239,110). The corresponding amounts recorded for the years ended 2018 and 2019 were recorded as restatements to other reserves (Note 6).

	<u>31-12-2020</u>	<u>31-12-2019</u>
	ANG	ANG
<b>13 Payables relating to taxes and social security contributions</b>		
Wage tax	50,183	39,312
Social security premiums	<u>38,631</u>	<u>59,035</u>
	<u>88,814</u>	<u>98,347</u>
<b>14 Other payables and accrued expenses</b>		
Vacation allowance payable	115,303	93,954
Professional fees payable	32,120	32,120
Samenwerkende fondsen to be spent	16,093	290
Congress donations to be spent	2,357	917
Credit card payable	1,602	5,040
Pension premium payable	<u>98,773</u>	<u>35,980</u>
	<u>266,248</u>	<u>168,301</u>

The pension premium payable refers to the net balance payable consisting of (i) an amount of ANG 128 thousand payable to Guardian Group and, (ii) a prepayment made to Ennia in amount of ANG 29 thousand.

## Mental Health Foundation, St. Maarten

### 1.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2020

<u>2020</u>	<u>2019</u>
ANG	ANG

#### 15 Income from contributions and consultations

The income from consultations and contributions can be categorized per source as follows:

AVBZ Contribution	2,161,922	2,199,787
WYC Psychiatrist fees/MHC Saba/ Statia visit	98,456	76,621
Consultations	136,748	210,328
USZV Contribution	<u>2,772,811</u>	<u>3,069,878</u>
	<u>5,169,937</u>	<u>5,556,614</u>

The income recognized is based on the contractual agreement between MHF and USZV for the years 2020 and 2019.

#### 16 Other income

AVBZ Mortgage subsidy	185,760	185,760
Donations	15,490	42,524
Reimbursements (icw loss of wages)	1,591	106,541
Other income	-	<u>5,800</u>
	<u>202,841</u>	<u>340,625</u>

In 2020, receipt of donations was reduced compared to 2019 where the foundation received a large amount of donation for the day care services. The donations in 2020 are mainly from three institutions including AUC School of medicine. In 2019, the foundation received loss of wages reimbursement for the periods 2017 and 2018 for which there was no other income of this nature in 2020.

In 2009 MHF received a grant from The Government of St. Maarten in order to start a pension plan for MHF employees. In 2017, MHF entered into a pension agreement with Guardian Group "Fatum". In 2018, MHF reclassified the deferred income amount of ANG 83,961 to other income, this amount will be used in compliance with the grant received.

#### 17 Wages and salaries

Salaries and wages	<u>3,494,991</u>	<u>2,806,322</u>
--------------------	------------------	------------------

Average number of employees (FTE) 2020:65 (2019:45)

#### 18 Social security contribution

AOV/AWW contribution	209,271	184,708
USZV contribution	147,544	155,492
AVBZ contribution	<u>16,927</u>	<u>13,483</u>
	<u>373,742</u>	<u>353,683</u>

## Mental Health Foundation, St. Maarten

	<u>2020</u>	<u>2019</u>
	ANG	ANG
<b>19 Pension contribution</b>		
Pension contribution	134,723	112,747
Adjustment pension contribution previous years	<u>-</u>	<u>88,785</u>
	<u>134,723</u>	<u>201,532</u>

## 20 Other personnel expenses

Medical insurance	66,405	39,074
Training expense	46,516	77,381
Other personnel expenses	23,214	28,626
Volunteer/intern compensations	9,045	35,241
Cessantia	1,800	1,680
Medical expense	1,085	130
Travel expenses personnel	722	25,013
Recruitment expenses	<u>-</u>	<u>8,222</u>
	<u>148,787</u>	<u>215,367</u>

In 2020, Volunteer/intern compensations and travel expenses decreased due to a reduction of these activities resulting from the impact of COVID-19.

## 21 Housing expenses

Security expenses	206,735	201,484
Repair and maintenance	105,284	131,883
Utilities	59,995	79,096
Insurance	26,274	25,764
Other housing expenses	<u>4,545</u>	<u>4,545</u>
	<u>402,833</u>	<u>442,772</u>

## Mental Health Foundation, St. Maarten

	<u>2020</u>	<u>2019</u>
	ANG	ANG
<b>22 Office expenses</b>		
Telephone, fax and internet	80,246	55,081
Other office expenses	62,007	47,826
Office supplies	<u>8,221</u>	<u>10,587</u>
	<u>150,474</u>	<u>113,494</u>
<b>23 Client direct expenses</b>		
Daycare expenses	94,124	127,145
Medication expenses	45,039	18,423
Transportation expenses	13,096	17,095
Laundry & cooking gas	2,837	2,059
Other client direct expenses	<u>1,869</u>	<u>514</u>
	<u>156,965</u>	<u>165,236</u>
<p>In 2020, medication expenses increased due to increase of medication on ambulant services while daycare expenses decreased resulting from reduction of daycare activities from April to June 2020 due to COVID-19.</p>		
<b>24 Professional expenses</b>		
Professional fees	269,466	340,157
Audit fees Legal	32,120	32,120
fees	<u>13,755</u>	<u>745</u>
	<u>315,341</u>	<u>373,022</u>
<b>25 General expenses</b>		
Board expenses	36,000	36,000
Promotion expenses	23,135	49,534
Transportation expenses	18,261	23,590
Representations	16,889	27,280
Vehicle insurance	15,449	11,262
Bank charges	7,742	10,345
Advertising expenses	7,461	10,681
Other general expenses	6,112	11,269
Insurance	5,441	5,458
AVBZ settlement expense	-	245,258
USZV settlement expense	-	373,985
Provision for doubtful debts	64,164	30,040
Prior year adjustments	<u>-34,240</u>	<u>-39,451</u>
	<u>166,414</u>	<u>795,251</u>

## Mental Health Foundation, St. Maarten

### 26 Financial expenses

Interest income	481	204
Interest expenses	<u>-52,437</u>	<u>-74,565</u>
	<u>-51,956</u>	<u>-74,361</u>

### 27 Subsequent events

#### Purchase land for new building

The foundation has purchased five parcels of land from St. Johns Estate N.V. in 2021. Agreements for the purchase of the five parcels of land have been endorsed by both St. Johns Estate N.V. and the foundation. This land purchase is for the construction of a new building. The foundation has also secured a non-revolving loan in amount of ANG 3.86 million for an interest rate of 5.5% and a repayment period of 5 years ending May 30, 2026 from the Windward Islands bank for the land purchase.

#### Improving Access and Quality of Mental Health Services Project

Through the assistance and collaboration of the National Recovery Program Bureau (NRPB), the World Bank and the Government of St. Maarten, the foundation is in the process of creating a project to improve the access and quality of Mental Health Services on St. Maarten. As at July 14, 2021, the NRPB's Steering Committee has allocated USD 8 million toward the funding of this project as the project is provisionally estimated to be USD 8 million over the period of four years and will envisage three components as follows:

- Component 1: Improving capacity of the MHF to provide quality health care by expanding its building and strengthening its staffing and continuous education;
- Component 2: Supporting structured prevention of alcohol and psychoactive substance (PAS) abuse;
- Component 3: Project Management, Monitoring and Evaluation.

## 1.6 Independent auditor's report

To: the Supervisory Board of the Stichting van de Promotie en Begeleiding van de Geestelijke Gezondheid op St. Maarten / Mental Health Foundation

### A. Report on the audit of the 2020 financial statements

#### Our opinion

We have audited the 2020 financial statements of Stichting van de Promotie en Begeleiding van de Geestelijke Gezondheid op St. Maarten (hereafter: "Mental Health Foundation", "the foundation"), based in St. Maarten.

In our opinion, the enclosed financial statements give a true and fair view of the financial position of Mental Health Foundation as at 31 December 2020 and of its result for 2020 in accordance with Book 2 of the Civil Code applicable in St. Maarten and the Dutch Accounting Principles.

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. the income statement for the year 2020; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Mental Health Foundation in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## B. Description of responsibilities for the financial statements

### **Responsibilities of Management and the Supervisory Board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Book 2 of the Civil Code applicable in St. Maarten. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management and the board are responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to wind up the foundation or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the entity's financial reporting process.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from errors or fraud 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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtaining an understanding of internal control 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 control;
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ Concluding on the appropriateness of the 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 auditor's 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 auditor's report. However, future events or conditions may cause the foundation ceasing to continue as a going concern;

- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 findings in internal control that we identify during our audit

---

St. Maarten, April 28, 2022  
For and on behalf of BDO St. Maarten B.V.,



P.C. Lungu ACCA

---

R22.013/nm/PL