

2021

**OFFICE OF THE
AUDITOR GENERAL**

COMMONWEALTH OF THE BAHAMAS



**Report of the Auditor
General for the Year
Ended June 30, 2021**



**OFFICE OF THE AUDITOR GENERAL
NASSAU, BAHAMAS**

Phone Nos. 242-322-2521 / 323-8939 / 326-6015

Fax Number. 242-322-2521

Reference No.:DAG/T.3/2021/02.....

January 17, 2024

**The Honourable Speaker
Mrs. Patricia Deveaux
House of Assembly
Nassau, Bahamas**

Dear Madam:

In accordance with Article 136(4) of The Constitution of The Commonwealth of The Bahamas, I have the honour to submit my report on the audit of the accounts of The Government of the Commonwealth of the Bahamas for the year ended June 30, 2021.

Sincerely,

Terrance S. Bastian (Mr.)
Auditor General

TSB/bn

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MEMORANDUM

MINISTRY OF FINANCE

**To: Auditor General
Office of the Auditor General
Nassau, Bahamas**

Your reference:

Our reference: FIN.1606.21

Date: 14th March, 2022

**RE: BAHAMAS GOVERNMENT'S FINANCIAL STATEMENTS
2020/2021**

In accordance with Section 28(1) of the Financial Administration and Audit Act, please find attached, the Financial Statement of the Government of the Commonwealth of The Bahamas for the year ended 30 June, 2021.


**Simon Wilson
Financial Secretary**

SW/mec

Att.

Abbreviations

AG	Auditor-General
BBB	Building Back Better
BCB	Broadcasting Corporation of the Bahamas
BGRS	Bahamas Government Registered Stock
BNDA	Bahamas National Drug Agency
BOB	Bank of The Bahamas
BTVI	Bahamas Technical and Vocational Institution
CAAF	Canadian Audit and Accountability Foundation
CAROSAI	Caribbean Organisation of Supreme Audit Institutions
CPD	Continuing Professional Development
CPE	Continuing Professional Education
D/AG	Deputy Auditor-General
DTAD	Department of Transformation and Digitalization
FAA	Financial Administration and Audit Act
FNM	Free National Movement
GAO	General Accounting Office
GAAS	Generally Accepted Auditing Standards
GBHS	Grand Bahama Health Services
GDP	Gross Domestic Product
HOA	House of Assembly
HRMIS	Human Resources Management Information System
HR	Human Resources
iCAT	ISSAI Compliance Assessment Tool
ICT	Information and Communications Technology
IDB	Inter-American Development Bank
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institution
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISSAIs	International Standards of Supreme Audit Institutions
KPI	Key Performance Indicator
MoF	Ministry of Finance
MDAs	Ministries, Departments and Agencies
MMD	Materials Management Directorate
MSMEs	Micro, small and Medium-sized Businesses
NEMS	National Emergency Medical Services
NFDTF	National Food Distribution Task Force
NHIA	National Health Insurance Authority
OAG	Office of the Auditor-General
PAC	Public Accounts Committee

PFM	Public Financial Management
PFR/PFM	Public Financial Reform/Public Financial Monitoring
PHA	Public Hospital Authority
PLP	Progressive Liberal Party
PMH	Princess Margaret Hospital
PSCHRD	Public Service Centre for Human Resource Development
QA	Quality Assurance
QC	Quality Control
SAI	Supreme Audit Institution
SAI-PMF	Supreme Audit Institutions' Performance Measurement Framework
SOEs	State-Owned Enterprises
SRC	Sandilands Rehabilitation Centre
TFMS	Treasury Financial Management System
UNCAC	United Nations Convention against Corruption
VAT	Value Added Tax

OVERVIEW

I am pleased to present my report on the audit of the Financial Statements of The Government of the Commonwealth of the Bahamas for the financial year 2020/2021.

The audits give assurance to the Government and the People of the Commonwealth of the Bahamas on the proper accounting, management and use of public resources. In the process, they help strengthen and foster good financial governance of the public service as well as enhance the accountability of public sector entities as custodians and stewards of public resources.

Audit Authority

The Auditor General's authority to audit and report is provided for in legislation, in accordance with Article 136(4) of The Constitution of The Commonwealth of The Bahamas. The key legislation that governs the Office of the Auditor General, the Financial Administration and Audit Act, 1973 (2010 Revised Edition) and the Financial Regulations, 1975.

The OAG audits the accounts of all Government Ministries and Departments. The OAG also audits public authorities and bodies administering public funds as prescribed by law, or upon request. In general, the OAG carries out the following types of audits:

- Compliance Audits
- Financial Audits
- Performance Audits

Audit Approach

The OAG adopts a risk-based approach in determining the areas to be covered during the audit process. In selecting areas to be audited, one of the key factors the OAG takes into consideration is the materiality of transactions. Dollar value is an important consideration in determining materiality; but it is not the only consideration. The OAG also considers other factors such as reported irregularities and the potential impact in a particular ministry/department as well as citizens concerns.

In carrying out the audit, the OAG examines records, files, reports and other documents, conducts on-site visits and interviews with relevant officers. The OAG also considers internal controls that the audited entity has in place to safeguard public funds. The audit observations reported are based on the information and evidence gathered. It should be noted that audits are conducted on a sample basis, they do not reveal all weaknesses and irregularities. However, they should assist in uncovering some of the major malfeasance.

[Reporting of Audit Observations](#)

All audit observations and recommendations are conveyed to the Permanent Secretaries of the various Government ministries/departments, Heads and Chief Executives of the respective Agencies and Statutory Boards.

This report is submitted to the Speaker of the House of Assembly who shall, cause the report to be laid before the House of Assembly in accordance with Section 43 (1) of the Financial Administration and Audit Act 2010.

ABOUT US

The authority of which the Auditor General and his staff possess are defined in the Financial Administration and Audit Act 2010 and the Financial Regulations 1975. The Auditor General shall examine and inquire into and audit the accounts of all accounting officers and principal receivers of revenue and all persons entrusted with collection, receipt, custody or disposal of public moneys or public stores.

Like the Bahamas Constitution, the history of the Office of the Auditor General has roots of considerable antiquity. It was in May 1925 due to the increase in the extent and complexity of Government activity that Parliament legislate an Act to provide for the efficient examination and audit of the Public Accounts. Government accounting has been defined as the art of managing and accounting for the Revenue and Expenditure of a Public Authority. The Public Authority in this case is the Government of the Bahamas.

The number and dollar amounts of government programs are increasing substantially and is aimed at improving the quality of life for Bahamians. This increase has brought an increased demand for full accountability by those entrusted with the responsibility for administering the programs. Public officials, legislators, and private citizens want and need to know not only whether Government funds are handled properly and in compliance with laws and regulations but also whether Government Organizations are achieving the purposes for which programs were authorized and funded and are doing so economically and efficiently. The OAG provides this oversight through Public Sector Auditing.

“Public Sector auditing is essential in that it provides legislative and oversight bodies, those charged with governance and the general public with information and independent and objective assessments concerning the stewardship and performance of government policies, programmes or operations.” (ISSAI 100 Fundamental Principles of Public Sector Auditing)

Auditing involves a system of financial control which works in conjunction with other controls defined in the Financial Administration and Audit Act 2010; (an Act to make provision for the administration, control and audit of public finances and it provided for other matters connected therewith or incidental thereto), and the Financial Regulations 1975.

Under the present Constitution (Bahamas Independence Order 1973) July 10th, 1973, the post and duties of the Auditor-General of the Commonwealth of The Bahamas are specifically defined in Section 136.

DUTIES OF THE AUDITOR GENERAL

The authority under which the Auditor General and his staff operate are defined in The Financial Administration and Audit Act 2010 and the Financial Regulations 1975 – Section 29: The Auditor General shall examine and inquire into and audit the accounts of all accounting officers and principal receivers of revenue and all persons entrusted with collection, receipt, custody or disposal of public moneys or public stores.

The Auditor General shall satisfy himself:

- That all reasonable precautions have been taken to safeguard the collection of public moneys, and that the laws, directions and instructions relating thereto have been duly observed.
- That all issues and payments are made in accordance with proper authority; that all payments are properly chargeable and are supported by sufficient vouchers or proof of payment.
- That all public money expended or charged to an appropriation account is applied to the purposes for which the grants made by the House of Assembly are intended to provide and that the expenditure conforms to the authority which governs it.









FUNCTIONS

The Auditor General's officers must make:

- An independent assessment of the efficiency and effectiveness of Government spending.
- An independent assessment of the fairness in the Administration of government finances.

Section 33

For the purpose of the examination of any account, the Auditor General or any person authorized by him shall be entitled at all reasonable times to have access to the following:

- | | |
|---|--|
|  All books and records |  Securities |
|  Documents |  Stamps |
|  Stores |  Cash |
|  Vouchers |  Returns |

GOVERNING LEGISLATION

- ✚ Financial Regulations 1975
- ✚ Financial Administration and Audit Act 1973
- ✚ Financial Administration and Audit Act Amendment 1990
- ✚ Financial Administration and Audit Act 2010 and related amendments.

The Auditor General can call upon an officer for any explanation and information he may require in order to enable him to discharge his duty.

He can also require any department concerned to furnish him from time to time or at regular periods with accounts of the transactions of such department up to such date as he may specify.

INTERNATIONAL MEMBERSHIP

The Office of the Auditor General is one of the founding members of the Caribbean Organization of Supreme Audit Institutions (CAROSAI).

CAROSAI is designed to promote understanding and co-operation among member institutions in the region through the exchange of audit ideas, experiences, methodologies and techniques and training in public sector auditing and accounting.

The Office of the Auditor General (Supreme Audit Institution – SAI) of The Commonwealth of The Bahamas (OAG), is also a member of the International Organization of Supreme Audit Institutions (INTOSAI). The OAG as SAI – Bahamas is the Supreme audit authority in The Government of The Bahamas.

INTOSAI is an autonomous, independent, professional and nonpolitical organization established as a permanent institution. Its purpose is to:

- Provide mutual support to SAIs;
- Foster the exchange of ideas, knowledge, and experiences;
- Act as a recognized global public voice of SAIs within the international community;
- Set standards for public sector auditing;
- Promote good national governance; and
- Support SAI capacity development, cooperation and continuous performance improvement.

In recent years the OAG has also fostered a working relationship with the General Accounting Office (GAO) of the United States partnering with the Center for Audit Excellence (CAE). Regular communication and information exchange between the OAG and the GAO creates a platform for knowledge sharing and experiences. This collaborative approach allows both institutions to learn from each other's challenges and successes ultimately promoting continuous improvement and innovative practices in performing audits.

This partnership will enable the OAG to leverage the Center for Audit Excellence technical expertise and gain valuable insights into complex audit issues, create a strategic performance measurement framework and share best practices of SAIs globally.

AUDITOR GENERAL'S PERSPECTIVE

The annual audit report is focused on providing an independent and objective assessment of the financial statements of the Government of the Bahamas, its operations, and internal controls. The primary goal in auditing the financial statements is to ensure transparency, accountability, and compliance with the Financial Administration and Audit Act 2010, amendments, the Financial Regulations, 1975 and International Standards of Supreme Audit Institutions (ISSAIs). Here is my perspective as the Auditor General:

Independence and Objectivity

The United Nations General Assembly has recognized the importance of the independence of Supreme Audit Institutions (SAI) in various resolutions and documents. (Resolution A/66/209, Mexico and Lima Declarations) SAIs play a vital role in ensuring transparency, accountability and good governance in government finances and our independence is essential to carry out our mandate effectively.

The Office of the Auditor General (OAG) operates independently of the audit entity and stakeholders to maintain objectivity and integrity in the audit process. The Auditor General and staff are committed to conducting thorough and impartial audit examinations of financial records and activities of all government entities.

The United Nations Convention against Corruption (UNCAC), a comprehensive international treaty against corruption, recognizes the importance of independent audit institutions in preventing and combating corruption. It calls on all member states to ensure the independence of SAIs and provide them with adequate resources to carry out their functions effectively.

Compliance and Governance

The Auditor General's report aims to assess the Government of the Bahamas and its various Ministries, Departments and Agencies (MDAs) to ensure compliance with applicable laws, regulations, and internal policies. We scrutinize the Public Sector Auditing framework to identify any weaknesses or discrepancies that may hinder the MDAs ability to achieve their objectives.

Risk Assessment

Our audit approach includes a comprehensive risk assessment to identify potential areas of material misstatement or fraud. By focusing on key risk areas, we can tailor our audit procedures to provide maximum assurance on the financial statements and operations.

Public Treasury Financial Statements

We conduct a detailed examination of the organization's financial statements, including the balance sheet, income statement, cash flow statement, and accompanying notes. Our objective is to express an opinion on whether the financial statements present a true and fair view of the organization's financial position and performance.

Internal Control Evaluation

An essential aspect of our audit is evaluating the effectiveness of the organization's internal controls. We aim to identify weaknesses or deficiencies that could impact the reliability of financial reporting and recommend improvements to enhance the control environment.

Performance Audit:

In addition to the financial statements audit, we conduct performance audits to assess the efficiency, effectiveness, and economics of specific programs or activities.

Performance audits provide valuable insights to improve the organization's operations and resource utilization.

Recommendations

Throughout the audit process, we identify areas for improvement and make recommendations to address any deficiencies or weaknesses found. Our recommendations are designed to help management enhance their processes and strengthen accountability.

Transparency and Communication

The Auditor General and his staff are committed to transparently communicating the audit findings and conclusions to stakeholders. The annual audit report provides a clear and concise overview of the audit results and serves as a tool for accountability and decision-making.

Continuous Improvement:

We view the audit process as a collaborative effort to promote continuous improvement within the various MDAs. By working closely with management, we aim to foster a culture of accountability and responsible financial management thus safeguarding the public trust in the entity.

Public Interest

Our ultimate responsibility is to serve the public interest by ensuring that taxpayers' money is used efficiently and effectively. The annual audit report contributes to transparency, accountability, and public trust in the operations of the various MDAs and the Government of the Bahamas at large.

1. CONSTITUTIONAL PROVISION

Establishment of Office:

Article 136(1) of The Constitution states:

“There shall be an Auditor General whose office shall be a public office.”

Mandate:

Article 136(3) of The Constitution provides:

“The accounts of the Supreme Court, the Senate, the House of Assembly, all departments and offices of the Government (but excluding the Department of the Auditor General), the Public Service Commission, the Judicial and Legal Service Commission, the Police Service Commission and all Magistrates’ courts shall, at least once in every year, be audited and reported on by the Auditor General who, with his subordinate staff, shall at all times be entitled to have access to all books, records, returns and reports relating to such accounts.”

Reporting:

Article 136(4) of The Constitution states:

“The Auditor General shall submit his reports under paragraph (3) of this Article without undue delay to the Speaker (or, if the office of Speaker is vacant or the Speaker is for any reason unable to perform the functions of his office, to the Deputy Speaker) who shall cause them to be laid before the House of Assembly without undue delay.”

Independence:

Article 136(5) of The Constitution provides:

“In the exercise of his functions under the provisions of paragraphs (3) and (4) of this Article, the Auditor General shall not be subject to the direction or control of any other person or authority.”

2. AUDIT APPROACH AND SIGNIFICANT ACCOUNTING POLICY

Audit Approach

In order to express a professional opinion on the financial statements of the Government of the Commonwealth of The Bahamas, audits are carried out in accordance with the Financial Administration and Audit Act 2010, Financial Regulations 1975, INTOSAI Professional Standards; the International Standards of Supreme Audit Institutions (ISSAI). Each audit is designed to provide assurance as to the propriety of the Government's financial transactions and the accuracy of its accounting records.

The audit of all Ministries and Departments includes a general review of the accounting procedures and systems of internal control, together with such tests of the records and supporting documents as are considered necessary. Compliance with statutes, regulations, directives and administrative requirements is also tested.

Summary of Significant Accounting Policies

The preparation of the Financial Statements is governed by the FAA Act 2010, and guided with International Public Sector Accounting Standards (IPSAS) cash basis.

All Revenues, Recurrent and Capital Expenditure flow through the Consolidated Fund of The Commonwealth of The Bahamas. The recording of government transactions falls into three main categories –

Recurrent Revenue

Recurrent Expenditure

Capital Expenditure

Liabilities are recognized in the form of Advances, Treasury Bills and proceeds from Loans and are recorded at the face value of the debt instrument issued.

Contingent liabilities of the Government consist of guarantees by the Government in respect of loans raised from private sources by Government-owned Corporations, the SOEs.

A non-contributory pension plan covering all public officers is provided by the Government in accordance with the Pension Act and its amendments.

3. ADMINISTRATION AND PERSONNEL

Staffing

The fiscal year July 1, 2020 to June 30, 2021 completed the ninety sixth (96th) year of the existence and operation of the Office of the Auditor General in executing its mandate as stipulated in Article 136 of the Constitution of The Commonwealth of The Bahamas.

The fiscal year began with a staff compliment of forty-six (46) and ended with forty-seven (47). Although efforts were made to increase the staffing compliment during the fiscal year, due to attrition we still fell short of meeting the desired staffing levels. This situation presents ongoing concerns and challenges for the office's operations and effectiveness.

The staff shortage, even with some increase, can still lead to issues such as increased workloads on existing employees and potential delays in conducting audits and releasing audit reports. It may be challenging for the office to handle its full mandate effectively with limited resources, and certain areas of concern or emerging audit issues may remain unaddressed due to resource constraints.

The OAG is committed to creating a positive work environment and fostering a culture that values its employees' contributions. A supportive and engaging workplace can help improve staff morale and increase our retention rate.

The OAG continues to address the staffing deficit and in the interim, outsource audits as deemed applicable.

In summary, despite bringing on four (4) additional staff members, the modest increase in staffing for the Office of the Auditor General still poses challenges and concerns. Addressing this issue requires a comprehensive approach, involving recruitment and retention strategies, a positive work environment, and advocacy for adequate funding and support from relevant authorities.

Contractual Appointment

Mr. Theodore Williams
Auditor
Nassau

Hired on contract with effect from
20 October, 2020

Miss. Jovaughn Williams Auditor Nassau	Hired on contract with effect from 21 January, 2021
Mr. Hubert Gibson IV Student Auditor Nassau	Hired on contract with effect from 21 February, 2021
Mr. Cedric Collie Audit Consultant Nassau	Hired on contract with effect from 21 March, 2021

Resignation

Miss. Denisha Butler Administrative Assistant Nassau	Resigned with effect from 31 August, 2020
Mrs. Alphanette Grant Senior Auditor Nassau	Resigned with effect from 31 August, 2020

Retired

Mrs. Gaynell Murray Accounting & Audit Officer IV Nassau	Retired with effect from 31 August, 2020
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Training / Staff Development

In person training came to a halt during FY2020-2021 due to the impact of the global pandemic prompting a transition to virtual training. Traditional in-person training became impractical and unsafe and the country was forced to transition to virtual training platforms. This abrupt change was not without its challenges, but it also demonstrated our ability to adapt and innovate in the face of adversity. Virtual training brought with it a host of advantages such as increased accessibility and flexibility with the new acronym, WFH (Working from home).

Staff could participate from the safety of their homes, eliminating the need for commutes thus reducing the risk of virus transmission. This new format allowed us to reach a wider array of staff inclusive of our family island stations such as Freeport, Eleuthera and Exuma as well as Nassau all at the same time. It also

encouraged the development of new digital tools and platforms to enhance the virtual learning experience.

However, this transition was not without hurdles. Some staff struggled to adapt to the new digital landscape and there were concerns about the loss of personal interaction and hands-on learning. Additionally, not all staff had equal access to the necessary technology and internet connectivity thus highlighting the issue of equity and inclusion.

In hindsight, the Covid-19 pandemic induced a shift to virtual training and became a catalyst for innovation and an eye-opener to the possibilities of remote learning and remote work. It underscored the importance of adaptability and resilience in the face of unforeseen challenges and it is likely that elements of virtual training and remote work will continue to play a significant role in education and professional development even as the office and the world at large recovers from the pandemic.

During the Covid-19 pandemic, various training bodies and organizations played crucial roles in providing education, training and resources to the Office of the Auditor General. Here are some notable training bodies that were utilized during the pandemic.

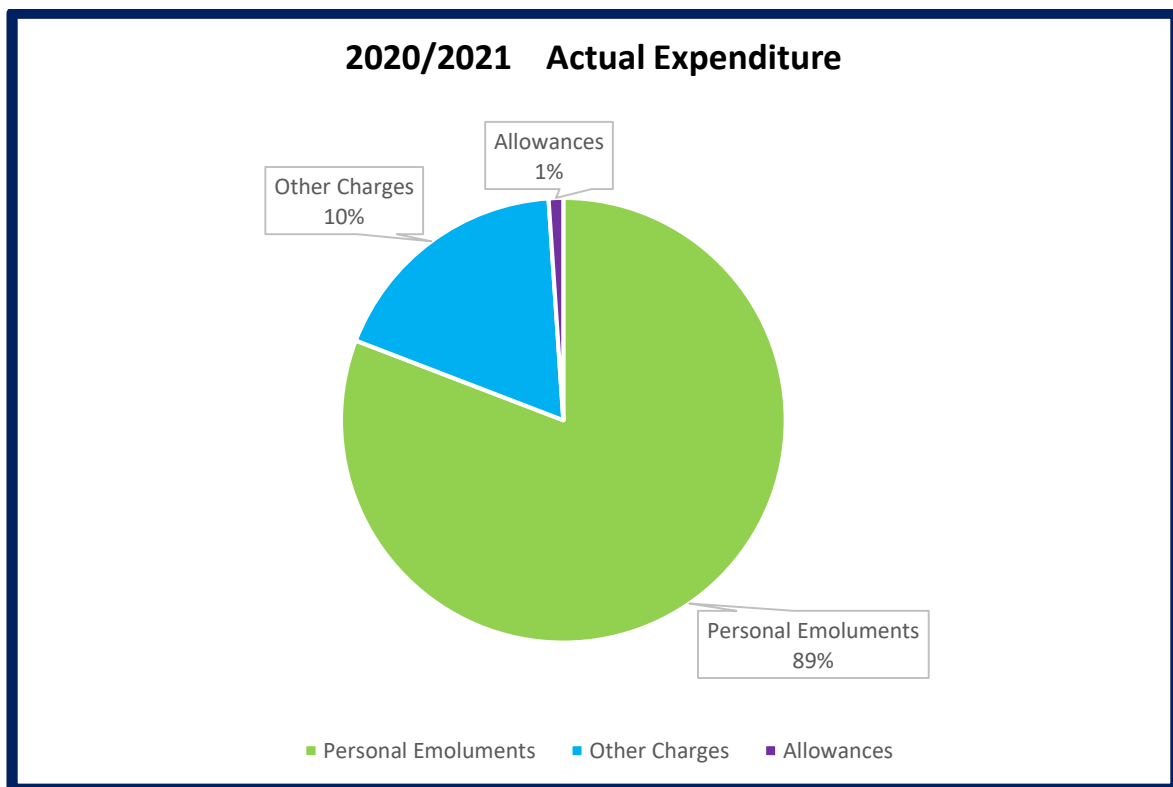
TRAINING BODIES
Audit Net
Audit Board
Bahamas Institute of Chartered Accountants (BICA)
Bahamas Customs Department
Caribbean Organization of Supreme Audit Institutions (CAROSAI)
Canadian Auditing & Accountability Foundation (CAAF)
Department of Inland Revenue
International Organization of Supreme Audit Institutions (INTOSAI)
Public Service Center for Human Resource Development (PSCHRD)
Public Treasury Department
Encoursa
Deloitte Dbriefs

The Office of the Auditor General's staff composition as at June 30, 2021 was as follows:

Post	Number of Staff	Authorized	Vacancy
Administration			
Auditor General	1	1	0
Sr. Deputy Auditor General	0	2	2
Deputy Auditor General	1	3	2
Assistant Auditor General	2	3	1
Audit			
Accounting & Audit Officer I	1	1	0
Accounting & Audit Officer II	3	3	0
Accounting & Audit Officer III	4	12	7
Accounting & Audit Officer IV	1	9	8
Assistant Accounting & Audit Officer	5	9	4
Trainee Accounting & Audit Officer	2	6	4
Support Staff			
Executive Officer	1	0	-1
Office Manager I	0	1	1
Chief Clerk	1	1	0
Janitress	0	1	1
Contract Workers			
Senior Auditor	5	5	0
Auditor	3	3	0
Assistant Auditor	13	16	3
Receptionist / Clerk	2	2	0
Administrative Assistant	0	1	1
Messenger / Janitress	2	2	0
Total	47	81	34

Total expenditure for the fiscal year ended June 30, 2021 compared with expenditure for 2019/2020 are as follows:

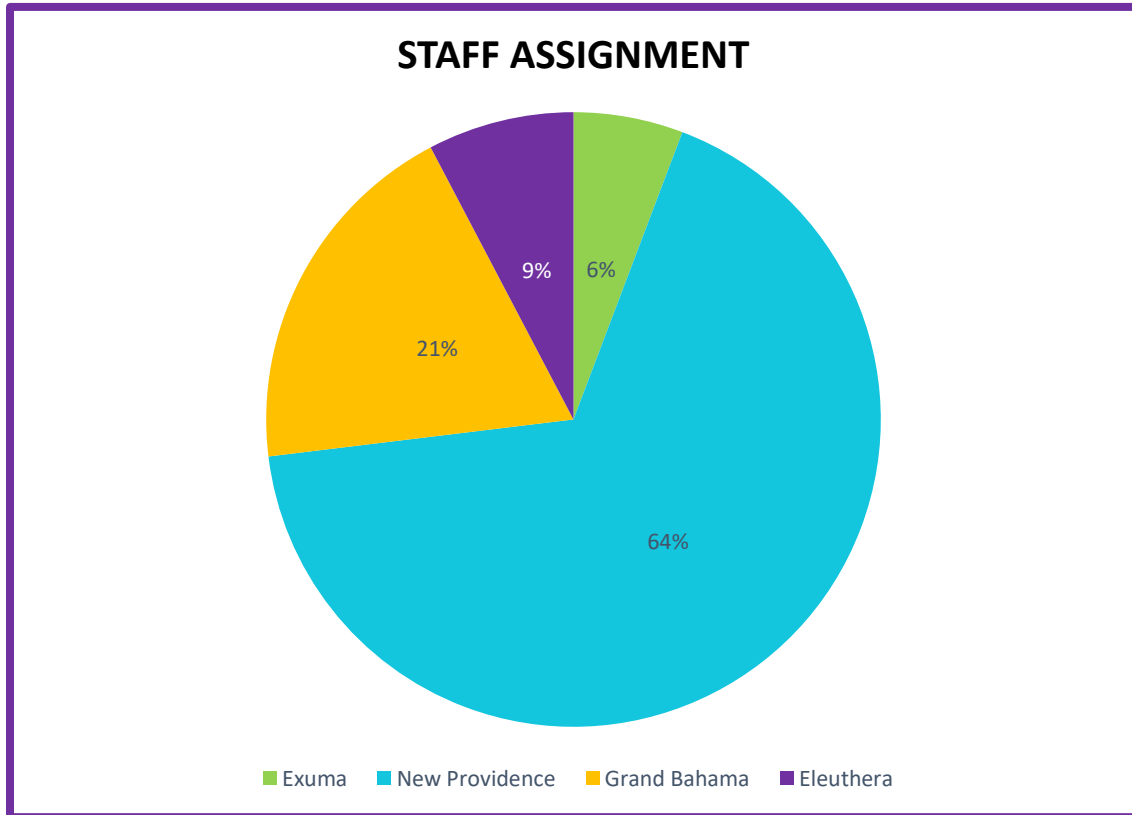
	2020/2021 Estimated Expenditure	2020/2021 Actual Expenditure	2019/2020 Actual Expenditure
Personal Emoluments	1,918,183.00	1,740,436.00	1,819,758.00
Other Charges	379,614.00	200,589.00	504,178.00
Allowances	26,800.00	15,250.00	17,500.00
Total	\$ 2,324,597.00	\$ 1,956,275.00	\$ 2,341,436.00



Data from Draft Estimates of Revenue and Expenditure

At the end of the fiscal year, the compliment of staff members was as follows:

Districts	Nos.	%
Exuma	3	6
New Providence	30	64
Grand Bahama	10	21
Eleuthera	4	9
Total	47	100



Our audit responsibility extends to more than 55 Ministries, Departments, and Agencies (MDAs), State-Owned Enterprises (SOEs), and various autonomous bodies. These entities collectively represent a significant portion of our nation's resources and financial activities. Effective auditing of these entities is vital not only for ensuring financial accountability but also for safeguarding the interests of our citizens.

As we face an increasingly complex and dynamic economic environment, it is imperative that our budget reflects the demands of the times.

Regrettably, our current staffing levels are insufficient to carry out comprehensive and timely audits of all these bodies. This staffing deficit poses several challenges:

Reduced Oversight

- The inability to conduct audits in a timely manner hinders our ability to provide real-time oversight, potentially exposing vulnerabilities to financial mismanagement and inefficiencies.

Risk of Misallocation

- Without adequate staffing, we risk misallocating resources, which can have serious consequences for our economy, public services, and citizen welfare.

Limited Accountability

- Our inability to thoroughly audit all MDAs, SOEs, and autonomous bodies undermines public trust and confidence in our auditing processes, which are essential pillars of good governance.

In light of these concerns, I continue to request of our government to allocate a dedicated budget to address the staffing gap within the OAG. This budget should prioritize the recruitment and training of qualified auditors and support staff who can effectively carry out audits, investigations, and reviews of the aforementioned entities.

By adequately resourcing our audit functions, we can:

- Enhance the quality and efficiency of audits.
- Improve the detection of financial irregularities and potential fraud.
- Strengthen accountability and transparency across government agencies.
- Safeguard our nation's resources and financial stability.

I believe that this investment in our auditing capacity is not just a responsible fiscal choice but a moral imperative to protect the interests of our citizens and promote the highest standards of governance within the Government of the Bahamas.

4. EXECUTIVE SUMMARY

FISCAL YEAR 2020/2021

The Bahamas in Fiscal Year 2020/ 2021 was still facing challenges from the impact of COVID-19 and the “building back better” initiatives in place as a result from Hurricane Dorian. The twin devastation on the economy resulted in further borrowings; as revenues and expenditures were impacted from the economic downturn.

The Tourism Industry that accounts for the majority of the GDP, as the nation’s number one industry and job provider was greatly impacted. The country gradually opened up to international travel at the beginning of the fiscal year July 1, and the major hotels and touristic facilities by December 2020.

The country remained resilient in the midst of COVID-19 and continuous recovery from Hurricane Dorian. Hurricane Dorian left behind an estimated \$3.4 billion in damages, lives to be restored, resettlement of those impacted and the Abaco and Grand Bahama Islands to be “rebuild back better”.

The 2020/2021 budget of \$1.76 billion recurrent revenue estimate, \$3.08 billion expenditure estimate and \$1.33 billion projected deficit was formulated and passed to facilitate the Government’s initiatives inclusive of:

- Economic Support Measures
- Tax Relief Measures
- Economic Support Measures for COVID-19 Fallout
- Revenue Enhancement Measures
- Expenditure Measures
- Initiatives to Transform the Economy and Accelerate Recovery
- National Digital Transformation
- Energy Reform: Renewable Energy and Solarization
- Food Security and Sustainability
- Reform Measures to Ensure Long-Term Fiscal and Economic Stability

The Execution of The Budget and Actual Budgetary Performance for Fiscal Year 2020/2021 is detailed under the following captions:

- Summary Review of the Budget Execution - Supplementary Funding – Final Approved Revised Budget;
- Summary of the Impact of COVID-19 Pandemic on the Budgetary Performance;
- Recurrent Revenue \$ 1.9 Billion Budgetary Performance;
- Capital Revenue \$2.53 Billion Budgetary Performance (Proceeds from Borrowings);
- Recurrent Expenditure \$2.87 Billion Budgetary Performance;
- Pensions and Gratuities \$121.59 Million and \$38.46 Million Budgetary Performance respectively;
- The Government Employment \$671.17 Million Expenditure Analysis;
- Government Subventions State Owned Enterprises (SOEs) \$547.14 million Recurrent and \$35.89 million Capital Expenditure Budgetary Performance respectively;
- Capital Expenditure \$371.05 Million Budgetary Performance;
- Public Debt \$ 10.09 Billion Position; and
- Contingent Liabilities \$420.68 Million Loan Portfolio – (made by quasi government institutions and guaranteed by the Government).

The Fiscal Summary Table 4.1 provides the outcome of the delineated actual budgetary performance for Fiscal Year 2020/2021.

Table 4.1

FISCAL SUMMARY - FISCAL YEAR 2020/2021	
REVENUE	ACTUAL PERFORMANCE (\$)
Recurrent Revenue	1,908,600,617
Capital Revenue (Sale of Government Assets)	25,147
Grants	150,000
Total Revenue (less Proceeds from Borrowing)	1,908,775,764
EXPENDITURE	
Recurrent Expenditure	2,872,524,464
Capital Expenditure	371,058,725
Total Expenditure (less Sinking Fund & Repayments)	3,243,583,189
Fiscal Deficit (Revenue less Expenditure)	(1,334,807,425)

COVID-19 increased government expenditure and the impact on reduction in recurrent revenue contributed to the increase of the deficit, and need for other sources of fund of financing from the domestic and international markets.

The 2020 deficit of \$838.5 million increased by \$496.3 million (59%), that is, to \$1.33 billion in 2021.

The \$8.35 billion public debt in 2020 increased to \$10.09 billion in 2021, that is, by \$1.73 billion (21%).

The debt to GDP ratio increased by 2.21%, that is, from 83.97% in 2020 fiscal year to 86.19% in 2021. Prior to COVID-19 and Hurricane Dorian 2019, the twin devastation on the country, the debt to GDP ratio in 2019 stood at 57.64%.

The Commonwealth of The Bahamas maintained resilience and sustainability as a nation in 2020/2021 Fiscal Year; while combating COVID-19 and implementing Hurricane Dorian Recovery and Restoration Initiatives.

SAI-Bahamas, the Independent Supreme Audit Institution in The Commonwealth of The Bahamas is resolute and resilient in fulfilling its statutory mandate in conducting audits of the Government activities to add value to the country and all stakeholders.

5. SUMMARY REVIEW OF THE BUDGET EXECUTION

Overview of the Budget Communication

In accordance with Article 29 of the Constitution, the 2020/2021 Budget Communication was laid before the House of Assembly on Wednesday, 27th May 2020.

The objectives communicated in the Budget Plan, Resilient Bahamas: A Plan for Restoration comprised of:

1. Protect the well-being and engender the confidence of the country's citizens and residents;
2. Maintain economic stability during the COVID-19-induced crisis; and
3. Plant the seeds for accelerated recovery.

The OAG notes that the budget appropriations of estimated revenues and expenditures and that the good governance of the administration of the overall resources are critical in achieving the communicated objectives.

Budget Appropriations

The 2020/2021 Budget approved by Parliament and enacted by the Appropriation Acts provides the authority for recurrent and capital expenditure and revenue generation for the fiscal year.

With respect to further authority for recurrent and capital expenditure; supplementary budgets are approved by Parliament.

The \$3.83 billion expenditure original budget and the final approved \$4.72 billion budget inclusive of approved supplementary funding are highlighted in Table 5.1.

SUMMARY OF SUPPLEMENTARY EXPENDITURE BUDGETARY PERFORMANCE 2020/2021						
FINANCIAL COMPONENTS	ORIGINAL BUDGET 2020/2021 (\$)	SUPPLEMENTAR Y FUNDING (\$)	FINAL APPROVED BUDGET 2020/2021 (\$)	SUPPLEMENTAR Y FUNDING OVER ORIGINAL BUDGET (%)	ACTUALS 2020/2021 (\$)	ACTUALS VS FINAL BUDGET VARIANCE 2020/2021 (\$)
TOTAL RECURRENT EXPENDITURE	2,574,104,526	503,759,089	3,077,863,615	20%	2,872,524,464	205,339,151
SINKING FUND	46,491,095	-	46,491,095	0%	1,486	46,489,609
REPAYMENTS	696,591,095	313,000,000	1,009,591,095	45%	946,642,106	62,948,989
TOTAL CAPITAL EXPENDITURE	515,524,579	78,622,014	594,146,593	15%	371,058,725	223,087,868
TOTAL EXPENDITURE	3,832,711,295	895,381,103	4,728,092,398	23%	4,190,226,781	537,865,617

Table 5.1 Figures are rounded

The \$3.83 billion original budget for total expenditure increased with \$895.38 million (23%) supplementary funding to the \$4.72 billion final approved budget. (23%).

The actual expenditure of \$4.19 billion went under the budget by \$537.86 million or 11%. Actual recurrent expenditure accounted for \$2.87 billion (69%), capital expenditure for \$371.05 million (9%), and repayment for the debt servicing redemption of \$946.64 million (23%), of the overall total \$4.19 billion expenditure.

[Break-down of Recurrent Expenditure Supplementary Budgetary Funding](#)

The \$503.75 million recurrent supplementary budget is further displayed in Chart 5.1. The MDAs with the highest supplementary budget funding are outlined as follows:

- Ministry of Finance \$123.08 million (24%),
- Ministry of Tourism and Aviation \$74.63 million (15%),
- Treasury Department \$73.59 million (15% rounded),
- Public Debt Servicing Interest \$39.32 million (8%) – statutory expenditure,
- Ministry of Works and Utilities \$38.42 million (8% rounded).

Chart 5.1:

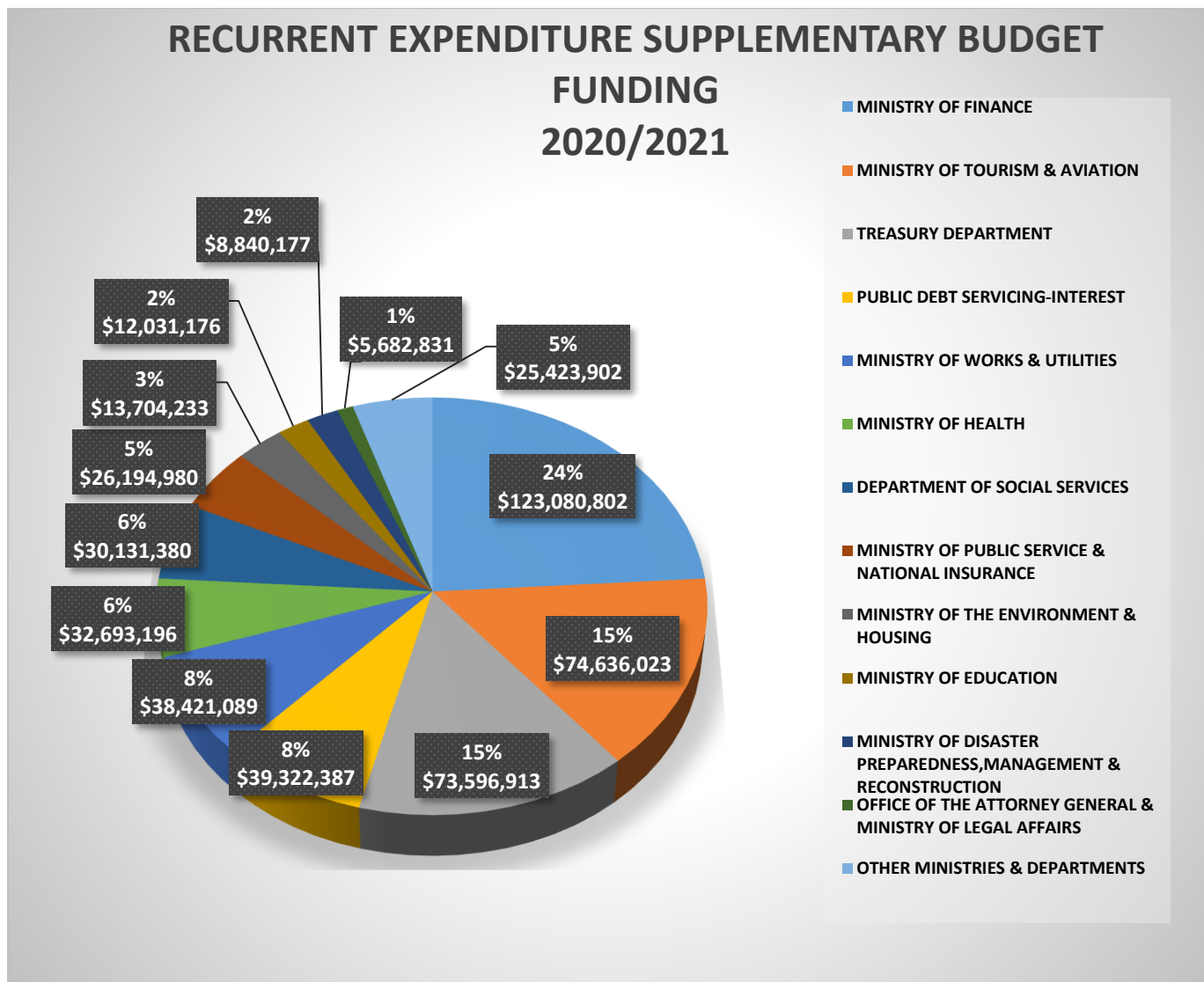


Table 5.2 further depicts the top ten (10) MDAs' with increase over the original budget. Again, the MDAs operations impacted by COVID-19 required supplementary funding to facilitate the operations and COVID- 19 programmes.

TOP 10 RECURRENT EXPENDITURE SUPPLEMENTARY FUNDING 2020/2021					
MINISTRIES/DEPARTMENTS	ORIGINAL BUDGET (\$)	SUPPLEMENTAL FUNDING (\$)	FINAL APPROVED BUDGET (\$)	SUPPLEMENTAL FUNDING (%)	PERCENTAGE OF FINAL BUDGET (%)
MINISTRY OF FINANCE	263,559,052	123,080,802	386,639,854	24%	32%
MINISTRY OF TOURISM & AVIATION	106,057,921	74,636,023	180,693,944	15%	41%
TREASURY DEPARTMENT	82,789,491	73,596,913	156,386,404	15%	47%
PUBLIC DEBT SERVICING-INTEREST	396,913,318	39,322,387	436,235,705	8%	9%
MINISTRY OF WORKS & UTILITIES	41,437,871	38,421,089	79,858,960	8%	48%
MINISTRY OF HEALTH	298,037,239	32,693,196	330,730,435	6%	10%
DEPARTMENT OF SOCIAL SERVICES	60,362,205	30,131,380	90,493,585	6%	33%
MINISTRY OF PUBLIC SERVICE & NATIONAL INSURANCE	263,268,596	26,194,980	289,463,576	5%	9%
MINISTRY OF THE ENVIRONMENT & HOUSING	26,270,995	13,704,233	39,975,228	3%	34%
MINISTRY OF EDUCATION	111,475,400	12,031,176	123,506,576	2%	10%
SUB - TOTAL TOP 10	1,650,172,088	463,812,179	2,113,984,267	92%	22%
OTHER MINISTRIES/DEPARTMENTS	923,932,436	39,946,910	963,879,348	8%	4%
TOTAL	2,574,104,524	503,759,089	3,077,863,615	100%	16%

* Figures are rounded

The detail actual expenditure that is captured in the recurrent budgetary performance Section Eight (8) will outline the uses of the funds.

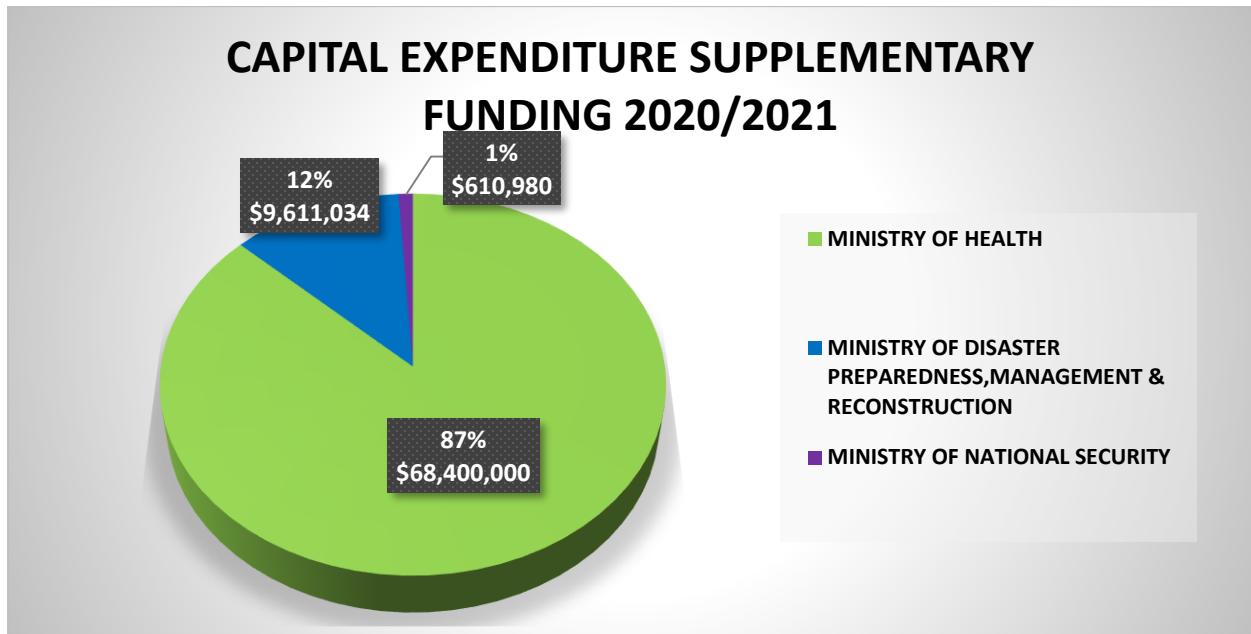
[Break-down of Capital Expenditure Supplementary Budgetary Funding](#)

The original \$515.52 million capital expenditure budget was revised by \$78.62 million supplementary budget to \$594.14 million. The government's sectors most impacted by COVID-19, and Hurricane Dorian accounted for the majority of the capital supplementary budget.

The \$78.62 million capital expenditure supplementary funding is further displayed in Chart 5.2 with the Ministry of Health, in a COVID-19 era, accounting for \$68.40 million or 87% of the total amount, followed by:

- Ministry of Disaster Preparedness, Management & Reconstruction \$9.61 million or 12% and,
- Ministry of National Security \$610,980 or 1%.

Chart 5.2



Figures are rounded

The OAG notes that these Ministries' roles were critical and essential in sustaining the country's resiliency in the face of COVID-19 and Dorian's impact. Having the supplementary funding was pivotal to ensure:

- Health Security,
- Disaster Security,
- National Security,
- Food Security,
- Economic Security,
- Climate Change Resiliency Adaptation Actions, and
- Rebuilding Back Better.

Investing in these initiatives, in strengthening the integrated systems and risk reduction mitigation controls, is fundamental for preparedness and national sustainability.

[Bills, Subsidiary Legislations, and Resolutions](#)

The Bills, Subsidiary legislation, and Resolutions delineated in Table 5.3 provide the legal framework to support the Government's Budget plans, inclusive of tax relief and revenue enhancement initiatives.

Table 5.3 – Legislation Undergirding 2020/2021 Financial Year’s Budget

1. Access to Affordable Homes (Amendment) Bill, 2021
2. Appropriation (Capital Expenditure Expenses) (2021-2022) Bill, 2021
3. Appropriation (Revenue Account Expenses) (2021-2022) Bill, 2021
4. Business License (Amendment) Bill, 2021
5. City of Nassau Revitalization (Amendment) Bill, 2021
6. Customs Management (Amendment) Bill, 2021
7. Customs Management (Amendment) Regulations, 2021
8. Disaster Reconstruction Authority (Special Economic Recovery Zone) (Relief Order, 2021
9. Electronic Communications and Transactions (Processing of Records for Tax Purposes) Notice, 2021
10. Excise (Amendment) Bill, 2021
11. Family Islands Development and Encouragement (Amendment) Bill, 2021
12. Grand Bahama (Port Area) Investment Incentives (Extension of Time for Applications) Order 2021
13. Immigration (Amendment) Bill, 2021
14. Provisional Employment Incentive Scheme Bill, 2021
15. Public Finance Management (Amendment) Bill, 2021
16. Real Property Tax (Amendment) Bill, 2021
17. Spirits and Beer Manufacture (Amendment) Bill 2021
18. TARIFF (AMENDMENT) BILL, 2021
19. Tax Appeal Commission (Amendment) Bill, 2021
20. Value Added Tax (Amendment) Bill, 2021
21. Borrowing Resolution (1)
22. Borrowing Resolution (2)
23. Value Added Tax (Amendment)(NO. 2) Bill, 2021

6. SUMMARY OF THE IMPACT OF THE COVID-19 PANDEMIC ON BUDGETARY PERFORMANCE

With the exigencies orders, emergency powers, and the shutdown of revenue generating businesses and the country's related major industries; revenue, expenditure, and borrowings were all impacted by the COVID-19 pandemic.

The devastating impact on the government financial position, tourism, healthcare systems, and its people was unprecedented. The global and national travel restrictions impacted the tourism sector, related touristic revenue generating activities and ultimately the GDP.

The employed in the hospitality sector were mostly impacted as the businesses were completely at a standstill. This ultimately impacted the government in having to sustain the country and its people; while maintaining resiliency.

The government's financial contribution to the unemployment state of the nation by way of varied programmes impacted recurrent expenditure.

The operations of the government's primary healthcare facilities increased recurrent and capital expenditures.

The COVID-19 policing and national security increased expenditure as well.

[COVID-19 Pandemic Impact the 2020/2021 Budgetary Performance](#)

The COVID-19 pandemic impact on the country's revenues and expenditures is shown comparatively year-over-year in the Table 6.1, to illustrate the decrease in recurrent revenue generation and increase in expenditures. Capital revenue and expenditure are also depicted.

In summary, the decrease in recurrent revenue required additional funding from financing sources (capital revenue) and this is illustrative of the following:

- Recurrent Revenue decreased by \$173.29 million or (8%) over prior year;
- Capital Revenue increased by \$1.29 billion (105%) over prior year;
- Recurrent Expenditure increased by \$289.38 million (11.2%) over prior year; and
- Capital Expenditure decreased by \$16.13 million (4%).

Table 6.1

COVID-19 PANDEMIC IMPACT ON THE FISCAL BUDGETARY PERIOD 2020/2021													
IMPACT OF COVID-19 ON FISCAL PERFORMANCE													
COVID IMPACT													
RECURRENT REVENUE												TOTAL IMPACT	
FISCAL YEAR	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	(\$)
2019 - 2020	245,036,536	176,238,625	120,113,935	198,649,329	180,665,396	167,807,845	234,967,452	191,133,314	231,622,733	155,700,644	101,057,940	98,903,307	2,081,897,056
2020 - 2021	133,713,103	67,224,181	99,936,838	122,357,450	107,030,738	143,088,659	180,682,935	140,255,511	236,324,256	189,460,914	174,390,437	305,135,595	1,908,600,617
INCREASE/(DECREASE)	(111,323,434)	(109,014,444)	(20,177,097)	(76,291,879)	(73,634,658)	(24,719,186)	(54,284,517)	(50,877,803)	4,701,523	62,760,270	73,332,497	206,232,288	(173,296,439)
% CHANGE	-45%	-62%	-17%	-38%	-41%	-15%	-23%	-27%	2%	46%	73%	209%	-8%
IMPACT OF COVID-19 ON FISCAL PERFORMANCE													
COVID IMPACT													
CAPITAL REVENUE												TOTAL IMPACT	
FISCAL YEAR	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	(\$)
2019 - 2020	20,001,160	50,000,080	58,100,000	200,402,851	36,501,160	39,320,975	-34,578	40,000,000	340,600,000	30,300,080	9,448,714	415,113,030	1,239,753,472
2020 - 2021	50,000,000	254,250,605	217,724,800	721,689,981	91,527,147	268,911,732	18,005,197	42,142,000	121,324,314	1,535,500	230,873,500	517,889,681	2,535,874,457
INCREASE/(DECREASE)	29,998,840	204,250,525	159,624,800	521,287,130	55,025,987	229,590,757	18,039,775	2,142,000	(219,275,686)	(28,764,580)	221,424,786	102,776,651	1,296,120,985
% CHANGE	150%	409%	275%	260%	151%	584%	52171%	5%	-64%	-95%	2343%	25%	105%
IMPACT OF COVID-19 ON FISCAL PERFORMANCE													
COVID IMPACT													
RECURRENT EXPENDITURE												TOTAL IMPACT	
FISCAL YEAR	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	(\$)
2019 - 2020	196,760,353	172,168,922	182,488,754	228,245,425	205,248,975	214,424,717	223,109,080	200,615,043	224,969,068	194,577,780	190,719,683	349,810,350	2,583,138,150
2020 - 2021	197,211,137	161,823,355	226,589,534	263,522,549	255,235,772	193,903,552	223,408,336	197,870,235	221,289,984	280,433,239	238,545,807	412,692,448	2,872,525,948
INCREASE/(DECREASE)	450,784	(10,345,567)	44,100,780	35,277,124	49,986,797	(20,521,165)	299,256	(2,744,808)	(3,679,084)	85,855,459	47,826,124	62,882,098	289,387,798
% CHANGE	0.2%	-6.0%	24.2%	15.5%	24.4%	-9.6%	0.1%	-1.4%	-1.6%	44.1%	25.1%	18.0%	11.2%
IMPACT OF COVID-19 ON FISCAL PERFORMANCE													
COVID IMPACT													
CAPITAL EXPENDITURE												TOTAL IMPACT	
FISCAL YEAR	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	(\$)
2019 - 2020	11,173,450	20,408,538	24,612,110	26,094,738	7,737,930	26,716,303	29,984,435	20,631,311	31,511,549	36,899,248	39,942,162	111,485,550	387,197,324
2020 - 2021	20,389,031	6,464,980	33,501,615	22,795,846	13,168,206	13,043,946	17,735,519	11,361,906	29,480,018	24,150,627	55,026,480	123,940,551	371,058,725
INCREASE/(DECREASE)	9,215,581	(13,943,558)	8,889,505	(3,298,892)	5,430,276	(13,672,357)	(12,248,916)	(9,269,405)	(2,031,531)	(12,748,621)	15,084,318	12,455,001	(16,138,599)
% CHANGE	82%	-68%	36%	-13%	70%	-51%	-41%	-45%	-6%	-35%	38%	11%	-4%

*Figures are rounded

Capital Revenue, and Financing Activities to generate cash inflows, increased by \$1.29 billion (105%) year-over-year.

Revenue-Generating Sectors Impacted by COVID- 19

COVID-19 restrictions, lockdowns, and businesses interruptions impacted major revenue-generating sectors such as:

Gaming Revenue – Business Interruption – Gaming Houses and Casinos closure impacted gaming tax;

Travel, Hotel, and Tourism Revenue – Entire Tourism Industry was impacted by the closure and restriction on operations; the consumption of touristic products and services down and the related revenue such as passenger ticket tax, food and beverage, room and boarding;

VAT Revenue – Closed small, medium size, large, and very large businesses impacted the VAT revenue on consumable goods and services;

Tax Returns VAT Revenue - COVID-19 Tax Credit and Tax Deferral Employment Retention Programmes – impacted the VAT revenue;

Road Traffic Tax Revenue – risk mitigation and relief measures for motorists impacted the motor vehicle fees revenue;

COVID-19 Programmes

COVID -19 Programmes implemented by the government to address the unprecedented financial and economic impact on the country and its people consisted of:

- Food Assistance Programmes inclusive of the National Food Distribution Task Force (NFDTF);
- Government Funded Unemployment Assistance Programme;
- Tax Credit/Tax Deferral Employment Retention Programme;
- Grants and Loan Support – Small Business Development Centre for business continuity of micro, small, and medium-sized businesses (MSMEs); and
- Continuous COVID-19 Detection, Treatment, and Mitigation Programmes.

Hurricane Dorian's Impact on the 2020/2021 Fiscal Year

It is important to note that while the country was experiencing an economic downturn and healthcare challenges in COVID-19, focus was also on “**building back better**” (BBB) from Hurricane Dorian.

The Special Economic Zone Orders extended to June 30, 2021, with millions in concessions for “**building back better**” by the people in Grand Bahama and Abaco impacted revenue. The “foregone revenue” impacts Recurrent Revenue Performance.

Funding required for investment in climate change adaptation actions for resiliency and “rebuilding back better” increases borrowings.

Summary of Overall Budgetary Performance Revenue and Expenditure (Recurrent and Capital)

The total Recurrent Revenue of \$1.9 billion exceeded the budgeted projection of \$1.76 billion by \$148.10 million (8%). Tax revenue accounts for \$1.61 billion or 84% of the \$1.9 billion.

Capital revenue of \$2.53 billion including proceeds from borrowings exceeded the \$2.07 billion budgeted projection by \$460.15 million (22%).

The combined Recurrent and Capital Revenue of \$4.44 billion exceeded the budgeted projection of \$3.83 billion by \$608.25 million (16%).

The total Recurrent Expenditure of \$2.87 billion went under the \$3.07 billion budget by \$205.33 million (7%).

The total Recurrent Revenue of \$1.9 billion and Recurrent Expenditure of \$2.87 billion, inclusive of public debt servicing interest of \$422.5 million, resulted in a recurrent balance (\$963.92) million.

The total Capital Revenue of \$150 thousand, proceeds from borrowings not included, and Capital Expenditure of \$371.05 million result in a capital balance of (\$370.90) million.

Overall, the recurrent balance of (\$963.92) million and capital balance of (\$370.90) million result in a GFS deficit (\$1,334.82) or \$1.33 billion. GFS deficit as a percentage of GDP is -13.1%.

Total expenditure of \$4.19 billion, inclusive of the \$946.64 million repayment on the debt servicing of the loan principal, and total revenue of \$4.44 billion resulted in a balance of \$254.24 million, as shown in Table 6.2.

Table 6.2

SUMMARY OF REVENUE AND EXPENDITURE BUDGETARY PERFORMANCE 2020/2021				
DESCRIPTION	ORIGINAL BUDGET 2020/2021 (\$)	FINAL APPROVED BUDGET 2020/2021 (\$)	ACTUALS 2020/2021 (\$)	VARIANCE 2020/2021 (\$)
REVENUE				
Tax Revenue	1,513,377,828	1,513,377,828	1,611,698,650	98,320,822
Non-Tax Revenue	247,118,772	247,118,772	296,901,967	49,783,195
Sub-Total Tax & Non-Tax Revenue	1,760,496,600	1,760,496,600	1,908,600,617	148,104,017
Capital Revenue	2,075,723,600	2,075,723,600	2,535,874,457	460,150,857
Total Revenue	3,836,220,200	3,836,220,200	4,444,475,074	608,254,874
EXPENDITURE				
Recurrent Expenditure	2,574,104,526	3,077,863,615	2,872,524,464	205,339,151
Sinking Fund Payments	46,491,095	46,491,095	1,486	46,489,609
Public Debt Servicing - Redemption	696,591,095	1,009,591,095	946,642,106	62,948,989
Capital Expenditure	515,524,579	594,146,593	371,058,725	223,087,868
Total Expenditure	3,832,711,295	4,728,092,398	4,190,226,781	537,865,617
Surplus/Deficit	3,508,905	(891,872,198.00)	254,248,293	70,389,257

*Figures are rounded

7. RECURRENT REVENUE BUDGETARY PERFORMANCE

The final approved recurrent revenue budget of \$1.76 billion for 2020/2021 was surpassed by \$148.13 million (8%); resulting in \$1.9 billion in actual revenue.

It is important to note that COVID-19 pandemic mitigation and health containment measures, exigencies orders inclusive of lockdown protocols, and travel restrictions impacted revenue performance and the economic state of the country.

The impact of COVID-19 on the country's primary taxes: Value Added Tax (VAT), tourism tax, excise tax, and other taxes, is significant as outlined below in Table 7.1 and 7.2, showing an aggregate total of \$298.89 million decrease year-over-year.

Table 7.1

RECURRENT REVENUE COMPARATIVE BUDGETARY PERFORMANCE ANALYSIS 2019/2020 VS 2020/2021						
TAX REVENUE AND NON-TAX REVENUE	ACTUAL REVENUE 2019/2020 (\$)	ACTUAL REVENUE 2020/2021 (\$)	FINAL APPROVED BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE (\$)	REVENUE INCREASE/DECREASE OVER PRIOR YEAR (\$)	REVENUE INCREASE/DECREASE (%) OVER PRIOR YEAR
TAX REVENUE						
IMPORT AND EXPORT DUTIES	277,475,424	288,242,596	253,946,155	34,296,441	10,767,172.00	4%
EXCISE TAX	205,586,680	176,317,962	161,809,506	14,508,456	(29,268,718)	-14%
PROPERTY TAX	100,339,813	143,458,048	104,812,769	38,645,279	43,118,235.00	43%
MOTOR VEHICLE	30,839,884	32,353,490	32,975,344	(621,854)	1,513,606.00	5%
GAMING TAX	39,923,501	37,827,879	34,200,000	3,627,879	(2,095,622)	-5%
TOURISM TAX	125,524,540	10,837,239	83,473,555	(72,636,316)	(114,687,301)	-91%
STAMP TAX	6,652,662	2,536,314	7,267,207	(4,730,893)	(4,116,348)	-62%
COMPANY FEES	16,781,712	21,681,389	15,856,095	5,825,294	4,899,677.00	29%
BANK & TRUST COMPANY FEES	0	0	0	0	-	0%
VAT & OTHER TAXES	1,047,173,000	898,443,734	819,037,197	79,406,537	(148,729,266)	-14%
SUB-TOTAL	1,850,297,216	1,611,698,651	1,513,377,828	98,320,823	(238,598,565)	-13%
NON-TAX REVENUE						
FEES AND SERVICE CHARGES	131,820,125	161,991,305	135,275,388	26,715,917	30,171,180	23%
REVENUE FROM GOVERNMENT PROPERTY	19,564,200	15,746,217	14,881,240	864,977	(3,817,983)	-20%
INTEREST AND DIVIDENDS	10,899,588	19,583,675	25,559,972	(5,976,297)	8,684,087	80%
RE-IMBURSEMENT & LOAN REPAYMENT	39,655,018	42,933,224	42,623,287	309,937	3,278,206	8%
SERVICES OF COMMERCIAL NATURE	29,660,908	56,647,546	28,778,885	27,868,661	26,986,638	91%
SUB-TOTAL	231,599,839	296,901,967	247,118,772	49,783,195	65,302,128	28%
TOTAL TAX AND NON TAX RECURRENT REVENUE	2,081,897,055	1,908,600,618	1,760,496,600	148,104,018	(173,296,437)	-8%

*Figures are rounded

Table 7.2

Tax Revenue Decrease Year-Over-Year	
Tourism Tax	\$114.68 million (91%)
Excise Tax	\$ 29.26 million (14%)
Stamp TAX	\$ 4.11 million (62%)
Gaming Tax	\$ 2.09 million (5%)
VAT & Other Taxes	\$148.72 million (14%)
Total	\$298.89 million

Significant Recurrent Revenue Budget Expectation Shortfall

Significantly, Tourism Tax fell short of the \$83.47 million budget projection by \$72.63 million (87%). This is evident with respect to the decrease in consumption of tourism products, goods, and services impacted by the COVID-19 pandemic restrictions and lockdowns.

Stamp Tax fell short of the budget's projection by \$4.73 million (65%) and Interest and Dividends by \$5.97 million (23%).

The overall recurrent revenue budgetary comparative performance analysis is further displayed in Table 7.1.

Overall, tax revenue decreased by \$238.59 million (13%) year-over-year. Non-tax revenue increased by \$65.30 million (28%). The combined impact resulted in \$1.9 billion in recurrent revenue generation; \$173.29 million less than the \$2.08 billion in 2020.

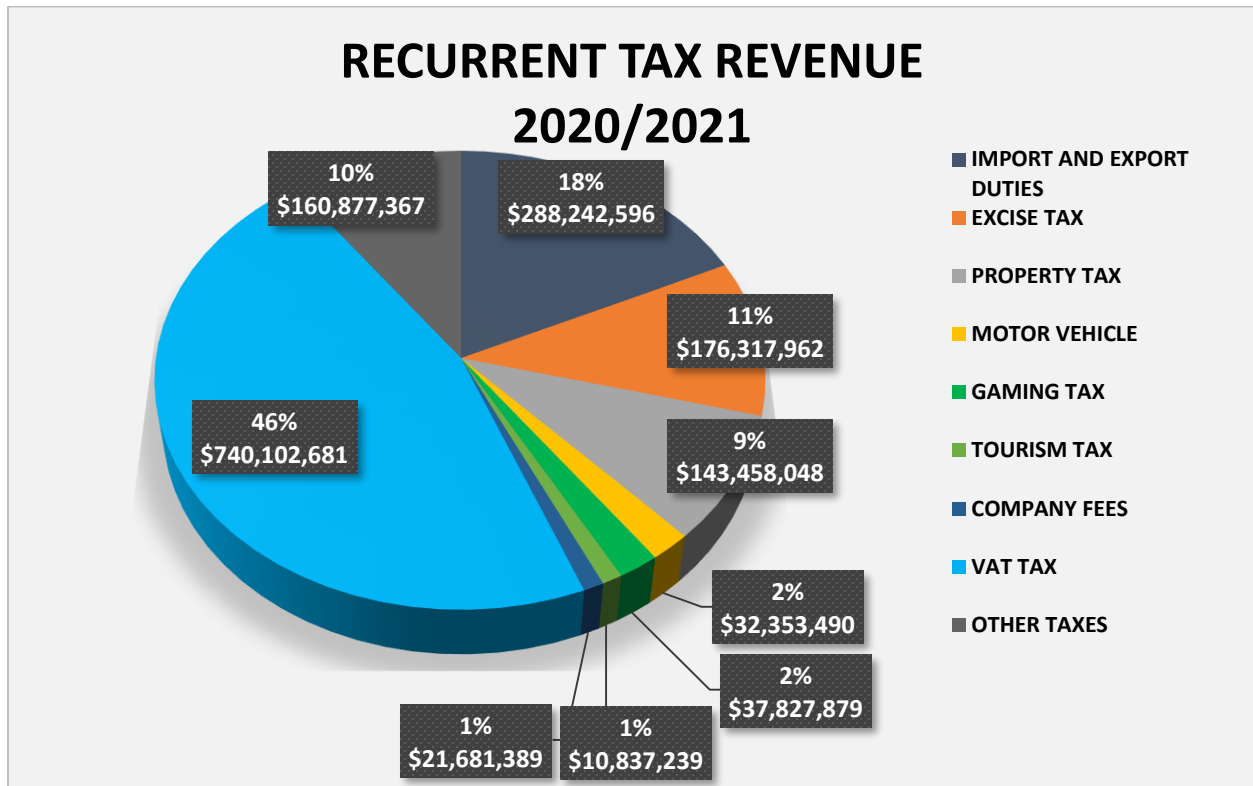
Evidently, COVID-19 had an enormous impact on the Government's recurrent revenue generation. This is reflective in the 8% decrease year-over-year.

Revenue Components as Percentages

Chart 7.1 that follows further depicts the tax revenue components' percentages, with \$740.10 million VAT revenue being the highest, 46% of the taxes collected, followed by:

- Import and export duties \$288.24 million (18%);
- Excise Tax \$176.31 million (11%); and
- Real Property Tax \$160.87 million (10%);

Chart 7.1



Figures are rounded

Notably, there were increases in the following tax and non-tax revenue year-over-year in an aggregate of \$ 129.39 million as shown in Table 7.3.

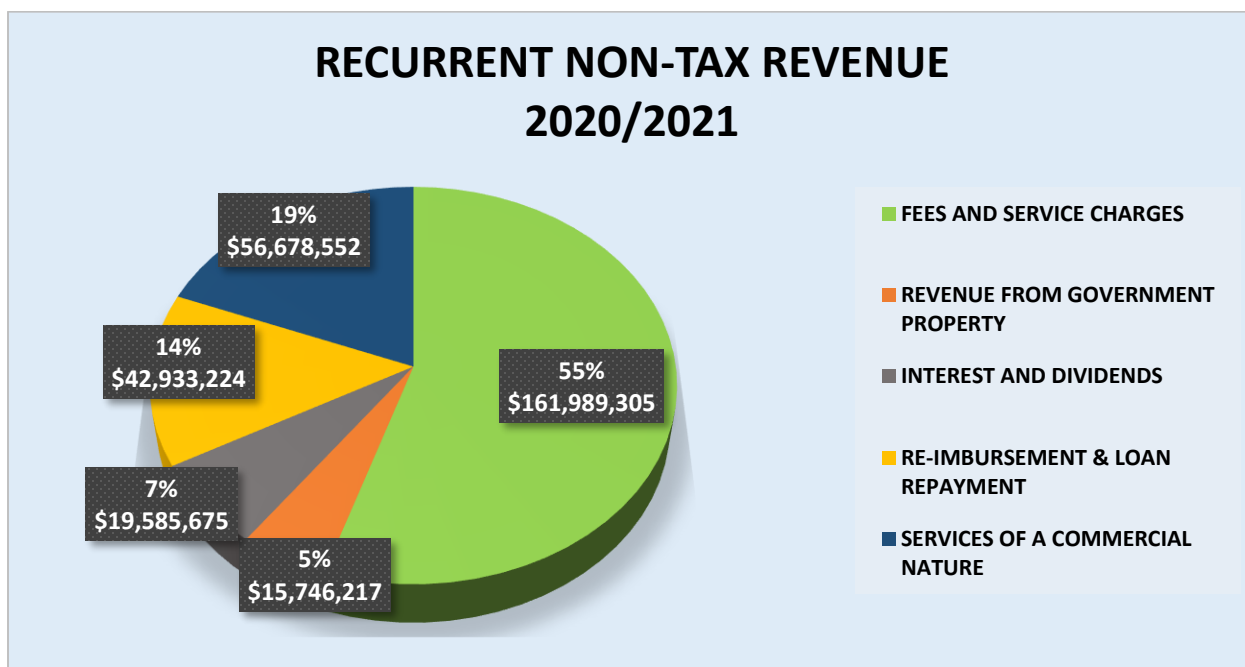
Table 7.3

Tax and Non-Tax Revenue Increase Year- Over -Year	
Tax	
Import Export Duties	\$ 10.76 million (4%)
Property Tax	\$43.11 million (43%)
Company Fees	\$4.89 million (29%)
Non-Tax	
Motor Vehicle	\$ 1.51 million (5%)
Fees and Service Charges	\$30.16 million (23%)
Interest and Dividends	\$8.68 million (80%)
Re-Reimbursement Loan Repayment	\$3.27 million (8%)
Services of Commercial Nature	\$27.01 million (91%)
Total	\$ 129.39 million

Non-Tax Revenue from Government Property decreased by \$3.81 million (20%) year-over-year.

Chart 7.2 below further depicts the non-tax revenue components percentages of the overall \$296.90 million generated, with fees and service charges being the highest \$161.98 million (55%).

Chart 7.2



Figures are rounded

[Bahamas Customs Revenue](#)

Bahamas Customs Department generated \$809.41 million, the largest amount of the Government \$1.9 billion recurrent revenue or 42%.

Table 7.4 depicts Customs Department comparative revenue performance with an overall decrease of \$188.45 million or 19% year-over-year. Contributing to the decrease were:

- Sea Departure Tax \$79.91 million (99%) decrease year-over-year;
- The Value Added Tax \$53.44 million (16%) decrease year-over-year;
- Air Departure Tax \$34.8 million (78%) decrease year-over-year;
- General Import Duties \$30.87 million (14%) decrease year-over-year; and
- Excise Taxes \$29.25 million (14%) decrease year-over-year.

Table 7.4

CUSTOMS COMPARATIVE ANALYSIS - RECURRENT REVENUE 2019/2020 VS 2020/2021					
DESCRIPTION	2019/2020	2020/2021	VARIANCE	2020/2021 PERCENTAGE	YEAR - OVER-YEAR PERCENTAGE
VALUE ADDED TAX	338,757,901	285,314,939	-53,442,962	35%	-16%
GENERAL IMPORT DUTIES	222,868,797	191,996,844	-30,871,953	24%	-14%
EXCISE TAXES	204,521,451	175,262,189	-29,259,262	22%	-14%
EXCISE DUTY	52,475,589	95,329,740	42,854,151	12%	82%
CUSTOMS PROCESSING FEES	24,815,871	25,705,502	889,631	3%	4%
AIR DEPARTURE TAX	44,437,083	9,631,826	-34,805,257	1%	-78%
ENVIRONMENTAL LEVY	10,745,769	7,958,429	-2,787,340	1%	-26%
CUSTOMS SERVICE CHARGE	5,948,303	5,231,090	-717,213	1%	-12%
CONTAINER MOVEMENT-CUSTOMS	3,378,154	3,222,771	-155,383	0.4%	-5%
CUSTOMS BOARDING FEES-PLEASURE	2,152,461	2,828,190	675,729	0.3%	31%
SEA DEPARTURE TAX	80,615,379	703,728	-79,911,651	0.1%	-99%
OTHER CUSTOMS REVENUE	7,149,671	6,227,081	-922,590	1%	-13%
TOTAL RECURRENT REVENUE	997,866,429	809,412,328	-188,454,101	100%	-19%

Figures are rounded

The Bahamas Customs Department and the Department of Inland Revenue (DIR), under the Ministry of Finance, are the Government's largest revenue sectors.

The Bahamas Customs \$809.41 million and the Department of Inland Revenue \$690.87 million account for \$1.5 billion (79%) of the \$1.9 billion recurrent revenue.

Evidently, good governance, efficiency, effectiveness and accountability in the delivery of services within the departments are critical to revenue collection and enhancement to the benefits of the citizens and all stakeholders. These significant factors coupled with *"Regulatory Compliance"*, *"Ease of Doing Business"* and *"Outstanding User Experience (UX)"* are the drivers of generating additional revenue.

[Department of Inland Revenue](#)

The Department of Inland Revenue (DIR) follows the Customs Department as the second highest revenue generator. The Department generated \$690.87 million of the Government \$1.9 billion recurrent revenue.

Table 7.5 depicts the DIR comparative revenue performance of a decrease of \$43.98 million (6%) year-over-year. Contributing to the revenue decrease were:

- Value Added Tax \$84 million (16%) decrease year-over-year; and
- Business License Fees \$3.1 million (14%) decrease year-over-year.

Table 7.5

INLAND REVENUE COMPARATIVE ANALYSIS - RECURRENT REVENUE 2019/2020 VS 2020/2021					
DESCRIPTION	2019/2020 (\$)	2020/2021 (\$)	VARIANCE (\$)	2020/2021 PERCENTAGE (%)	YEAR-OVER- YEAR PERCENTAGE (%)
VALUE ADDED TAX	536,109,607	452,098,585	(84,011,022)	65%	-16%
BUSINESS LICENCE FEES	98,432,510	95,328,093	(3,104,418)	14%	-3%
COMMERCIAL PROPERTY TAX	32,736,078	43,708,136	10,972,058	6%	34%
OWNER OCCUPIED PROPERTY TAX	32,326,426	42,161,361	9,834,935	6%	30%
FOREIGN OWNED UNDEVEL.PROP.TAX	22,760,543	38,979,443	16,218,900	6%	71%
RESIDENTIAL PROPERTIES AND REALTY TRANSACTIONS UNDER \$20,000	12,489,841	18,595,530	6,105,690	3%	49%
TOTAL RECURRENT REVENUE	734,855,005	690,871,148	(43,983,857)	100%	-6%

Figures are rounded

It is important to note that fiscal year 2020/2021 was the full bloom COVID-19 period, which impeded revenue growth with respect to the Government's major revenue streams.

[Value Added Tax Revenue Performance](#)

Value Added Tax continues to be the "highest revenue generator" of the government revenue. The Department of Inland Revenue collected \$452.09 million and the Customs Department \$ 285.31 million; as depicted in Table 7.6.

Table 7.6

VAT REVENUE PERFORMANCE COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021				
MINISTRIES/DEPARTMENTS	ACTUAL REVENUE 2019/2020 (\$)	ACTUAL REVENUE 2020/2021 (\$)	INCREASE/(DECREASE) OVER PRIOR YEAR (\$)	VAT REVENUE PERFORMANCE (%) OVER PRIOR YEAR
CUSTOMS DEPARTMENT	338,757,901	285,314,939	(53,442,962)	-16%
DEPARTMENT OF INLAND REVENUE	536,109,607	452,098,585	(84,011,022)	-16%
OTHER MINISTRIES/DEPARTMENTS	674,258	2,689,158	2,014,900	299%
TOTAL VAT REVENUE	875,541,766	740,102,682	(135,439,084)	-15%
TOTAL RECURRENT REVENUE	2,081,897,055	1,908,600,617	(173,296,438)	-8%
VAT AS A % OF RECURRENT REVENUE	42%	39%	N/A	N/A

*Figures are rounded

The overall \$740.10 million VAT revenue collected is down by \$135.43 million (15%) year-over-year.

Both the Customs Department and the Department of Inland Revenue saw a 16% decrease in VAT collections year-over-year; \$53.44 million and \$84.01 million respectively.

Other Ministries and Department actual VAT revenue of \$2.68 million is an increase of \$2.01 million (299%) over the prior year.

COVID-19 economically impacted trade and industries vatable goods and services and in addition, the lockdown and curfew protocols.

The impact is further illustrated in Table 7.7, which highlights the comparative values of the consumption of the vatable activity year-over-year.

Table 7.7

VAT ADDED TAX CONSUMPTION OF GOODS & SERVICES COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021			
FISCAL PERIOD	GOODS & SERVICES CONSUMPTION VALUE (\$)	12% VAT ON CONSUMPTION (\$)	TOTAL CONSUMPTION VALUE (\$)
2019/2020	7,296,181,383	875,541,766	8,171,723,149
2020/2021	6,167,522,344	740,102,681	6,907,625,025
INCREASE/DECREASE IN CONSUMPTION VALUE YEAR-OVER-YEAR	(1,128,659,039)	(135,439,085)	(1,264,098,124)
CONSUMPTION CHANGE AS A PERCENTAGE YEAR-OVER-YEAR	-15%	-15%	-15%

*Figures are rounded

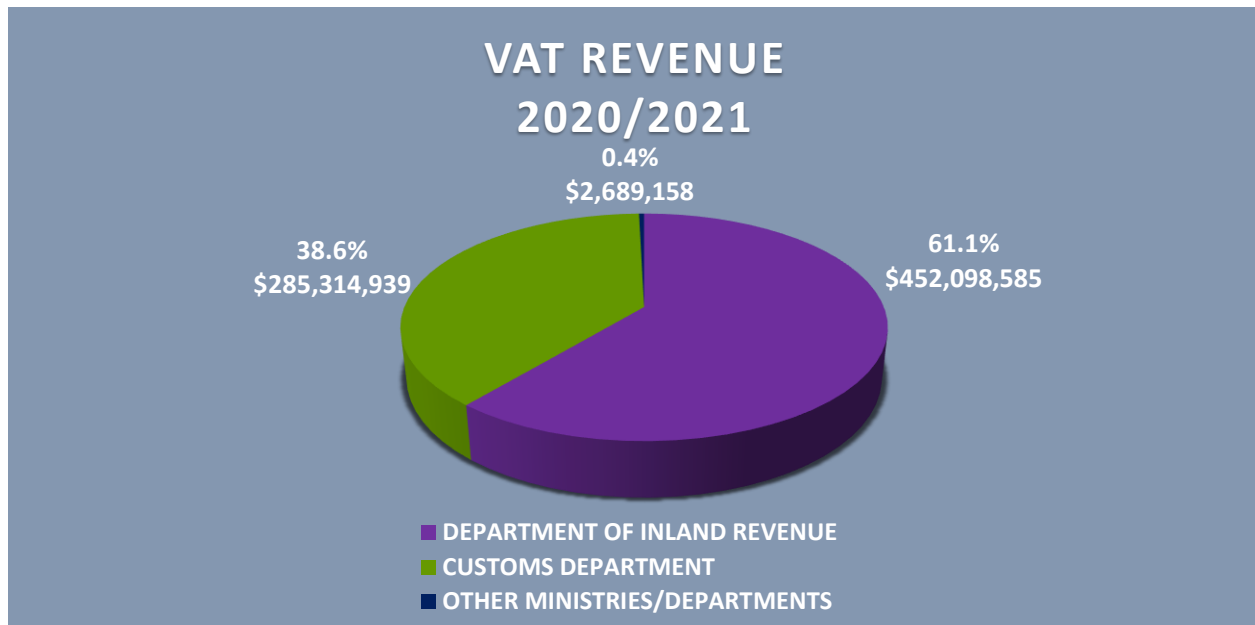
In 2020, \$7.29 billion was spent on the consumption of vatable goods and services and this decreased in 2021 to \$6.16 billion or 15%; the amount being \$1.12 billion less spent on vatable consumption.

Value Added Tax performance, in part, was impacted by tax relief and policy put in place to combat the economic impact and devastation of Hurricane Dorian on Abaco and Freeport, Grand Bahama, and the COVID-19 pandemic on the country.

Curfews, lockdowns, and restrictions on businesses impeded VAT revenue growth; as it is related to the consumption of goods and services, in particular the primary industry, Tourism.

Overall, the \$740.10 million VAT revenue collected contributed to 39% of the Government’s \$1.9 billion recurrent revenue. The chart below (7.3) further displays the breakdown of the VAT revenue collection.

Chart 7.3



Figures are rounded

Real Property Tax Revenue Performance

Real Property Tax is one of the oldest forms of the Government’s taxes to generate revenue. Real Property tax annual revenue generation and timely remittance performance are critical to overall recurrent revenue; which is critical to facilitate recurrent expenditure.

The \$143.45 million real property tax revenue collected in 2021 is representative of 9% of the \$1.61 billion tax revenue and 5% of \$1.85 billion in 2020. With respect to \$100.33 million collected in 2020; real property tax revenue increased by \$43.11 million or 43% year-over-year; as shown in Table 7.8.

Table 7.8

DEPARTMENT OF INLAND REVENUE					
REAL PROPERTY TAX PERFORMANCE COMPARATIVE ANALYSIS					
RPT TAX COMPONENTS	ACTUAL REVENUE 2020 (\$)	ACTUAL REVENUE 2021 (\$)	APPROVED ESTIMATED REVENUE 2021 (\$)	ACTUAL REVENUE BUDGET VARIANCE (\$)	INCREASE/ (DECREASE) % YEAR-OVER-YEAR
Time Sharing Occupancy Fees	26,925	14,050	56,890	(42,840)	-48%
Commercial Property Tax	32,736,078	43,708,136	35,491,670	8,216,466	34%
Owner Occupy Property Tax	32,326,426	42,161,361	20,444,214	21,717,147	30%
Residential Properties	12,489,841	18,595,058	15,787,807	2,807,251	49%
Foreign Owned Underdeveloped Property Tax	22,760,543	38,979,443	33,032,188	5,947,255	71%
TOTAL	100,339,813	143,458,048	104,812,769	38,645,279	43%

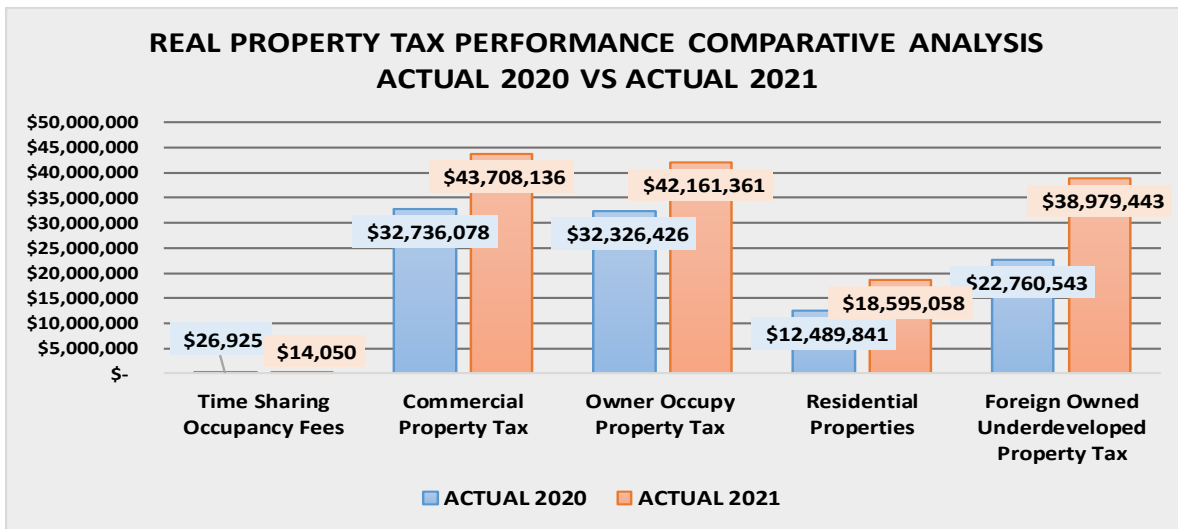
Figures are rounded

Regarding the \$104.81 million approved budget; the revenue collected exceeded this amount by \$38.64 million or 37%. The \$143.45 million total real property tax revenue is representative of 5% of the \$2.87 billion total recurrent expenditure.

The 2021 real property tax performance by component is further analyzed by year-over-year as represented in Chart 7.4, with significant increase as follows:

- Foreign Owned Underdeveloped Property Tax up \$16.21 million (71%),
- Commercial Property Tax up \$10.97 million (34%),
- Owner Occupy Property Tax up \$9.83 million (30%),
- Residential Properties up \$6.10 million (49%), and
- Time Sharing Occupancy Fees down by \$12,875 (48%).

Chart 7.4



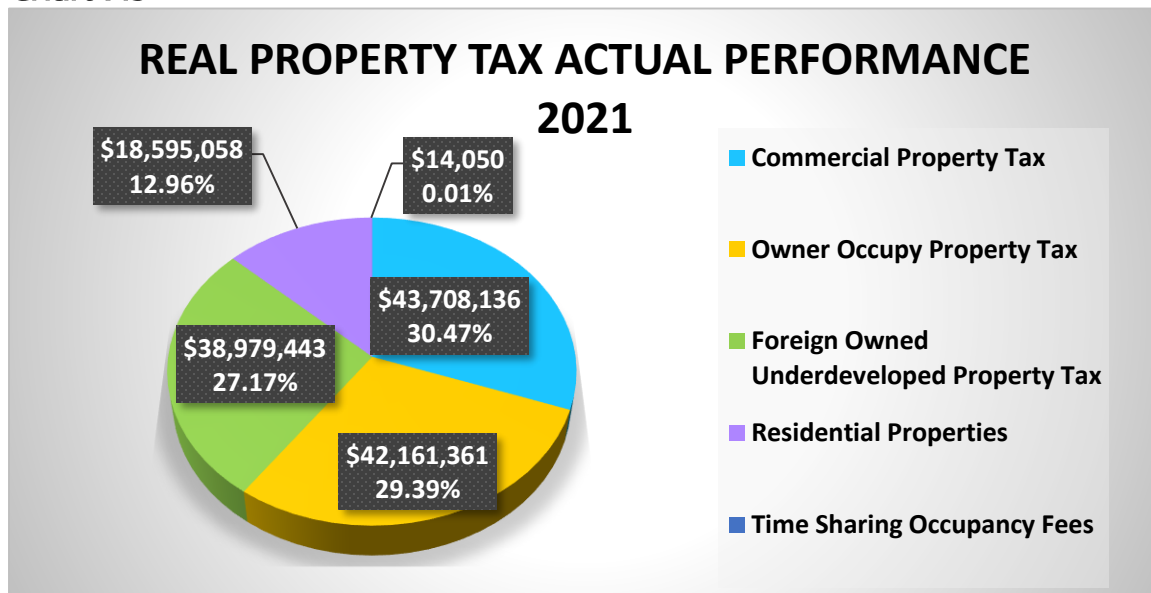
Figures are rounded

[Real Property Tax Revenue Contribution by Components](#)

The real property tax revenue components in Chart 7.5 represents the performance in tax collection as follows:

- Commercial Property Tax as the highest with \$43.70 million (30.47%),
- Owner Occupy Property Tax follows with \$42.16 million (29.39%),
- Foreign Owned Underdeveloped Property Tax with \$38.97 million (27.17%),
- Residential Properties with \$18.59 million (12.96%), and
- Time Sharing Occupancy Fees \$14,050 or less than 1%.

Chart 7.5



Figures are rounded

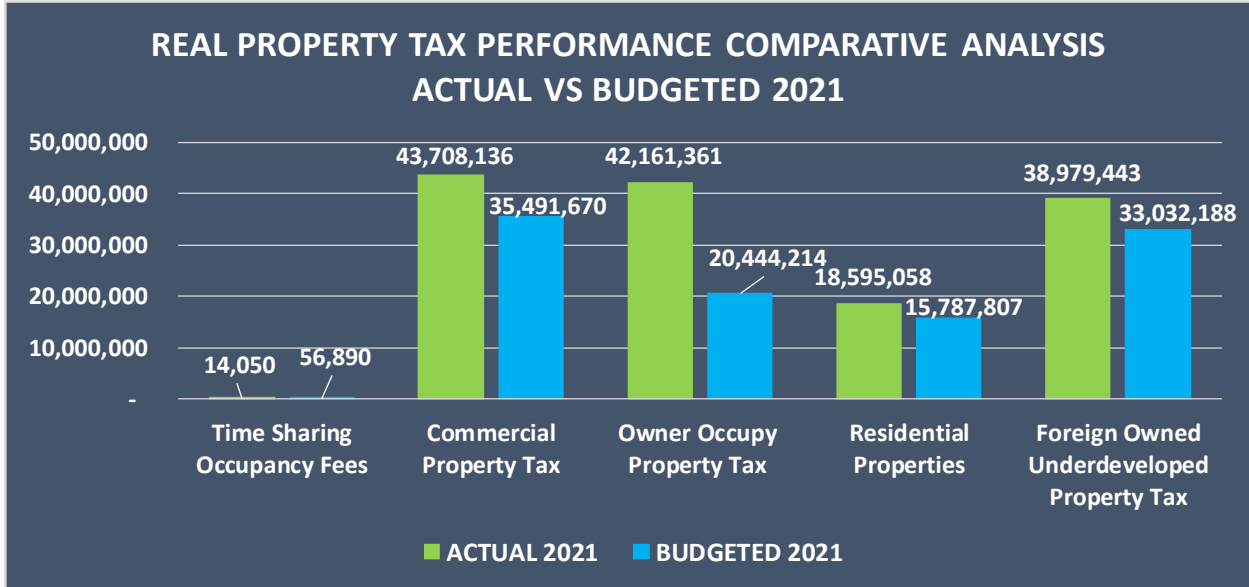
[Real Property Tax Revenue Budgetary Performance Analysis](#)

Real property tax revenue collections for 2020/2021 fiscal year exceeded the budgeted \$104.81 million by \$38.64 million (37%). Tax revenue collections for the following real property tax types contributed to this budget over performance:

- Owner Occupancy Property Tax exceeded the budget by \$21.71 million (106%),
- Commercial Property Tax exceeded the budget by \$8.21 million (23%),
- Foreign Owned Underdeveloped Property Tax exceeded the budget by \$5.94 million (18%),
- Residential Properties exceeded the budget by \$2.8 million (18%), and
- Time Sharing Occupancy Fees was under the budget by \$42,840 (75%).

The significant budgetary over performance is further depicted in Chart 7.6

Chart 7.6



Figures are rounded

Although the real property tax revenue collected exceeded budget expectations, it is important to note that there is an enormous amount of “tax arrears” due to delinquency; some taxes are not being paid as due in accordance with legislation. The root cause to the arrears is non-compliance.

[Outstanding Real Property Tax \(Tax Arrears\)](#)

Taxpayer Regulatory Compliance Mandate

“The payment of Real Property Tax is required by law in The Bahamas. The bill is due and payable once produced and must be paid in accordance with the Real Property Tax Act to avoid interest. The Property Tax bill is usually issued in mid-October. The bill is due and payable once produced and must be paid by December 31 to avoid an additional 5% interest.” (Department of Inland Revenue – Real Property Tax Administration and Website)

Real Property Tax revenue collection is very vital for the Government’s revenue sustainability in facilitating its recurrent operations. Collecting all the real property tax to be had requires efficiency and effectiveness in compliance and revenue collection. Uncollected taxes results in continuous arrears that remain outstanding for excessive periods.

Outstanding Real Property Tax Revenue

Outstanding tax revenue, in some aspects, contributes to budget deficits and the need to obtain additional sources of funds through borrowings and increasing other taxes or Government services fees.

Outstanding real property tax revenue continues to increase. The \$689.75 million cumulative outstanding real property tax revenue in 2021 is an increase of 13% or \$79.41 million year-over-year as shown in Table 7.9

Table 7.9

REAL PROPERTY TAX OUTSTANDING REVENUE					
DESCRIPTION	JULY 2019 -JUNE 2020 (\$)	JULY 2020 - JUNE 2021 (\$)	VARIANCE (\$)	YEAR-OVER-YEAR ANALYSIS (%)	TAX COMPONENTS PERCENTAGES (%)
CURRENT	\$ 52,254,183.82	\$ 61,266,940.85	\$ 9,012,757.03	17%	9%
PRIOR YEAR	\$359,182,135.86	\$411,439,918.68	\$52,257,782.82	15%	60%
SURCHARGE	\$197,744,872.06	\$215,893,304.94	\$18,148,432.88	9%	31%
OTHER CHARGES	\$ 1,161,103.75	\$ 1,154,625.67	(6,478)	-1%	0.17%
CUMULATIVE	\$610,342,295.49	\$689,754,790.14	\$79,412,494.65	13%	100%

Data Source: Department of Inland Revenue

*Figures are rounded

The current year's outstanding amount of \$61.26 million is an increase of \$9.01 million (17%) over prior year's \$52.25 million.

Prior year real property tax accounts for \$411.43 million outstanding revenue or 60% of \$689.75 million.

The surcharge accounts for \$215.89 million or 31% of the cumulative outstanding real property tax revenue. Outstanding real property tax surcharge increased by \$18.14 million (9%) year-over-year.

Real Property Tax Modernization System and Revenue Enhancement Initiatives

Due to the importance of Real Property Tax to the country's tax revenue sustainability, it is important to present the outstanding taxes to be collected and also note the Government's investment in the Tyler Technologies, Inc.; for Real Property Tax Modernization to:

- Upgrade the assessment process to increase tax coverage
- Utilization of technology to update real property tax register
- Maximization of system for revenue enhancement initiatives.

Revenue enhancement initiatives, effective tax compliance and collectability mechanisms and ease of doing business be advanced to reduce the amount of outstanding real property tax revenue. Consequently, fast recoverability of the

arrears is pertinent to increase revenue collection; as the longer tax remains outstanding the greater the impact on revenue collection efficiency.

Increase in Tax Roll

Notably, the tax roll is increasing year-over-year as shown Table 7.10. Additional registered properties on the tax roll enhances the amount of revenue to be collected as the base is broaden with the increased tax coverage.

Table 7.10

REAL PROPERTY TAX - NUMBER OF PROPERTIES			
YEARS		TAX ROLL INCREASE	YEAR OVER YEAR
2016	2017		
102,451	109,364	6,913	7%
2017	2018		
109,364	110,346	982	1%
2018	2019		
110,346	111,516	1,170	1%
2019	2020		
111,516	124,937	13,421	12%
2020	2021		
124,937	126,317	1,380	1%

Data Source Department of Inland Revenue

Regarding the tax roll, there is a notable increase over the past two fiscal periods; particularly the 13,421 in 2019/2020, during the DIR’s assessments in New Providence supported by the additional project’s staffing compliment.

The fiscal year 2020/2021 was that of the COVID-19 pandemic and this impeded the assessment process, in some aspects.

Continuous Effective Compliance and Key Performance Indicators (KPIs)

With respect to fiscal year 2021, although real property tax revenue increased significantly year-over-year, \$38.64 million (43%), the outstanding taxes cumulative amount of \$689.75 million requires continuous aggressive compliance efforts and revenue enhancement initiatives for notable reduction. Also, Tax Key Performance Indicators (KPIs) and User Experience (UX) be employed in achieving the objective of collecting more revenue on the arrears to maximize tax administration efficiency and effectiveness. Revenue enhancement is pivotal in collecting arrears. Revenue enhancements initiatives be advanced to pursue the outstanding revenue.

POST OFFICE DEPARTMENT

The Post Office Department functions under the Ministry of Transport and Housing and is responsible for The Bahamas Postal Services in providing:

- Postal Service
- Inter-Island Passenger Freight and Mail Services

The Bahamas Postal Service is a member of the Universal Postal Union, (UPU) since 24th April, 1974 and the Bahamas is a member of the United Nations, since 18th September, 1973.

“The Universal Postal Union (UPU) is a specialized agency of the United Nations (UN) since 1 July, 1948. As such, the UPU contributes to the development of UN policies and activities that have a direct link with its mandate and missions to promote social and economic development. The UPU initiates many joint activities with other UN specialized agencies, funds and programmes.” (UPU)

The OAG notes that in its previous audit report, recommendation was made for The Bahamas Postal Services to capitalize on the following initiatives available for UPU members in advancing the modernization and digitalization of the Postal Services; for sustainable development.

Table 7.11

Universal Postal Union Capacity Building Initiatives for Members	
Type of Initiatives / Assistance	UPS's Capacity Building Initiatives
Trainpost	The UPU develops postal training guides and materials for managers and instructors.
Addressing Assistance	The UPU assists countries to design and implement national projects aimed at developing and improving national addressing systems, including national standards, databases and tools.
Financial Inclusion Technical Assistance Facility (FITAF)	The UPU's Financial Inclusion Technical Assistance Facility (FITAF) will provide Posts with the means necessary to fill gaps through the development of digitized financial services.
Disaster Risk Management (DRM)	The Universal Postal Union (UPU) is inviting its members to submit applications for disaster risk management (DRM) technical assistance projects.

Data Source: UPU

Revenue Performance

The Post Office Department generated \$1.41 million in revenue for 2020/2021 fiscal period; a decrease of \$1.15 million (45%) over the prior year.

The table below depicts all the revenue components that are representative of this decrease over the prior year.

Table 7.12

POST OFFICE RECURRENT REVENUE COMPARATIVE ANALYSIS 2020 VS 2021				
DESCRIPTION	2019/2020 (\$)	2020/2021 (\$)	VARIANCE (\$)	INCREASE/ DECREASE % YEAR-OVER- YEAR
RENT OF PRIVATE LETTER BOXES	1,194,752	1,061,736	-133,015	-11%
SALE OF STAMPS	372,856	130,250	-242,606	-65%
RECEIPTS OF POSTAL METERS	241,624	-	-241,624	-100%
COMMISSION ON MONEY POSTAL ORDER	225,688	66,423	-159,265	-71%
PAYMENT FOR FOREIGN MAIL DELIVERY	168,956	-	-168,956	-100%
VALUE ADDED TAX	198,604	124,276	-74,328	-37%
RECEIPTS IN CASH FOR REPAYMENT	92,296	14,505	-77,791	-84%
MISCELLANEOUS POSTAL REVENUE	63,628	12,702	-50,925	-80%
STAMP TAX-POST OFFICE	5,784	1,382	-4,402	-76%
PHILATELIC MATERIALS	85	96	11	13%
TOTAL	2,564,273	1,411,371	-1,152,902	-45%

Post Office Savings Bank of The Bahamas

The Post Office Savings Bank is under the management of the control of the Postmaster-General. The Savings Bank Act mandates that the financial reporting of the annual operations be audited and tabled in Parliament. The details are presented in Section 12 of the Act as follows:

“Annual accounts of the revenue and expenditure of the Savings Bank and of deposits received and repaid and interest credited to depositors during the year ended on the thirtieth day of June together with a statement of assets and liabilities of the Savings Bank, shall after being audited and certified by the Auditor, be laid upon the table of the two Houses Parliament not later than the thirty-first day of December ensuing in every year and shall as soon as practicable thereafter be published in the Gazette.”

Compliance with the mandate is not being upheld by the General Post Office, as the financial reporting of the annual operations audited financials are not being prepared and tabled in Parliament.

Audited financial statements of the Post Office Savings Bank are needed to substantiate the reliability of the information and financial position for all stakeholders and users, inclusive of the Government for decision making. Unavailability of audited financials impacts reliability and irregularities could occur and remain undetected for outstanding periods.

To be compliant with the mandatory and regulatory financial reporting of the Post Office Savings Bank, the OAG recommends the preparation and tabling of the audited financial statements.

Post Office Savings Bank Accounts

The volumes of banking transactions processed across the Post Office Savings Bank Accounts, at the various Post Offices, are maintained manually. Below are the Number of Active and Inactive Accounts held in the Post Office Savings Bank for the period 2018/2019, 2019/2020 and 2020/2021, as provided by the General Post Office.

Table 7.13

<u>2018/2019</u>	Active Accounts approximately 19,800 Accounts
	Inactive Accounts approximately 9,000 Accounts
<u>2019/2020</u>	Active Accounts approximately 20,200 Accounts
	Inactive Accounts approximately 9,000 Accounts
<u>2020/2021</u>	Active Accounts approximately 20,000 Accounts
	Inactive Accounts approximately 9,000 Accounts

The approximately 9,000 Inactive Accounts/Dormant Accounts are required to be “turnover” to the Central Bank of The Bahamas. The Post Office Department management informed the OAG, that the bank was contacted regarding the same; but required digital records to perform the process.

The OAG, recommends that the digital records be prepared and the Post Office Department proceed with completing the “turnover” process of the Inactive Accounts/Dormant Accounts held at the Post Office Savings Bank; to the Central Bank of The Bahamas.

Modernization and Digital Transformation of Post Office Savings Bank

The Post Office Savings Bank system is not automated. The manual processing and manual Passbooks maintained across the Post Offices in New Providence and the Family Islands do not provide real time data electronically for an adequate audit trail.

The risks associated with the manual system are as follows:

- Existing manual records and processing controls are open to fraudulent practices and abuse of the system;
- Errors and fraud could occur and remain undetected for extended periods;
- Manual processing of cash transactions across the integrated banking system could be manipulated. Funds could be misappropriated.

Modernization and transformation of the Post Office Savings Bank is needed and, the OAG recommends the same to:

- ✓ Advance cutting edge effective and efficient digital banking services;
- ✓ Implement automated processes and mitigate risks with strong internal controls across all the Post Offices, inclusive of the Cash Districts;
- ✓ Enhance “ease of doing business” and facilitate the financial reporting of the operations with good governance and timeliness.

The OAG, followed up with the Post Office Department on the outstanding recommendations, from the previous audit report, and was provided with the following Post Office Progress Report.

Post Office Progress Report

2018/2019

Relocation of GPO

The General Post Office relocated to its new operating site, Town Center Mall, in May of 2019.

2019/2020

The Bahamas Post migrated to new postal network, IPS. Post, bring the postal operation in compliance with Universal Postal Union mail dispatch/delivery standards.

Operation was seriously impacted by both Hurricane Dorian and the covid-19 pandemic, however, it was during this time that the Post Office Savings Bank played a pivotal role in the provision of financial services, particularly to family island account holders and money order customers.

Notwithstanding the impact of the pandemic, the relocation enabled customers longer hours to collect backlogged parcels and box rent overdue payments. This resulted in an increase in revenue collection for period 2019/2020 over the previous year 2018/2019.

Initiatives

During the second half of budget period 2019/2020, the parcel post realized an upward trend in the demand for parcel delivery, both local and international, as small and new businesses exported goods and services via the post. This newest market is expected to expand significantly, and became a revenue stream, with the advent of counter service track/trace automation.

Currently, the Post Office Savings Bank (POSB) is under review, by the Ministry of Finance, in conjunction with the Post Office Department, the Office of the Attorney General, and the compliance commission, with a view to restructuring the POSB to address weaknesses in its operation and management, and to bring it in compliance with required banking and accounting standards/requirements. An aggressive compilation of account holders and balances is expected to be completed in three months.

All postal counters are expected to be automated in the budget period 2021/2022.

Postmistress-General Response

The report captures a realistic picture of the status of the post (2020/2021), as we saw a decline in receipts during the COVID pandemic.

I am satisfied that upcoming reports, moving forward (2022/2023 and 2023/2024), will capture the results of successful efforts that would have addressed the longstanding recommendations for automated upgrades, and generation of financial reports.

8. CAPITAL REVENUE BUDGETARY PERFORMANCE

In fiscal year 2021, the country was still facing the financial implications of both catastrophic events: 1) Hurricane Dorian and 2) COVID- 19 pandemic. With on-going socio-economic and healthcare programmes for sustainability, and capital development to “build back better” for resiliency, additional funding was required.

Capital Revenue – Proceeds from Borrowings Increased Year-Over-Year

The \$2.53 billion capital revenue, proceeds from borrowings is an increase of 105% year-over-year; or \$ 1.29 billion increase in borrowings.

The estimated \$2.07 billion financing required from borrowing, exceeded the budget by \$461.97 million or 22% as shown in Table 8.1.

Table 8.1

CAPITAL REVENUE COMPARATIVE BUDGETARY PERFORMANCE ANALYSIS 2019/2020 VS 2020/2021							
DESCRIPTION	ACTUAL REVENUE 2019/2020 (\$)	ACTUAL REVENUE 2020/2021 (\$)	FINAL APPROVED BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE (\$)	ACTUAL VS BUDGET (%)	REVENUE INCREASE/DECREASE OVER PRIOR YEAR (\$)	REVENUE INCREASE/DECREASE % OVER PRIOR YEAR
CAPITAL REVENUE							
CAPITAL REVENUE	6,191	25,147	2,000	23,147	1157%	18,956	306.19%
GRANTS	100,000	150,000	2,000,000	(1,850,000)	-93%	50,000	50.00%
PROCEEDS FROM BORROWINGS	1,239,647,281	2,535,699,310	2,073,721,600	461,977,710	22%	1,296,052,029	104.55%
TOTAL CAPITAL	1,239,753,472	2,535,874,457	2,075,723,600	460,150,857	22%	1,296,120,985	104.55%
TOTAL RECURRENT REVENUE	2,081,897,055	1,908,600,618	1,760,496,600	148,104,018	8%	(173,296,437)	-8.32%
TOTAL RECURRENT AND CAPITAL REVENUE	3,321,650,527	4,444,475,075	3,836,220,200	608,254,875	16%	1,122,824,548	96%

*Figures are rounded

The comparative analysis of the estimated financing requirements, through the various financial instruments, and the actual results are further illustrated in Table 8.2.

Table 8.2

CAPITAL REVENUE PERFORMANCE COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021				
FINANCING COMPONENTS	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	INCREASE (DECREASE) VARIANCE (\$)	INCREASE (DECREASE) PERCENTAGE (%)
FINANCING SOURCES				
Proceeds from Stocks/Bonds	562,560,900	559,510,500	(3,050,400)	-1%
Proceeds from Loans (Commercial Banks)	275,000,000	-	(275,000,000)	-100%
Proceeds from Other Loans	402,086,381	1,976,188,810	1,574,102,429	391%
TOTAL PROCEEDS FROM BORROWING	1,239,647,281	2,535,699,310	1,296,052,029	105%
CAPITAL REVENUE				
Proceeds from Grants	100,000	150,000	50,000	50%
Proceeds from Sale of Government Assets	6,191	25,147	18,956	306%
Proceeds From Land	-	96,693	96,693	-
TOTAL GRANTS AND OTHER CAPITAL INCOME	106,191	271,840	165,649	156%
TOTAL CAPITAL REVENUE	1,239,753,472	2,535,971,150	1,296,217,678	105%
FINAL APPROVED BUDGET - CAPITAL REVENUE	767,005,565	2,075,723,600	1,308,718,035	171%
ACTUAL INCREASE/(DECREASE) OVER THE CAPITAL REVENUE BUDGET	472,747,907	460,247,550	(12,500,357)	-3%

*Figures are rounded

The breakdown of comparative year-over-year analysis for proceeds from borrowings is as follows:

- Proceeds from Stocks/Bonds decreased by \$3.05 million or 1% year-over-year;
- Proceeds from Loans (Commercial Banks) down by \$275 million or 100% year-over-year;
- Proceeds from Other Loans increased by \$1.57 billion or 391% year-over-year.

Overall, the \$1.29 billion increase in borrowings over the prior year's \$1.23 billion is \$105% increase; bringing the total borrowings to \$2.53 billion during the COVID-19 Fiscal Year, 2021.

9. RECURRENT EXPENDITURE BUDGETARY PERFORMANCE

The Government's actual recurrent expenditure of \$2.87 billion went under the approved final budget of \$3.07 billion resulting in a budget variance of \$205.33 million. It is important to note that the country was still facing the COVID-19 pandemic with risk mitigation protocols in place and uncertainties were on the horizon. The nation was still in shock from the twin disasters, Hurricane Dorian and COVID-19.

[Detail Recurrent Expenditure Comparative Analysis](#)

Total recurrent Expenditure of \$2.87 billion was less the budgeted \$3.07 billion by \$205.33 million or 7%. Actual expenditure increased by \$339.20 million or 13%. We note that the Ministry of Disaster Preparedness, Management, Reconstruction with its own budget head in 2021 accounts for \$19.31 million, as did the Department of Public Health \$42.54 million, and the Office of Director of Prosecution \$1.72 million.

The following MDAs account for the bulk of the \$339.20 million recurrent expenditure 13% increase year-over-year as shown in Table 9.1.

- Department of Social Services \$43.30 million to \$85.74 million – 98%;
- Ministry of Tourism \$125.83 million to \$177.54 million – 41%;
- Ministry of Energy and Environment and Housing \$37.32 million to \$39.21 million – 5%;
- Department of Transformation and Digitization (DTAD) \$30.31 million to \$53.99 million – 78%;
- Ministry of Finance \$216.72 million to \$320.81 million – 48%;
- Treasury \$102.32 million to \$152.41 million – 49%;
- Public Debt Servicing Interest \$345.36 million to \$422.50 million – 22%;
- Ministry of Public Works \$73.10 million to \$77.95 million – 7%;
- Ministry of Education \$102.96 million to 118 million - 15%;
- Public Debt Servicing Redemption (Repayment) \$591.92 million to \$946.64 million – 60%.

Table 9.1:

RECURRENT EXPENDITURE COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021							
MINISTRIES/DEPARTMENTS	ACTUALS 2019/2020	ACTUALS 2020/2021	2019/2020 VS 2020/2021 VARIANCE	DECREASE /(INCREASE) YEAR BY YEAR PERCENTAGE	FINAL APPROVED BUDGET 2020/2021	BUDGET VS ACTUALS VARIANCE 2020/2021	BUDGET VS ACTUALS PERCENTAGE 2020/2021
GOVERNOR GENERAL & STAFF	1,070,652	911,979	(158,673)	-15%	962,891	50,912	6%
THE SENATE	280,550	237,677	(42,873)	-15%	284,600	46,923	20%
HOUSE OF ASSEMBLY	6,072,122	3,380,994	(2,691,128)	-44%	3,649,698	268,704	8%
DEPT OF THE AUDITOR GENERAL	2,341,435	1,956,277	(385,158)	-16%	2,324,597	368,320	19%
DEPARTMENT OF PUBLIC SERVICE AND NATIONAL INSURANCE	278,925,782	280,749,822	1,824,040	1%	289,463,576	8,713,754	3%
CABINET OFFICE	6,841,575	4,670,435	(2,171,140)	-32%	5,401,458	731,023	16%
OFFICE OF THE ATTORNEY GENERAL AND MINISTRY OF LEGAL AFFAIRS	19,657,157	18,340,295	(1,316,862)	-7%	20,835,781	2,495,486	14%
OFFICE OF THE JUDICIAL (SUPREME AND MAGISTRATES COURTS)	13,300,161	12,985,574	(314,587)	-2%	13,781,889	796,315	6%
COURT OF APPEAL	2,042,063	2,092,341	50,278	2%	2,249,631	157,290	8%
REGISTRAR GENERAL'S DEPARTMENT	2,820,111	2,816,785	(3,326)	0%	3,142,094	325,309	12%
BAHAMAS DEPARTMENT OF CORRECTIONAL SERVICES	26,201,520	24,548,594	(1,652,926)	-6%	27,899,241	3,350,647	14%
PARLIAMENTRY REGISTRATION DEPT	1,221,652	1,598,740	377,088	31%	2,661,556	1,062,816	66%
MINISTRY OF FOREIGN AFFAIRS	33,358,264	28,299,452	(5,058,812)	-15%	29,699,890	1,400,438	5%
OFFICE OF THE PRIME MINISTER	22,534,974	21,884,786	(650,188)	-3%	24,156,466	2,271,680	10%
BAHAMAS INFORMATION SERVICES	1,871,781	1,849,869	(21,912)	-1%	1,923,025	73,156	4%
GOVERNMENT PRINTING DEPARTMENT	1,131,391	995,017	(136,374)	-12%	1,362,458	367,441	37%
DEPARTMENT OF LOCAL GOVERNMENT	23,883,357	22,060,903	(1,822,454)	-8%	25,691,981	3,631,078	16%
DEPARTMENT OF PHYSICAL PLANNING	822,122	867,116	44,994	5%	904,472	37,356	4%
DEPARTMENT OF LANDS & SURVEYS	2,475,265	1,836,021	(639,244)	-26%	1,948,088	112,067	6%
MINISTRY OF FINANCE	216,720,391	320,815,363	104,094,972	48%	386,639,854	65,824,491	21%
TREASURY DEPARTMENT	102,320,251	152,414,272	50,094,021	49%	156,386,404	3,972,132	3%
CUSTOMS DEPARTMENT	35,440,438	33,300,835	(2,139,603)	-6%	35,730,968	2,430,133	7%
DEPARTMENT OF STATISTICS	3,038,269	3,066,260	27,991	1%	6,815,076	3,748,816	122%
PUBLIC DEBT SERVICING - INTEREST	345,369,379	422,500,026	77,130,647	22%	436,235,705	13,735,679	3%
DEPARTMENT OF INLAND REVENUE	5,949,576	5,365,415	(584,161)	-10%	5,490,353	124,938	2%
MINISTRY OF NATIONAL SECURITY	10,607,049	9,327,715	(1,279,334)	-12%	12,671,152	3,343,437	36%
DEPARTMENT OF IMMIGRATION	34,107,695	25,035,304	(9,072,391)	-27%	31,770,290	6,734,986	27%
ROYAL BAHAMAS POLICE FORCE	126,881,546	121,966,147	(4,915,399)	-4%	123,288,807	1,322,660	1%
ROYAL BAHAMAS DEFENCE FORCE	60,955,198	57,787,985	(3,167,213)	-5%	58,427,554	639,569	1%
MINISTRY OF PUBLIC WORKS	73,102,054	77,954,958	4,852,904	7%	79,858,960	1,904,002	2%
DEPARTMENT OF PUBLIC WORKS	17,395,971	16,598,277	(797,694)	-5%	17,534,929	936,652	6%
DEPARTMENT OF EDUCATION	199,748,857	180,127,107	(19,621,750)	-10%	203,998,389	23,871,282	13%
DEPARTMENT OF ARCHIVES	648,017	578,619	(69,398)	-11%	649,577	70,958	12%

Figures are rounded

Table 9.1(continue):

RECURRENT EXPENDITURE COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021							
MINISTRIES/DEPARTMENTS	ACTUALS 2019/2020	ACTUALS 2020/2021	2019/2020 VS 2020/2021 VARIANCE	DECREASE /(INCREASE) YEAR BY YEAR PERCENTAGE	FINAL APPROVED BUDGET 2020/2021	BUDGET VS ACTUALS VARIANCE 2020/2021	BUDGET VS ACTUALS PERCENTAGE 2020/2021
MINISTRY OF EDUCATION	102,967,528	118,007,181	15,039,653	15%	123,506,576	5,499,395	5%
MINISTRY OF TRANSPORT AND LOCAL GOVERNMENT	8,987,713	9,809,062	821,349	9%	10,237,530	428,468	4%
MINISTRY OF SOCIAL SERVICES	10,268,433	9,899,143	(369,290)	-4%	10,999,241	1,100,098	11%
DEPARTMENT OF SOCIAL SERVICES	43,302,347	85,740,611	42,438,264	98%	90,493,585	4,752,974	6%
DEPARTMENT OF HOUSING	2,034,958	1,734,783	(300,175)	-15%	2,121,263	386,480	22%
MINISTRY OF YOUTH, SPORTS & CULTURE	19,978,096	12,413,365	(7,564,731)	-38%	18,942,502	6,529,137	53%
DEPARTMENT OF LABOUR	2,157,906	1,882,250	(275,656)	-13%	2,121,426	239,176	13%
MINISTRY OF FINANCIAL SERVICES, TRADE & INDUSTRY & IMMIGRATION	1,467,104	1,262,126	(204,978)	-14%	1,648,710	386,584	31%
POST OFFICE DEPARTMENT	5,913,518	5,801,548	(111,970)	-2%	6,837,220	1,035,672	18%
PORT DEPARTMENT	7,609,009	7,336,922	(272,087)	-4%	8,425,817	1,088,895	15%
ROAD TRAFFIC DEPARTMENT	4,554,881	4,591,426	36,545	1%	4,903,056	311,630	7%
DEPARTMENT OF METEOROLOGY	2,237,212	1,960,939	(276,273)	-12%	2,363,821	402,882	21%
MINISTRY AGRICULTURAL & MARINE RESOURCES	22,452,714	20,561,254	(1,891,460)	-8%	26,447,743	5,886,489	29%
DEPARTMENT OF AGRICULTURE	5,552,069	4,876,832	(675,237)	-12%	5,525,630	648,798	13%
DEPARTMENT OF MARINE RESOURCES	2,114,675	2,011,356	(103,319)	-5%	2,386,648	375,292	19%
MINISTRY OF HEALTH	340,247,953	324,661,051	(15,586,902)	-5%	330,730,435	6,069,384	2%
DEPARTMENT OF ENVIRONMENTAL HEALTH SERVICES	66,137,213	55,091,586	(11,045,627)	-17%	56,578,373	1,486,787	3%
DEPARTMENT OF PUBLIC HEALTH	-	42,546,335	42,546,335	0%	45,040,263	2,493,928	6%
MINISTRY OF TOURISM & AVIATION	125,830,221	177,546,128	51,715,907	41%	180,693,944	3,147,816	2%
MINISTRY OF LABOUR	5,616,026	4,763,347	(852,679)	-15%	6,808,143	2,044,796	43%
MINISTRY OF ENERGY, ENVIRONMENT & HOUSING	37,327,706	39,214,581	1,886,875	5%	39,975,228	760,647	2%
DEPARTMENT OF INFORMATION TECHNOLOGY	30,319,879	53,995,422	23,675,543	78%	54,422,772	427,350	1%
MINISTRY FOR GRAND BAHAMA	7,103,343	6,860,047	(243,296)	-3%	9,793,600	2,933,553	43%
MINISTRY OF DISASTER PREPAREDNESS, MANAGEMENT, RECONSTRUCTION	-	19,310,490	19,310,490	0%	20,076,277	765,787	4%
OFFICE OF DIRECTOR OF PUBLIC PROSECUTIONS	-	1,725,719	1,725,719	0%	2,942,402	1,216,683	71%
TOTAL RECURRENT EXPENDITURE	2,533,317,129	2,872,524,464	339,207,335	13%	3,077,863,615	205,339,151	7%
SINKING FUNDS	49,821,019	1,486	(49,819,533)	-100%	46,491,095	46,489,609	3128507%
PUBLIC DEBT SERVICING - REDEMPTION (REPAYMENTS)	591,929,503	946,642,106	354,712,603	60%	1,009,591,095	62,948,989	7%
TOTAL CAPITAL EXPENDITURE	387,197,324	371,058,725	(16,138,599)	-4%	594,146,593	223,087,868	60%
TOTAL EXPENDITURE	3,562,264,975	4,190,226,781	627,961,806	18%	4,728,092,398	537,865,617	13%

Figures are rounded

The Breakdown of Recurrent Expenditure by Specific MDAs and Components

The analysis of recurrent expenditure is provided to show the breakdown of the components that account for a large share of the budget allocation and the actual expenditure; which starts with the Public Debt.

Public Debt Servicing Interest

The Public Debt Servicing – Interest and Other Charges is a Statutory Expenditure (Article 129 (2) of the Constitution.

The \$422.5 million expenditure, shown in Table 9.2, accounts for 15% of the \$2.87 billion of the overall total recurrent expenditure. This amount is further broken down with the interest of \$165.42 million on USD Notes, Bonds and Other Loans accounting for 39%, followed by \$120.63 million (29%) for Bahamas Government Registered Stock (BGRS). Treasury Stock accounts for \$41.82 million (10%).

Table 9.2

PUBLIC DEBT SERVICING INTEREST RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$1 MILLION		
USD NOTES, BONDS & OTHER LOANS	165,422,036	39%
BAHAMAS GOVERNMENT REGISTERED STOCKS (BGRS)	120,632,709	29%
TREASURY STOCK	41,828,180	10%
TREASURY BILLS A INTEREST DOME	16,326,423	4%
GOB MILLION CLUB LOAN	11,675,385	3%
ROYAL FIDELITY BAH. GOVT. STK.	7,423,986	2%
INTEREST ON RBC OVERDRAFT	6,391,641	2%
FCIB LOAN	8,228,257	2%
CREDIT SUISSE	7,605,709	2%
INTEREST ON ADVANCES AND SHORT	5,861,543	1%
IADB LOAN	5,451,805	1%
DEUTSCHE BANK EURO LOAN	5,163,624	1%
RBC \$100 MILLION LOAN	3,069,444	1%
IMF RECEIPTS/DISBURSEMENTS	2,565,634	1%
CDB 14/OR-BHA \$50M POLICY BASED LOAN	1,902,778	0.5%
TOTAL RECURRENT EXPENDITURE OVER \$1 MIL	409,549,155	97%
OTHER RECURRENT EXPENDITURE	12,950,871	3%
TOTAL RECURRENT EXPENDITURE	422,500,026	100%

Figures are rounded

Ministry of Health

The Ministry of Health's \$324.66 million expenditure accounts for 11% of the overall \$2.87 billion recurrent expenditure. The \$238.94 million in subvention, shown in Table 9.3, to the Public Hospitals Authority, accounts for 74% of the \$324.66 million Ministry of Health's recurrent expenditure.

Table 9.3

MINISTRY OF HEALTH RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$500 THOUSAND		
PUBLIC HOSPITALS AUTHORITY	238,949,021	74%
NATIONAL HEALTH INSURANCE AUTHORITY	38,000,000	12%
PROVISION FOR CONTINGENCIES	36,663,281	11%
SALARIES-PERMANENT & PENSIONABLE PERSONS	6,349,780	2%
DRUGS & VACCINES	922,029	0.3%
OPERATION OF FACILITIES OR OTHER	777,078	0.2%
HIV/AIDS, STI & TB TREATMENT & TESTING	614,562	0.2%
TOTAL RECURRENT EXPENDITURE OVER \$500 K	322,275,751	99%
OTHER RECURRENT EXPENDITURE	2,385,299	1%
TOTAL RECURRENT EXPENDITURE	324,661,050	100%

Figures are rounded

The Public Hospitals Authority (PHA) is responsible for the administration of the nation's primary public healthcare systems, mainly:

- PHA Corporate Headquarters
- Princess Margaret Hospitals (PMH)
- Grand Bahama Health Services (GBHS) – Rand Memorial Hospital and ten (10) outlying Community Health Clinics
- Sandilands Rehabilitation Centre (SRC)
- National Emergency Medical Services (NEMS)
- Materials Management Directorate (MMD)
- Bahamas National Drug Agency (BNDA)

National Health Insurance Authority

The National Health Insurance Authority (NHIA) accounts for \$38 million (12%) of the Ministry of Health's \$324.66 million recurrent expenditure. NHIA facilitates the administration of the Government funded Primary Health Care for the benefit of all Bahamians.

The funding to the healthcare institutions to sustain the health of the nation is noted, particularly in building resilient health systems in a COVID-19 environment.

We reiterate and importantly note that strengthening the public healthcare systems for resiliency and good health and well-being for all is vital.

Department of Education

The Ministry of Education \$180.12 million accounts for 6% of the overall \$2.87 billion recurrent expenditure. The personal emolument of the salaries for permanent and pensionable persons in the Department of Education, mainly the nation’s educators, accounts for \$147.60 million (82%) of the \$180.12 million as shown in Table 9.4.

Table 9.4

DEPARTMENT OF EDUCATION RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$1 MILLION		
SALARIES-PERMANENT & PENSIONABLE PERSONS	147,602,138	82%
SALARIES - CONTRACTUAL WORKERS	6,552,046	4%
SCHOOL BUS SERVICE	6,087,777	3%
SECURITY SERVICES	2,043,316	1%
EDUCATIONAL SUPPLIES	1,853,716	1%
DISTURBANCE ALLOWANCE	1,552,650	1%
RESPONSIBILITY ALLOWANCE	1,154,028	1%
CLEANING & TOILET SUPPLIES	1,139,756	1%
EXAM SUPERVISION & MARKING FEE	1,109,583	1%
TOTAL RECURRENT EXPENDITURE OVER \$1 MIL	169,095,011	94%
OTHER RECURRENT EXPENDITURE	11,032,096	6%
TOTAL RECURRENT EXPENDITURE	180,127,107	100%

*Figures are rounded

Providing quality education is critical to job security, health security, wellness and national sustainable development. The Department of Education’s mission: *“That all persons in The Bahamas to receive the education and training that will equip them with the necessary beliefs, attitudes, knowledge and skills required for work and life in an interdependent, ever changing world.”*

We note that Investment in education is an investment for life and builds society; education is vital in strengthening all systems for resiliency.

Ministry of Education

The Ministry of Education having the responsibility for all educational institutions in The Commonwealth of The Bahamas accounts for \$118 million (4%) of \$2.87 billion recurrent expenditure. The \$36.67 (31%) of the \$118 million accounts for the subvention to The College of The Bahamas (presently the University of The Bahamas), as shown in Table 9.5.

This is followed by the Salary Grant for Independent School \$20.79 million (18%), Scholarships/grants to the University of The Bahamas \$18.6 million (16%), and International Scholarships \$9.8 million (8%).

Table 9.5

MINISTRY OF EDUCATION RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$1 MILLION		
COLLEGE OF THE BAHAMAS	36,678,059	31%
SALARY GRANT-INDEPENDENT SCHOOL	20,794,000	18%
SCHOLARSHIPS/GRANTS UB	18,608,649	16%
SCHOLARSHIPS (INTERNATIONAL)	9,804,476	8%
CONTRIBUTION TO UWI	7,353,244	6%
BAHAMAS VOCATIONAL & TECHNICAL	6,401,003	5%
SALARIES-PERMANENT & PENSIONABLE PERSONS	5,350,551	5%
SCHOLARSHIPS/GRANTS BTVI	3,373,956	3%
OTHER GRANTS	2,964,755	3%
SALARIES - CONTRACTUAL WORKERS	1,441,036	1%
COMMUNICATIONS-SCHOOL MGMT PROJECT	1,415,847	1%
TOTAL RECURRENT EXPENDITURE OVER \$1 MIL	114,185,575	97%
OTHER RECURRENT EXPENDITURE	3,821,606	3%
TOTAL RECURRENT EXPENDITURE	118,007,181	100%

Figures are rounded

Both domestic and international opportunities in quality education are important in building a nation; by the empowerment of its students in sustaining a civil society for economic prosperity and resiliency. Notable expenditures are:

- The Ministry's \$7.35 million contribution to the University of The West Indies (UWI),
- The \$6.4 million to Bahamas Vocational and Technical Institution (BTVI), and
- The \$2.96 million in other grants are noted.

[Ministry of Works and Utilities](#)

The Water and Sewerage Development accounts for \$44.85 million or 58% of the Ministry total \$77.95 million recurrent expenditure. This is followed by:

- The \$23.82 million for Street Lightening or 31%, and
- Salaries Permanent and Pensionable \$5.25 million or 7%, as shown in Table 9.6.

Table 9.6

MINISTRY OF WORKS & UTILITIES RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$100 THOUSAND		
WATER & SEWERAGE DEVELOPMENT	44,855,017	58%
STREET LIGHTING	23,824,122	31%
SALARIES-PERMANENT & PENSIONABLE PERSONS	5,255,618	7%
DIESEL	1,007,414	1%
GASOLINE	987,812	1%
STRAW MARKET AUTHORITY	383,546	0.5%
RISK AND HAZARDOUS ALLOWANCES	286,085	0.4%
SALARIES - CONTRACTUAL WORKERS	210,450	0.3%
SUBSISTENCE (DOMESTIC)	111,939	0.1%
TRANSPORTATION EQUIPMENT - UPK	103,198	0.1%
TOTAL RECURRENT EXPENDITURE OVER \$100 K	77,025,203	99%
OTHER RECURRENT EXPENDITURE	929,755	1%
TOTAL RECURRENT EXPENDITURE	77,954,958	100%

Figures are rounded

[Royal Bahamas Police Force](#)

The highest expenditure of the total \$121.96 million total expenditure is the \$92.51 million or 76% in Salaries for Permanent and Pensionable Persons. This is followed by:

- Reserve Allowance of \$7.2 million or 6%, and
- General Allowance \$7.07 million respectively as shown in Table 9.7.

Table 9.7

ROYAL BAHAMAS POLICE FORCE RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$1 MILLION		
SALARIES-PERMANENT & PENSIONABLE PERSONS	92,512,473	76%
RESERVES ALLOWANCE	7,228,339	6%
GENERAL ALLOWANCE	7,071,587	6%
LIVING ACCOMMODATION RENT	3,001,062	2%
GASOLINE	1,670,571	1%
TOTAL RECURRENT EXPENDITURE OVER \$1 MIL	111,484,032	91%
OTHER RECURRENT EXPENDITURE	10,482,115	9%
TOTAL RECURRENT EXPENDITURE	121,966,147	100%

Figures are rounded

Department of Transformation and Digitization

The Operations of the Data Centres account for \$20.5 million or 38% of the \$53.99 million total expenditure for the Department. Telephone Operations account for 42%, which consist of Landline \$17.48 million, and Mobile \$5.26 million respectively, as shown in Table 9.8.

Table 9.8

DEPARTMENT OF TRANSFORMATION & DIGITIZATION RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$1 MILLION		
OPERATION OF DATA CENTRES	20,500,000	38%
TELEPHONE - LANDLINE	17,487,644	32%
TELEPHONE - MOBILE	5,266,107	10%
EQUIPMENT MAINTENANCE	4,261,390	8%
SALARIES-PERMANENT & PENSIONABLE PERSONS	2,637,762	5%
CABLE SERVICES	1,757,700	3%
CONSULTANCY SERVICES	1,301,307	2%
TOTAL RECURRENT EXPENDITURE OVER \$1 MIL	53,211,910	99%
OTHER RECURRENT EXPENDITURE	783,512	1%
TOTAL RECURRENT EXPENDITURE	53,995,422	100%

*Figures are rounded

Ministry of Grand Bahama

The Electricity Service accounts for \$3.46 million or 51% of the \$6.86 total expenditure. Salary Permanent and Pensionable Persons \$623,725 (9%). The other expenditure component, inclusive of \$455,188 for Water Services, are under half a million dollars as shown in Table 9.9 are:

Table 9.9

MINISTRY FOR GRAND BAHAMA RECURRENT EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
RECURRENT EXPENDITURE OVER \$100 THOUSAND		
ELECTRICITY SERVICES	3,467,649	51%
SALARIES-PERMANENT & PENSIONABLE PERSONS	632,735	9%
WATER SERVICES	455,188	7%
OTHER SERVICES	350,000	5%
STREET LIGHTING	315,224	5%
SPECIAL EMPLOYMENT PROJECT	298,274	4%
PROVISION FOR CONTINGENCIES	241,086	4%
FEES AND OTHER CHARGES	211,896	3%
SUPPORT FOR SMALL BUSINESS DEVELOPMENT CENTRE	205,000	3%
GASOLINE	123,463	2%
TOTAL RECURRENT EXPENDITURE OVER \$100 K	6,300,516	92%
OTHER RECURRENT EXPENDITURE	559,531	8%
TOTAL RECURRENT EXPENDITURE	6,860,047	100%

*Figures are rounded

10. PENSIONS & GRATUITIES

The Public Service Pension Plan, under Chapter 43 (previously Chapter 35), of The Statute Laws of The Bahamas is a non-contributory plan. The purpose of the plan is to award pensions and gratuities to public officers.

Under Chapter 43, Section 3, it states that *“There shall be charged on and paid out of the Consolidated Fund all such sums of money as may from time to time be granted by way of pensions or gratuities in accordance with this Act to persons who have been in the public service of The Bahamas.”*

Annually the National Budget accounts for the estimated pensions and gratuities that are expected to be charged for the fiscal period.

The \$172.47 million budget estimate for 2020/2021, under the various Head Item Classification, as shown in Table 10.1, comprises of:

- Pensions \$109.20 million
- Gratuities \$ 31.63 million

The actual expenditure of \$121.59 million for pensions and gratuities of \$38.46 million, account for \$160.05 million or 6% of the \$2.87 billion total recurrent expenditure.

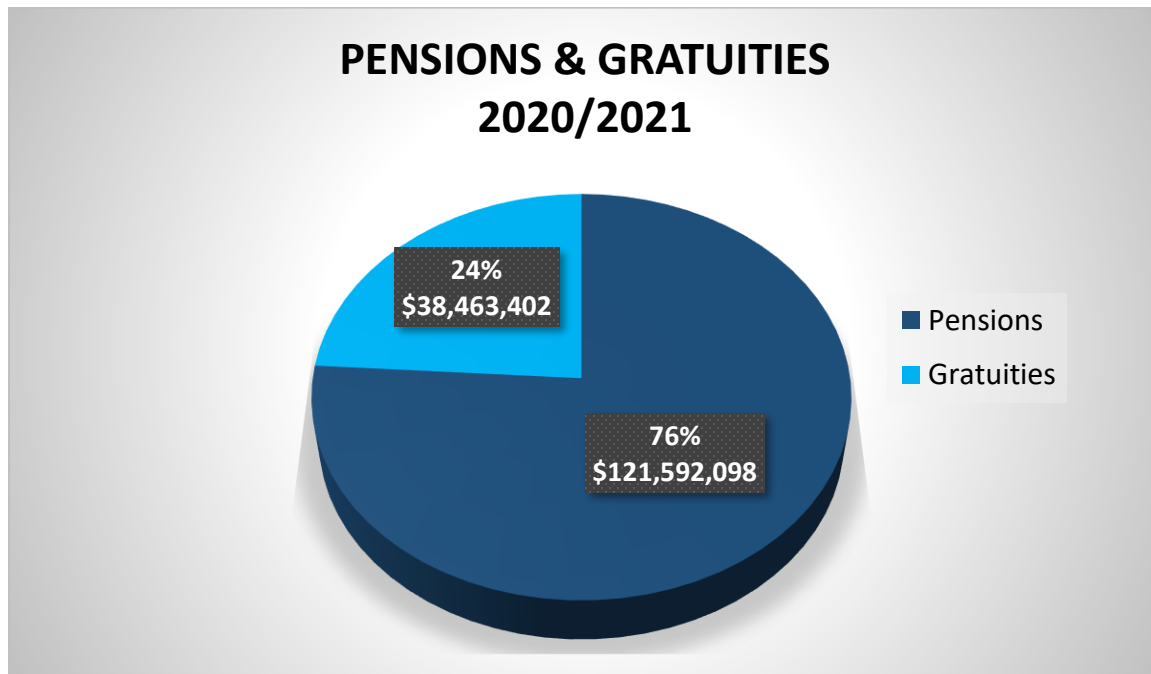
Table 10.1

PENSIONS & GRATUITIES OVERALL COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021				
EXPENDITURE / HEAD ITEM CLASSIFICATION	ACTUAL EXPENDITURE 2019/2020 (\$)	ACTUAL EXPENDITURE 2020/2021 (\$)	APPROVED ESTIMATE 2020/2021 (\$)	ACTUAL YEAR-BY-YEAR PERCENTAGE
MINISTRY OF PUBLIC SERVICE & NATIONAL INSURANCE	107,789,506	118,814,960	106,100,000	10%
TREASURY DEPARTMENT	2,100,145	1,948,712	2,242,498	-7%
MINISTRY OF TOURISM & AVIATION	398,783	828,426	859,600	108%
TOTAL PENSIONS	110,288,433	121,592,098	109,202,098	10%
MINISTRY OF PUBLIC SERVICE & NATIONAL INSURANCE	28,674,850	36,938,813	30,000,000	29%
TREASURY DEPARTMENT	64,881	13,121	150,000	-80%
MINISTRY OF TOURISM & AVIATION	1,343,767	1,511,468	1,488,500	12%
TOTAL GRATUITIES	30,083,498	38,463,402	31,638,500	28%
TOTAL PENSIONS & GRATUITIES	140,371,931	160,055,500	172,479,098	14%
TOTAL RECURRENT EXPENDITURE	2,583,138,149	2,872,524,464	2,574,104,526	11%
TOTAL PENSIONS & GRATUITIES AS A % OF RECURRENT EXPENDITURE	5%	6%	7%	

*Figures are rounded

The actual expenditure of \$121.59 million pensions accounts for 76% of the \$160.05 million. Regarding gratuities, the actual expenditure of \$38.46 million accounts for 24% as shown in Chart 10.1.

Chart 10.1



The overall \$160.05 million actual expenditure resulted in an increase of \$19.68 million or 14% year-over-year. This is further broken down, as shown in Table 10.2.

- Pensions to Officials \$11.45 million, 11% increase year-over-year
- Parliamentary Pensions \$144,515 (8%) decrease year-over-year
- Widows & Orphans' Pensions \$3,073 (2%) decrease year-over-year
- Public Officials/Staff Gratuities \$ 8.43 million, 28% increase year-over-year

Table 10.2

PENSIONS & GRATUITIES EXPENDITURE COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021					
DESCRIPTION	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	APPROVED ESTIMATES 2020/2021 (\$)	2020/2021 ACTUAL UNDER /(OVER) (\$)	YEAR-BY-YEAR PERCENTAGE (%)
PENSIONS					
Pensions to Officials	108,188,288	119,643,386	106,959,600	11,455,098	11%
Parliamentary Pensions	1,913,046	1,768,531	2,042,323	(144,515)	-8%
War Veterans & Widows Pensions	3,845	0	14,600	(3,845)	-100%
Pensions - Ex-Service Men (Br. Legion Fund)	50,000	50,000	50,000	0	0%
Widows & Orphans Pensions	133,255	130,181	135,575	(3,073)	-2%
PENSIONS SUB-TOTAL	110,288,433	121,592,098	109,202,098	11,303,665	10%
GRATUITIES					
Public Officials / Staff Gratuities	30,018,617	38,450,281	31,488,500	8,431,664	28%
Parliamentary Officials Gratuities	64,882	13,121	150,000	(51,761)	-80%
GRATUITIES SUB-TOTAL	30,083,498	38,463,402	31,638,500	8,379,903	28%
GRAND TOTAL	140,371,931	160,055,500	140,840,598	19,683,568	14%

*Figures are rounded

11. GOVERNMENT EMPLOYMENT EXPENDITURE ANALYSIS

Government Employment

The Bahamas Government is a major contributor to the employment workforce, second to the hotel industry, within the country. It is important to note that in a COVID-19 year, the Government maintained the stability of its workforce. The workforce contributed to the delivery of Government services across the MDAs; particularly the essential services in maintaining health, security, and socioeconomic stability for resiliency.

The personal emoluments of \$613.78 million and allowances of \$57.38 million amount to \$671.17 million in Government employment expenditure for fiscal year 2021. The \$671.17 million accounts for 23% of the \$2.87 billion recurrent expenditure.

The \$613.78 million base salaries and wages expenditure for government employees is shown in Table 11.1. This amount represents a \$43.97 million (7%) decrease over the prior year's \$657.76 million.

Table 11.1

GOVERNMENT WAGES AND SALARIES EXPENDITURE COMPARATIVE ANALYSIS 2020 VS 2021				
DESCRIPTION	2019/2020	2020/2021	VARIANCE	PERCENTAGE INCREASE/-DECREASE
GLOBAL PROVISION-NEW APPOINTMENTS-MONTHLY EMPLOYMENT	6,458,983	1,289,656	(5,169,327)	-80%
GLOBAL SUMMER EMPLOYEES	3,755,753	50,529	(3,705,224)	-99%
PROVISIONAL-SALARY INCREASE/REASSESSMENT/ADJUSTMENT/PROMOTION	3,202,971	721,490	(2,481,480)	-77%
REGULAR WEEKLY WAGES	9,072,340	8,597,095	(475,244)	-5%
SALARIES - CONTRACTUAL WORKERS	48,192,959	41,331,682	(6,861,276)	-14%
SALARIES-PERMANENT & PENSIONABLE PERSONS	572,123,417	548,649,057	(23,474,361)	-4%
SPECIAL EMPLOYMENT PROJECT	13,887,233	12,919,045	(968,188)	-7%
TEMPORARY WEEKLY EMPLOYEE	1,073,787	231,151	(842,637)	-78%
TOTAL WAGES AND SALARIES (IN CASH)	657,767,442	613,789,706	(43,977,736)	-7%

Salaries Permanent and Pensionable Persons account for \$548.64 million (89%) of the \$613.78 million base salaries. The amount represents a decrease of \$23.47 million (4%) year-over-year.

Salaries – Contractual Workers account for \$41.33 million (7%) of the total base salaries and wages. The amount represents a decrease of \$6.86 million (14%) year-over-year.

Analysis of Permanent and Pensionable Salaries

Department of Education

The Department of Education accounts for \$147.6 million (27%) of the \$548.64 million salaries for permanent and pensionable persons as shown in Table 11.2. The amount represents a decrease of \$1.31 million (1%) year-over-year.

The Department’s areas of responsibility comprise:

- Primary, Secondary
- Pre-Schools
- Relations with School Boards
- Special Education
- Development and Promotion of Facilities for Scientific and Technological Education Research and Innovation
- Promotions of Scientific Exhibitions

Table 11.2

SALARIES - PERMANENT/PENSIONABLE 2020/2021 ANALYSIS					
MINISTRY/DEPARTMENT	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	ACTUAL VARIANCE (\$)	2019/2020 VS 2020/2021 PERCENTAGE (%)	2020/2021 PERCENTAGE (%)
Department of Education	148,917,533.80	147,602,138.29	(1,315,395.51)	-1%	27%
Royal Bahamas Police Force	94,914,548.14	92,512,473.02	(2,402,075.12)	-3%	17%
Royal Bahamas Defence Force	50,109,924.06	47,345,315.58	(2,764,608.48)	-6%	9%
Department of Public Health	0.00	30,831,326.50	30,831,326.50	100%	6%
Customs Department	24,035,989.46	22,028,944.14	(2,007,045.32)	-8%	4%
Bahamas Department of Correctional Services	21,472,508.97	19,955,548.39	(1,516,960.58)	-7%	4%
Department of Immigration	16,726,469.26	15,564,909.12	(1,161,560.14)	-7%	3%
Department of Environmental Health Services	14,204,962.10	12,749,905.76	(1,455,056.34)	-10%	2%
Department of Public Works	14,212,995.88	12,446,226.94	(1,766,768.94)	-12%	2%
Treasury Department	11,882,554.43	10,744,401.28	(1,138,153.15)	-10%	2%
Other Ministries and Departments	175,645,931.11	136,867,867.54	(38,778,063.57)	-22%	25%
TOTAL	572,123,417.21	548,649,056.56	(23,474,360.65)	-4%	100%

Figures are rounded

Royal Bahamas Police Force

The Royal Bahamas Police Force (RBPF) accounts for \$92.51 million (17%) of the \$548.64 million permanent and pensionable persons. This amount is a \$2.4 million (3%) decrease year-over-year.

The RBPF officers as law enforcement agents are stationed across The Commonwealth of The Bahamas policing to ensure law and order, defense, and corrections. This is incorporated in RBPF's Mission: "*Working together for a safer Bahamas*" and further advanced in its Mandate (in Law):

- Maintenance of Law and Order
- Preservation of the peace
- Prevention and Detection of Crime
- Apprehension of Offenders
- Enforcement of Laws

Royal Bahamas Defence Force

The Royal Bahamas Defence Force (RBDF) accounts for \$47.34 million (9%) of the \$548.64 million permanent and pensionable persons' salaries. The amount is a \$2.76 million (6%) decrease year-over-year.

The RBDF's Mission: "*Our strategic mission is to defend the sovereignty of The Commonwealth of The Bahamas, assist with maintaining law and order, and perform humanitarian tasks in conjunction with local and international partners. The RBDF, as an armed service, roles also encompass some aspects of the coastguard as well as a disaster relief agency.*"

Department of Public Health

The Department of Public Health, provided with its own Head (66) for fiscal year 2021, accounts for \$30.3 million (6%) of the \$548.64 million permanent and pensionable persons' salaries.

The Department of Health like the Ministry of Health, vision and mission statements are all National Strategic Plans. The Mission of the Department of Public Health: "*The service delivery arm for Primary and Population health services, to provide available, accessible and affordable Primary and Public Health Care Services to all persons, regardless of age, gender, race, nationality, religious, socioeconomic or political affiliations. These services are provided at clinics, homes, schools, worksites, or community settings.*"

The Vision – "*is one, which, optimal level of health and well-being of all persons in The Bahamas will be achieved.*"

Customs Department

The Customs Department accounts for \$22.02 million (4%) of the \$548.64 million permanent and pensionable persons' salaries. The amount represents a \$2 million (8%) decrease year-over-year.

The Customs Department's scope of responsibility is immense and stretches across the archipelago of the Commonwealth of The Bahamas. The Department's Mission is to: "Provide professional Customs services through effective utilization of modern technology, networking with stakeholders and legislation that facilitates legitimate trade while protecting our borders." The Department's mandate is:

- Equitable collection of revenue
- Protection of The Bahamas' borders against illicit imports
- Facilitate trade

Bahamas Department of Correctional Services

The Bahamas Department of Correctional Services accounts for \$19.95 million (4% - rounded) of the \$548.64 million permanent and pensionable persons' salaries. The amount represents a \$1.5 million (7%) decrease year-over-year.

The Bahamas Department of Correctional Services is responsible for maintaining inmates in a controlled, safe, and secure environment whereby contributing to the protection of society.

The Mission states: *"The Bahamas Department of Correctional Services, In Accordance With Universally Accepted Standards, Contributes To The Protection Of Society By Optimizing Staff Development, While Maintaining Inmates In A Controlled, Safe Secure, and Humane Environment That Encourages Rehabilitation And Successful Reintegration Into Society."*

The Vision states; *"The Bahamas Department Of Correctional Services Sets The Standard For Excellence In Public Safety, Victim Awareness And Community Reparation In A Spirit Of Openness."*

Department of Immigration

The Department of Immigration accounts for \$15.56 million (3%) of the \$548.64 million permanent and pensionable persons' salaries. This amount represents a \$1.16 million (7%) decrease year-over-year.

The Department, in alignment with the strategic plan of the Bahamas' government for national development, organization goals, and values are as follows:

Mission Statement: *"To regulate the movement of people across the borders of The Bahamas so as to ensure the security, facilitate economic advancement and promote*

the harmonious social development of The Bahamas through the collaborative efforts of responsible government and non-government agencies both nationally and internationally.”

Vision Statement:

- *To ensure that ports of entry are properly equipped in order to control the flow of Immigrants into The Bahamas,*
- *To cooperate with local and international law enforcement agencies to ensure the security of The Bahamas and its people,*
- *To promote the delivery of quality service,*
- *To provide the necessary training for Administrators, Immigration Officers, and Clerical staff by conducting in-house workshops and seminars, and to encourage the pursuit of higher education,*
- *To effect the timely processing of all applications for temporary or permanent immigration status.*

Salaries – Regular Weekly Wages

The Department of Social Services accounts for \$3.15 million (37%) of the \$8.59 million salaries for regular weekly wages as shown in Table 11.3. This amount represents an increase of \$366,198 (13%) year-over-year.

Table 11.3

SALARIES - REGULAR WEEKLY WAGES 2020/2021 ANALYSIS					
MINISTRY/DEPARTMENT	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	ACTUAL VARIANCE (\$)	2019/2020 VS 2020/2021 PERCENTAGE (%)	2020/2021 PERCENTAGE (%)
Department of Social Services	2,783,945	3,150,143	366,198	13%	37%
Ministry of Foreign Affairs	2,743,281	2,705,000	(38,281)	-1%	31%
Department of Education	849,762	833,770	(15,992)	-2%	10%
Ministry of the Environment &	814,755	535,458	(279,297)	-34%	6%
Department of Environmental Health Services	518,354	457,440	(60,914)	-12%	5%
Royal Bahamas Police Force	375,418	351,823	(23,594)	-6%	4%
Post Office Department	308,663	246,113	(62,549)	-20%	3%
Department of Immigration	160,070	136,638	(23,432)	-15%	2%
Governor General & Staff	95,978	84,827	(11,151)	-12%	1%
Ministry of Public Works	124,567	64,730	(59,837)	-48%	1%
Other Ministries and Departments	297,548	31,153	(266,394)	-90%	0%
TOTAL	9,072,340	8,597,095	(475,244)	-5%	100%

Figures are rounded

The Ministry of Foreign Affairs accounts for \$2.7 million (31%) of the \$8.59 million salaries for regular weekly wages. This amount represents a decrease of \$38,281 (1%) year-over-year.

The other MDAs' salaries for regular weekly wages expenditure is under a million dollars.

Salaries – Contractual Workers

Ministry of Tourism and Aviation

The Ministry of Tourism and Aviation accounts for \$9.55 million (23%) of the \$41.33 million salaries for contractual workers. This amount represents an increase of \$1.55 million (19%) year-over-year, as shown in Table 11.4.

Table 11.4

SALARIES - CONTRACTUAL WORKERS 2020/2021 ANALYSIS					
MINISTRY/DEPARTMENT	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	ACTUAL VARIANCE (\$)	2019/2020 VS 2020/2021 PERCENTAGE (%)	2020/2021 PERCENTAGE (%)
Ministry of Tourism & Aviation	8,005,295.78	9,558,230.74	1,552,934.96	19%	23%
Department of Education	13,823,912.30	6,552,046.28	(7,271,866.02)	-53%	16%
Ministry of Social Services & Urban Development	3,983,070.02	3,759,896.30	(223,173.72)	-6%	9%
Ministry of Public Service & National Insurance	1,938,963.83	2,819,011.82	880,047.99	45%	7%
Department of Inland Revenue	2,576,440.48	2,395,882.56	(180,557.92)	-7%	6%
Department of Public Works	1,323,882.78	2,270,168.19	946,285.41	71%	5%
Ministry of Finance	2,247,271.64	1,493,940.79	(753,330.85)	-34%	4%
Ministry of Education	1,359,691.12	1,441,035.70	81,344.58	6%	3%
Office of the Prime Minister	1,171,802.19	1,295,634.60	123,832.41	11%	3%
Department of Public Health	0.00	1,285,000.71	1,285,000.71	100%	3%
Other Ministries and Departments	11,762,628.41	8,460,834.59	(3,301,793.82)	-28%	20%
TOTAL	48,192,958.55	41,331,682.28	(6,861,276.27)	-14%	100%

Figures are rounded

Department of Education

The Department of Education accounts for \$6.55 million (16%) of the \$41.33 million salaries for contractual workers. This amount represents a decrease of \$7.27 million (53%) year-over-year.

Ministry of Social Services

The Ministry of Social Services and Urban Development accounts for \$3.75 million (9%) of the \$41.33 million salaries for contractual workers. This amount represents a decrease of \$223,173.72 (6%) year-over-year.

Ministry of Public Service

The Ministry of Public Service and National Insurance accounts for \$2.81 million (7%) of the \$41.33 million salaries for contractual workers. This amount represents an increase of \$880,047.99 (45%) year-over-year.

Department of Inland Revenue

The Department of Inland Revenue accounts for \$2.39 million (6%) of the \$41.33 million salaries for contractual workers. This amount represents a decrease of \$180,557.92 (7%) year-over-year.

Department of Public Works

The Department of Public Works accounts for \$2.27 million (5%) of the \$41.33 million salaries for contractual workers. This amount represents an increase of \$946,285.41 (71%) year-over-year.

The other MDAs' salaries for contractual workers' expenditure is under \$2 million.

Allowances

The allowances as part of the Government employees' compensation package for specific positions account for \$57.38 million as shown in Table 5. The MDAs' with the highest allowances are:

- | | |
|-------------------------------|-------------------------------|
| ▪ Royal Bahamas Police Force | \$15.62 Million (27%) |
| ▪ Customs Department | \$ 7.78 Million (14%) |
| ▪ Department of Education | \$ 4.81 Million (8%) |
| ▪ Department of Public Health | \$ 4.14 Million (7%) |
| ▪ Department of Immigration | \$ 3.8 Million (7% - rounded) |
| ▪ The Bahamas Defence Force | \$ 3.6 Million (6%) |

The other Ministries and Departments allowances are under the \$1 million and combined account for \$7.46 million (13%), as shown in Table 11.5.

Table 11.5

ALLOWANCES OVER 1 MILLION BY MINISTRY/DEPARTMENT 2020/2021		
DESCRIPTION	AMOUNT (\$)	PERCENTAGE (%)
ROYAL BAHAMAS POLICE FORCE	15,621,537	27%
CUSTOMS DEPARTMENT	7,780,725	14%
DEPARTMENT OF EDUCATION	4,818,120	8%
DEPARTMENT OF PUBLIC HEALTH	4,145,826	7%
DEPARTMENT OF IMMIGRATION	3,840,921	7%
ROYAL BAHAMAS DEFENCE FORCE	3,609,106	6%
MINISTRY OF FOREIGN AFFAIRS	2,132,591	4%
DEPARTMENT OF PUBLIC WORKS	1,835,584	3%
BAHAMAS DEPARTMENT OF CORRECTIONAL SERVICES	1,735,492	3%
OFFICE OF THE JUDICIARY (SUPREME AND MAGISTRATES COURTS)	1,666,296	3%
DEPARTMENT OF ENVIRONMENTAL HEALTH SERVICES	1,524,535	3%
MINISTRY OF TOURISM & AVIATION	1,217,194	2%
SUB-TOTAL	49,927,928	87%
OTHER MINISTRIES/DEPARTMENTS ALLOWANCES	7,461,289	13%
TOTAL ALLOWANCES	57,389,217	100%

*Figures are rounded

The Comparative Analysis of Eleven (11) Top Allowances by Line Items are captured in Table 11.6, inclusive of:

- Uniform Allowance \$9 Million
- Overtime \$8.7 Million
- Reserves Allowance \$7.27 Million
- General Allowance \$7.07 Million
- Risk and Hazardous Allowances \$3.85 Million
- Scarcity Allowance \$3.34 Million
- Responsibility Allowance \$3.19 Million
- Housing Allowance \$3.16 Million

Table 11.6

TOP 10 ALLOWANCES BY LINE ITEM COMPARATIVE ANALYSIS 2020 & 2021				
DESCRIPTION	2019/2020 (\$)	2020/2021 (\$)	VARIANCE (\$)	PERCENTAGE INCREASE/- DECREASE (%)
UNIFORM ALLOWANCE	10,289,019	9,008,135	(1,280,884)	-12%
OVERTIME	12,239,399	8,740,631	(3,498,767)	-29%
RESERVES ALLOWANCE	6,297,360	7,270,556	973,196	15%
GENERAL ALLOWANCE	6,738,716	7,071,587	332,871	5%
RISK AND HAZARDOUS ALLOWANCES	3,617,440	3,859,067	241,627	7%
SCARCITY ALLOWANCE	5,351,331	3,347,505	(2,003,826)	-37%
RESPONSIBILITY ALLOWANCE	3,798,291	3,195,975	(602,316)	-16%
HOUSING ALLOW(RENT/HSEHLD/SUBS	4,784,663	3,168,829	(1,615,834)	-34%
DISTURBANCE ALLOWANCE	2,594,737	2,423,383	(171,353)	-7%
FOREGIN SER GRANTS/ALLOW(HOME LV)	1,787,218	1,685,684	(101,534)	-6%
TRANSPORT & MILEAGE ALLOWANCES	2,544,513	1,430,233	(1,114,279)	-44%
SUB-TOTAL	60,042,686	51,201,586	(8,841,099)	-15%
OTHER ALLOWANCES	16,715,554	6,187,631	(10,527,923)	-63%
TOTAL	76,758,240	57,389,217	(19,369,023)	-25%

*Figures are rounded

The overall total allowances decreased by \$ 19.36 million (25%) year-over-year.

12. GOVERNMENT SUBVENTIONS

STATE OWNED ENTERPRISES

The Government for a number of its Government Corporations and Autonomous Agencies (inclusive of Authorities), the State-Owned Enterprises (SOEs), provides financial support through subventions.

The subventions budget and actual expenditure are captured under specific Ministries that are responsible for ministerial portfolio oversight of the SOEs and charged with the government business enterprise.

The SOEs are required by legislation to produce annual audited financials for the accounting and reporting of Government entities. The financial oversight of SOEs at the government level is under the Ministry of Finance and; at the business operational enterprise level rests with management and the board.

We note that at the Ministry of Finance, the work in progress continues in advancing the accountability, transparency, and good governance of the SOEs; through legislation and improved financial reporting requirements for strengthening oversight and monitoring of controls. It is in this way that comprehensive reporting across the Government-Wide-Sector would be realized and beneficial to all stakeholders. Importantly, the performance of the efficiency, effectiveness and economy of the Government Business Enterprises would be realized in achieving goals and objectives for sustainable development; and the Government's focus of reduction in subventions.

It is important to note the SOEs that were pivotal in the delivery of essential services during the critical path of the global pandemic such as the public healthcare facilities under the Ministry of Health, the tourism facilities under the Ministry of Tourism and Aviation, and the Water and Sewerage Corporation Development Projects under the Ministry of Public Works, as well as Bahamas Power and Light (formerly BEC).

The Government in fiscal year 2021 subventions to some of the SOEs increased year-over-year. The contributory factors being; the impact of COVID-19 coupled with "building back better" for resiliency and sustainability.

Recurrent Subvention

The actual \$547.14 million recurrent subvention expenditure exceeded the budget estimate by \$139.18 million or 25%. With respect to year-over-year the recurrent subvention expenditure increased by \$66.97 million or 14%.

We note that with the country's shutdown protocols, travel restrictions, healthcare demands and socioeconomic programmes; additional subvention was required for those SOEs impacted severely by the economic downturn, as shown in Table 12.1.

Ministry of Tourism and Aviation

The global pandemic greatly impacted the tourism industry. Hence, the subvention for the major SOEs under the Ministry of Tourism and Aviation increased year-over-year as follows:

- Bahamasair Holdings Ltd subvention increased from \$27.78 million to \$78.21 million; up by \$50.42 million (182%);
- Airport Authority Operational Expenses subvention increased from \$7.5 million to \$12.97 million; up by \$5.47 million (73%); and
- Nassau Flight Services subvention increased from \$2.25 million to \$7.93 million; up by \$5.68 million (252%).

The overall \$120.96 million in actual recurrent subvention, to the SOEs in the delivery of tourism and aviation services, accounted for 22% of the \$547.14 million.

Ministry of Health – Primary Public Healthcare Facilities

The SOEs' healthcare facilities under the Ministry of Health account for \$276.94 million or 51% of the \$547.14 million actual subvention expenditure.

- The National Health Insurance Authority's increased from \$24 million to \$38 million; up by \$14 million (58%) year-over-year.
- The Public Hospitals Authority 238.94 million subvention is a decreased from \$252.49 million; down by \$13.54 million (6%) year-over-year.

Ministry of Education and Science and Technology

The Ministry of Education and Science and Technology subvention of \$44.86 million is an increase of \$5.99 million (13%) year-over-year.

Department of Environmental Health Services – Bahamas Public Parks & Beaches

The Bahamas Public Parks & Beaches Authority subvention of \$28.9 million is an increase of \$3 million (12%) year-over-year.

In summary the \$547.14 million recurrent subvention accounts for 19% of the \$2.87 billion recurrent expenditure.

Table 12.1

STATE-OWNED ENTERPRISES (SOEs ¹) COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021						
DESCRIPTION	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	YEAR OVER YEAR VARIANCE (\$)	FINAL BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE (OVER)/UNDER 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE PERCENTAGE 2020/2021 (%)
OFFICE OF THE PRIME MINISTER						
BROADCASTING CORPORATION OF THE BAHAMAS	7,759,870	9,646,433	1,886,563	7,000,000	(2,646,433)	-27.4%
CLIFTON HERITAGE AUTHORITY	2,214,450	2,351,324	136,874	1,771,560	(579,764)	-24.7%
THE ANTIQUITIES, MONUMENTS, & MUSEUM CORPORATION	2,351,250	1,899,132	(452,118)	1,900,000	868	0.05%
SUB-TOTAL	12,325,570	13,896,889	1,571,319	10,671,560	(3,225,329)	-23%
MINISTRY OF PUBLIC WORKS						
WATER & SEWERAGE CORPORATION DEVELOPMENT PROJECTS	46,925,000	44,855,017	(2,069,983)	20,300,000	(24,555,017)	-55%
STRAW MARKET AUTHORITY	783,000	383,546	(399,454)	396,000	12,454	3%
SUB-TOTAL	47,708,000	45,238,563	(2,469,437)	20,696,000	(24,542,563)	-54%
MINISTRY OF EDUCATION & SCIENCE TECHNOLOGY						
UNIVERSITY OF THE BAHAMAS	30,744,754	36,678,059	5,933,305	30,744,773	(5,933,286)	-16%
BAHAMAS TECHNICAL & VOCATIONAL INSITUTE	6,103,113	6,401,003	297,890	6,103,113	(297,890)	-5%
NATIONAL TRAINING AGENCY	990,975	545,977	(444,998)	777,650	231,673	42%
NATIONAL ART GALLERY	1,600,000	1,239,996	(360,004)	1,240,000	4	0%
SUB-TOTAL	39,438,842	44,865,035	5,426,193	38,865,536	(5,999,499)	-13%
MINISTRY OF YOUTH SPORTS & CULTURE						
NATIONAL SPORTS AUTHORITY	2,850,000	2,284,316	(565,684)	2,280,000	(4,316)	-0.2%
SUB-TOTAL	2,850,000	2,284,316	(565,684)	2,280,000	(4,316)	-0.2%
MINISTRY OF AGRICULTURE & MARINE RESOURCES						
BAHAMAS AGRICULTURAL & INDUSTRIAL CORPORATION	6,228,500	6,596,424	367,924	5,000,000	(1,596,424)	-24%
BAHAMAS AGRICULTURE HEALTH & FOOD/SAFETY AUTHORITY (BAHFSA)	701,317	539,501	(161,816)	560,000	20,499	4%

STATE-OWNED ENTERPRISES (SOEs') COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021						
DESCRIPTION	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	YEAR OVER YEAR VARIANCE (\$)	FINAL BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE (OVER)/UNDER 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE PERCENTAGE 2020/2021 (%)
SCHOOL OF AGRICULTURE & MARINE SCIENCE (ANDROS)	8,060,000	6,900,000	(1,160,000)	6,900,000	0	0%
SUB-TOTAL	14,989,817	14,035,924	(953,893)	12,460,000	(1,575,924)	-11%
MINISTRY OF HEALTH						
NATIONAL HEALTH INSURANCE AUTHORITY	24,000,000	38,000,000	14,000,000	38,000,000	0	0%
PUBLIC HOSPITALS AUTHORITY	252,494,936	238,949,021	(13,545,915)	223,455,825	(15,493,196)	-6%
OPERATIONS OF DEPARTMENT OF PUBLIC HEALTH (DPH)	-	-	-	-	-	-
SUB-TOTAL	276,494,936	276,949,021	454,085	261,455,825	(15,493,196)	-6%
MINISTRY OF TOURISM & AVIATION						
BAHAMASAIR HOLDING LTD.	27,784,039	78,213,015	50,428,976	19,000,000	(59,213,015)	-76%
AIRPORT AUTHORITY - OPERATIONAL EXPENSES	7,503,316	12,973,614	5,470,298	4,942,245	(8,031,369)	-62%
HOTEL CORPORATION OF THE BAHAMAS	494,989	450,159	(44,830)	449,990	(169)	-0.04%
NASSAU FLIGHT SERVICES	2,253,000	7,939,620	5,686,620	1,460,000	(6,479,620)	-82%
OPERATION - THE GAMING BOARD	5,581,439	5,176,515	(404,924)	5,174,035	(2,480)	-0.05%
BAHAMAS CIVIL AVIATION AUTHORITY	16,843,052	16,213,610	(629,442)	15,305,280	(908,330)	-6%
SUB-TOTAL	60,459,835	120,966,533	60,506,698	46,331,550	(74,634,983)	-62%
DEPARTMENT OF ENVIRONMENTAL HEALTH SERVICES						
BAHAMAS PUBLIC PARKS & BEACHES AUTHORITY	25,900,000	28,904,232	3,004,232	15,200,000	(13,704,232)	-47%
SUB-TOTAL	25,900,000	28,904,232	3,004,232	15,200,000	(13,704,232)	-47%
TOTAL RECURRENT SUBVENTIONS	480,167,000	547,140,513	66,973,514	407,960,471	(139,180,042)	-25%
2020/2021 SOEs' \$547.14 Million Expenditure as Part of Recurrent Expenditure: 19%						
SOEs' Expenditure Increased from 2020 to 2021: 14%						

Figures are rounded

Capital Subvention

The \$35.89 million capital subvention is an increase from \$7.36 million by \$28.52 million year-over-year; up by 387.19% as shown in Table 12.2.

Table 12.2

CAPITAL SUBVENTIONS ANALYSIS 2019/2020 VS 2020/2021					
DESCRIPTION	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	2019/2020 VS 2020/2021 INCREASE/ DECREASE (\$)	BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE (\$)
UNIVERSITY OF THE BAHAMAS	-	300,896	300,896	1,000,000	699,104
BAHAMAS TECHNICAL & VOCATIONAL INSTITUTE	1,184,667	1,582,375	397,708	4,700,000	3,117,625
PUBLIC HOSPITAL AUTHORITY	3,000,000	30,000,000	27,000,000	30,000,000	-
AIRPORT AUTHORITY OPERATIONAL	3,000,000	2,510,000	(490,000)	2,510,000	-
CIVIL AVIATION AUTHORITY BAHAMAS	-	1,500,000	1,500,000	1,500,000	-
BAHAMAS PUBLIC PARKS & BEACHES AUTHORITY	182,703	-	(182,703)	298,000	298,000
TOTAL	7,367,369	35,893,271	28,525,902	40,008,000	4,114,729
CAPITAL SUBVENTIONS INCREASED 387.19%					

Figures are rounded

The Public Hospitals Authority accounts for \$30 million or 84% of the overall \$35.89 million capital subvention. COVID-19 healthcare challenges were critical and the risk mitigation controls, initiatives, and infrastructural development required funding for implementation, and sustainability for good health and well-being of all.

The Airport Authority accounts for \$2.51 million (7%) of the \$35.89 million, Bahamas Technical & Vocational Institute \$1.58 million (4.4%) and Civil Aviation Authority Bahamas \$1.5 million (4.2%) respectively.

Subvention Comparative Analysis

Overall, the \$583.03 million total actual subvention for fiscal year 2021 is an increase of \$95.49 million year-over-year or 20%, as shown in Table 12.3.

Table 12.3

SOEs SUBVENTION COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021				
DESCRIPTION	ACTUAL AMOUNT 2019/2020 \$	ACTUAL AMOUNT 2020/2021 \$	INCREASE/DECREASE YEAR- OVER- YEAR	PERCENTAGE %
RECURRENT SUBVENTION	480,167,000	547,140,513	66,973,513	14%
CAPITAL SUBVENTION	7,367,369	35,893,271	28,525,902	387%
TOTAL SUBVENTIONS	487,534,369	583,033,784	95,499,415	20%

The \$547.14 million recurrent subvention accounts for 19% of the \$2.87 billion recurrent expenditure.

With respect to \$1.9 billion recurrent revenue, the \$547.14 million recurrent subvention to the Government Business Enterprises, as a source of outflow of funds, represents 8% of the operating cash flows.

The \$35.89 million capital subvention accounts for 10% of the overall \$371.05 million capital expenditure. This amount represents 1% of the \$2.53 billion capital revenue, sources of funds from financing and sale of the government assets.

[Strengthening the SOEs Public Finance Management Framework](#)

The continuous reform of the SOEs in strengthening the Public Finance Management Framework, and implementing cost savings and revenue enhancement initiatives are paramount; for the Government to realize its communicated objectives of:

- SOEs becoming self-sufficient;
- Alleviating the need for the Central Government to subsidize the SOEs annually;
- Reduction in annual subventions; and
- SOEs optimization of efficiency and cost recovery strategies.

Realizing the above objectives, is contingent on full implementation of the reform and the public finance management of the SOEs for efficiency, effectiveness and economy. Innovation in the Government Business Enterprises is pivotal.

13. CAPITAL EXPENDITURE BUDGETARY PERFORMANCE

The actual capital expenditure of \$371.05 million went under the \$594.14 million budget by \$223.08 million or 38%. In comparison to prior year's \$387.19 million, capital expenditure is down by \$16.13 million or 4%.

In terms of Ministries with the highest capital expenditure; the Ministry of Public Works tops the list with \$107.48 million or 29% followed by:

- Ministry of Health \$102.23 million, or 28%;
- Ministry of Finance \$65.65 million, or 18%; and

The Ministry of Education \$50.39 million, or 14%; and other Ministries and Departments expenditure with 3% or less, as shown in Table 13.1.

Table 13.1

CAPITAL EXPENDITURE ANALYSIS 2020/2021			
MINISTRY/DEPARTMENT	ACTUALS 2020/2021 (\$)	FINAL APPROVED BUDGET 2020/2021	ACTUAL 2020/2021 %
MINISTRY OF PUBLIC WORKS	107,489,288	151,097,521	29%
MINISTRY OF HEALTH	102,232,732	107,400,000	28%
MINISTRY OF FINANCE	65,654,693	180,913,170	18%
MINISTRY OF EDUCATION	50,398,152	66,896,888	14%
MINISTRY OF NATIONAL SECURITY	11,710,794	20,610,980	3%
MINISTRY OF DISASTER, PREPAREDNESS, MANAGEMENT & RECONSTRUCTION	11,658,062	16,111,034	3%
ROYAL BAHAMAS DEFENCE FORCE	8,986,532	10,000,000	2%
OTHER MINISTRIES/DEPARTMENTS	12,928,469	41,117,000	3%
TOTAL	371,058,722	594,146,593	100%

Figures are rounded

The detailed Capital Expenditure Performance Comparative Analysis year-over-year is shown in Table 13.2.

Table 13.2

CAPITAL EXPENDITURE PERFORMANCE COMPARATIVE ANALYSIS 2019/2020 VS 2020/2021					
MINISTRY/DEPARTMENT	ACTUALS 2019/2020	ACTUALS 2020/2021	FINAL APPROVED BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE 2020/2021 (\$)	ACTUAL 2020/2021 %
Office of the Attorney General	83,731	33,800	2,170,000	2,136,200	0.01%
Ministry of Foreign Affairs	92,915	1,308,252	2,500,000	1,191,748	0.4%
Office of the Prime Minister	3,000,000	-	-	-	0%
Ministry of Finance	179,505,958	65,654,693	180,913,170	115,258,477	17.7%
Treasury Department	25,650	-	-	-	0.0%
Customs Department	2,388,903	1,212,621	2,500,000	1,287,379	0.3%
Ministry of National Security	11,562,298	11,710,794	20,610,980	8,900,186	3.2%
Royal Bahamas Defence Force	6,568,317	8,986,532	10,000,000	1,013,468	2.4%
Ministry of Public Works	87,309,247	107,489,288	151,097,521	43,608,233	29.0%
Ministry of Education	69,634,812	50,398,152	66,896,888	16,498,736	13.6%
Ministry of Transport & Local Government	2,952,618	112,175	500,000	387,825	0.03%
Department of Housing	205,282	-	-	-	0.0%
Port Department	6,058	-	-	-	0.0%
Department of Road Traffic	27,000	-	-	-	0.0%
Ministry of Agriculture & Marine Science	1,192,968	544,442	3,589,000	3,044,558	0.1%
Department of Marine Resources	313,322	-	-	-	0.0%
Ministry of Health	15,647,849	102,232,732	107,400,000	5,167,268	27.6%
Ministry of Tourism & Aviation	3,000,000	4,010,000	4,010,000	0	1.1%
Ministry of Environment & Housing	1,832,565	2,515,513	11,848,000	9,332,487	0.7%
Department of Transformation & Digitization	950,386	2,448,058	12,000,000	9,551,942	0.7%
Ministry of Grand Bahama	897,445	743,608	2,000,000	1,256,392	0.2%
Ministry of Disaster, Preparedness, Management and Reconstruction	-	11,658,062	16,111,034	4,452,972	3.1%
TOTAL	387,197,324	371,058,722	594,146,593	223,087,871	100%

Figures are rounded

Analysis of Ministry of Public Works Capital Expenditure

The breakdown of the \$107.48 million Ministry of Public Works capital expenditure, (29%) of the \$371.05 million total capital expenditure is as follows:

- Road Repairs and Maintenance \$17.21 million (16%)
- Building Repairs and Maintenance \$15.01 million (14%)
- Building Maintenance \$14.97 million (14%)
- New Providence Roadworks \$13.87 million (13%)
- National Disaster Recovery Project \$ 8.99 million (8%)
- Construction & Expansion Building & Structures \$ 8.86 million (8%)

The other capital expenditure including sidewalks, parks and grounds improvement, airport infrastructure program, and ports and docks are outlined in Table 13.3.

Table 13.3

MINISTRY OF PUBLIC WORKS CAPITAL EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$1 MIL		
ROADS REPAIRS & MAINTENANCE	17,216,081	16%
BRIDGES REPAIRS & MAINTENANCE	15,015,651	14%
BUILDING MAINTENANCE	14,970,623	14%
NEW PROVIDENCE ROADWORKS	13,782,528	13%
NATIONAL DISASTER RECOVERY PROJECT	8,996,493	8%
CONSTRUCTION & EXPANSION -BLDG & STRUCTURES	8,868,726	8%
AIRPORT INFRASTRUCTURE PROGRAM	6,000,721	6%
PARKS AND GROUND IMPROVEMENTS	5,325,998	5%
SIDEWALKS	3,074,593	3%
CONSTRUCTION OF GYMNASIUMS	2,625,356	2%
RESEARCH, SURVEYS, STUDIES, EVALUATIONS	2,123,348	2%
PORTS AND DOCKS	1,973,502	2%
MAINTENANCE OF STANDPOSTS/FAUCETS	1,745,136	2%
OTHER STRUCTURES	1,196,871	1%
PFR/PFM	1,206,344	1%
OTHER INFRASTRUCTURE	1,001,416	1%
SUB-TOTAL	105,123,388	98%
OTHER CAPITAL EXPENDITURES UNDER \$1 MIL		
OTHER CAPITAL EXPENDITURES	2,365,900	2%
TOTAL	107,489,288	100%

Figures are rounded

[Analysis of Ministry of Health Capital Expenditure](#)

The Ministry of Health's \$ 102.23 million capital expenditure represents 28% of the total \$371.05 million total expenditure. The breakdown of the capital expenditure is as follows:

- Construction of Hospital Tower PMH \$68.4 million (67%)
- Hospital & Medical Facilities \$21 million (21%)
- The PHA RAND Dorian Reconstruction \$9 million (9%)

The other capital expenditures inclusive of the upkeep of community clinics are shown in Table 13.4.

Table 13.4

MINISTRY OF HEALTH CAPITAL EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$1 MIL		
CONSTRUCTION OF HOSPITAL TOWER-PMH	68,400,000	67%
HOSPITAL & MEDICAL FACILITIES	21,000,000	21%
PHA RAND DORIAN RECONSTRUCTION	9,000,000	9%
UPKEEP OF COMMUNITY CLINICS	3,661,882	4%
SUB-TOTAL	102,061,882	99.8%
OTHER CAPITAL EXPENDITURES UNDER \$1 MIL		
OTHER CAPITAL EXPENDITURES UNDER \$1 MIL	170,850	0.2%
TOTAL	102,232,732	100%

Figures are rounded

[Analysis of Ministry of Finance Capital Expenditure](#)

The Ministry of Finance's \$65.65 million capital expenditure represents 18% of the total \$371.05 million capital expenditure. The breakdown of the expenditure is as follows:

- Small & Medium Size Business Support \$42.95 million (65%)
- Capital Contingencies – Various Department \$6.20 million (9%)
- Energy Restoration & Renewable Energy \$5.36 million (8%)

The remaining capital expenditures inclusive of PFR/PFM (Public Financial Reform and Public Financial Monitoring), motor vehicles, and Public Private Partnership (PPP) are shown in Table 13.5.

Table 13.5

MINISTRY OF FINANCE CAPITAL EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$1 MIL		
SMALL & MEDIUM SIZE BUSINESS SUPPORT	42,951,722	65%
CAPITAL CONTINGENCIES-VARIOUS DEPTS	6,204,444	9%
ENERGY RESTORATION & RENEWABLE ENERGY	5,361,781	8%
CAPITAL SUBSCRIPTION TO INT'L AGENCIES	2,735,960	4%
PFR/PFM	2,369,723	4%
MOTOR VEHICLES	2,000,000	3%
ACQUISITION OF ASSETS-GOV'T AGENCIES	1,546,750	2%
SUNDRY CAPITAL EXPENDITURE	1,056,116	2%
PUBLIC PRIVATE PARTNERSHIP	1,021,997	2%
SUB-TOTAL	65,248,494	99%
OTHER CAPITAL EXPENDITURES UNDER \$1 MIL		
OTHER CAPITAL EXPENDITURES	406,199	1%
TOTAL	65,654,693	100%

Figures are rounded

[Analysis of Ministry of Education Expenditure](#)

The Ministry of Education's Capital Expenditure of \$50.39 million represents 14% of the \$371.05 million capital expenditure. The breakdown of the expenditure as shown in Table 13.6 is as follows:

- Government Buildings - 53%,
- Digitization Project – 20%, and
- Construction of Schools – 15%,

Table 13.6

MINISTRY OF EDUCATION CAPITAL EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$1 MIL		
GOVERNMENT BUILDINGS	26,574,152	53%
DIGITIZATION PROJECT	10,092,938	20%
CONSTRUCTION OF SCHOOLS	7,311,833	15%
OTHER OFFICE EQUIPMENT & FURNITURE	1,718,125	3%
BAHAMAS VOCATIONAL & TECHNICAL	1,582,375	3%
NEW PRIMARY & SECONDARY SCHOOL	1,483,896	3%
SUB-TOTAL	48,763,319	97%
OTHER CAPITAL EXPENDITURES UNDER \$1 MIL		
OTHER CAPITAL EXPENDITURES	1,634,833	3%
TOTAL	50,398,152	100%

Figures are rounded

[Analysis of Ministry of National Security Capital Expenditure](#)

The Ministry of National Security Capital Expenditure of \$11.71 million represents 3% of the \$371.05 million capital expenditure. The breakdown of the expenditure as shown in Table 13.7, mainly Military, Police, and Prison Equipment - \$8.9 million and Motor Vehicles \$1.07 million.

Table 13.7

MINISTRY OF NATIONAL SECURITY EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$500 THOUSAND		
MILITARY,POLICE & PRISON EQUIP	8,909,129	76%
MOTOR VEHICLES	1,077,427	9%
CCTV	884,158	8%
SECURITY & COMMUNICATION EQUIP	619,460	5%
SUB-TOTAL	11,490,175	98%
OTHER CAPITAL EXPENDITURES UNDER \$500 THOUSAND		
OTHER CAPITAL EXPENDITURES	220,619	2%
TOTAL	11,710,794	100%

Figures are rounded

[Analysis of Ministry of Disaster Preparedness Management and Reconstruction Capital Expenditure](#)

The Ministry of Disaster Preparedness Management and Reconstruction Capital Expenditure of \$11.65 million represents 3% of the \$371.05 million capital expenditure.

The breakdown of the expenditure as shown in Table 13.8, mainly for the National Disaster Recovery Project. The project is critical in building back better for resiliency and sustainability in the face of national disaster shock impact.

Table 13.8

MINISTRY OF DISASTER PREPAREDNESS MANAGEMENT & RECONSTRUCTION CAPITAL EXPENDITURE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$1 MIL		
NATIONAL DISASTER RECOVERY PROJECT	11,610,062	99.6%
SUB-TOTAL	11,610,062	99.6%
OTHER CAPITAL EXPENDITURES UNDER \$1 MIL		
OTHER CAPITAL EXPENDITURES	48,000	0.4%
TOTAL	11,658,062	100%

Figures are rounded

[Analysis of The Royal Bahamas Defence Force Capital Expenditure](#)

The Royal Bahamas Defence Force Capital Expenditure of \$8.98 million represents 2% of the \$371.05 million capital expenditure.

The breakdown of the expenditure as shown in Table 13.9, mainly for: Sea Vessels - \$3.56 million - critical for defense and border protection of the country, Coral Harbour Base Development - \$2.96 million – infrastructural development of defense facility; and expenditure for Inagua Base Development and motor vehicles.

Table 13.9

ROYAL BAHAMAS DEFENCE FORCE 2020/2021		
DESCRIPTION	AMOUNT \$	PERCENTAGE %
CAPITAL EXPENDITURE OVER \$500 THOUSAND		
SEA VESSELS	3,565,507	40%
CORAL HARBOUR BASE DEVELOPMENT	2,960,430	33%
INAGUA BASE DEVELOPMENT	596,471	7%
MOTOR VEHICLES	543,054	6%
SUB-TOTAL	7,665,462	85%
OTHER CAPITAL EXPENDITURES UNDER \$500 THOUSAND		
OTHER CAPITAL EXPENDITURES	1,321,070	15%
TOTAL	8,986,532	100%

14. PUBLIC DEBT

The Public Debt accounts for the government's internal and external borrowings to facilitate:

1. Recurrent Operations of Consumption of Goods and Services, that is, recurrent expenditures that exceeds recurrent revenues, resulting in a revenue deficit and the need for additional source of fund through borrowings. Fiscal year 2020/2021 recurrent revenue was greatly impacted, \$173.29 million decrease over prior year and this further impacted borrowing.
2. Capital Expenditure for capital development, acquisition of capital goods for services, investment in enterprises, and development projects for the increase in production to boost economic growth, advancing sustainable development goals, disaster risk reduction preparedness, and adaptation actions for climate change resiliency.

The Public Debt at fiscal year 2020/2021 stood at \$10.09 billion, an increase of \$1.73 billion (21%) over prior year's \$8.35 billion as shown in Table 14.1.

Table 14.1

PUBLIC DEBT COMPARATIVE ANALYSIS 2020 VS 2021					
DEBT INSTRUMENTS	FISCAL YEAR 2020 (\$)	FISCAL YEAR 2021 (\$)	ACTUAL INCREASE/ (DECREASE)	% CHANGE	% OF DEBT
LONGTERM GOVERNMENT DEBT					
BAHAMAS GOVERNMENT REGISTERED STOCK	3,799,312,100	3,896,336,000	97,023,900	3%	39%
LOANS & BONDS SYNDICATED - BAHAMIAN DOLLARS	453,984,211	446,421,942	(7,562,269)	-2%	4%
LOANS & BONDS SYNDICATED - IN US DOLLARS & OTHER CURRENCIES	2,951,321,789	4,548,687,262	1,597,365,473	54%	45%
SUB-TOTAL	7,204,618,100	8,891,445,204	1,686,827,104	23%	88%
SHORT TERM DEBT SECURITIES					
BAHAMAS GOVERNMENT TREASURY NOTES	217,013,903	145,111,606	(71,902,297)	-33%	1%
OTHER SHORT TERM DEBT SECURITIES	930,825,795	1,054,995,764	124,169,969	13%	10%
SUB-TOTAL	1,147,839,698	1,200,107,370	52,267,672	5%	12%
TOTAL DEBT	8,352,457,798	10,091,552,574	1,739,094,776	21%	100%

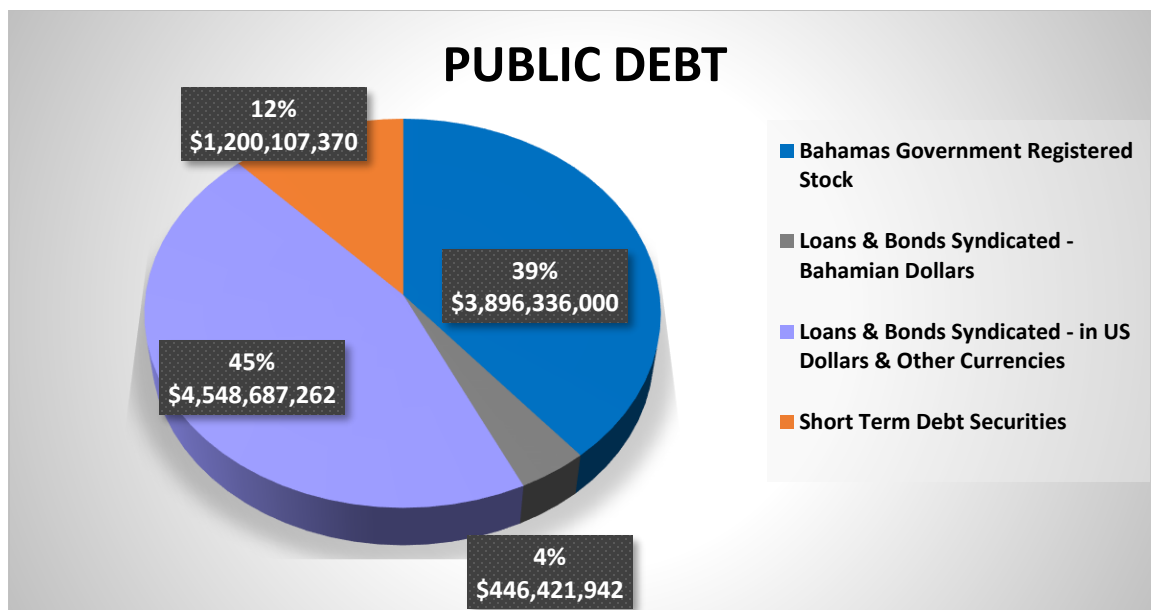
Figures are rounded

Bahamas Government Treasury Notes are included in Short Term Debt Securities

- Loans & Bonds Syndicated in US Dollars & Other Currencies account for \$4.54 billion, 45% of the total \$10.09 billion; an increase by \$1.59 billion (54%) year-over-year.
- Bahamas Government Registered Stock accounts for \$3.89 billion (39%) of the \$10.09 billion total debt; an increase by \$97 million (3%) year-over-year.
- Short Term Debt Securities, which includes Bahamas Government Treasury Notes, accounts for \$1.2 billion (12%) of the \$10.09 billion total debt; an increase by \$52.26 million (5%) year-over-year.
- Loans and Bonds Syndicated in Bahamian Dollars \$446.42 million accounts for 4% of the total \$10.09 billion. This debt decreased by \$7.56 million.
- Bahamas Government Treasury Notes account for \$145.11 million (1%) of the total \$10.9 billion. This debt decreased by \$71.90 million (33%) year-over-year.

The \$10.9 billion public debt is further depicted in Chart 14.2.

Chart 14.2



Figures are rounded

Notably, the economic and health challenges from the global pandemic and Hurricane Dorian, that faced the country at the end of fiscal year 2020, continued through fiscal year 2021. Fiscal Year 2021 was coined COVID-19 period with health and economic challenges for which funding was required.

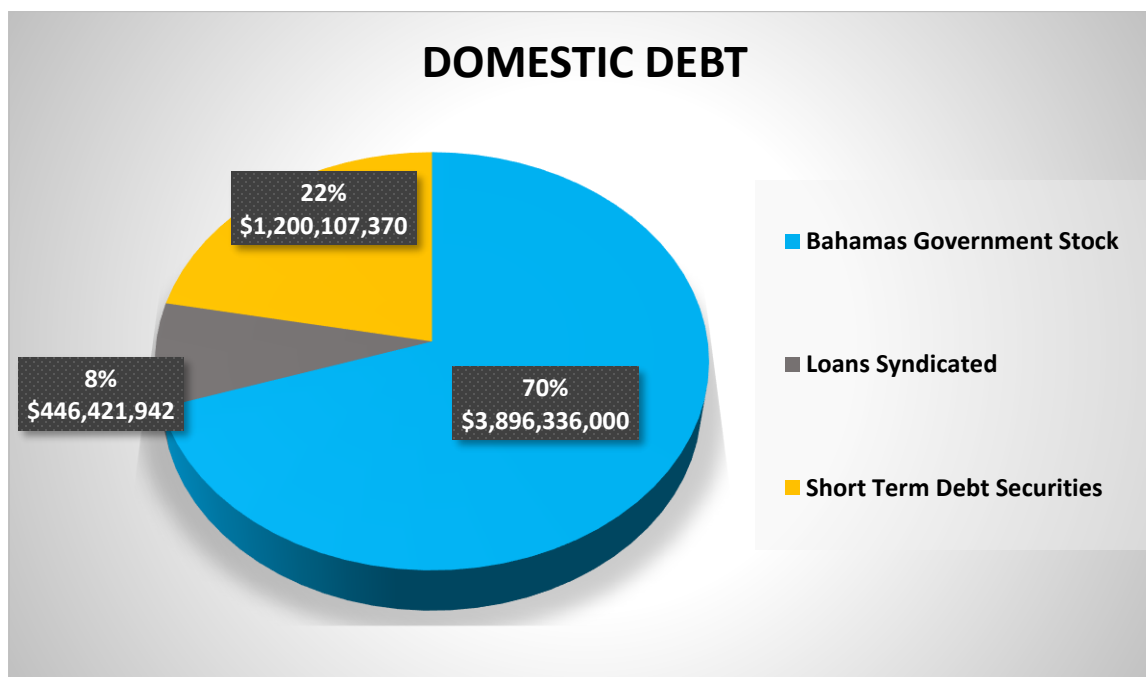
Challenges that demanded a continuation of coronavirus mitigation protocols and socioeconomic programmes for sustainability. Managing these challenges required additional financial resources as the country was in a state of economic downturn. The financial resources obtained impacted the external and domestic debt.

The Domestic Debt represents \$5.54 billion, 55% of the \$ 10.09 billion debt and the External Debt \$4.54 billion or 45%.

Domestic Debt

The Bahamas Government Stock accounted for \$3.89 billion; 70% of the Domestic Debt, followed by the \$ 1.20 billion Short Term Debt Securities, 22% as shown in Chart 14.3.

Chart 14.3

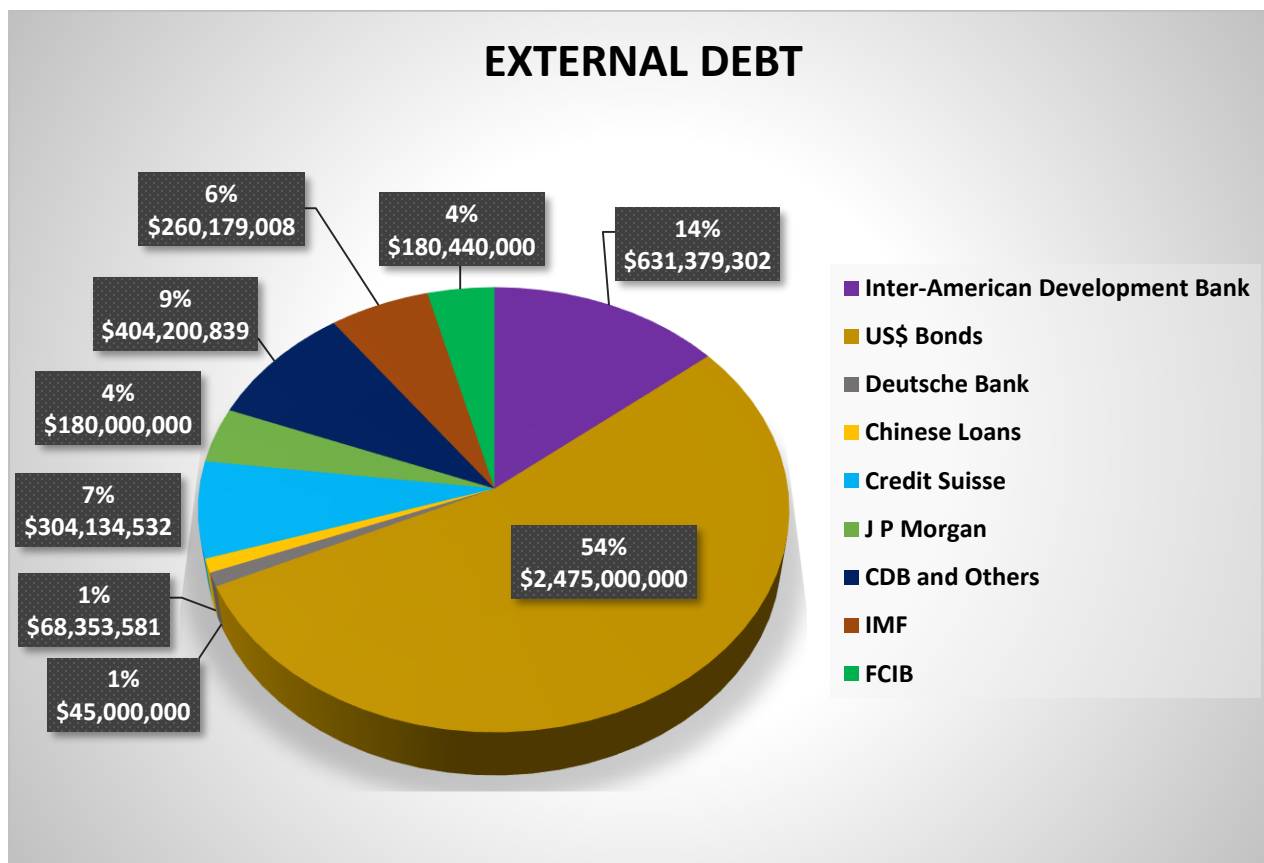


Loan Syndicated accounted for \$446.21 million; 8% of the Domestic Debt.

External Debt

The US Bonds account for \$2.47 billion (54%) of the Government's external debt, followed by the Inter-American Development Bank \$631.13 million (14%). Chart 14.4 further depicts the composition of the external debt.

Chart 14.4



Figures are rounded

The Public Debt Key Statistics are displayed in Table 14.5

Table 14.5

Public Debt Key Statistics	2021	2020	2019
Public Debt % of GDP	100.9%	72.4%	57.0%
Interest Payments as a % of Revenue	22.60%	16.40%	13.60%
Interest Payments as a % Public Debt	4.30%	4.20%	4.40%
Interest Payments as a % of GDP	4.30%	3.00%	2.50%
Deficit as a % of GDP	-13.70%	-7.10%	-1.60%

Public Debt Servicing - Redemption

The Public Debt Servicing – Interest and Other Charges and the Public Debt – Redemption and Sinking Funds are Statutory Expenditure (Article 129(2) of the Constitution). Table 14.6 shows a comparative budgetary performance of the Public Debt Redemption.

Table 14.6

PUBLIC DEBT REDEMPTION BUDGETARY PERFORMANCE ANALYSIS 2019/2020 VS 2020/2021						
DESCRIPTION	ACTUAL 2019/2020 (\$)	ACTUAL 2020/2021 (\$)	FINAL BUDGET 2020/2021 (\$)	ACTUAL VS BUDGET VARIANCE 2020/2021 (\$)	2019/2020 VS 2020/2021 INCREASE (DECREASE) (\$)	YEAR OVER YEAR PERCENTAGE INCREASE/ (DECREASE) (%)
Public Debt Servicing - Interest (Current)	345,369,379	422,500,026	436,235,705	13,735,679	77,130,647	22%
Sinking Fund Payments	49,821,019	1,486	46,491,095	46,489,609	(49,819,533)	-100%
Principle Redemption Payments	591,929,503	946,642,106	1,009,591,095	62,948,989	354,712,603	60%
Total Public Debt Servicing	987,119,901	1,369,143,618	1,492,317,895	123,174,277	382,023,717	39%

Figures are rounded

The debt servicing of the public debt expenditure analysis is as follows:

- The \$1.36 billion servicing of the public debt is an increase of \$382.02 million year-over-year. The expenditure went under budget by \$123.17 million (8%).
- The public debt servicing interest \$422.50 million is 31% of the total debt servicing. The interest payment is an increase of \$77.13 million (22%) year-over-year.
- With respect to the \$1,486 into the sinking fund payments, it is significant to note that fiscal year 2021 was impacted by COVID-19. The estimated \$46.49 million into the sinking fund payments was not met.
- The principle redemption payments of \$946.64 million accounts for 69% of the total public debt servicing. The payments increased by \$354.71 (60%) year-over-year. The budgeted \$1 billion was not met as the payments went under budget by \$62.94 million.

Loan Maturity Schedule

Schedule 1 below represents the loan that is due over a period of time.

- Within one year \$ 1.99 billion (19.79%) of the loan is due;

- Within 2-5 years \$2.57 billion (25.5%) of the loan is due; and the bulk of the loan \$5.36 billion (53.17%) within 5 years and beyond.

Schedule 14.7

LOAN MATURITY SCHEDULE AS AT JUNE 30TH, 2021			
Time Period	Maturity Date (Year/s)	Amount	Percentage
Due within one year	2021	\$ 1,996,991,832.04	19.79%
Due within 2-5 years	2022-2027	\$ 2,572,965,454.80	25.50%
Due 5 years and Beyond	2027 and Beyond	\$ 5,365,366,824.07	53.17%
SUB TOTAL		\$ 9,935,324,110.91	
RBC Overdraft (Indefinite)	Undetermined	\$ 156,228,463.10	0.015481113
TOTAL		\$ 10,091,552,574.01	100%

Data Source: Public Treasury Department

15. CONTINGENT LIABILITIES

In light of the Government's ownership interest in various public institutions and corporations, the Government is a guarantor for a number of loans. As at June 30, 2021, the contingent liabilities totaled \$420.68 million as shown in Table 15.1.

Table 15.1

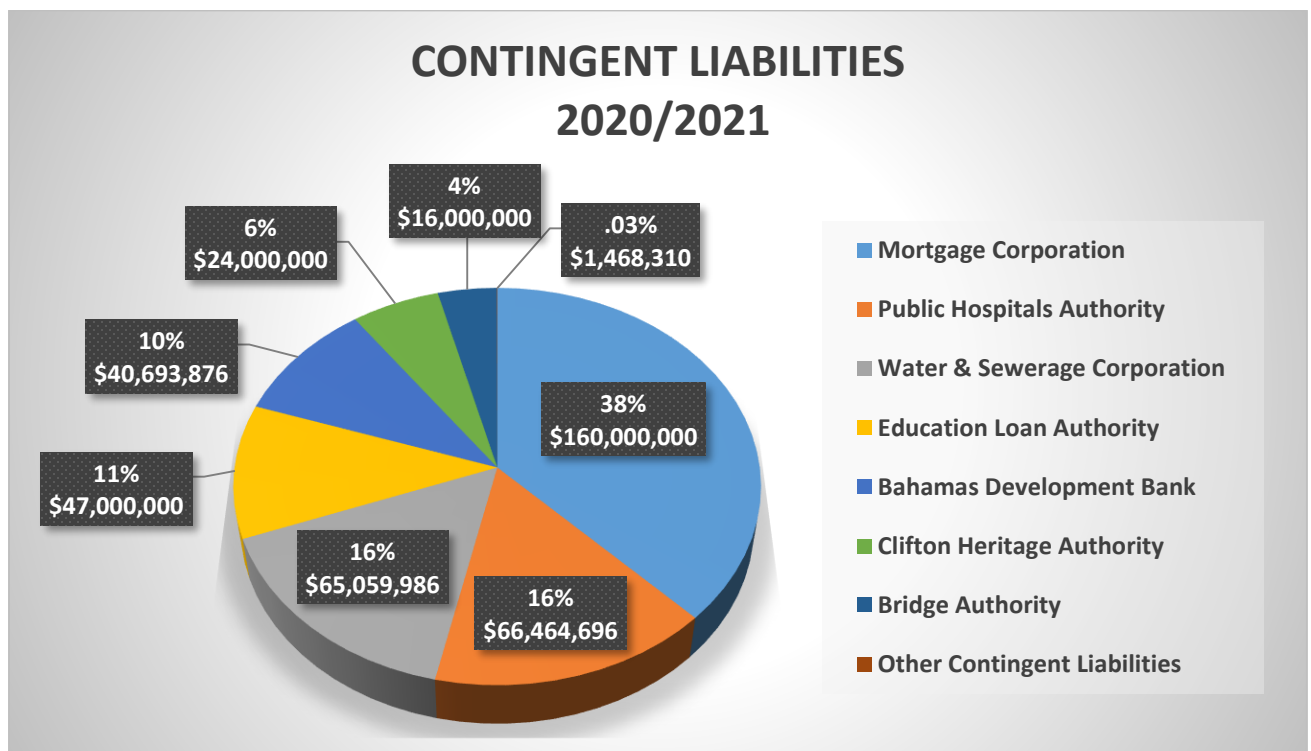
GOVERNMENT OF THE BAHAMAS CONTINGENT LIABILITIES 2020/2021						
LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZATION	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	LIABILITY BY %
BAHAMAS DEVELOPMENT BANK	50,690,000	50,690,000	9,996,124	41,000,010	40,693,876	9.7%
BAHAMAS ELECTRICITY CORPORATION	246,000,000	246,000,000	246,000,000	246,000,000	-	0.0%
CLIFTON HERITAGE AUTHORITY	24,000,000	24,000,000	-	24,000,000	24,000,000	5.7%
LUCAYAN RENEWAL HOLDINGS LTD.	30,000,000	30,000,000	30,000,000	20,000,000	-	0.0%
PRIVATE SECTOR GUARANTEED DEBT	27,964,467	27,964,467	27,964,467	-	-	0.0%
SMALL BUSINESS DEVELOPMENT CENTER	4,050,000	4,050,000	-	1,256,171	1,468,310	0.3%
THE BRIDGE AUTHORITY	23,000,000	23,000,000	7,000,000	16,000,000	16,000,000	3.8%
THE EDUCATION LOAN AUTHORITY	67,000,000	67,000,000	20,000,000	62,000,000	47,000,000	11.2%
THE PUBLIC HOSPITALS AUTHORITY	135,000,000	135,000,000	68,535,304	74,566,172	66,464,696	15.8%
THE MORTGAGE CORPORATION	165,000,000	165,000,000	5,000,000	160,000,000	160,000,000	38.0%
THE WATER & SEWERAGE CORPORATION	95,000,000	91,632,274	26,572,288	69,665,999	65,059,986	15.5%
TOTAL	867,704,467	864,336,741	441,068,183	714,488,352	420,686,868	100.0%

Figures are rounded

The contingent liabilities are further depicted in Chart 15.2 as follows:

- The Mortgage Corporation accounts \$160 million (38%) of the liabilities;
- Public Hospitals Authority accounts for \$66.46 million (16%);
- The Water and Sewerage Corporation accounts for \$65.05 million (16%);
- The Education Loan Authority accounts for \$47 million (11%);
- Bahamas Development Bank accounts for \$40.69 million (10%); and the remaining contingent liabilities that are less than 10% of the \$420.68 million.

Chart 15.2



Figures are rounded

CONCLUSION

In conclusion, the 2021 Auditor General's Report represents a commendable effort in the face of unprecedented challenges brought about by the COVID-19 pandemic and the ongoing reconstruction initiatives of Hurricane Dorian. While the past year tested the resilience and adaptability of our auditing processes, it was promising to see the staff's commitment to transparency, accountability, and good governance in the execution of their duties.

The Auditor General's Office confronted the obstacles posed by the pandemic head-on, demonstrating an unwavering dedication to its mission of promoting good governance, accountability and transparency. These objectives, more critical than ever, underscore our collective responsibility to safeguard the public interest and ensure that our resources are managed judiciously.

I would like to extend my heartfelt appreciation to the diligent and dedicated staff and management of the Public Treasury, Ministry of Finance, and all Ministries, Departments, and Agencies (MDAs) for their invaluable contributions to the 2021 Auditor General's Report. Your cooperation, transparency, and commitment to fiscal responsibility have played a pivotal role in our efforts to maintain the highest standards of accountability.

As we reflect on the challenges of the past year, let us also look to the future with renewed determination. Our commitment to advancing good governance remains resolute, and we shall continue to work together tirelessly to build a stronger, more transparent, and accountable government.

In closing, I wish to express my gratitude to all stakeholders for their unwavering support and dedication to the principles of good governance.

FORWARD

As the country moves forward into the subsequent fiscal year, critical initiatives for resiliency and sustainability for the nation remain inclusive of:

- Health Security – Good Health and Well-being for all, strengthening Public Healthcare Systems for Resiliency;
- Food Security – Access to sufficient safe/healthy food for all, investment in agriculture development, infrastructure climate change resiliency, diversification, social and economic empowerment, and sustaining and maintaining biodiversity;
- Water Security – “The capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water for sustaining livelihoods, human well-being, and socio-economic development, for ensuring protection against water-borne pollution and water-related disasters, and for preserving ecosystems in a climate of peace and political stability.” (UN-Water)
- National Security – Continuous investments in strengthening the National Security Framework and Institutions for sustainability, peace, justice, and security in building cities and communities; and
- Climate Security – a continuous investment in renewable energy, climate change resiliency, climate change risks mitigation, and adaptation actions, clean water, and building resilience communities.

Importantly, economic security is fundamental in maintaining the country’s integrated systems for growth, infrastructural development, investment expansion, small business development, and entrepreneurship; in advancing the Government’s activities. Maintaining economic and social stability is essential to the wellbeing of all; advancing a “**wellbeing economy**”.

SAI- Bahamas remain resolute in adding value in delivering high level quality audits of the Government’s activities in building capacity and fostering good governance for the citizens, residents, and all stakeholders.



AUDIT CERTIFICATE

THE FINAL ACCOUNTS OF THE COMMONWEALTH OF THE BAHAMAS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

We have audited the financial statements of the Government of The Commonwealth of The Bahamas, which comprise of the Statement of Financial Position (Statement of Financial Assets and Liabilities – Balance Sheet) as at June 30, 2021, and the Statement of Financial Performance (Statement of Budgetary Performance), Statement of Cash Flows, and Statement of Changes in Fund Balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Government of The Commonwealth of The Bahamas as at June 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) for Cash Basis.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Treasury Department in accordance with our Code of Ethics together with the ethical requirements that are relevant to our audit of the financial statements in The Commonwealth of The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Public Treasury Department financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion guarantee that an audit conducted in accordance with ISSAIs will not always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 Public Treasury Department internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Mr. Terrance Bastian
Auditor General
The Commonwealth of the Bahamas
May 31, 2023

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

MEMORANDUM

TREASURY DEPARTMENT

To: The Auditor General
Department of the Auditor General
Nassau, Bahamas

Your Reference:
Our Reference: TRE/2278
Date: March 31, 2023

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS **STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

This representation memorandum is provided in connection with your audit of the Financial Statements of the Government of the Commonwealth of The Bahamas for the year ended June 30, 2021 for the purpose of expressing an opinion as to whether the Financial Statements are prepared in all material respects in accordance with applicable laws of The Bahamas and guided by International Public Sector Accounting Standards (IPSAS), Cash Basis.

The Financial Statements are prepared by the Public Treasury Department of the Commonwealth of The Bahamas and are governed by the Constitution, Chapter IX; the Financial Administration and Audit (FM) Act 2010 and the Financial Regulations 1975; and guided by the International Public Sector Accounting Standard (IPSAS), Cash Basis of Accounting. It is a requirement to present the Financial Statements in accordance with Part IV, Accounts and Audit; Section 32 of the FM Act 2010. The Financial Statements are presented along with other statements including Public Debt and Contingent Liabilities.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.

We have fulfilled our responsibilities as set out in Part IV Accounts and Audit Section of FAA Act 2010, for the preparation of the Financial Statements in accordance with applicable laws of The Bahamas and guided by the IPSAS, Cash Basis; in particular, the Financial Statements are prepared in all material respects in accordance therewith.

Management fulfills its accounting and reporting responsibilities by maintaining systems of Financial Management and Internal Control. We are responsible for establishing internal controls as we determine necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error. The systems are continually being enhanced and modified to provide timely, complete and accurate information, to safeguard and control the Governments assets, and to ensure transactions are properly authorized and recorded in accordance with FAA Act 2010 and other applicable legislation, regulations, authorities and policies.

Management has provided you with access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters. We have provided additional information that you have requested from us for the purpose of the audit; and unrestricted access to persons within the Department from whom you determined it necessary to obtain audit evidence. All transactions have been recorded in the accounting records and are reflected in the financial statements.

Management seeks to ensure the objectivity and integrity of data in its Financial Statements through careful selection, training and development of its staff; through organizational arrangements that provide appropriate divisions of responsibility; by ensuring that regulations, policies, standards and managerial authorities are communicated and understood.

A handwritten signature in black ink, consisting of a large, loopy initial 'B' followed by 'Z' and 'A', all enclosed within a circular scribble.

**Barbara Zonicle (Ms.)
Acting Accountant-General**

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Annex 1

BALANCE SHEET CONSOLIDATED FUND

**STATEMENT OF FINANCIAL ASSETS AND LIABILITIES
(BALANCE SHEET)
AS AT JUNE 30, 2021**

	Notes	As at 30-Jun-2021 B\$	As at 30-Jun-2020 B\$
FINANCIAL ASSETS			
Cash and Bank Balances	(11)	128,860,648	95,929,615
Fixed Deposits - Sinking Fund	(19)	222,522,698	194,772,287
Fixed Deposits BoB (Consolidated Fund)	(18)	267,219	265,250
Dishonoured Cheques (Receivables)	(20)	1,460,831	1,118,751
Advances	(13)	398,649,583	152,366,234
TOTAL FINANCIAL ASSETS		751,760,979	444,452,137
FINANCIAL LIABILITIES			
CURRENT LIABILITIES			
Bank Overdraft	(11)	304,124,989	363,025,968
Treasury Bills	(8)	721,767,300	621,627,100
BGRS, Short Term		0	116,060,900
Short Term Advances	(9)	182,461,091	37,361,091
Salary Deductions Payable	(12)	21,121,644	21,686,763
Other Short Term Depository Liabilities	(14)	365,750,034	382,402,687
TOTAL CURRENT LIABILITIES		1,595,225,058	1,542,164,509
NET LIABILITIES		843,464,079	1,097,712,372
Supported by			
FUND BALANCES			
Consolidated Fund Current Account		(5,582,471,933)	(4,190,937,979)
Consolidated Fund Capital Development Account		4,739,007,854	3,093,225,607
TOTAL FUND BALANCES		(843,464,079)	(1,097,712,372)

Annex 2

STATEMENT OF BUDGETARY PERFORMANCE

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF BUDGETARY PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2021

	Original Budget Financial Year Ended 30-June-2021	Final Approved Budget Financial Year Ended 30-June-2021	Actuals Financial Year Ended 30-June-2021	Variance Financial Year Ended 30-June- 2021
REVENUE				
<i>Recurrent Revenue</i>				
Tax Revenue				
IMPORT AND EXPORT DUTIES	253,946,155	253,946,155	288,242,596	34,296,441
EXCISE TAX	161,809,506	161,809,506	176,317,962	14,508,456
PROPERTY TAX	104,812,769	104,812,769	143,458,048	38,645,279
MOTOR VEHICLE	32,975,344	32,975,344	32,353,490	-621,854
GAMING TAX	34,200,000	34,200,000	37,827,879	3,627,879
TOURISM TAX	83,473,555	83,473,555	10,837,238	-72,636,317
STAMP TAX	7,267,207	7,267,207	2,536,314	-4,730,893
COMPANY FEES	15,856,095	15,856,095	21,681,389	5,825,294
BANK & TRUST COMPANY FEES	0	0	0	0
VAT & OTHER TAXES	819,037,197	819,037,197	898,443,734	79,406,537
SUB-TOTAL TAX REVENUE	1,513,377,828	1,513,377,828	1,611,698,650	98,320,822
Non-Tax Revenue				
FEES AND SERVICE CHARGES	135,275,388	135,275,388	161,991,305	26,715,917
REVENUE FROM GOVERNMENT PROP	14,881,240	14,881,240	15,746,217	864,977
INTEREST AND DIVIDENDS	25,559,972	25,559,972	19,583,675	-5,976,297
RE-IMBURSEMENT & LOAN REPAYMEN	42,623,287	42,623,287	42,933,224	309,937
SERVICES OF COMMERCIAL NATURE	28,778,885	28,778,885	56,647,546	27,868,661
SUB-TOTAL NON TAX REVENUE	247,118,772	247,118,772	296,901,967	49,783,195
SUB-TOTAL TAX & NONTAX REVENUE	1,760,496,600	1,760,496,600	1,908,600,617	148,104,017
<i>Capital Revenue</i>				
OTHER NON-FINANCIAL ASSETS	0	0	0	0
CAPITAL REVENUE	2,000	2,000	25,147	23,147
GRANTS	2,000,000	2,000,000	150,000	-1,850,000
PROCEEDS FROM BORROWINGS	2,073,721,600	2,073,721,600	2,535,699,310	461,977,710
SUB-TOTAL CAPITAL REVENUE	2,075,723,600	2,075,723,600	2,535,874,457	460,150,857
TOTAL REVENUE	3,836,220,200	3,836,220,200	4,444,475,074	608,254,874

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF BUDGETARY PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2021

		Original Budget Financial Year Ended 30-June- 2021	Final Approved Budget Financial Year Ended 30-June- 2021	Actuals Financial Year Ended 30-June- 2021	Variance Financial Year Ended 30-June- 2021
EXPENDITURE					
<i>Agencies' Recurrent Expenditure</i>					
GOVERNOR GENERAL & STAFF	001	962,891	962,891	911,979	50,912
THE SENATE	002	284,600	284,600	237,677	46,923
HOUSE OF ASSEMBLY	003	3,649,698	3,649,698	3,380,994	268,704
DEPARTMENT OF THE AUDITOR GENERAL	004	2,324,597	2,324,597	1,956,277	368,320
MINISTRY OF PUBLIC SERVICE & NAT'L INS	005	263,268,596	289,463,576	280,749,822	8,713,754
CABINET OFFICE	006	5,401,458	5,401,458	4,670,435	731,023
OFFICE OF THE ATTORNEY GENERAL & MIN OF LEGAL AFFAIRS	007	15,152,950	20,835,781	18,340,295	2,495,486
OFFICE OF THE JUDICIAL (SUPREME & MAGISTRATES CRTS)	008	13,781,889	13,781,889	12,985,574	796,315
COURT OF APPEAL	009	2,073,603	2,249,631	2,092,341	157,290
REGISTRAR GENERAL'S DEPARTMENT	010	3,142,094	3,142,094	2,816,785	325,309
BAHAMAS DEPARTMENT OF CORRECTIONAL SERVICES	011	27,899,241	27,899,241	24,548,594	3,350,647
PARLIAMENTARY REGISTRATION DEPARTMENT	012	1,512,234	2,661,556	1,598,740	1,062,816
MINISTRY OF FOREIGN AFFAIRS	013	28,089,920	29,699,890	28,299,452	1,400,438
OFFICE OF THE PRIME MINISTER	014	20,858,864	24,156,466	21,884,786	2,271,680
BAHAMAS INFORMATION SERVICES	016	1,923,025	1,923,025	1,849,869	73,156
GOVERNMENT PRINTING DEPARTMENT	017	1,362,458	1,362,458	995,017	367,441
DEPARTMENT OF LOCAL GOVERNMENT	018	25,691,981	25,691,981	22,060,903	3,631,078
DEPARTMENT OF PHYSICAL PLANNING	019	884,072	904,472	867,116	37,356
DEPARTMENT OF LANDS AND SURVEYS	020	1,928,451	1,948,088	1,836,021	112,067
MINISTRY OF FINANCE	021	263,559,052	386,639,854	320,815,363	65,824,491
TREASURY DEPARTMENT	022	82,789,491	156,386,404	152,414,272	3,972,132
CUSTOMS DEPARTMENT	023	32,768,118	35,730,968	33,300,835	2,430,133
DEPARTMENT OF STATISTICS	024	6,815,076	6,815,076	3,066,260	3,748,816
PUBLIC DEBT SERVICING-INTEREST	026	396,913,318	436,235,705	422,500,026	13,735,679
DEPARTMENT OF INLAND REVENUE	028	5,391,328	5,490,353	5,365,415	124,938
MINISTRY OF NATIONAL SECURITY	029	7,416,887	12,671,152	9,327,715	3,343,437
DEPARTMENT OF IMMIGRATION	030	31,770,290	31,770,290	25,035,304	6,734,986
ROYAL BAHAMAS POLICE FORCE	031	122,268,807	123,288,807	121,966,147	1,322,660
ROYAL BAHAMAS DEFENCE FORCE	032	57,946,654	58,427,554	57,787,985	639,569
MINISTRY OF WORKS & UTILITIES	033	41,437,871	79,858,960	77,954,958	1,904,002
DEPARTMENT OF PUBLIC WORKS	034	17,534,929	17,534,929	16,598,277	936,652
DEPARTMENT OF EDUCATION	035	201,104,089	203,998,389	180,127,107	23,871,282
DEPARTMENT OF ARCHIVES	037	611,577	649,577	578,619	70,958

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF BUDGETARY PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2021

		Original Budget Financial Year Ended 30-June-2021	Final Approved Budget Financial Year Ended 30-June-2021	Actuals Financial Year Ended 30-June-2021	Variance Financial Year Ended 30-June- 2021
EXPENDITURE					
<i>Agencies' Recurrent Expenditure</i>					
MINISTRY OF EDUCATION	038	111,475,400	123,506,576	118,007,181	5,499,395
MINISTRY OF TRANSPORT & LOCAL GOVERNMENT	040	10,160,530	10,237,530	9,809,062	428,468
MINISTRY OF SOCIAL SERVICES & URBAN DEVELOPMENT	043	10,999,241	10,999,241	9,899,143	1,100,098
DEPARTMENT OF SOCIAL SERVICES	044	60,362,205	90,493,585	85,740,611	4,752,974
DEPARTMENT OF HOUSING	045	1,951,263	2,121,263	1,734,783	386,480
MINISTRY OF YOUTH, SPORTS & CULTURE	047	18,938,186	18,942,502	12,413,365	6,529,137
DEPARTMENT OF LABOUR	048	2,121,426	2,121,426	1,882,250	239,176
MIN OF FINANCIAL SERVICES, TRADE & INDUSTRY & IMMIGRA	049	1,618,710	1,648,710	1,262,126	386,584
POST OFFICE DEPARTMENT	051	6,837,220	6,837,220	5,801,548	1,035,672
PORT DEPARTMENT	053	8,425,817	8,425,817	7,336,922	1,088,895
DEPARTMENT OF ROAD TRAFFIC	054	4,903,056	4,903,056	4,591,426	311,630
DEPARTMENT OF METEOROLOGY	055	2,363,821	2,363,821	1,960,939	402,882
MINISTRY OF AGRICULTURE & MARINE RESOURCES	056	26,252,491	26,447,743	20,561,254	5,886,489
DEPARTMENT OF AGRICULTURE	057	5,525,630	5,525,630	4,876,832	648,798
DEPARTMENT OF MARINE RESOURCES	058	2,386,648	2,386,648	2,011,356	375,292
MINISTRY OF HEALTH	060	298,037,239	330,730,435	324,661,051	6,069,384
DEPARTMENT OF ENVIRONMENTAL HEALTH SERVICES	065	55,978,373	56,578,373	55,091,586	1,486,787
DEPARTMENT OF PUBLIC HEALTH	066	45,040,263	45,040,263	42,546,335	2,493,928
MINISTRY OF TOURISM & AVIATION	067	106,057,921	180,693,944	177,546,128	3,147,816
MINISTRY OF LABOUR	070	6,808,143	6,808,143	4,763,347	2,044,796
MINISTRY OF THE ENVIRONMENT & HOUSING	072	26,270,995	39,975,228	39,214,581	760,647
DEPARTMENT OF TRANSFORMATION & DIGITIZAT	073	49,097,737	54,422,772	53,995,422	427,350
MINISTRY FOR GRAND BAHAMA	074	9,793,600	9,793,600	6,860,047	2,933,553
MIN OF DISASTER PREP,MGMT,RECONSTRUCTION	075	11,236,100	20,076,277	19,310,490	765,787
OFF OF DIRECTOR OF PUBLIC PROSECUTIONS	076	2,942,402	2,942,402	1,725,719	1,216,683
TOTAL RECURRENT EXPENSES		2,574,104,526	3,077,863,615	2,872,524,464	205,339,151
SINKING FUNDS		46,491,095	46,491,095	1,486	46,489,609
REPAYMENTS	027	696,591,095	1,009,591,095	946,642,106	62,948,989

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF BUDGETARY PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2021

		Original Budget Financial Year Ended 30-June-2021	Final Approved Budget Financial Year Ended 30-June-2021	Actuals Financial Year Ended 30-June-2021	Variance Financial Year Ended 30-June- 2021
Agencies' Capital Expenditure					
OFFICE OF THE ATTORNEY GENERAL	007	2,170,000	2,170,000	33,800	2,136,200
MINISTRY OF FOREIGN AFFAIRS	013	2,500,000	2,500,000	1,308,252	1,191,748
MINISTRY OF FINANCE	021	180,913,170	180,913,170	65,654,693	115,258,477
CUSTOMS DEPARTMENT	023	2,500,000	2,500,000	1,212,621	1,287,379
MINISTRY OF NATIONAL SECURITY	029	20,000,000	20,610,980	11,710,794	8,900,186
ROYAL BAHAMAS DEFENCE FORCE	032	10,000,000	10,000,000	8,986,532	1,013,468
MINISTRY OF PUBLIC WORKS	033	151,097,521	151,097,521	107,489,288	43,608,233
MINISTRY OF EDUCATION	038	66,896,888	66,896,888	50,398,152	16,498,736
MINISTRY OF TRANSPORT LOCAL GOVERNMENT	040	500,000	500,000	112,175	387,825
MINISTRY OF AGRICULTURE & MARINE RESOURCES	056	3,589,000	3,589,000	544,442	3,044,558
MINISTRY OF HEALTH	060	39,000,000	107,400,000	102,232,732	5,167,268
MINISTRY OF TOURISM & AVIATION	067	4,010,000	4,010,000	4,010,000	0
MINISTRY OF THE ENVIRONMENT & HOUSING	072	11,848,000	11,848,000	2,515,513	9,332,487
DEPARTMENT OF TRANSFORMATION & DIGITIZAT	073	12,000,000	12,000,000	2,448,058	9,551,942
MINISTRY FOR GRAND BAHAMA MIN OF DISASTER	074	2,000,000	2,000,000	743,608	1,256,392
PREP,MGMT,RECONSTRUCTION	075	6,500,000	16,111,034	11,658,062	4,452,972
TOTAL CAPITAL EXPENDITURE		515,524,579	594,146,593	371,058,725	223,087,868
TOTAL EXPENDITURE		3,832,711,295	4,728,092,398	4,190,226,781	537,865,617
SURPLUS/(DEFICIT)		3,508,905	-891,872,198	254,248,292	70,389,257

Annex 3

STATEMENT OF CASH FLOW

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2021

	Notes	Financial Year Ended 30-Jun-2021 B\$	Financial Year Ended 30-Jun-2020 B\$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Recurrent Revenue	(4)	1,908,600,617	2,081,897,055	
Increase/Decrease in Dishonoured Cheques		(342,080)	18,589,979	
Recurrent Expenditure (less Debt repayment)	(5)	(2,872,524,464)	(2,533,317,130)	
NET CASH FLOWS FROM OPERATING ACTIVITIES		(964,265,927)	(432,830,096)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Capital Revenue/Grants	(6)	175,147	106,191	
Capital Acquisitions	(7)	(371,058,725)	(387,197,324)	
Other Capital Expenditure	(7)	0	0	
Capital Contributions, Subsidies & Grants	(7)	0	0	
Increased (Decreased) Other Fixed Assets	(18)	(1,969)	3,142,884	
NET CASH FLOWS FROM INVESTING ACTIVITIES		(370,885,547)	(383,948,249)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in Treasury Bills	(8)	(15,920,700)	17,939,100	
Increase (Decrease) in Bank Advances	(9)	145,100,000	2,942,948	
Increase (Decrease) in Other Advances	(13)	(246,283,349)	16,226,213	
Increase (Decrease) in Salary Deductions	(12)	(565,119)	(699,691)	
Increase (Decrease) in Other Deposits	(14)	(16,652,653)	145,648,372	
Proceeds from Bonds/Stocks	(6)	559,510,500	562,560,900	
Proceeds from US \$ Loan	(6)	1,435,439,999	0	
Proceeds from EURO Loan/Credit Suisse	(6)	363,560,000	0	
Proceeds from Loans	(6)	177,188,810	402,086,381	
Proceeds from Loans (Commercial Banks)	(6)	0	275,000,000	
Principal Redemption Payments on Public Debt		(946,643,592)	(641,750,522)	
Payments into Fixed Deposits for Sinking Fund	(19)	(27,750,411)	(38,372,849)	
Increase (Decrease) Bank Overdrafts	(11)	(58,900,979)	88,900,106	
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,368,082,507	830,480,958	
NET INCREASE (DECREASE) IN CASH		32,931,033	13,702,614	
CASH AND CASH EQUIVALENT				
Cash and Cash Equivalent at Beginning of Year		95,929,615	82,227,001	
Cash and Cash Equivalent at End of Year		128,860,648	95,929,615	
Reconciliation of Cash and Cash Equivalent				
		Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020	Change
Cash and Domestic Bank Accounts	(11)	88,325,792	55,922,804	32,402,988
Foreign Banks denominated in B\$	(11)	40,534,856	40,006,811	528,045
Sub-Total	(11)	128,860,648	95,929,615	32,931,033
Fixed Deposits @ BoB (maturities less than 3months)	(18)	267,219	265,250	1,969
Fixed Deposits, Sinking Fund	(19)	222,522,698	194,772,287	27,750,411
Sub-Total		222,789,917	195,037,537	27,752,380
Less: Bank Overdrafts	(11)	(304,124,989)	(363,025,968)	58,900,979
Net Cash & Cash Equivalent		47,525,576	(72,058,816)	119,584,392

Annex 4

STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCES (CURRENT ACCOUNT)

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCES
FOR THE YEAR ENDED 30TH JUNE, 2021
(CURRENT ACCOUNT)

Note s	Financial Year Ended 30-Jun- 2021	Financial Year Ended 30-Jun- 2020	Net Change in Fund Balance
	B \$	B\$	B\$
Balance as at 1st July, 2020	(4,190,937,979)	(3,286,276,289)	904,661,690
Recurrent Revenue	1,908,600,617	2,081,897,055	173,296,438
Less: Refund of Revenue		-	-
Net Recurrent Revenue	1,908,600,617	2,081,897,055	173,296,438
Other Revenues & Transfers			
Transfers from Capital Account	519,033,485	188,508,907	(330,524,578)
Total Revenues	2,427,634,102	2,270,405,962	(157,228,141)
Sub-Total	(1,763,303,877)	(1,015,870,327)	747,433,550
Recurrent Expenditure	3,819,168,056	3,175,067,652	(644,100,404)
Balance as at 30 June 2021	(5,582,471,933)	(4,190,937,979)	1,391,533,953

Annex 5

STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCE CAPITAL ACCOUNT

**STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCES
FOR THE YEAR ENDED JUNE 30TH, 2021
(CAPITAL ACCOUNT)**

Notes	Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020	Net Change in Fund Balance
	B\$	B\$	B\$
Balance as at 1st July, 2020	3,093,225,607	2,429,178,366	(664,047,241)
Financing Sources			
Proceeds from Stocks/Bonds (6)	559,510,500	562,560,900	(3,050,400)
Proceeds from US\$ Loan (Deutsche Bank) (6)	1,435,439,999	-	1,435,439,999
Proceeds from Credit Suisse Loan (6)	363,560,000	-	363,560,000
Proceeds from Other Loans (6)	173,470,984	396,514,315	(223,043,332)
Proceeds from TNotes (6)	3,717,827	5,572,066	(1,854,239)
Proceeds from Loans from Commercial Banks (6)		275,000,000	(275,000,000)
Proceeds From Grants (6)	150,000	100,000	50,000
Capital Revenue			
Other Capital Income (6)	25,147	6,191	18,956
Proceeds from Land			-
Total Financing Sources & Capital Revenue	2,535,874,457	1,239,753,472	1,296,120,984
Sub-Total	5,629,100,064	3,668,931,838	1,960,168,225
Capital Development Expenditure			
Capital Development Expenditure (7)	274,851,677	236,191,778	38,659,899
Other Capital Expenditure (7)	96,207,047	151,005,546	(54,798,498)
Loans, Contributions and Advances to Government Corporations (7)	-	-	-
Total Capital Expenditure	371,058,724	387,197,324	(16,138,599)
Other Expenditure and Transfers			
Transfer to Current Account (17)	519,033,485	188,508,907	330,524,578
Total Capital Development Expenditure and Transfers	890,092,210	575,706,231	314,385,979
Balance as at 30 June 2021	4,739,007,854	3,093,225,607	(1,645,782,246)

Annex 6

NOTES TO THE FINANCIAL STATEMENTS

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

1. Reporting Entity

The Financial Statements for the Commonwealth of the Bahamas are presented to Parliament annually and contain the following, the Statement of Financial Assets and Liabilities (Balance Sheet), the Statement of Budgetary Performance (which replaces the Statement of Revenue) and The Statement of Cash Flows, along with other detail statements required by the Financial Administration and Audit Act (FAA Act 2010).

The main statements consist of the Statement of Financial Assets and Liabilities (Balance Sheet), the Statement of Budgetary Performance, the Statement of Cash Flows and the Statement of Changes in fund Balances (Current and Capital Development Accounts). The Statement of Revenue and Expenditure has been replaced by the Statement of Budgetary Performance which is a requirement of Cash Basis International Public Sector Accounting Standards. The Statement of Financial Assets and Liabilities (Balance Sheet) are inclusive of cash and cash equivalents including dishonoured cheques.

The Financial Statements are prepared by the Public Treasury Department of the Commonwealth of the Bahamas and are governed by the Constitution, the Financial Administration and Audit Act 2010 (FAA Act) and the Financial Regulations 1975 and guided by Cash ISPAS. It is a requirement under the Act to report against budget.

2. Summary of Significant Accounting Policies

All Revenues, Recurrent and Capital Expenditure flow through the Consolidated Fund of the Commonwealth of the Bahamas.

The FFA Act 2010, requires that monies paid pending repayment or application to the purposes for which they were deposited be kept in an account styled "Deposits Fund Account".

Any net cash requirement of the Consolidated Fund is provided through the Government's traditional sources of financing, and borrowings in the financial markets.

Any grants from external sources are recorded under the appropriate category for which they were received.

Basis of preparation

The preparation of the financial statements is governed by the FAA Act 2010, and guided with International Public Sector Accounting Standards (IPSAS) cash basis. We continue to transition to modified accrual and then to full accrual. We however do not prepare consolidated statements and hence do not report on quasi-government entities. All quasi-government entities report individually to Parliament.

In complying with the FAA Act 2010 the fixed assets acquired in the current year are included in the notes.

The financial assets of the Government are reported in the Statement of Financial Assets and Liabilities. The Act also requires a Statement of Cash Flows and a Statement of Revenue and Expenditure which has been replaced by the Statement of Budgetary Performance. The new Statement reflects the format recommended by the Cash Basis IPSAS along with the Statement of Financial Assets and Liabilities which form the primary statements, the other statements required by the act are supplementary and shown in the notes.

Reporting currency

These statements are prepared in Bahamian dollars (B\$).

Foreign currency

Foreign currency transactions during the year are translated into local currency at the exchange rate at the date of the transaction.

Comparatives

To ensure consistency with current period and classification method adopted to make a fair presentation of financial information, comparative figures have been restated where appropriate.

Revenue

Revenue is levied through Parliament by way of imposing taxes, fees and charges. All such revenue collected through the relevant Ministries and Departments is recognized at the time of collection.

Revenue due but not collected are maintained in subsidiary records but they are not included in the financial statements until collected.

Expenses

Expenses are accounted for in the fiscal year that goods and services are paid.

Assets

All assets are expensed in the year they are purchased. However, there is a separate capital statement that reports on all capital purchases during the year. A number of Agencies maintain an asset register either electronically or manually. Included in the notes is a list of fixed assets acquired during the period July 1, 2020 to June 30, 2021 as required by the FAA Act 2010.

Liabilities

(a) Outstanding Liabilities

Liabilities incurred at the end of the year are not accrued and not accounted for in the balance sheet, however in the subsequent year(s) when it is paid.

Loans are not reported in the balance sheet however they are recorded and reported in the Statement of Public Debt in the notes to the Financial Statement.

(b) Contingent Liabilities

The Government is subject to claims and potential claims related to breach of contract, damages to persons and property and like items. The effect of legal claims cannot be determined until they are settled or dismissed. No liability has been admitted and no provision for claims is included in the Financial Statements. Any resulting losses to the Government will be recorded in the year when an amount can reasonably be determined or ordered.

3. Budgetary Process

The Budget, as approved by the parliament and enacted by the Appropriation Acts provides the authority for recurrent and capital expenditure and indicated revenues for the fiscal year.

The authority for recurrent and capital expenditure lapses at the end of the fiscal year.

Further authority for recurrent and capital expenditure is provided by supplementary budgets, which are approved by Parliament.

4. Recurrent Revenue

These comprise of recurrent revenue by revenue category during this fiscal period. A new stream of tax was added in January 2015, Value Added Tax levied at a rate of 7.5%. In July 2018, the Value Added Tax rate was increased to 12%. A Summary of total Tax and Non-Tax Revenue for year ended June 30, 2021:-

Summary of Recurrent Revenue

GFS BLOCK	ESTIMATED REVENUE 2020/2021	ACTUAL REVENUE 2020/2021	UNDER/OVER THE ESTIMATES
1130 TAXES ON PROPERTY	104,812,769	143,458,048	38,645,279
1140 TAXES ON GOODS & SERVICES	1,063,878,142	1,166,624,454	102,746,312
1150 TAXES ON INTERNATIONAL TRADE	337,419,710	299,079,835	(38,339,875)
1160 OTHER TAXES	7,267,207	2,536,314	(4,730,893)
TOTAL TAX REVENUE	1,513,377,828	1,611,698,650	98,320,823
1410 PROPERTY INCOME	40,441,212	35,329,892	(5,111,320)
1420 SALES OF GOODS & SERVICES	154,680,131	175,166,892	20,486,761
1430 FINES, PENALTIES & FORFEITS	4,612,888	5,890,297	1,277,409
1440 VOLUNTARY TRANSFERS OTHER	42,623,287	42,933,224	309,937
1450 OTHER REVENUE	1,761,254	37,484,968	35,723,714
3191 LAND	3,000,000	96,693	(2,903,307)
TOTAL NON -TAX REVENUE	247,118,772	296,901,966	49,783,194
TOTAL RECURRENT REVENUE	1,760,496,600	1,908,600,617	148,104,017

5. Recurrent Expenditure

These comprise of recurrent expenditure by Ministries and Departments during this fiscal period. Debt Redemption which totals **\$946,642,106** is highlighted in the Statement of Budgetary Performance, and the Interest component is reflected in the details. The details of the Debt Redemption is in Note 30.

Summary of Recurrent Expenditure

GFS BLOCK	ESTIMATED EXPENDITURE 2020/2021	ACTUAL EXPENDITURE 2020/2021	UNDER/OVER THE ESTIMATES
2100 PERSONAL EMOLUMENTS	748,853,993	700,830,936	48,023,057
2200 USE OF GOOD & SERVICES	557,653,232	613,607,917	(55,954,685)
2400 INTEREST	396,913,318	422,500,026	(25,586,708)
2500 SUBSIDIES	370,855,264	474,106,312	(103,251,048)
2600 GRANTS	7,471,277	6,407,260	1,064,017
2700 SOCIAL BENEFITS	278,247,360	405,218,011	(126,970,651)
2800 OTHER PAYMENTS	214,110,082	249,854,002	(35,743,920)
3200 NET WORTH & ITS CHANGES	46,491,095	1,486	46,489,609
TOTAL RECURRENT EXPENDITURE	2,620,595,621	2,872,525,950	(251,930,329)

6. Borrowings, Grants and Other Capital Income

During the year under review Borrowings, Grants and Other Capital Revenue in the total amount of **\$2,535,874,457** were obtained from the following sources:

Proceeds from Stocks/Bonds	\$ 559,510,500
Proceeds from Loans Commercial Banks)	0
Proceeds from Other Loans	<u>\$ 1,976,188,810</u>
Total Proceeds from Borrowing	\$ 2,535,699,310
Proceeds from Grants	\$ 150,000
Proceeds from Sale of Gov't Assets	<u>25,147</u>
Total Borrowings, Grants & Other Capital Income	<u>\$2,535,874,457</u>

Capitalized interest of \$3,717,827 (RF Loan) is included in Proceeds of Borrowings as the amount is added to the loan.

7. Capital Acquisitions

These comprise of major capital acquisitions and capital development works during this fiscal period. Other Capital Outlays comprise of loans, contributions and advances to Corporations.

Summary of Capital Acquisitions, Development and Capital Outlays

HEAD	MINISTRY/DEPARTMENT	APPROVED ESTIMATES 2020/2021	ACTUALS 2020/2021	VARIANCE
007	OFFICE OF THE ATTORNEY GENERAL	2,170,000	33,800	2,136,200
013	MINISTRY OF FOREIGN AFFAIRS & THE PUBLIC	2,500,000	1,308,252	1,191,748
021	MINISTRY OF FINANCE	180,913,170	65,654,693	115,258,477
023	CUSTOMS DEPARTMENT	2,500,000	1,212,621	1,287,379
029	MINISTRY OF NATIONAL SECURITY	20,000,000	11,710,794	8,289,206
032	ROYAL BAHAMAS DEFENCE FORCE	10,000,000	8,986,532	1,013,468
033	MINISTRY OF WORKS & UTILITIES	151,097,521	107,489,288	43,608,233
038	MINISTRY OF EDUCATION & TECHNICAL & VOCA	66,896,888	50,398,152	16,498,736
040	MINISTRY OF TRANSPORT & HOUSING	500,000	112,175	387,825
056	MINISTRY OF AGRICULTURE, MARINE RES & FA	3,589,000	544,442	3,044,558
060	MINISTRY OF HEALTH & WELLNESS	39,000,000	102,232,732	-63,232,732
067	MINISTRY OF TOURISM, INVESTMENT & AVIATI	4,010,000	4,010,000	0
072	MINISTRY OF THE ENVIRONMENT & NATURAL DEPARTMENT OF TRANSFORMATION	11,848,000	2,515,513	9,332,487
073	& DIGITIZA	12,000,000	2,448,058	9,551,942
074	MINISTRY FOR GRAND BAHAMA MIN OF DISASTER	2,000,000	743,608	1,256,392
075	PREP,MGMT,RECONSTRUCTION	6,500,000	11,658,062	-5,158,062
	GRAND TOTAL	515,524,579	371,058,725	144,465,854

8. Treasury Bills and Short Term BGRS

Treasury Bills are short term debt obligation backed by the Bahamas Government with a maturity of less than one year. It's governed by the section 17 of the Financial Administration and Audit Act. These T-Bills are issued through a competitive bidding process at a discount from par. The management of the process is handled by the Central Bank of the Bahamas and issuance of the paper is carried out by the Treasury Department. As at 30 June 2021, T-bills outstanding was **\$721,767,300**.

Treasury Bills Account for year ended 30th June 2021

Outstanding T-bills as at 1st July 2020		\$737,688,000
Amount Redeemed	(\$ 61,320,700)	
Amount Issued	\$45,400,000	
		(\$15,920,700)
Outstanding T-bills as at 30th June 2021		\$721,767,300

9. Central Bank of the Bahamas Advances

In accordance with the Central Bank of the Bahamas Act 351 section 28, the Bank may make temporary advances to the Government on such terms and conditions which may be agreed between the Minister and the Bank. Every such advance must be paid as soon as possible and any amount of such advances at any one time shall not exceed ten percent (10%) of the average ordinary revenue or ten percent (10%) of the estimated ordinary revenue of the Government, whichever is less.

As at 30 June 2021, the amount outstanding was **\$160,000,000** as delineated below:

Issue Date	Principal Outstanding	Interest Rate
1/10/2018	160,000,000	1.6652%
Total	<u>160,000,000</u>	

10. Advances from Other Financial Institutions

The Government of the Bahamas maintains an overdraft facility at the Royal Bank of Canada under the authority of Section 17 of the FAA Act. This facility has an approved limit of **\$125 million**, with temporary facility of **\$50M** extended for eighteen months. Overdraft interest of prime (4.75%) is applied to the net balance of the consolidated total of Central Government Consolidated Fund and Deposit Fund bank accounts lodged with the Royal Bank of Canada in accordance with the agreement.

11. Cash and Bank Balances - (Consolidated Fund)

	Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020	Financial Year Ended 30-Jun-2019
Bank of the Bahamas	33,900,796	39,728,435	41,425,978
Central Bank of the Bahamas	272,445,257	208,369,083	157,908,688
Bank Imprest Ministries & Departments	1,040,884	1,040,884	1,010,884
Foreign Banks	40,534,856	40,006,811	39,345,068
Family Island Bank Accounts			
Tourism US\$ Account	3,728,771	1,821,939	2,343,956
Sub-Total	351,650,565	290,967,152	242,034,573
Royal Bank	(284,234,565)	(310,712,815)	(264,216,682)
Bank of the Bahamas	-	(989,868)	(859,840)
Central Bank of the Bahamas	(12,093,005)	(47,142,095)	(7,360,397)
Family Island Bank Accounts	(7,797,418)	(4,181,190)	(1,688,944)
Tourism US\$ Account	-	-	-
Sub-Total	(304,124,989)	(363,025,968)	(274,125,862)
Total Cash and Bank Balances	47,525,576	(72,058,816)	(32,091,289)

12. Salary Deductions

This amount represents amounts deducted from central government employees' salary with respect to employees' obligations either mandatory or voluntary to third parties for the month of June 2021 and paid in July 2021, totaling **\$21,121,644**.

13. Other Short Term Advances

	As at 30-Jun-2021	As at 30-Jun-2020
	\$	\$
Family Islands	4,602,568	4,743,973
Ministries & Departments & Quasi-Government Entities	389,673,299	150,311,252
Deposits Fund	621,975.48	(6,352,539.59)
Miscellaneous	3,751,740	3,663,548
Total Advances	398,649,583	152,366,234

After the passage of Hurricane Mathew which had devastating effects on three Islands namely, New Providence (the capital), Grand Bahama and North Andros, the Cabinet of the Bahamas made a policy decision to grant all public officers who incurred damages in the Central Government as well as those in the Quasi- Government Entities, soft loans up to a maximum of \$20,000.

These loans were administered by the Bank of the Bahamas (BOB) and they were to attract interest at 3% to be used to offset the administrative costs incurred by BOB.

As at June 30th 2021, the amount outstanding on these loans was **\$8,193,490**. This amount is reflected in the amount shown for Ministries, Departments and Quasi Government Entities.

14. Other Short Term Depository Liabilities

	As at 30-Jun-2021	As at 30-Jun-2020
	\$	\$
Contingency Deposits	16,254,384	16,358,785
Sinking Fund Deposits	222,522,698	194,772,287
Unclaimed Cheques	147,748,981	134,407,360
Miscellaneous	-21,612,145	36,024,208
Ministries & Departments	836,116	840,046
	365,750,034	382,402,687

Contingency Deposits represent amounts approved via contingency/supplementary budgets but were not expended in current fiscal year. Such approved amounts can be carried over to subsequent fiscal year once authorized by the Minister of Finance in accordance with Section 9 of the Financial Administration and Audit Act.

15. Public Debt

The Public Debt is the Government's liabilities and under the present basis of preparation the long term portion of the debt of **\$8,891,445,204** is not recorded in the primary financial statements. However, in keeping with the FAA Act 2010 section 32 3) (f), a statement of public debt showing several amounts of the loans issued is disclosed further in the notes.

A summarized schedule of Public Debt totaling **\$10,091,552,574** as at June 30, 2021 is delineated below:

THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

Summarized Schedule of Public Debt

	AMOUNT OF LOAN AUTHORIZED BY GOVERNMENT	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	LOAN DRAW DOWN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	LOAN DRAWDOWN AMOUNT PRIOR YEAR	AMOUNT REDEEMED AS AT 30/06/21	AMOUNT OUTSTANDING AS AT 30/06/20	Exchange Rate Adjustments	AMOUNT OUTSTANDING AS AT 30/06/21	NET INCREASE/ (DECREASE)
1. Bahamas Government Registered Stock	6,204,043,400	6,204,043,400	559,510,500	454,965,900	542,560,900	393,502,500	3,634,231,100		3,738,775,700	104,544,600
2. Bahamas Government Stock	302,310,000	277,310,000	0	7,520,700	0	45,100,000	165,081,000		157,560,300	(7,520,700)
3. Loans Syndicated and payable - Bahamian Dollars	713,245,714	713,245,714	0	7,562,269	225,000,000	90,419,153	453,984,211		446,421,942	(7,562,269)
4. Loans & Bonds Syndicated and payable in US Dollars & Other Currencies	5,974,322,685	5,518,342,556	1,972,321,879	400,973,113	445,215,257	43,942,379	2,951,321,789	26,016,708	4,548,687,262	1,597,365,473
Sub-Total	13,193,921,799	12,712,941,670	2,531,832,379	871,021,982	1,212,776,157	572,964,032	7,204,618,100	26,016,708	8,891,445,204	1,686,827,104
5. Short term Debt Securities	1,350,475,394	1,350,475,394	544,017,827	491,770,155	313,572,066	306,083,151	1,147,859,698		1,200,107,370	52,247,672
6. Sinking Funds				1,486	118,099,962	49,821,019				
Total	14,544,397,193	14,063,417,064	3,075,850,206	1,362,793,623	1,644,448,185	928,868,202	8,352,477,797	26,016,708	10,091,552,574	1,739,074,776

16. Contingent Liabilities

The contingent liability portfolio consists of loans made by quasi government institutions and guaranteed by the Government. A summarized schedule of the Contingent Liabilities totaling **\$420,686,868** is delineated below: A statement of the contingent liabilities showing several amounts are disclosed further in the notes.

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
1) BAHAMAS DVLPMT. BK.	50,690,000	50,690,000	9,996,124	41,000,010	40,693,876	
2) BAHAMAS ELECTRICITY CORPORATION	246,000,000	246,000,000	246,000,000	246,000,000	0	
3) CLIFTON HERITAGE AUTHORITY	24,000,000	24,000,000	0	24,000,000	24,000,000	
4) LUCAYAN RENEWAL HOLDINGS LTD	30,000,000	30,000,000	30,000,000	20,000,000	0	
5) PRIVATE SECTOR GUARANTEED DEBT	27,964,467	27,964,467	27,964,467	0	0	
6) SMALL BUSINESS DVLPMT. CENTER	4,050,000	4,050,000	2,581,690	1,256,171	1,468,310	
7) THE BRIDGE AUTHORITY	23,000,000	23,000,000	7,000,000	16,000,000	16,000,000	
8) THE EDUCATION LOAN AUTHORITY	67,000,000	67,000,000	20,000,000	62,000,000	47,000,000	
9) THE PUBLIC HOSPITALS AUTHORITY	135,000,000	135,000,000	68,535,304	74,566,172	66,464,696	
10) THE MORTGAGE CORPORATION	165,000,000	165,000,000	5,000,000	160,000,000	160,000,000	
11) THE WATER & SEWERAGE CORP.	95,000,000	91,632,274	26,572,288	69,665,999	65,059,986	
TOTAL	867,704,467	864,336,741	443,649,873	714,488,352	420,686,868	

17. Inter-Account Transfers

During the year in review **\$559,510,500** was raised via Bahamas Government Registered Stock, Commercial Banks, and drawdowns of **\$3,075,850,206** on existing loans from which **\$519,033,485** was transferred from the Consolidated Fund Capital Account to the Consolidated Fund Current Account to cover the budget deficit.

18. Fixed Deposits

At 30 June 2021 the balances on the Fixed Deposits were as follows:

BANK OF THE BAHAMAS

Fixed Deposits (Consolidated Fund)	<u>267,219</u>	
Total Fixed Deposits at Bank of Bahamas		<u>267,219</u>

19. Sinking Fund

Fixed Deposits have been established to facilitate periodic deposits from the Consolidated Fund in connection with the redemption of various Bonds which have been issued by the Government.

<u>CENTRAL BANK</u>	\$	\$
US\$ 200 million Bond (2003-2033)	88,556,979	
US\$ 100 million Bond (2008-2038)	34,359,163	
US\$ 750 million Bond (2026-2028)	<u>86,513,083</u>	
Balance at 30 June 2021		209,429,225
B\$ 24 million Bond- Re: Clifton Heritage	<u>13,093,473</u>	
Total Fixed Deposits (Sinking Fund) Balance at 30 June 2021		<u>222,522,698</u>

20. Dishonoured Cheques

A record is maintained of cheques received from the general public and other sources which were subsequently dishonoured by the drawee bank and are carried on the books until these cheques are honoured or approval is obtained for write-off. The total amount June 30, 2021 stands at **\$1,460,831**.

21. Fixed Assets

The Financial Administration and Audit act 2010 now require a statement of fixed assets the Government acquired during the financial year.

	2020/2021	2019/2020
	\$	\$
Land & Improvement	6,913,303	26,417,080
Infrastructure	147,257,242	54,447,467
Buildings & Improvement	84,240,155	82,062,145
Transportation	8,030,922	3,305,671
Machinery & Equipment	4,419,993	47,352,582
Furniture & Fixtures	1,273,779	4,194,047
Computerization	19,774,993	5,735,938
TOTAL	271,910,386	223,514,931

22. Government Corporations and Autonomous Agencies

There are a number of wholly owned Government Corporations namely;

Entity	Percentage (&) of Ownership
a. Bahamas Electricity Corporation	100
b. The Water and Sewerage Corporation	100
c. Broadcasting Corporation of the Bahamas	100
d. Bahamasair Company Limited	100
e. The Hotel Corporation	100
f. Bahamas Mortgage Corporation	100
g. Bahamas Agricultural & Industrial Corporation	100

There are a number of Government Authorities namely,

a. Airport Authority	100
b. Bahamas Maritime Authority	100
c. Public Hospitals Authority	100
d. The Bridge Authority	100
e. Education Loan Authority	100
f. National Sports Authority	100
g. Beaches & Parks Authority	100
h. Bahamas Civil Aviation Authority	100

Entities that the Government has part ownership;

a. Arawak Port Development	40
b. Bahamas Telecommunication Company Limited	49
c. Bank of the Bahamas	51
d. Aliv	51.75

Other autonomous entities;

a. Bahamas Development Bank	100
b. Central Bank of the Bahamas	100
c. Nassau Flight Services	100
d. Utilities and Regulatory Authority	100
e. Insurance Commission	100
f. Bahamas Securities Commission	100
g. Bahamas Resolve Limited	100
h. Post Office Savings Bank	100

23. Deposit Fund Account

The Public Treasury has the fiduciary responsibility for the maintenance of a Deposit Fund Account as per FAA Act 2010.

Sections 15 &16 provides for the establishment of a Deposit Fund Account into which monies are deposited pending repayment or application to the purposes for which they were deposited.

Additionally, section 15 sub-section (2) of the FAA Act 2010 provides authority for the Minister to make advances from the monies deposited.

As at 30th June 2021, the fund balance of the Deposits Fund is **\$107,677,009**. Details are shown further in the notes.

24. Cash and Bank Balances - Deposits Fund

As at June 30th, 2021, the Cash & Bank Balances were **\$105,767,935** as delineated below:

	Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020
<u>Deposits Fund</u>		
Bank of the Bahamas	12,631,848	9,682,177
Central Bank of the Bahamas		
Royal Bank	82,115,194	77,644,004
Family Island Bank Accounts	<u>11,020,893</u>	<u>10,839,617</u>
Total Cash and Bank Balances Deposits Fund	<u>105,767,935</u>	<u>98,165,798</u>

25. Sinking Fund/Debenture

A Debenture (1963-2023) in the amount of 86,000 pounds sterling which equated to **\$245,714** was issued in 1963 for the purchase of the Harcourt Malcolm Building (Re: Harcourt Malcolm Purchase Act 1963). A Sinking Fund together with its related Fixed Deposit has been established to facilitate periodic deposits from the Consolidated Fund in connection with the redemption of this Debenture which has been issued by the government. At 30 June 2021 the balance on the Fixed Deposit was **\$231,532.12**.

26. Investments - Deposits Fund

This investment of **\$47,800** represents a bequest by Mr. W. G. Emslie to the Bahamas Government of which the interest is to be used towards the maintenance of the clinic in West Grand Bahama. As at June 30th 2021, the interest earned and not used is **\$97,015.76**.

27. Public Officers' Loan

The Public Officers' Loan Fund was established to assist Public Officers with urgent / unexpected medical expenses, to pursue additional academic qualifications and for the purchase of vehicles in accordance with General Orders No: 1250.

These loans/advances are granted by the Minister as per Section 15 Sub-section 2 (d) of the Financial Administration and Audit Act 2010 and paid from the Deposit Fund Account. These loans/advances attract interest at the prime rate. The amounts outstanding as at June 30, 2020 and June 30, 2021 are **\$870,708** and **\$566,386** respectively.

Statement of Public Officers' Loan Fund is shown further in the notes.

28. Post Office Savings Bank Fund (Chapter 315 Section 11)

These funds represent monies deposited in the Treasury and are invested on behalf of the Post Office Savings Bank in accordance with section 11 of the Savings Bank Act.

As of 30 June 2021, the total of monies held on behalf of the Post Office Savings Bank was **\$9,259,940** and is invested as shown below.

	Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020
<u>Post Office Savings Bank (POSB)</u>		
Royal Bank	23,593	109,259
Bank of the Bahamas	8,396,347	7,735,943
Bahamas Government Registered Stock	840,000	1,290,000
Total Cash and Bank Balances POSB	9,259,940	9,135,202

29. Confiscated Asset Fund

The Confiscated Asset Fund Statements are presented under separate cover in accordance with the Proceeds from Crime Act and therefore are not included in these Statements. The assets of the said fund are under management of the Minister of Finance and as at 30 June 2021, the balance of the fund was **\$1,026,823**.

30. Pension & Gratuities

(a) Pensionable Public Officers

The Government of the Bahamas in accordance with the Pension Act maintains a noncontributory defined benefit pension plan for the benefit of qualifying permanent public service officials, inclusive of uniformed branches. For the fiscal year 2020/2021, the government budgeted for pension \$106,100,000 and gratuity \$30,000,000. The total paid was \$118,814,960 and \$36,938,813 respectively.

Under the Ministry of Tourism, there is a contributory defined benefit pension plan, which is optional. For the fiscal year 2020/2021, the government budgeted \$859,600 for pension and \$1,488,500 for gratuity. The total paid was \$828,426 and \$1,511,468 respectively.

(b) BTC Pension Fund

For the fiscal year 2020/2021, the government budgeted \$23M for the BTC Pension obligation. The agreement required the payment of \$20M in this fiscal year of which \$16.979M was paid.

31. Accounts Payables

Accounts Payable are non-interest bearing and are normally settled within a maximum of one year. These includes goods and services that have been committed and for which delivery is expected (such as ongoing capital projects). The balance as at June 30, 2021 are as follows.

Trade Payables	\$ 48,659,695
Accrued Payables	\$ 61,831,413

Annex 7

STATEMENT OF PUBLIC DEBT

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVERNMENT	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	LOAN DRAWN DOWN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	LOAN DRAWDOWN AMOUNT PRIOR YEAR	AMOUNT REDEEMED AS AT 30/06/21	AMOUNT OUTSTANDING AS AT 30/06/20	Exchange Rate Adjustments	AMOUNT OUTSTANDING AS AT 30/06/21	NET INCREASE/ (DECREASE)
1. Bahamas Government Registered Stock			6,204,043,400	6,204,043,400	559,510,500	454,965,900	542,560,900	393,502,500	3,634,231,100		3,738,775,700	104,544,600
2. Bahamas Government Stock			302,310,000	277,310,000	0	7,520,700	0	45,100,000	165,081,000		157,560,300	(7,520,700)
3. Loans Syndicated and payable Bahamian Dollars			713,245,714	713,245,714	0	7,562,269	225,000,000	90,419,153	453,984,211		446,421,942	(7,562,269)
4. Loans & Bonds Syndicated and payable in US Dollars & Other Currencies			5,974,322,685	5,518,342,556	1,972,321,879	400,973,113	445,215,257	43,942,379	2,951,321,789	26,016,708	4,548,687,262	1,597,365,473
		Sub-Total	13,193,921,799	12,712,941,670	2,531,832,379	871,021,982	1,212,776,157	572,964,032	7,204,618,100	26,016,708	8,891,445,204	1,686,827,104
5. Short term Debt Securities			1,350,475,394	1,350,475,394	544,017,827	491,770,155	313,572,066	306,083,151	1,147,859,698	0	1,200,107,370	52,247,673
6. Sinking Funds						1,486	118,099,962	49,821,019				
		Total	14,544,397,193	14,063,417,064	3,075,850,206	1,362,793,623	1,644,448,185	928,868,202	8,352,477,797	26,016,708	10,091,552,574	1,739,074,776

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	LOAN DRAW DOWN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	LOAN DRAWDOWN AMOUNT PRIOR YEAR	AMOUNT REDEEMED AS AT 30/06/21	AMOUNT OUTSTANDING AS AT 30/06/20	Exchange Rate Adjustments	AMOUNT OUTSTANDING AS AT 30/06/21	NET INCREASE/ (DECREASE)
BAHAMAS GOVT REGISTERED STOCK												
1 \$25.0m Treasury Stock (8/10/87) (7 3/4% & 8 3/4%)												
Maturing 1996 & 2012	1987	1996/2012	25,000,000	25,000,000								Resolution of the House of Assembly dated Dec. 0 23, 1986
2 \$45.0m Treasury Stock (1/2.5/8, 7/8, 1 1/16, 1 3/16	1996	2004/2016	45,000,000	45,000,000					0			Resolution of the House of Assembly dated June 0 13, 1996
1 1/4 % above prime) (23/9/96) Maturing 2004, 2016,												
3 \$30.0M Treasury Stock (08/2/97) (1 1/8, 1 7/8% above	1997	2015/2016	30,000,000	30,000,000								Resolution of the House of Assembly dated June 0 13, 1996
prime) 2015 & 2016												
4 \$35.0m Treasury Stock (8%, 8 1/2% & 9%)												
(15/3/88) Maturing 1993, 1998 & 2013	1988	1993/2013	35,000,000	35,000,000								Resolution of the House of Assembly dated Dec. 0 17, 1987

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

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BAHAMAS GOVT REGISTERED STOCK												
5 \$47.0m Treasury Stock (24/8/93) (5/8, 11/16, 3/4% above prime) Maturing 2010, 2011 & 2012	1993	2010/2012	47,000,000	47,000,000								Resolution of the House of Assembly dated Dec. 09, 1993
6 \$65.0M Treasury stock (5 3/4%, 5 7/8%, 6%, & 6 5/8) (20/09/94) Maturing 2007, 2008, 2009 & 2014	1994	2007/2014	65,000,000	65,000,000								Resolution of the House of Assembly dated June 0 16, 1994
7 \$25.0m Treasury Stock (18/05/95) (1% above prime) Maturing 2013	1995	2013	25,000,000	25,000,000								Resolution of the House of Assembly dated June 0 16, 1994
8 \$30.0m Treasury Stock (26/2/96) (7/8, 1 1/16 1 1/8% above prime) Maturing 2010, 2013 & 2014	1996	2010/2014	30,000,000	30,000,000								Resolution of the House of Assembly dated June 0 15, 1995

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	LOAN DRAW DOWN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	LOAN DRAWDOWN AMOUNT PRIOR YEAR	AMOUNT REDEEMED AS AT 30/06/21	AMOUNT OUTSTANDING AS AT 30/06/20	Exchange Rate Adjustments	AMOUNT OUTSTANDING AS AT 30/06/21	NET INCREASE/ (DECREASE)
BAHAMAS GOVT REGISTERED STOCK												
9 \$40.0m Treasury Stock (13/06/96) (1 1/16, 1 1/8, 1 3/16, 1 1/4 % above prime) 2014, 2015, 2016 & 2017	1996	2014/2017	40,000,000	40,000,000					0		0 15, 1995	Resolution of the House of Assembly dated June 15, 1995
10 \$50.0m Treasury Stock (15/07/97) (17/32%, 9/16%, 19/32%, 5/8% above prime) maturing 2014, 2017	1997	2014/2017	50,000,000	50,000,000					0		0 16, 1997	Resolution of the House of Assembly dated June 16, 1997
11 \$50.0m Treasury Stock (15/10/97) (1 1/8%, 1 3/16%, 1 1/4% above prime rate) maturing 2015, 2016 & 2017	1997	2015/2017	50,000,000	50,000,000					0		0 16, 1997	Resolution of the House of Assembly dated June 16, 1997
12 \$21.0m Treasury Stock (08/4/98) (7/16%, & 1/2% above prime rate) Maturing 2012 & 2014	1998	2012/2014	21,000,000	21,000,000							0 16, 1997	Resolution of the House of Assembly dated June 16, 1997

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

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BAHAMAS GOVT REGISTERED STOCK												
13 \$50.0m Treasury Stock (10/8/98) (3/8%, 15/32%, 9/16% & 19/32% above prime rate) Maturing 2011, 2014, 2017, & 2018	1998	2011/2018	50,000,000	50,000,000					0			Resolution of the House of Assembly dated June 0 15, 1998
14 \$26.0m Treasury Stock (26/2/99) (7/32%, 5/16% & 9/16% above prime rate) Maturing 2007,2010,2018	1999	2007/2018	26,000,000	26,000,000					0			Resolution of the House of Assembly dated June 0 15, 1998
15 \$30.0m Treasury Stock (9/32%, 5/16%, & 19/32% above prime rate) Maturing 2008, 2009 & 2018	1998	2008/2018	30,000,000	30,000,000					0			Resolution of the House of Assembly dated June 0 15, 1998
16 \$50.0m Treasury Stock (21/7/99) (7/32%, 9/32%, 3/8%, 7/16, 15/32% above prime rate) Maturing 2011, 2013, 2016,	1999	2011/2019	50,000,000	50,000,000				10,000,000	0			Resolution of the House of Assembly dated June 0 16, 1999

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

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BAHAMAS GOVT REGISTERED STOCK												
17 \$28.0m Treasury Stock (15/11/99) (3/8%, 7/16% & 15/32% above prime rate) Maturing 2016, 2018 & 2019	1999	2016/2019	28,000,000	28,000,000				10,000,000				Resolution of the House of Assembly dated June 0 16, 1999
18 \$30.0M Treasury Stock (21/09/00) (7/16%, 15/32%, 1/2% above prime rate) Maturing 2018, 2019 & 2020	2000	2018/2020	30,000,000	30,000,000		10,000,000		10,000,000	10,000,000			Resolution of the House of Assembly dated June 0 16, 2000
19 \$25.8M Treasury Stock (27/10/00) (9/32%, 15/32%, & 1/2% above prime rate) Maturing 2013, 2019, & 2020	2000	2013/2020	25,800,000	25,800,000		10,000,000		10,000,000	10,000,000			Resolution of the House of Assembly dated June 0 19, 2000
20 \$34.3M Treasury Stock (30/07/01) (1/2%, 17/32%, & 9/16% above prime rate) Maturing 2019, 2020& 2021	2001	2019/2021	34,300,000	34,300,000		10,000,000		10,000,000	24,300,000		14,300,000	Resolution of the House of Assembly dated June
21 \$40.9478M Treasury Stock (12/12/01) 15/32, 1/2, 17/32, 9/16 Maturing 2018 2021	2001	2018/2021	40,947,800	40,947,800		10,000,000		10,000,000	20,947,800		10,947,800	Resolution of the House of Assembly dated Dec. 10, 2001

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

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BAHAMAS GOVT REGISTERED STOCK												
22 \$20.465M Treasury Stock (26/04/02) (17/32% & 9/16 APR) Maturing 2020 & 2021	2002	2020/2021	20,465,000	20,465,000		10,465,000		10,000,000	10,465,000			Resolution of the House of Assembly dated June 06, 2001
23 \$60.0M Treasury Stock (23/08/02) (1/4, 5/16, 11/32, 3/8, 13/32 APR) Maturing 2017, 2022	2002	2017/2022	60,000,000	60,000,000		15,000,000		8,000,000	45,000,000			Resolution of the House of Assembly dated June 19, 2002
24 \$65.0M Treasury Stock (04/12/02) (3/16, 11/32, 3/8, 13/32 APR) Maturing 2015, 2020, 2021 & 2022	2002	2015/2022	65,000,000	65,000,000		15,000,000			50,000,000			Resolution of the House of Assembly dated June 19, 2002
25 \$61.1M Treasury Stock (08/04/03)(1/4, 5/16, 11/32, 3/8) Maturing 2019, 2021, 2021, 2022 & 2023	2003	2019/2023	61,100,000	61,100,000		15,000,000			46,100,000			Resolution of the House of Assembly dated June 19, 2002

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

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BAHAMAS GOVT REGISTERED STOCK												
26 \$75.0M Treasury Stock (21/07/03)(3/32, 3/16, 11/32, 3/8)												
Maturing 2014, 2017, 2022 & 2023	2003	2014/2023	60,000,000	60,000,000					45,000,000		45,000,000	Resolution of the House of Assembly dated June 20, 2003
27 \$23.2898M Treasury Stock (09/02/04) (11/32, 3/8)												
Maturing 2023 2024	2004	2023/2024	23,289,800	23,289,800				0	23,289,800		23,289,800	Resolution of the House of Assembly dated June 18, 2004
28 \$100M Treasury Stock (29/07/04)(1/32, /13, , 1/8, 3/16, 7/32, 1/4%, 9/32%, 5/16%)												
Maturing 2015,2016,2018,2021,2022,2023 & 2024	2004	2015/2024	100,000,000	100,000,000		10,000,000			70,000,000		60,000,000	Resolution of the House of Assembly dated June 18, 2004
29 \$100.0M Treasury Stock (22/10/04)(1/32, 1/16, 3/32, 5/32, 1/4, 9/32, 5/16)												
Maturing 2015,2016,2017,2019,2022,2023,2024	2004	2015/2024	100,000,000	100,000,000				15,000,000	45,000,000		45,000,000	Resolution of the House of Assembly dated June 18, 2004

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BAHAMAS GOVT REGISTERED STOCK												
30 \$40.0M Treasury Stock (27/04/05)												
(7/32, 1/4, 9/32, 5/16) Maturing 2022 2025	2005	2022/2025	40,000,000	40,000,000				0	40,000,000		40,000,000	Resolution of the House of Assembly dated April 27, 2005
31 \$40.4666M Treasury Stock (28/06/05) (28/06/05) (1/8, 1/4, 9/32) Maturing 2020,2024 & 2025	2005	2020/2025	40,466,600	40,466,600				5,466,600	35,000,000		35,000,000	Resolution of the House of Assembly dated July 8, 2005
32 \$75.0M Treasury Stock (07/09/05)(5/32, 3/16, 7/32, 1/4, 9/32) Maturing 2021 2025	2005	2021/2025	75,000,000	75,000,000				0	75,000,000		75,000,000	Resolution of the House of Assembly dated June 20, 2005
33 \$75.0M Treasury Stock (18/01/06)(5/32, 1/4, 9/32, 5/16) Maturing 2021, 2024, 2025 & 2026	2006	2021/2026	75,000,000	75,000,000		10,000,000		0	75,000,000		65,000,000	Resolution of the House of Assembly dated June 20, 2005
34 \$25.894M Treasury Stock (30/06/05) (3/8) Maturing 2025	2005	2025	25,894,200	25,894,200				0	25,894,200		25,894,200	Resolution of the House of Assembly dated June 20, 2005

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BAHAMAS GOVT REGISTERED STOCK												
35 \$51.645M Treasury Stock (04/05/06)(1/4, 9/32, 5/16)												
Maturing 2024 2026	2006	2024/2026	51,645,000	51,645,000				0	51,645,000		51,645,000	Resolution of the House of Assembly dated June
												Resolution of the House of Assembly dated June
36 \$100M Treasury Stock (22/09/06)	2006	2021/2026	100,000,000	100,000,000				0	100,000,000		100,000,000	21, 2006
5/32%, 3/16%, 7/32%, 1/4%, 9/32%												
Maturing 2021, 2022, 2023, 2024, 2025 & 2026												
37 \$50M Treasury Stock (28/03/07)(9/32, 5/16)	2007	2026/2027	50,000,000	50,000,000				0	50,000,000		50,000,000	Resolution of the House of Assembly dated June
Matruring 2026 & 2027												
												Resolution of the House of Assembly dated June
38 \$45.284M Treasury Stock (09/05/07)(5/16)	2007	2027	45,284,000	45,284,000				0	45,284,000		45,284,000	21, 2006
Maturing 2027												
												Resolution of the House of Assembly dated June
39 \$100M Treasury Stock (26/07/07) 5/16%, 9/16%, 5/8%	2007	2027/2037	100,000,000	100,000,000				0	100,000,000		100,000,000	14, 2007
Maturing 2027, 2035 & 2037												

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BAHAMAS GOVT REGISTERED STOCK												
40 \$35M Treasury Stock (08/10/07) 5/16%, 11/32%, 3/8% Maturing 2027, 2028 & 2029	2007	2027/2029	35,000,000	35,000,000				0	35,000,000		35,000,000	Resolution of the House of Assembly dated June 21, 2006
41 \$31.5009M Treasury Stock (28/11/07) 1/32%, 3/32%, 5/16%, 13/32% Maturing 2018,2020,2027 & 2030	2007	2018/2030	31,500,900	31,500,900		6,500,900			21,500,900		15,000,000	Resolution of the House of Assembly dated June
42 \$100M Treasury Stock (22/09/08) 9/32%, 5/16%, 11/32% 3/8%, 13/32%, 7/16% Maturing 2028,2029,2030,2031,2032 & 2033	2008	2028/2033	100,000,000	100,000,000				0	100,000,000		100,000,000	Resolution of the House of Assembly dated June 12, 2008
43 \$107.226M Treasury Stock (06/01/09) 1/4%, 9/32% 5/16%, 11/32% Maturing 2028,2029,2030,2031,2032 & 2033	2008	2028/2033	107,226,000	107,226,000				0	107,226,000		107,226,000	Resolution of the House of Assembly dated June 14, 2007

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BAHAMAS GOVT REGISTERED STOCK												
												Resolution of the House of Assembly dated June
44 \$150M Treasury Stock (27/08/09) 1/8%, 9/64%, 5/32%, 11/64%, 3/16%, 13/64%, 7/32%,	2009	2028/2030	150,000,000	150,000,000				0	150,000,000		150,000,000	17, 2009
												Resolution of the House of Assembly dated June
45 \$59.7243M Treasury Stock (26/04/10) 1/12%, 3/32%, 5/48% Maturing 2028,2029 & 2030	2010	2028/2030	59,724,300	59,724,300				0	59,724,300		59,724,300	17, 2009
												Resolution of the House of Assembly dated June
46 \$100M Treasury Stock (26/07/10) 1/2%, 11/96%, 3/32%, 7/48%, 17/96% Maturing 2028,2029,2031,2034 & 2037	2010	2028/2037	100,000,000	100,000,000				0	100,000,000		100,000,000	10, 2010
												Resolution of the House of Assembly dated June
47 \$100M Treasury Stock (19/10/10) 5.5%/ 1/48%, 1/24%, 5/32%	2010	2015/2030	100,000,000	100,000,000				20,000,000	30,000,000		30,000,000	10, 2010

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BAHAMAS GOVT REGISTERED STOCK												
												Resolution of the House of Assembly dated June
48 \$34.9932M Treasury Stock (10/12/10) 11/96%, 1/8%, 13/96%, 7/8% Maturing 2026,2027,2028 & 2029	2010	2026/2029	34,993,200	34,993,200				0	34,993,200		34,993,200	10, 2010
												Resolution of the House of Assembly dated June
49 \$100M Treasury Stock (15/08/11) Maturing 2016, 2018, 2020, 2026, 2028, 2032	2011	2016/2032	100,000,000	100,000,000		10,000,000		0	85,000,000		75,000,000	9, 2011
												Resolution of the House of Assembly dated June
50 \$60M Treasury Stock (10/11/11) 1/64%, 1/32%, 5/64%, 3/32% Maturing 2016,2018,2020,2026,2028	2011	2016/2028	60,000,000	60,000,000		10,000,000		0	40,000,000		30,000,000	9, 2011
												Resolution of the House of Assembly dated June
51 \$10.6359M Treasury Stock (26/06/12) 1/64%, 3/128%, 1/32% Maturing 2017,2018,2020,2021,2022,2027,2029,2030 & 2031	2012	2019/2021	10,635,900	10,635,900		4,000,000.00		4,635,900	4,000,000		0	26, 2012

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BAHAMAS GOVT REGISTERED STOCK												
52 \$200M Treasury Stock (16/07/12) 4%, 4 1/40%, 4 3/40%	2012	2017/2031	200,000,000	200,000,000		20,000,000		0	160,000,000		140,000,000	Resolution of the House of Assembly dated June 14, 2012
4 1/10%, 4 1/8%, 4 1/4%, 4 3/10% 4 13/40% & 4 7/20%, Maturing 2017,2018,2020,2021,2022,2027,2029,2030 & 2031												
53 \$100M Treasury Stock (25/09/12) 3/256%, 3/128%, 11/256%, 7/128%, 1/16%	2012	2016/2032	100,000,000	100,000,000				15,000,000	70,000,000		70,000,000	Resolution of the House of Assembly dated June 14, 2012
Maturing 2016,2019,2022,2027,2030,2032												
54 \$25M Treasury Stock (29/10/12) 15/256%, 1/16% Maturing 2031, 2032	2012	2031/2032	25,000,000	25,000,000				0	25,000,000		25,000,000	Resolution of the House of Assembly dated Oct 29, 2012
55 \$50M Treasury Stock (17/04/2013) 7.128%, 15/256%, 1/16% Maturing 2031, 2032, 2033.	2013	2031/2033	50,000,000	50,000,000				0	50,000,000		50,000,000	Resolution of the House of Assembly dated Mar. 18, 2013

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												Resolution of the House
56 \$70M Treasury Stock (26/07/2013) 3.256% 7.256%, 5.128%, 3.64%, 7.128%, 1.16%, 9.128% Maturing 2020, 2024, 2029, 2031, 2033, 2034	2013	2020/2034	70,000,000	70,000,000		5,000,000		0	70,000,000		65,000,000	of Assembly June 2013
												Resolution of the House
57 \$45M Treasury Stock (23/09/2013) 7.128%, 15/256%, 1.16% Maturing 2031, 2032, 2033	2013	2031/2033	45,000,000	45,000,000				0	45,000,000		45,000,000	of Assembly June 2013
												Resolution of the House
58 \$20M Treasury Stock (03/10/2014) Maturing 2016	2014	2016	20,000,000	20,000,000				0	0		0	of Assembly June 2014
												Resolution of the House
59 \$35.0M Treasury Stock (30/10/14) Maturing 2019,2020,2021	2014	2019/2021	35,000,000	35,000,000				10,400,000	4,600,000		4,600,000	of Assembly June 2014
												Resolution of the House
60 \$20.0M Treasury Stock (18/11/14) Maturing 2029	2014	2029	20,000,000	20,000,000				0	0		0	of Assembly June 2014
												Resolution of the House
61 \$10.0M Treasury Stock (17/07/15) Maturing 2023	2015	2023	10,000,000	10,000,000				0	10,000,000		10,000,000	of Assembly June 2015
												Resolution of the House
62 \$30M Treasury Stock (18/07/16) Maturing 2024	2016	2024	30,000,000	30,000,000				0	30,000,000		30,000,000	of Assembly June 2016
												Resolution of the House
63 \$30M Treasury Stock (04/08/16) Maturing 2036	2016	2036	30,000,000	30,000,000				0	30,000,000		30,000,000	of Assembly June 2016
												Resolution of the House
64 \$30M Treasury Stock (26/08/16) Maturing 2036 # 2	2016	2036	30,000,000	30,000,000				0	30,000,000		30,000,000	of Assembly June 2016
												Resolution of the House
65 \$40M Treasury Stock (25/07/16) Maturing 2025, 2026	2016	2025/2026	40,000,000	40,000,000				0	40,000,000		40,000,000	of Assembly June 2016

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66 \$25M Treasury Stock (23/09/16) Maturing 2036 # 3	2016	2036	25,000,000	25,000,000				0	25,000,000		25,000,000	Resolution of the House of Assembly June 2016
67 \$100M Treasury Stock (03/10/16) & (13/10/16) Maturing 2036	2016	2036	100,000,000	100,000,000				20,000,000	80,000,000		80,000,000	Resolution of the House of Assembly June 2016
68 \$20M Treasury Stock (13/04/16) Maturing 2019	2016	2019	20,000,000	20,000,000				0	0		0	Resolution of the House of Assembly June 2016
69 \$5.0M Treasury Stock (13/04/16) Maturing 2021	2016	2021	5,000,000	5,000,000				0	0		0	Resolution of the House of Assembly June 2016
70 \$25M Treasury Stock (13/04/16) Maturing 2036 # 5	2016	2036	25,000,000	25,000,000				0	0		0	Resolution of the House of Assembly June 2016
71 \$120M Treasury Stock (19/10/16) Maturing 2017	2016	2017	120,000,000	120,000,000				0	0		0	Resolution of the House of Assembly June 2016
72 \$20M Treasury Stock (19/12/16) Maturing 2021	2016	2021	20,000,000	20,000,000				0	0		0	Resolution of the House of Assembly June 2016
73 \$75M Treasury Stock (29/03/17) Maturing 2018	2017	2018	75,000,000	75,000,000				0	0		0	Resolution of the House of Assembly June 2016
74 \$75M Treasury Stock (27/04/17) Maturing 2018	2017	2018	75,000,000	75,000,000				0	0		0	Resolution of the House of Assembly June 2016
75 \$75M Treasury Stock (14/07/17) Maturing 2020 2027	2017	2037	75,000,000	75,000,000		5,000,000		0	75,000,000		70,000,000	Resolution of the House of Assembly June 2017

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76 \$62M Treasury Stock (16/10/17) Maturing 2037	2017	2037	62,000,000	62,000,000		5,000,000		0	62,000,000		57,000,000	Resolution of the House of Assembly June 2017
77 \$20M Treasury Stock (17/10/17) Maturing 2033	2017	2033	20,000,000	20,000,000		0		0	20,000,000		20,000,000	Resolution of the House of Assembly June 2017
78 \$120M Treasury Stock (27/10/17) Maturing 2018	2017	2018	120,000,000	120,000,000				0	0		0	Resolution of the House of Assembly June 2017
79 \$50M Treasury Stock (15/12/17) Maturing 2037	2017	2037	50,000,000	50,000,000				0	50,000,000		50,000,000	Resolution of the House of Assembly June 2017
80 \$20M Treasury Stock (26/02/18) Maturing 2021 2038	2018	2021 2038	20,000,000	20,000,000		1,000,000		0	20,000,000		19,000,000	Resolution of the House of Assembly June 2017
81 \$15M Treasury Stock (28/03/18) Maturing 2038	2018	2038	15,000,000	15,000,000				0	15,000,000		15,000,000	Resolution of the House of Assembly June 2017
82 \$75M Treasury Stock (28/03/18) Maturing 2019	2018	2019	75,000,000	75,000,000				75,000,000	0		0	Resolution of the House of Assembly June 2017
83 \$75M Treasury Stock (29/10/18) Maturing 2019	2018	2019	75,000,000	75,000,000		0		75,000,000	0		0	Resolution of the House of Assembly June 2018

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84 \$55M Treasury Stock (13/07/18) Maturing 2021 2038	2018	2021/38	55,000,000	55,000,000					55,000,000		55,000,000	Resolution of the House of Assembly June 2018
85 \$30M Treasury Stock (15/08/18) Maturing 2021 2038	2018	2021/38	30,000,000	30,000,000					30,000,000		30,000,000	Resolution of the House of Assembly June 2018
86 \$25M Treasury Stock (14/09/18) Maturing 2039 2049	2018	2039 49	25,000,000	25,000,000					25,000,000		25,000,000	Resolution of the House of Assembly June 2018
87 \$30M Treasury Stock (15/10/18) Maturing 2021 2038	2018	2021 38	30,000,000	30,000,000					30,000,000		30,000,000	Resolution of the House of Assembly June 2018
88 \$29M Treasury Stock (15/10/2018) Maturing 2021 2048	2018	2021 48	29,000,000	29,000,000					29,000,000		29,000,000	Resolution of the House of Assembly June 2018
89 \$70M Treasury Stock (15/10/2018) Maturing 2021	2018	2021	70,000,000	70,000,000					70,000,000		70,000,000	Resolution of the House of Assembly June 2018
90 \$75M Treasury Stock (29/04/2018) Maturing 2019	2018	2019	75,000,000	75,000,000				75,000,000	0		0	Resolution of the House of Assembly June 2018
91 \$40M Treasury Stock (15/04/2019) Maturing 2022 2049	2018	2022 49	40,000,000	40,000,000					40,000,000		40,000,000	Resolution of the House of Assembly June 2018
92 \$25M Treasury Stock (15/03/2019) Maturing 2021 2038	2018	2021 38	25,000,000	25,000,000					25,000,000		25,000,000	Resolution of the House of Assembly June 2018
93 \$75M Treasury Stock (29/04/2019) Maturing 2020	2018	2020	75,000,000	75,000,000							0	Resolution of the House of Assembly June 2018
94 \$40M Treasury Stock (15/04/2019) Maturing 2022 2049	2018	2022 49	40,000,000	40,000,000					40,000,000		40,000,000	Resolution of the House of Assembly June 2018

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95 \$25M Treasury Stock (17/06/2019) Maturing 2039 49	2018	2039 49	25,000,000	25,000,000					25,000,000		25,000,000	Resolution of the House of Assembly June 2018
96 \$25.7M Treasury Stock (17/06/2019) Maturing 2039	2018	2039	25,700,000	25,700,000					25,700,000		25,700,000	Resolution of the House of Assembly June 2018
97 \$75M Treasury Stock (29/06/19) Maturing 2020	2018	2020	75,000,000	75,000,000								
98 BGR B\$20M (15/07/19) 2023 2050	2023	2050	20,000,000	20,000,000					20,000,000		20,000,000	Resolution of the House of Assembly June 2019
99 BGRS \$50M PROCEEDS (16/08/2019)	2029	2049	50,000,000	50,000,000			50,000,000		50,000,000		50,000,000	Resolution of the House of Assembly June 2019
100 BGRS B\$33M (15/09/19) 2029 2049	2029	2049	33,000,000	33,000,000			33,000,000		33,000,000		33,000,000	Resolution of the House of Assembly June 2019
101 BGRS B\$75.4M (15/10/19) 2022 2049	2022	2049	75,400,000	75,400,000			75,400,000		75,400,000		75,400,000	Resolution of the House of Assembly June 2019
102 BGRS B\$30M (15/11/19) 2023 2050	2023	2050	30,000,000	30,000,000			10,000,000		10,000,000		10,000,000	Resolution of the House of Assembly June 2019
103 BGRS \$32.5M (11/12/19) 2039 49	2039	2049	32,500,000	32,500,000			32,500,000		32,500,000		32,500,000	Resolution of the House of Assembly June 2019
104 BGRS B\$75M (19/10/19)	2019	2020	75,000,000	75,000,000		75,000,000	75,000,000		75,000,000		0	Resolution of the House of Assembly June 2019
105 BGRS B\$30.6M (17/01/20) 2023 50	2023	2050	30,600,000	30,600,000			30,600,000		30,600,000		30,600,000	Resolution of the House of Assembly June 2019
									0		0	Resolution of the House of Assembly June 2021

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106 BGRS B\$30M (13/03/20)	2020	2050	30,000,000	30,000,000			30,000,000		30,000,000		30,000,000	Resolution of the House of Assembly June 2019
107 BGRS B\$75M (30/03/20)	2020	2021	75,000,000	75,000,000		75,000,000	75,000,000		75,000,000		0	Resolution of the House of Assembly June 2019
108 BGRS B\$30M (21/04/20)	2020	2050	30,000,000	30,000,000			30,000,000		30,000,000		30,000,000	Resolution of the House of Assembly June 2019
109 BRS B\$8.0609M	2020	2050	8,060,900	8,060,900			8,060,900		8,060,900		8,060,900	Resolution of the House of Assembly June 2019
110 BGRS \$35M 2023 2050	2020	2050	35,000,000	35,000,000			35,000,000		35,000,000		35,000,000	Resolution of the House of Assembly June 2019
111 BGRS B\$58M (05/05/20) 2021	2020	2021	58,000,000	58,000,000		58,000,000	58,000,000		58,000,000		0	Resolution of the House of Assembly June 2019
112 BGRS B\$50.8M (16/07/20) 2023 2050	2020	2050	50,860,000	50,860,000	50,860,000						50,860,000	Resolution of the House of Assembly June 2020
113 BGRS B\$ 12.928M (17/08/20) 2023 2050	2020	2050	12,928,300	12,928,300	12,928,300						12,928,300	Resolution of the House of Assembly June 2020
114 BGRS B\$ 17.7248M (15/09/20) 2023 2050	2020	2050	17,724,800	17,724,800	17,724,800						17,724,800	Resolution of the House of Assembly June 2020
115 BGRS B\$ 22.520M (15/10/20) 2023 2050	2020	2050	22,520,700	22,520,700	22,520,700						22,520,700	Resolution of the House of Assembly June 2020
116 BGRS \$75.0 MILLION (29/10/20) 2021	2020	2021	75,000,000	75,000,000	75,000,000						75,000,000	Resolution of the House of Assembly June 2020
117 BGRS B\$40M (13/10/20)	2020	2020	40,000,000	40,000,000	40,000,000	40,000,000					0	Resolution of the House of Assembly June 2020
118 BGRS B\$28.8681M(17/11/2020)	2020	2050	28,868,100	28,868,100	28,868,100						28,868,100	Resolution of the House of Assembly June 2022
119 BGRS \$25.0119 MILLION (18/12/2020) 2023 2050	2020	2050	25,011,900	25,011,900	25,011,900	0	0		0		25,011,900	Resolution of the House of Assembly June 2020
120 BGRS B\$17.9876M (25/01/21) 2023 2050	2021	2050	17,987,000	17,987,000	17,987,600						17,987,600	Resolution of the House of Assembly June 2020
121 BGRS \$32.142 MILION (15/02/21) 2024 2051	2021	2051	32,142,000	32,142,000	32,142,000						32,142,000	Resolution of the House of Assembly June 2020
122 BGRS B\$87.4101M (30/03/21) 2022	2021	2022	87,410,100	87,410,100	87,410,100						87,410,100	Resolution of the House of Assembly June 2020
123 BGRS B\$ 14.556M (15/04/21) 2024 2051	2021	2051	14,555,600	14,555,600	14,555,600						14,555,600	Resolution of the House of Assembly June 2020
124 BGRS B\$31.535M (16/04/21) 2024 2051	2021	2051	31,535,500	31,535,500	31,535,500						31,535,500	Resolution of the House of Assembly June 2020
125 BGRS B\$58M (05/05/21) 2022	2021	2022	58,000,000	58,000,000	58,000,100						58,000,100	Resolution of the House of Assembly June 2020
126 BGRS B\$25M (26/05/21)	2021	2021	25,000,000	25,000,000	25,000,000	25,000,000					0	Resolution of the House of Assembly May 2021
127 BGRS B\$6.8735M (17/05/21) 2024 2051	2021	2051	6,873,500	6,873,500	6,873,500						6,873,500	Resolution of the House of Assembly June 2020
128 BGRS B\$13.0923M(15/06/2021) 2024 2051	2021	2051	13,092,300	13,092,300	13,092,300						13,092,300	Resolution of the House of Assembly June 2020
TOTAL			6,204,043,400	6,204,043,400	559,510,500	454,965,900	542,560,900	393,502,500	3,634,231,100		3,738,775,700	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PUBLIC DEBT STATEMENT

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	LOAN DRAW DOWN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	LOAN DRAWDOWN AMOUNT PRIOR YEAR	AMOUNT REDEEMED AS AT 30/06/21	AMOUNT OUTSTANDING AS AT 30/06/20	Exchange Rate Adjustments	AMOUNT OUTSTANDING AS AT 30/06/21	NET INCREASE/ (DECREASE)
BAHAMAS GOVERNMENT STOCK												
												Resolution of the House of Assembly June 2014
<u>\$200M Bahamas Government Stock</u>												
Tranche 1: \$75M Maturing 2017,2019,2021,2044	2015	2017 2044	75,000,000	75,000,000		7,520,700		22,500,000	30,000,000		22,479,300	
Tranche 2: \$70M Maturing 2018,2020,2022,2045	2015	2018 2045	75,000,000	70,000,000				5,600,000	53,826,000		53,826,000	
Tranche 3: \$55M Maturing 2018,2020,2022,2045	2015	2018 2045	75,000,000	55,000,000				17,000,000	20,000,000		20,000,000	
Tranche 4: \$77.310M Maturing 2018,2020,2022	2015	2018 2022	77,310,000	77,310,000		0		0	61,255,000		61,255,000	
TOTAL			302,310,000	277,310,000	0	7,520,700		45,100,000	165,081,000		157,560,300	

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<u>LOANS SYNDICATED & PAYABLE IN</u>												
<u>BAHAMIAN DOLLARS</u>												
FCIB \$100M Loan Notes	2014	2021	100,000,000	100,000,000		250,000		20,000,000	50,000,000		49,750,000	Resolution of the House of
Royal Bank of Canada COB Capital Works Loan	2015	2027	8,000,000	8,000,000		749,669.21		696,930	5,266,276		4,516,607	Credit Agreement
Royal Bank of Canada Working Capital Loan	2016	2018	75,000,000	75,000,000		0		0	0		0	Credit Agreement
\$130M Club Loan for Hurricane Recovery	2016	2021	130,000,000	130,000,000		0		32,500,000	48,750,000		48,750,000	Loan Agreement
FCIB \$75 Million Syndicate Loan	2018	2023	75,000,000	75,000,000		0		15,000,000	52,500,000		52,500,000	Loan Agreement
RBC \$100 Million Working Capital Loan	2018	2023	100,000,000	100,000,000		0		22,222,223	72,222,221		72,222,221	Credit Agreement
Harcourt Malcolm Property Purchase 1963/2023	1963	2023	245,714	245,714		0		0	245,714		245,714	The Harcourt Malcolm Property Purchase Act No:2 1963 5% Debenture Note dated 1963
FCIB \$85 Million Mixed Syndicate Loan	2020	2025	35,000,000	35,000,000			35,000,000		35,000,000		35,000,000	Loan Agreement
GOB \$190 Million Club Loan	2020	2024	190,000,000	190,000,000		6,562,600	190,000,000		190,000,000		183,437,400	Loan Contract dated 04/03/2020
TOTAL			713,245,714	713,245,714	0	7,562,269	225,000,000	90,419,153	453,984,211		446,421,942	

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LOANS SYNDICATED IN U.S. DOLLARS												
AND OTHER CURRENCIES												
US\$21.0m 848/OC BH IDB Loan	1995	2020	21,600,061	21,600,061		0		1,296,002	0			Loan Agreement. 0
Inter American Development Bank 1266/OC BH												
Infrastructure Rehabilitation (Hurricane Floyd) (Mar 21, 2001)	2001	2021	21,000,000.00	18,958,648		1,263,910		1,263,910	1,263,910			Loan Contract dated 21/03/01 0
Inter American Development Bank 1320/OC BH	2001	2021	46,200,000.00	43,399,981		3,250,878.18		3,250,878	4,876,318			Loan Contract dated 22/10/01 1,625,440
(New Providence Transport Program) (22/10/01)												
Inter American Development Bank 1617/OC BH								0				
Immediate Response Facility	2005	2025	16,700,000	3,580,522		238,701.40		238,701	1,193,508			Loan Contract dated April 28th, 2005 954,807
Inter American Development Bank 1695/OC BH	2006	2026	18,000,000	12,798,382		885,819.20		885,819	5,757,824			4,872,005 Loan Agreement
Education & Training Loan												

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E. E. C. Rural Energy Project (1.0m Disbursed in Euro)	1991	2030	1,442,766	827,357		31,618.52		28,476	305,238	17,775.35	291,395.11	Loan agreement dated November 11, 1990.
Food Technology Complex	1982	2021	433,375	433,375		20,122.35		18,129	27,917	2,113.67	9,908.1982	Loan Agreement dated July 22nd. 1982.
IDB 1170/OC BH Solid Waste Management Loan	2001	2019	23,500,000	21,797,403				750,307	0		0	Loan Contract No. 1170/OC-BH
IDB 1988/OC BH New Providence Trns Splmt Fdg.	2008	2033	100,000,000	100,000,000		4,767,602.18		4,767,602	61,978,828		57,211,226	Loan Contract dated June 23, 2008
\$200M Bond Issue Maturing 2033	2003	2033	200,000,000	200,000,000		0		0	200,000,000		200,000,000	Proceeds Received Resolution House of Assembly June 2003
Deutsche Bank 75M Loan (30/09/2013)	2013	2020	101,542,500	101,542,500		87,495,000		0	84,255,000	3,240,000.00	0	Credit Agreement
Deutsche Bank 45M Loan			45,000,000	45,000,000		0		0	45,000,000		45,000,000	Credit Agreement
Int'l Private Capital / Mkt Dvlpmt Bond Issue	2014	2024	300,000,000	300,000,000		0		0	300,000,000		300,000,000	Credit Agreement

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The EXIM Bank of China Container Scanners Loan	2006	2022	5,187,302	4,737,791		325,205.75		305,128	2,078,462	196,084.71	1,949,341	Loan Agreement dated September 27th, 2006
*(34,000,000 RMB Yuan Disbursed in USD)												
\$100M Bond Issue Maturing 2038	2008	2038	100,000,000	100,000,000		0		0	100,000,000		100,000,000	Resolution of House of Assembly dated December 17th, 2007
Credit Suisse CHF 100M	2016	2023	100,120,144	100,120,144		8,740,265		0	77,015,496	1,038,715.21	69,313,947	Credit Agreement
Credit Suisse CHF 100M+50M	2016	2023	155,038,757	155,038,760		12,961,650		0	131,186,643	1,035,591.74	119,260,585	Credit Agreement
Family Island Project	2010	2027	10,109,000	6,995,917		588,099.91		588,100	4,410,749		3,822,649	Loan Agreement dated Oct. 11th, 2010
(CDB Loan no: 09/OR BHA)												
Chinese Concessional Loan (Airport Road)	2010	2030	59,438,553	51,627,214		3,688,668.66		3,460,934	37,046,590	3,492,976.17	36,850,898	Loan Agreement
\$300M Bond Issue Maturing 2029	2009	2029	300,000,000	300,000,000		0		0	300,000,000		300,000,000	Resolution of House of Assembly

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IDB 2682/2683/OC BH Air Trsprt. Reform Program (16/12/2011)	2011	2031	50,000,000	18,658,964		1,166,185		1,166,185	13,411,130		12,244,945	Loan Contract Dtd Dec 16, 2011
Chinese Concessional Ln. (North Abaco Pt/Br.) *(260,000,000 RMB Yuan Disbursed in USD)	2012	2032	38,002,443	38,002,443		2,572,351.66		2,413,538	29,357,986	2,767,707.84	29,553,342	House of Assembly Resolution dtd Jan. 26, 2012
IDB 2756 OC BH Trade Sector Support (18/07/2012)	2012	2037	16,500,000	16,390,397.96		834,240.70		834,241	14,599,212		13,764,971	House of Assembly Resolution Dtd
IDB 2758 OC BH Social Safety Net Reform (30/08/2012)	2012	2037	7,500,000	4,136,139		206,806.94		206,807	3,619,121		3,412,314	Loan Contract dtd. Aug. 30, 2012
J P Morgan US\$180M Credit Agreement	2012	2023	180,000,000	180,000,000		0		0	180,000,000		180,000,000	Credit Agreement

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IDB 2773 OC BH New Providence S.F. II (04/09/2012)	2012	2037	65,000,000	65,000,000		2,843,429.68		2,843,430	49,760,019		46,916,589	Loan Contract dtd. Aug. 30, 2012
IDB 3340/OC BH Public Financial Management & Performance Monitoring Reform	2016	2041	33,000,000	8,562,754	3,493,441	0	4,114,455.48	0	8,562,754		12,056,195	Loan Agreement
IDB 3499/OC BH Citizen Security & Justice Programme	2016	2041	20,000,000	5,976,016	3,000,000	0	2,000,000.00	0	5,976,016		8,976,016	Loan Agreement
IDB 3787/OC BH Skills for Current/IADB Tax Credit & Deferral Loan	2019	2042	44,358,464	19,199,359.27	19,199,359.27				486,536.00		19,685,895	Loan Agreement
IDB 3907/OC BH Airport Infrastructure	2019	2043	35,000,000	1,066,167			1,066,167		1,066,167		1,066,167	Loan Agreement
IDB 4363/OC BH Climate Resilient	2019	2042	35,000,000	1,028,167			1,028,167		1,028,167		1,028,167	Loan Agreement
IDB 4549/OC BH Government Digital	2019	2043	30,000,000	300,000	1,253,758		300,000		300,000		1,553,758	Loan Agreement
IDB 4846/OC BH Credit Enhancement Program for Micro, Small and Medium Enterprises \$25m	2020	2045	25,000,000	2,604,416	2,604,416						2,604,416	Loan Agreement
IDB 4853/OC BH Contingent for Natural	2019	2044	80,000,000	80,000,000			80,000,000		80,000,000		80,000,000	Loan Contract dtd. Aug 04, 2019

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CDB MDM Immediate Response Hurricane Sandy	2014	2023	750,000	659,780		82,472.52		82,473	268,036		185,563	Loan Contract dtd. Jan 10, 2014
CDB 11/OR BHA Water Supply Improvement Project	2016	2033	28,329,000	12,907,445	5,000,456		5,004,479	0	17,911,951		22,912,407	Loan Agreement
CDB 12/OR BHA BTVI Enhancement Proj.	2018	2023	4,740,000	1,628,940	59,480	0	1,557,344	0	1,569,460		1,628,940	Loan Contract dtd. Oct 29, 2018
CDB 13/OR BHA Street Lighting	2019	2032	5,583,000	5,583,000	57,258	0	29,460		29,460		86,718	Loan Contract dtd. July 22, 2019
CDB 14/OR Fiscal Stability & Resilience	2019	2030	50,000,000	50,000,000		0	50,000,000		50,000,000		50,000,000	Loan Contract dtd. March 30, 2020
Defence Force Vessels Loan	2014	2026	232,000,000	178,526,802		21,010,085.47		19,541,720	86,051,610	4,974,415.13	70,015,940	Resolution dated 19th March 2014
Deutsche Bank USD \$250 Million Loan	2017	2018	250,000,000	250,000,000					0		0	Loan Agreement
\$750M Bond Issue Maturing 2026/28	2017	2026/28	750,000,000	750,000,000					750,000,000		750,000,000	Loan Agreement
FCIB \$85 Million Mixed Syndicate Loan	2019	2025	50,000,000	50,000,000			50,000,000		50,000,000		50,000,000	Loan Agreement
IMF 182.4M SDR Rapid Finance Instr.	2020	2025	252,000,000	252,000,000			250,115,184.63		250,927,680	9,251,328.00	260,179,008	Loan Contract dtd. June 20, 2020
US\$115.56M US\$246.0M Credit Agreement Credit Suisse (For	2020	2022	115,560,000	115,560,000	115,560,000				115,560,000		115,560,000	Loan Contract dtd. August 24, 2020
US\$130.440m of US\$246M LOAN (Former BEC Facilities) FCIB,S	2020	2022	130,440,000	130,440,000	130,440,000				130,440,000		130,440,000	Loan Contract dtd. July 24, 2020
USD 300M Credit Suisse Loan	2020	2020	300,000,000	248,000,000	248,000,000	248,000,000						Loan Contract dtd. August. 018, 2020
CDB 15/OR BHA Second Program Fiscal Sustainability...with supp'l fin...Coronavirus Disease 2019	2020	2030	40,000,000	40,000,000.00	40,000,000.00	0	0		40,000,000		40,000,000	Loan Contract dtd. Oct. 28, 2020

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Bond Issue \$825M Maturing 2030, 2031 & 2032	2020	2032	825,000,000	825,000,000	825,000,000.00						825,000,000	Loan Contract dtd. Oct. 28, 2020
Banco Santander MIGA Guaranteed Loan	2021	2021	115,247,319	115,247,319	115,247,319		0				115,247,319	Loan Contract dtd. April. 28, 2021
IADB 4978 Reconstruction with Resilience in Energy Sector	2020	2029	80,000,000.00	15,406,391.00	15,406,391.00						15,406,391	Loan Contract dtd. Aug. 20, 2020
IADB 5091 Boosting Resilience Inclusive Growth	2021	2041	200,000,000	200,000,000.00	200,000,000.00						200,000,000	Loan Contract dtd. Aug. 27, 2020
IADBIDB 5179/OC BH Program to support the Health Sector to Contain and Control Coronavirus and to Mitigate its effects in Service Provision \$20m BH L1055 Health Prototype Program	2021	2046	20,000,000	8,000,000.00	8,000,000.00		0				8,000,000	Loan Contract dtd. March. 17, 2021
IADB 5276 OC BH Boosting Resilient & Inclusive Growth in The Bahamas	2021	2033	140,000,000	140,000,000.00	140,000,000.00						140,000,000	Loan Contract dtd. June. 18, 2021
World Bank: COVID 19 Response and Recovery Development Pol	2021	2039	100,000,000	100,000,000	100,000,000.00	0		0			100,000,000	Loan Contract dtd. May 25, 2021
TOTAL			5,725,446,482	5,294,946,827	1,972,321,879	400,973,113	445,215,257	43,942,379	2,951,321,789	26,016,708	4,548,687,262	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	LOAN DRAWN DOWN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	LOAN DRAWDOWN AMOUNT PRIOR YEAR	AMOUNT REDEEMED AS AT 30/06/21	AMOUNT OUTSTANDING AS AT 30/06/20	Exchange Rate Adjustments	AMOUNT OUTSTANDING AS AT 30/06/21	NET INCREASE/ (DECREASE)
SHORT TERM FACILITIES												
Bahamas Government Treasury Bills		On Demand	721,767,300	721,767,300	45,400,000	61,320,700	228,000,000	210,060,900	737,688,000		721,767,300	Section 17 of FAA ACT 2012
Central Bank of the Bahamas Advances		On Demand	160,000,000	160,000,000	494,900,000	349,800,000	60,000,000	60,057,051	14,900,000		160,000,000	Sec. 26 pf The Central Bank of The Bahamas Act 1974.
RBC Overdraft Facility		On Demand	175,000,000	175,000,000		5,029,331		0	161,257,795		156,228,464	Section 17 of FAA ACT 2012
FCIB Revolving Facility		On Demand	17,000,000.00	17,000,000.00		-	20,000,000.00	17,000,000.00	17,000,000.00		17,000,000	Credit Agreement
FCIB \$15M Loan		On Demand	15,000,000	15,000,000				12,000,000				0 Loan Agreement
SUB-TOTAL			1,088,767,300	1,088,767,300	540,300,000	416,150,031	308,000,000	299,117,951	930,845,795	0	1,054,995,764	
BAHAMAS GOVERNMENT TREASURY NOTES												
Tranche 1: \$100M	2015	On Demand	100,000,000	100,000,000	\$3,717,827	\$45,341,262	5,572,066.08	11,083	62,259,925		20,636,490	Resolution of the House of Assembly
Tranche 2: \$71.3M	2015	On Demand	71,300,000	71,300,000		\$4,492,632		0	71,300,000		66,807,368	
Tranche 3: \$21.535M	2015	On Demand	21,535,000	21,535,000		\$11,180,017		0	21,535,000		10,354,983	
Tranche 4: \$27.31M	2015	On Demand	27,310,000	27,310,000		\$14,534,570		4,237,130	23,072,870		8,538,300	
Tranche 5: \$26.177M	2015	On Demand	26,177,000	26,177,000				0	26,177,000		26,177,000	
Tranche 6: \$15.386M	2015	On Demand	15,386,094	15,386,094		\$71,641		2,716,987	12,669,107		12,597,466	
SUB-TOTAL			261,708,094	261,708,094	3,717,827	75,620,123	5,572,066	6,965,200	217,013,903		145,111,606	
TOTAL			1,350,475,394	1,350,475,394	544,017,827	491,770,155	313,572,066	306,083,151	1,147,859,698	0	1,200,107,370	

Annex 8

STATEMENT OF CONTINGENT LIABILITIES

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
1) BAHAMAS DVLPM. BK.	50,690,000	50,690,000	9,996,124	41,000,010	40,693,876	
2) BAHAMAS ELECTRICITY CORPORATION	246,000,000	246,000,000	246,000,000	246,000,000	0	
3) CLIFTON HERITAGE AUTHORITY	24,000,000	24,000,000	0	24,000,000	24,000,000	
4) LUCAYAN RENEWAL HOLDINGS LTD	30,000,000	30,000,000	30,000,000	20,000,000	0	
5) PRIVATE SECTOR GUARANTEED DEBT	27,964,467	27,964,467	27,964,467	0	0	
6) SMALL BUSINESS DVLPM. CENTER	4,050,000	4,050,000	2,581,690	1,256,171	1,468,310	
7) THE BRIDGE AUTHORITY	23,000,000	23,000,000	7,000,000	16,000,000	16,000,000	
8) THE EDUCATION LOAN AUTHORITY	67,000,000	67,000,000	20,000,000	62,000,000	47,000,000	
9) THE PUBLIC HOSPITALS AUTHORITY	135,000,000	135,000,000	68,535,304	74,566,172	66,464,696	
10) THE MORTGAGE CORPORATION	165,000,000	165,000,000	5,000,000	160,000,000	160,000,000	
11) THE WATER & SEWERAGE CORP.	95,000,000	91,632,274	26,572,288	69,665,999	65,059,986	
TOTAL	867,704,467	864,336,741	443,649,873	714,488,352	420,686,868	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
BAHAMAS DEVELOPMENT BANK						
BDB - SERIES A & B BONDS	25,000,000	25,000,000	9,000,000	16,000,000	0	
BDB - SERIES C & D BONDS	25,000,000	25,000,000	0	25,000,000	4,000,000	
EIB Promo S.M Firms ECU 0.69M	690,000	690,000	690,000	10	0	
NIB \$37.0M LOAN (BOND CONVERSION)	37,000,000	37,000,000	306,124	0	36,693,876	
TOTAL	<u>50,690,000</u>	<u>50,690,000</u>	<u>9,996,124</u>	<u>41,000,010</u>	<u>40,693,876</u>	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
BAHAMAS ELECTRICITY CORPORATION						
US \$83.2M of US \$211 Refinancing Loan (FCIB/Credit Suisse)	83,200,000	83,200,000	83,200,000	83,200,000	0	
US \$127.8M of US \$211 Refinancing Loan (FCIB/Credit Suisse)	127,800,000	127,800,000	127,800,000	127,800,000	0	
US\$35M Loan (FCIB Refinancing)	35,000,000	35,000,000	35,000,000	35,000,000	0	
TOTAL	<u>246,000,000</u>	<u>246,000,000</u>	<u>246,000,000</u>	<u>246,000,000</u>	<u>0</u>	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
CLIFTON HERITAGE AUTHORITY						
BGRS	24,000,000	24,000,000	0	24,000,000	24,000,000	Resolution House of Asmbly
TOTAL	<u>24,000,000</u>	<u>24,000,000</u>	<u>0</u>	<u>24,000,000</u>	<u>24,000,000</u>	
LUCAYAN RENEWAL HOLDINGS LTD.						
USD \$30.0M Bonds	30,000,000	30,000,000	30,000,000	20,000,000	0	Resolution House of Asmbly
TOTAL	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>	<u>20,000,000</u>	<u>0</u>	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
PRIVATE SECTOR GUARANTEED DEBT						
Bank of The Bahamas Hurricane Guarantee Fund	9,151,123	9,151,123	9,151,123	0	0	
Bank of The Bahamas Education Guarantee Fund	18,813,344	18,813,344	18,813,344	0	0	
TOTAL	<u>27,964,467</u>	<u>27,964,467</u>	<u>27,964,467</u>	<u>0</u>	<u>0</u>	
SMALL BUSINESS DVLPMT. CENTRE						
SBDC Loan Guarantee Programme	4,050,000	4,050,000	2,581,690	1,256,171	1,468,310	Resolution House of Asmbly
TOTAL	<u>4,050,000</u>	<u>4,050,000</u>	<u>2,581,690</u>	<u>1,256,171</u>	<u>1,468,310</u>	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
THE BRIDGE AUTHORITY						
BGRS	23,000,000	23,000,000	7,000,000	16,000,000	16,000,000	Resolution House of Assmbly
TOTAL	<u>23,000,000</u>	<u>23,000,000</u>	<u>7,000,000</u>	<u>16,000,000</u>	<u>16,000,000</u>	
THE EDUCATION LOAN AUTHORITY						
VARIOUS BKS - SERIES A,B,C BDS.	67,000,000	67,000,000	20,000,000	62,000,000	47,000,000	Resolution House of Assmbly
TOTAL	<u>67,000,000</u>	<u>67,000,000</u>	<u>20,000,000</u>	<u>62,000,000</u>	<u>47,000,000</u>	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
THE PUBLIC HOSPITALS AUTHORITY						
Critical Care Block Bond	100,000,000	100,000,000	48,988,304	54,935,672	51,011,696	
FCIB	35,000,000	35,000,000	19,547,000	19,630,500	15,453,000	
TOTAL	<u>135,000,000</u>	<u>135,000,000</u>	<u>68,535,304</u>	<u>74,566,172</u>	<u>66,464,696</u>	
THE MORTGAGE CORPORATION						
SERIAL BONDS	<u>165,000,000</u>	<u>165,000,000</u>	<u>5,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>	
TOTAL	<u>165,000,000</u>	<u>165,000,000</u>	<u>5,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

CONTINGENT LIABILITIES

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2021	AMOUNT OUTSTANDING AS AT 30/06/2020	AMOUNT OUTSTANDING AS AT 30/06/2021	REMARKS
WATER & SEWERAGE CORP.						
IADB-1112/OC-BH LOAN FAMILY ISLAND PORTABLE WATER	14,000,000	10,632,274	9,112,305	2,026,625	1,519,969	Resolution House of Asmbly Resolution
IDB-2624/OC-BH WATER PROJECT LOAN	81,000,000	81,000,000	17,459,983	67,639,374	63,540,017	Resolution House of Asmbly
TOTAL	<u>95,000,000</u>	<u>91,632,274</u>	<u>26,572,288</u>	<u>69,665,999</u>	<u>65,059,986</u>	Resolution

Annex 9

STATEMENT OF FINANCIAL ASSETS AND LIABILITIES – DEPOSIT FUND

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF FINANCIAL POSITION – DEPOSIT FUND
FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	As at 30-Jun-2021	As at 30-Jun-2020
		B\$	B\$
FINANCIAL ASSETS			
Cash and Domestic Bank Balances	(24)	105,536,402	97,935,866
Fixed Deposits (Harcourt Malcolm Properties)	(24)	231,532	229,931
Dishonored Cheques		1,861,275	1,859,876
Investments (Emslie Trust)	(26)	47,800	47,800
TOTAL FINANCIAL ASSETS		107,677,009	100,073,473
CURRENT LIABILITIES & EQUITY			
Deposit Fund Balance		107,677,009	100,073,473
TOTAL CURRENT LIABILITIES & EQUITY		107,677,009	100,073,473

Annex 10

STATEMENT OF CHANGES IN DEPOSIT FUND BALANCES

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF CHANGES IN DEPOSIT FUND BALANCES
FOR THE YEAR ENDED 30TH JUNE 2021

	Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020	Net Change in Fund Balance
	B\$	B\$	B\$
Balance as at 1st July 2020	(100,073,473)	(113,996,649)	(13,923,176)
Receipts			
Cash Transfers in	(11,832,751)	(9,459,242)	2,373,509
Sub-Total	(111,906,224)	(123,455,891)	(11,549,667)
Payments			
Cash Transfers out	4,229,215	23,382,418	19,153,203
Balance as at 30 June 2021	(107,677,009)	(100,073,473)	7,603,536

Annex 11

SCHEDULE OF CASH MOVEMENTS - DEPOSIT FUND

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
SCHEDULE OF CASH MOVEMENTS (DEPOSIT FUND)
FOR THE YEAR ENDED 30TH JUNE 2021

	Transfers In	Transfers Out	Net Movement
Cash Imprests Family Island		687,554	(687,554)
Postal Advances	0	0	0
Advances Special	106,047		106,047
Advances Miscellaneous	900	0	900
Advance to Other Funds	6,974,515	0	6,974,515
Stores Inventory	23,490		23,490
Undistributed Foreign exchange	0	381,003	(381,003)
A/P Government Corporations	0	0	0
Undistributed Collections Deposits Fund	2,316,809		2,316,809
Unclaimed Cheques	16,198		16,198
Depository Liabilities Ministries/Departments	684,140		684,140
Postal Transactions		3,155,196	(3,155,196)
Depository Liabilities General	1,241,842		1,241,842
Depository Liabilities Special		4,462	(4,462)
Depository Liabilities Land Acquisition	15,807		15,807
Depository Liabilities Miscellaneous		1000	(1,000)
A/P Miscellaneous	453,005	0	453,005
Depository Liabilities Payable			0
Total	11,832,751	4,229,215	7,603,536

Annex 12

STATEMENT OF CHANGES IN POST OFFICE SAVINGS BANK

**GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF CHANGES IN POST OFFICE SAVINGS BANK
FOR THE YEAR ENDED 30TH JUNE 2021**

	Financial Year Ended	Financial Year Ended	Net Change in
	30-Jun-2021	30-Jun-2020	Fund Balance
	B\$	B\$	B\$
Balance as at 1st July 2020	9,135,202	9,000,858	(134,344)
Receipts			
Interest earned	124,737	134,344	9,606
Sub-Total	9,259,939	9,135,202	(124,737)
Payments			
Cash Transfers out	-	-	-
Balance as at 30 June 2021	\$9,259,939	9,135,202	(124,737)

Annex 13

PUBLIC OFFICERS LOAN STATEMENT

**GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
STATEMENT OF PUBLIC OFFICERS LOAN
FOR THE YEAR ENDED 30TH JUNE 2021**

	Financial Year Ended 30-Jun-2021	Financial Year Ended 30-Jun-2020	Net Change in Fund Balance
	B\$	B\$	B\$
Balance as at 1st July 2020	870,708	978,739	108,031
Less: Principal Repayments	542,567	617,992	75,424
Sub-Total	328,141	360,747	32,606
Loans made in period	238,245	509,960	271,715
Balance as at 30th June 2021	566,386	870,707	304,322

Acknowledgement

Gratitude is extended to the stakeholders of the various Ministries, Departments, and Agencies (MDAs) whose cooperation and transparency have been paramount in the successful completion of the 2021 Auditor General's Report. The commitment and professionalism demonstrated by the accounting staff of each MDA have significantly contributed to the accuracy and reliability of the audit process. Your collaborative spirit and dedication to accountability have played a pivotal role in upholding the principles of good governance.

A special commendation is due to the hardworking and dedicated staff of the Auditor General's office. Your tireless efforts and meticulous attention to detail have ensured the thorough examination of financial records and the identification of areas for improvement. The success of this audit report is a testament to the unwavering commitment of our team to uphold the highest standards of integrity and excellence in public financial management.

Furthermore, I express my appreciation to the International Organization of Supreme Audit Institutions, the Caribbean Organization of Supreme Audit Institutions, the International Development Initiative, the Canadian Audit and Accountability Foundation, and the Public Service Centre for Human Resource Development Training. Your continuous support and contributions to capacity building initiatives have been invaluable in enhancing the skills and knowledge of our staff. We look forward to continued collaboration in our shared pursuit of promoting accountability and transparency in public financial management.

In conclusion, I am grateful for the collective efforts of all stakeholders involved in this audit process. Your commitment to excellence has been instrumental in maintaining the credibility of our financial reporting system, and I anticipate continued collaboration for the improvement of financial governance in the future.