



DEPARTMENT OF THE AUDITOR GENERAL
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DAG/T.3/2013-2014/037
Reference No.....

**The Honourable Speaker
Mr. Kendal Major
House of Assembly
Nassau, Bahamas**

December 31, 2015

Dear Sir:

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 Bahamas for the year ended June 30, 2014.

Sincerely,



**Terrance S. Bastian (Mr.)
Auditor General**

TSB/slt-h

REPORT OF THE AUDITOR GENERAL

TABLE OF CONTENTS

PART I

LETTER OF TRANSMITTAL

ACKNOWLEDGEMENT AND APPRECIATION

AUDITOR GENERAL'S CONCERN

SECTIONS	PAGE NOS.
SECTION ONE CONSTITUTIONAL PROVISIONS.....	15
SECTION TWO AUDIT APPROACH AND SIGNIFICANT ACCOUNTING POLICIES.....	19
SECTION THREE ADMINISTRATION AND PERSONNEL.....	23
SECTION FOUR LOAN PROGRAMME.....	31
SECTION FIVE CONFISCATED ASSETS.....	35
SECTION SIX SPECIAL AUDITS.....	39
SECTION SEVEN REVENUE & EXPENDITURE AUDITS.....	47
SECTION EIGHT BAHAMAS CUSTOMS DEPARTMENT.....	53
SECTION NINE POST OFFICE DEPARTMENT.....	65
SECTION TEN GAMING BOARD.....	75
SECTION ELEVEN PENSION.....	79
SECTION TWELVE GRAND BAHAMA.....	83
SECTION THIRTEEN TREASURY FINAL ACCOUNTS.....	87
SECTION FOURTEEN FAMILY ISLANDS.....	93
AUDIT CERTIFICATE.....	97

REPORT OF THE AUDITOR GENERAL

TABLE OF CONTENTS

PART II

ANNEX

Balance Sheet – Consolidated Fund.....	Annex 1
Statement of Revenue & Expenditure.....	Annex 2
Statement of Cash Flow.....	Annex 3
Statement of Consolidated Fund (Current Account).....	Annex 4
Statement of Consolidated Fund (Capital Account).....	Annex 5
Notes to the Financial Statements.....	Annex 6
Statement of Public Debt.....	Annex 7
Graphs of Revenue & Expenditure.....	Annex 8
Statement of Financial Assets & Current Liabilities – (Deposit Fund Account).....	Annex 9
Statement of Changes in Deposit Fund Balances (Deposit Fund Account).....	Annex 9
Schedule of Cash Movement in Deposit Fund by Account Categories	Annex 9
Statement of Contingent Liabilities.....	Annex 10

MEMORANDUM

MINISTRY OF FINANCE

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

**Your reference:
Our reference: FIN.1606.21**

ACKNOWLEDGEMENT AND APPRECIATION

Special thanks are extended to staff members of the Office of the Auditor General (OAG) for their dedication to duty and loyalty during the year. As a result of their efforts and commitment, the Auditor General was able to fulfill his statutory obligation.

Sincere thanks and appreciation is also extended to all persons in the various Ministries and Departments for their co-operation and courtesies extended to the Auditor General and staff.

Appreciation also goes to The Caribbean Organization of Supreme Audit Institutions (CAROSAI), the INTOSAI Development Initiative (IDI)

and The Bahamas Public Service Training Centre for their respective assistance in the further training of our staff.

AUDITOR GENERAL'S CONCERN

1. The following issues remains a concern to the Office of the Auditor General.

Staffing

2. The Office of the Auditor General continues to operate with minimal staff. However, the Government of The Bahamas with the assistance of Ministry of Finance has allowed the OAG to hire ten (10) staff on contract.

3. We are expecting to continue the process of hiring by way of contracts in order up-grade the quality of staff.

Access to Audit Information

4. A matter of concern exists in regards to obtaining access to audit information/documentations within some government departments/ministries. Some Public Officials appeared unaware of the provision of the Financial Administration and Audit Act, which entitles the Office of the Auditor General (OAG) to have access to all books, records, returns and reports related to Government accounts. As a result, the work of the OAG was impeded in some cases due to the lack of co-operation by Officials of various Ministries and Departments.

Public Accountability

5. Some public offices are not being held accountable for their actions, which results in loss or wastage of government funds.
6. The belief of public accountability is generally construed as the obligation to answer for the discharge of responsibilities entrusted to government officials/workers. When accountability is present, an organization operates more efficiently, effectively and economically. In addition, the environment is more conducive to positive growth.

Implementing an Integrated Financial Management Information System (IFMIS)

7. A fully functioning Integrated Financial Management Information System (IFMIS) can improve governance by providing real-time financial information that financial and other managers can use to administer programs effectively, formulate budgets, and manage resources. A sound IFMIS can help the government gain effective control over its finances and also enhance transparency and accountability, reducing political discretion and acting as a deterrent to corruption and fraud.

8. Implementing a successful IFMIS is paved with difficulties, such as resistance from the bureaucracies involved; and lack of decision-making from the top level civil servants.

Understanding IFMIS

9. A financial management information system, or integrated financial management information system (IFMIS), is an information system that tracks financial events and summarizes financial information. In its basic form, an IFMIS is little more than an accounting system configured to operate according to the needs and specifications of the environment in which it is installed.
10. Generally, the term “IFMIS” refers to the use of information and communications technology in financial operations to support management and budget decisions, fiduciary responsibilities, and the preparation of financial reports and statements. In the government realm, IFMIS refers more specifically to the computerization of public financial management (PFM) processes, from budget preparation and execution to accounting and reporting, with the help of an integrated system for financial management of line ministries, spending agencies and other public sector operations.

What It Does

11. An IFMIS stores, organizes and makes access to financial information easy. It not only stores all the financial information relating to current and past years’ spending, but also stores the approved budgets for these years, details on inflows and outflows of funds, as well as complete inventories of financial asset (e.g., equipment, land and buildings) and liabilities (debt).
12. A more comprehensive, well integrated system will:

- Provide timely, accurate, and consistent data for management and budget decision-making;
 - Support government-wide as well as agency-level policy decisions;
 - Integrate budget and budget execution data, allowing greater financial control and reducing opportunities for discretion in the use of public funds;
 - Provide information for budget planning, analysis and government-wide reporting
 - Facilitate financial statement preparation; and
 - Provide a complete audit trail to facilitate audits.
13. By recording information into an integrated system that uses common values, IFMIS users can access the system and extract the specific information they require to carry out different functions and tasks. All manner of reports can be generated; balance sheets, sources and uses of funds, cost reports, returns on investment, aging of receivables and payables, cash flow projections, budget variances, and performance reports of all types. Some systems have libraries consisting of hundreds of standard reports. Managers can use this information for a variety of purposes: to plan and formulate budgets; examine results against budgets and plans; manage cash balances; track the status of debts and receivable; monitor the use of fixed assets; monitor the performance of specific departments or units; and make revisions and adjustments as necessary.

Independence

14. The Office of the Auditor General continues to work towards fulfilling the mandate on independence as set out by the UN General Assembly Resolution.
15. On 22nd December, 2011 the 66th United Nations General Assembly adopted the Resolution A/66/209 "Promoting the

- efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions”.
16. The UN General Assembly Resolution is the crowning conclusion of the common efforts of all SAIs (Supreme Audit Institutions) to strengthen their independence and for recognition of the Lima and Mexico Declarations. This success was only possible, because all members of the **INTOSAI** (International Organization of Supreme Audit Institutions) community established the necessary conditions in their fields of competence and have thereby given content and credibility to the INTOSAI motto “Experientia Mutua Omnibus Prodest” (Mutual experience benefits all).
 17. The UN General Assembly represents a milestone in the nearly 60-year history of INTOSAI. Therein, the General Assembly for the first time expressly recognizes the following:
 - SAIs can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence; and
 - The important role of SAIs in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals, including the Millennium Development Goals.
 18. The UN Member States also take note with appreciation of the following:
 - The work of INTOSAI in promoting greater efficiency, accountability, effectiveness, transparency and efficient and effective receipt and use of public resources for the benefit of citizens; and
 - The Mexico and Lima Declarations.
 19. The UN General Assembly encourages Member States to

- Apply, consistent with their national institutional structures, the principles set out in those Declarations;

And also encourages:

- Member States and relevant United Nations institutions to continue and to intensify their cooperation with INTOSAI, including in capacity-building, in order to promote good governance by ensuring efficiency, accountability, effectiveness and transparency through strengthened supreme audit institutions.
20. The United Nations (UN) in its latest resolution (no. 69 of 2014) called the member states to strengthen the Supreme Audit Institutions and maintain their complete independence. In that way the UN aims to promote efficiency, accountability, effectiveness and transparency in the public administration.
 21. The UN emphasized that actions taken by the Supreme Audit Institutions may be objective and bring effects only when they are independent of audited entities and when they are free from external influences. The SAIs independence is one of the fundamental principles underpinning democracies. Any action against that principle destabilizes the democratic system where public authorities should be subject to independent audit.

Constitutional Provisions

SECTION 1

SECTION ONE CONSTITUTIONAL PROVISIONS

Establishment of Office:

1.01 Article 136(1) of The Constitution states:

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

Mandate:

1.02 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:

1.03 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:

1.04 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.”

Audit Approach & Significant Accounting Policies

SECTION 2

SECTION TWO

AUDIT APPROACH & SIGNIFICANT ACCOUNTING POLICIES

[Audit Approach](#)

- 2.01 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

Generally Accepted Auditing Standards and International Standards of Auditing and each audit is designed to provide assurance as to the propriety of the Government's financial transactions and the accuracy of its accounting records.

- 2.02 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

- 2.03 Financial statements are prepared on the modified cash basis of accounting.
- 2.04 The modified cash basis of accounting combines elements of the two major accounting methods, the cash method and the accrual method. The cash method recognizes income when it is received and expenses when they are paid for, whereas the accrual method recognizes income when it is earned and expenses when they are incurred.
- 2.05 The recording of government transactions fall into three main categories – Recurrent Revenue, Recurrent Expenditure and Capital Expenditure.
- 2.06 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. Discounts, commission and other related expenses are treated as period costs. The general resources of the Consolidated Fund are used for the retirement of debt with only two Sinking Funds (Harcourt Malcolm Loan and the \$50m Stock Issue 1997 – 2005) being maintained.
- 2.07 Contingent liabilities of the Government consist of guarantees by the Government in respect of loans raised

from private sources by Government-owned Corporations.

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

Administration & Personnel

SECTION 3

SECTION THREE

ADMINISTRATION & PERSONNEL

3.01 The fiscal year 2013/2014 heralded the eighty-ninth (89th) 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 Bahamas.

Acting Appointment

3.02 Mrs. Portia Barnett - Acted as Auditor General

Deputy Auditor General		for the period 12 – 26 August, 2013.
Ms. Carolyn Patton Sr. Deputy Auditor General	-	Acted as Auditor General for the period 27 August – 6 September, 2013.
Mrs. Portia Barnett Deputy Auditor General	-	Acted as Auditor General for the period 18 – 28 October, 2013.
Ms. Carolyn Patton Sr. Deputy Auditor General	-	Acted as Auditor General for the period 12 – 14 November, 2013.
Mrs. Portia Barnett Deputy Auditor General	-	Acted as Auditor General for the period 9 – 15 December, 2013.
Mrs. Portia Barnett Deputy Auditor General	-	Acted as Auditor General for the period 23 – 26 January, 2014.
Mrs. Portia Barnett Deputy Auditor General	-	Acted as Auditor General for the period 4 – 7 February, 2014.
Mrs. Portia Barnett Deputy Auditor General	-	Acted as Auditor General for the period 22 – 29 March, 2014.

Retired

3.03 Vincent Coleby Acctg. & Audit Officer III	-	Retired from the Public Service with effect from 15 th August, 2013.
Ivalee Brown Senior Clerk	-	Retired from the Public Service with effect from 11 th October, 2013.
Majorie King Senior Clerk	-	Retired from the Public service with effect from 3 rd

November, 2013.

Lorraine Knowles
Acctg. & Audit Officer IV

- Retired from the Public Service with effect from 31 December, 2013.

Roderick Grant
Acctg. & Audit Officer IV

- Retired from the Public Service with effect from 28th February, 2014.

Resigned

3.04 Altermize Stuart

- Resigned from the Public Service with effect from December 3rd, 2013.

Unpaid Leave

3.05 John Pinder
Accounting & Audit Officer

- Unpaid Leave with effect from October 2002 as President of The Bahamas Public Service Union.

Local/International Training of Staff during the Year

Training Body/Trainer

3.06 Admins. Take Ownership

- International Association of Administrative Professionals Bahamas Chapter.

116th ITP Performance Audit

- INTOSAI WGEA
Noida, India

3.07 International Meetings

Places/Regions

XXI Commonwealth Auditors
General Conference

National Audit Office
Malta

XXI INCOSAI Meeting
General Conference

Caribbean Organization of
Supreme Audit Institutions
(CAROSAI)

	Beijing, China
Eight Meeting of CARICOM Secretariat Audit Committee	Caribbean Regional & Technical Assistance Centre (CARTAC) Georgetown, Guyana
Ninth Meeting of CARICOM Secretariat Audit Committee	Caribbean Regional & Technical Assistance Centre (CARTAC) Georgetown, Guyana
Strengthening Parliamentary Budget Oversight	Caribbean Organization of Supreme Audit Institutions (CAROSAI) Trinidad and Tobago

3.08 The Office of the Auditor General's staff composition as at June 30, 2014 is as follows:

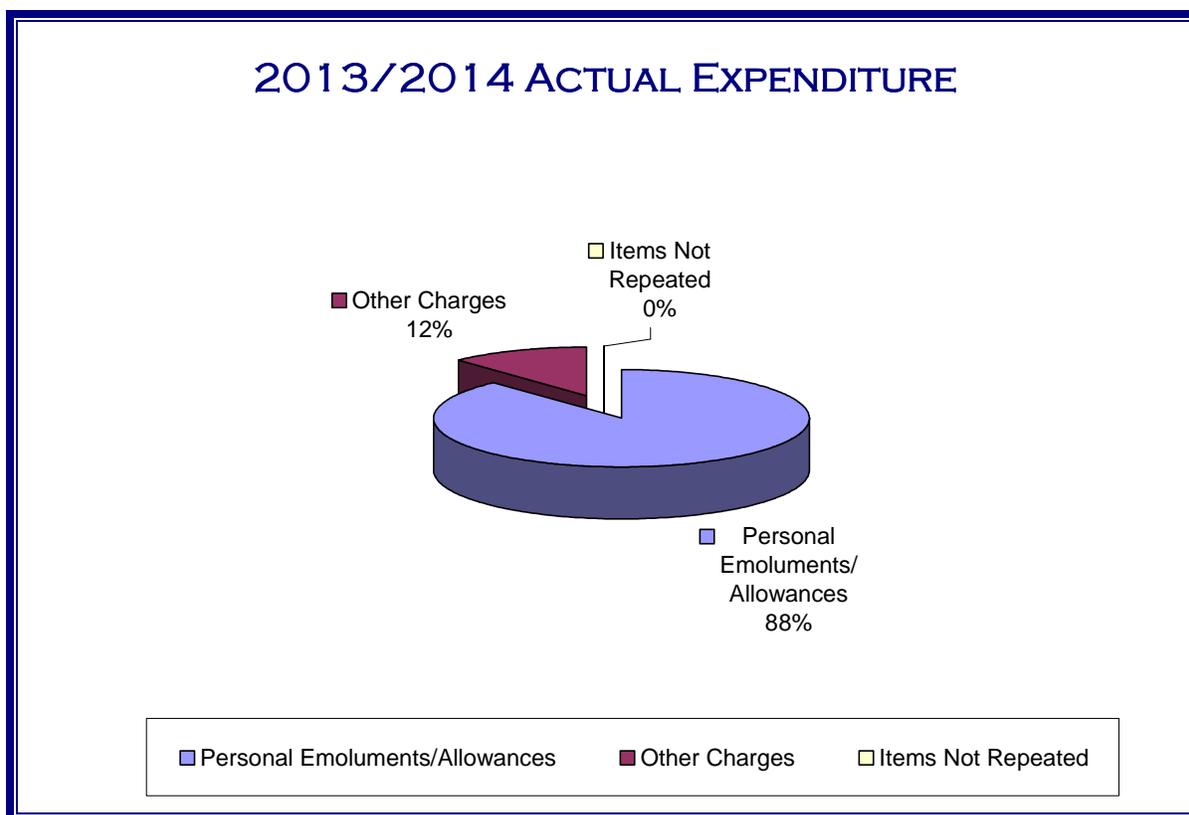
Post	Number of Staff	Authorized	Vacancy
Administration			
Auditor General	1	1	0
Sr. Deputy Auditor General	1	2	1
Deputy Auditor General	1	3	2
Assistant Auditor General	2	3	1

Audit			
Accounting & Audit Officer II	0	1	1
Accounting & Audit Officer III	11	14	3
Accounting & Audit Officer IV	6	13	7
Assistant Accounting & Audit Officer	7	13	6
Trainee Accounting & Audit Officer	2	13	11
Chief Audit Clerk	1	6	5
Chief Clerk	1	1	0
Senior Audit Clerk	1	6	5
Senior Clerk	0	1	1
Support Staff			
Office Manager I	1	1	0
Janitress	1	1	0
Total	36	79	43

3.09 Total expenditure for the fiscal year ended June 30, 2014 compared with expenditure for 2012/2013 is as follows:

Item Description	2013/2014 Estimated Expenditure	2013/2014 Actual Expenditure	2012/2013 Actual Expenditure
Personal Emoluments/Allowances	\$ 1,540,657.00	\$ 1,465,884.00	\$ 1,595,902.00

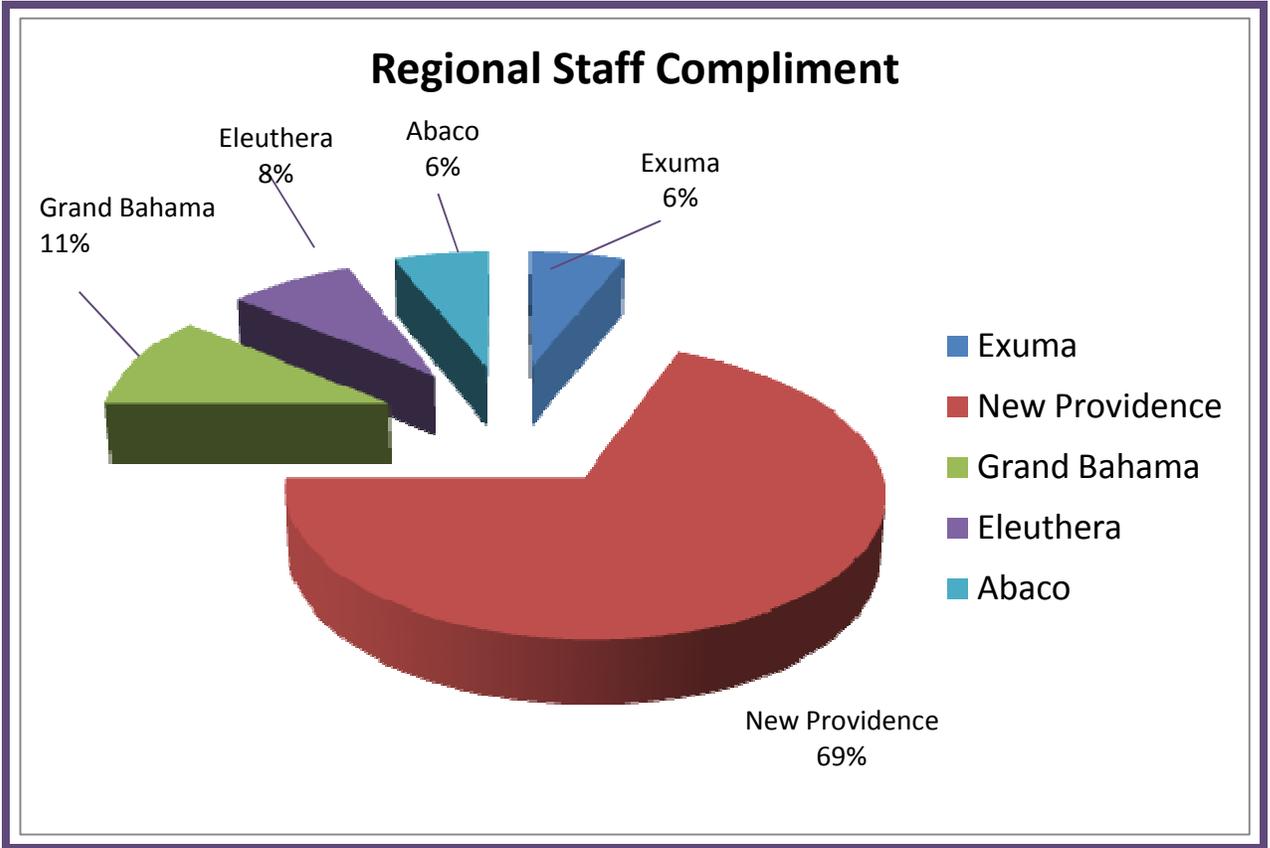
Other Charges	\$ 226,782.00	\$ 196,581.00	\$ 163,612.00
Items Not Repeated	\$ 6,460.00	\$ 2,263.00	\$ 51,782.00
Total	\$ 1,773,899.00	\$1,664,728.00	\$1,811,296.00



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

Districts	Nos.	%
New Providence	25	69
Grand Bahama	4	11
Eleuthera	3	8
Abaco	2	6

Exuma	2	6
Total	36	100%



Loan Programme

SECTION 4

SECTION FOUR

LOANS PROGRAMME

[The Basic Financial Statements for the
New Providence Transport Program LO-2773/OC-BH](#)

4.01 In our opinion, the financial statements referred to above present fairly, in all material respects, the cash flow and the cumulative investments for the New Providence Transport Program, for the year ended June 30, 2014, in accordance with the basis of accounting described in Note 2 of the financial statements and the terms set out in IDB Loan Contract No.2773/OC-BH.

[The Basic Financial Statements for the
New Providence Transport Program LO-2683/OC-BH](#)

4.02 In our opinion, the financial statements referred to above present fairly, in all material respects, the cash flow and the cumulative investments for the Air Transport Reform Program, for the year ended June 30, 2014, in accordance with the basis of accounting described in Note 2 of the financial statements and the terms set out in IDB Loan Contract No.2683/OC-BH.

Confiscated Assets

SECTION 5

SECTION FIVE CONFISCATED ASSETS

5.01 In our opinion, the Confiscated Assets Fund is being operated in accordance with the Proceeds of Crime Act 2000, the Financial Administration and Audit Act 1973/2010, and the Financial Regulations 1975; and that the statements of accounts present fairly, and in all material respects, the financial position of the Fund as at June 30, 2014. The balance of the Fund as at June 30, 2014 was \$2,365,238.74.

CONFISCATED ASSET FUND FUND STATEMENT FOR THE PERIOD ENDING JUNE 30, 2014	
	\$
Opening Fund Balance	1,478,435.60

Deposits	867,408.76
Interest	24,670.38
Payments	(5,276.00)
	\$ 2,365,238.74

Special Audits

SECTION 6

SECTION SIX SPECIAL AUDITS

Ministry Of Financial Services & Investments (Head 49)

6.01 The expenditure function reviewed was not in full compliance with the Government Accounting Procedures manual. In addition, there was no accounting for fixed assets and inventory on hand thus controls over them are weak. The accounting area needs to be strengthened due to a lack of annual training and the proper staff compliment put in place.

Ministry of Foreign Affairs and Immigration (Head 13)

6.02 The audit was conducted under the guidance of the accounting standards and the results of the audit identified the strengths and weaknesses of the Ministry. The main deficiencies identified were:

1. The bank travel imprest account should be closed immediately, funds transferred to the Consolidated Fund Account and a new bank imprest should be established.
2. Cash found in the safe should be deposited in the Consolidated Fund Account.

3. The government's accounting procedures are not being properly followed for example, in seven cases examined, the correct Accounting line item was not used.
4. In 2013/2014 Ministry of Foreign Affairs (MOFA) was over budget on total expenditures due in part to overseas missions, which require closer monitoring.
5. An office manual containing guidelines, procedures and policies is not in place at headquarters and overseas missions.
6. At several overseas offices monthly bank reconciliations are not being prepared, submitted and/or not properly prepared for the entire year.
7. Payroll Reconciliation statements are not prepared on a monthly basis and reviewed by the supervisor.
8. A proper inventory system should be established to account for office supplies.
9. In addition, a fixed asset register should also be created in Microsoft Excel for all Ministry assets.

Bahamas Department of Correctional Services (Head 11)

- 6.03 The audit was conducted in accordance with the Standards and the results of the audit identified the strengths and weaknesses of the Bahamas Department of Correctional Services. Our audit indicates several areas that warrant management's immediate and urgent attention. Management manages six (6) bank accounts for various purposes related to prisoners and their funds.
- 6.04 Management should ensure that its role and responsibilities are clearly defined, understood and documented as it relates to the operation of each Fund. It should also ensure that controls are adequate to ensure compliance with Government accounting procedures, policies and effective risk management. Parameters should be established to deal with authorization and approvals for receipts and disbursements from inmate's accounts and the other Funds. Written policies and procedures should be established regarding withdrawal and deposit limits (e.g. allocation of receipts, deductions, withdrawals, disbursements, transfers from one account to another) are essential to be in accordance with best practices.

- 6.05 Management Reporting should be accurate and timely. Information concerning financial transactions and account balances should be made available to inmates (e.g. monthly statements, balances on account). Appropriate support should be put in place to answer inmates questions related to their financial transactions and account balances if needed.
- 6.06 There was satisfactory performance regarding security, segregation of duties and safeguarding of assets but improvements can be made as recommended for cash imprest, procurement of goods and services and personal emoluments functions.

Road Traffic Department (Head 54)
Information Technology Unit

- 6.07 The audit identified the strengths and weaknesses of the Road Traffic Department's (RTD) Information Technology (IT) operational controls. The audit indicates several areas that warrant management's immediate and urgent attention and recommend that:
1. **A framework for IT operations at RTD need to be created and implemented by Department of Information and Technology (DIT) and communicated to RTD's management;**
 2. **The IT Steering Committee should be re-established and utilized for all IT projects;**
 3. **An incident response policy, change management policy, business continuity policy inclusive of back-up and recovery plans, service level agreements, and all other standard IT operations policies and procedures must be created and disseminated to all relevant parties in an operational manual; and**
 4. **System users need to be properly trained and there should be periodic reviews of all transactions by supervisors.**

- 6.08 **The recommendations noted should be implemented to achieve a fully effective system of internal controls. The Ministry of Finance and RTD management should work toward addressing the weaknesses identified.**

Department of Immigration (Head 30)

Uncollected Permit Fees

- 6.09 During the auditing process we noted that an applicant fills out an application form and pays a processing fee of \$100. The application is then processed. Once all the requirements are met and approval is given by the Board a letter is prepared and sent to the applicant advising them of the fee to be paid. When the applicant does not return to pay the permit fees, these applications are placed on a delinquent list. Auditors reviewed the delinquent listing and the outstanding amounts were as follows:

NAME	DATE	AMOUNTS \$
Other Nationals	January 2012 to August 2012	847,659.46
Other Nationals	June 2013 to December 2013	817,882.37
Haitian Nationals	January 2012 to March 2013	876,424.91
Total Uncollected Permit Fees		\$2,541,966.74

- 6.10 **Management should establish a section or team to actively deal with delinquent accounts. For delinquent applicants over 120 days late charges should be considered against customers or permits should be revoked.**

Processing of Permits

- 6.11 The Processing of Work and Residence Permits, RSP, Citizenship, Permanent Residence Permits, etc. is processed manually.
- 6.12 **All documents submitted to the Department should be input and logged on the Electronic Identification system (E.ID) immediately. Each step in the processing chain should be automated.**

- 6.13 **Management should invest in an automated system that encompasses all aspects of the processing, that is approval and printing of permits and other documents that will improve productivity, efficiency and that can be interactively used. Data provided for statistical review will enhance decision making.**

The Cashiering and Printing Systems

- 6.14 There is no link between the cashier's function (money collected) and the printing function resulting in a possibility that permits could be printed without payments being made or the incorrect payment made.
- 6.15 **Management should ensure that there is a link between the cashiers' function and printing function to enable only permits that are paid for to be printed. This should eliminate the possibility of permits being issued without payments being made.**

Pre-requisite documents and Board Approval

- 6.16 Auditors examined 28 files to determine compliance with the stated pre-requisites for obtaining the various permits and citizenship. All the files for the period examined were in compliance with the pre-requisite documents and Board approval.
- 6.17 **The Department should continue to ensure compliance in this area.**

Guidelines for managing Detainees

- 6.18 During our observation of the premises to house detainees we noted that a separate room to quarantine persons suspected to be infected with communicable diseases was not earmarked.
- 6.19 **A separate room should be designated/earmarked to house immigrant/s suspected to be carriers of communicable diseases until seen by a physician.**

Detainee Handbook in Foreign languages

- 6.20 There is no handbook in a foreign language available to detainees at the Detention Centre addressing detainees' rights, responsibilities and rules.
- 6.21 **A handbook should be made available to detainees containing information of detainees' rights, responsibilities and rules in English, Spanish and Creole.**

Revenue & Expenditure

SECTION 7

SECTION SEVEN
REVENUE & EXPENDITURE

Bahamas Technical and Vocational Institute

Bank Accounts and Bank Balances

7.01 During our examination of the four (4) Bank Accounts held at First Caribbean Bank, we noted that the balances per bank statement as at August 29, 2014 were as follows:

ACCOUNT NAME	PURPOSE	AMOUNT \$
Book Account	The Book Account is used for the purchase and sale of books and equipment.	10,162.98
Operating Account	The Operating Account is used for operational purposes at the institute e.g travel and subsistence, N.I.B. payments, supplies, credit card payments etc. Funds are also transferred into this account from the Student Account.	82,622.25

Student Account	The Student Account is used for operational purposes. Tuition fees collection from students during registration are deposited into this account.	334,623.10
Scholarship Account (a.k.a. Fund Development Account)	Funds which are solicited from public and private donors are deposited into this account for scholarship and work study purposes.	18,193.68

7.02 We noted that there are no written policies or guidelines governing how these accounts should be used.

7.03 **Once again, as per our prior report (Ref: DAG/C/9/1/191 dated May 30, 2011) it is recommended that management prepare adequate and proper guidelines for the operation of the Book, Scholarship, Operation and Student Accounts to ensure transparency, accountability and effectiveness.**

Bank Transfer

7.04 While auditing banking transactions, we noted that the following transfer of funds from the Student Account to the Operating Account were made as follows:

Date	Amount \$
08-09-2014	30,000.00
12-09-2014	100,000.00
Total	\$130,000.00

7.05 We were not provided with any documentation giving the authorization for these transactions.

7.06 **It is recommended that documentation be provided giving the reasons for these transfers in order to facilitate the audit process.**

Credit Card

- 7.07 During our audit we noted that a Visa Gold Credit Card issued by Royal Bank of Canada for \$5,000.00 credit limit was increased to \$10,000.00 in June 2012.
- 7.08 As we stated in our prior report dated May 30, 2011 (DAG/C.9/1/191), there are no written guidelines to govern how the card should be used. During the interview we were informed that the card is used for purchasing books (amazon.com), supplies, travel, entertainment purposes, and monthly subscription to Image Tek etc. We were provided with invoices/bills to substantiate the payments made for the period covered.
- 7.09 At the time of the audit, we were not provided with the current Credit Card Statement.
- 7.10 **It is recommended that proper and specific guidelines be established to govern how the credit card should be used.**

Ministry and Department of Education

- 7.11 The Ministry and Department of Education is presently located on Thompson Boulevard. The Ministry of Education has responsibility for all educational institutions in the Commonwealth of The Bahamas. There are 206 schools (including pre-schools) in The Bahamas. There are 4,937 staff including teachers and administrators. In some cases teachers are rehired after mandatory age. Depending on the need for teachers they are allowed to work until they are seventy (70) years old on a year to year basis, providing they prove medical fitness. The pension for these teachers would cease and they would be rehired at the maximum of the teachers scale. There are 116 teachers who are administratively posted and fall under The Bahamas Union of Teachers (BUT) Industrial Agreement, and would work from 9 to 3 instead of 9 to 5. There are 39 persons who are paid by vouchers and 300 contractual workers between the Ministry of Education and Department of Education.
- 7.12 There are several instances where persons were overpaid salaries and arrangements were made to recover the funds. Also there are several cases where legal action was required.

Outstanding Debts

7.13 During our scrutiny of correspondences provided by the Ministry/ Department of Education it was noted that:

- (a) An exorbitant amount of \$941,102.52 (overpayment of salaries) is indebted to the Government of The Bahamas (GOB) from numerous employees.
- (b) Further, officers are indebted to The Bahamas Government in the amount of \$86,780.29. However, these officers were not included in the indebted letters provided by the Ministry/ Department of Education.

7.14 **We recommended that a comprehensive listing of all overpayments should be provided along with an account of amounts repaid. Also we recommended that management take effective steps to collect all outstanding funds owed the GOB, and where applicable that legal action should be taken to address the concerns noted. Further, we recommended that due care and attention should be taken when removing an employee from the pay sheet.**

Real Property Tax Outstanding

7.15 The outstanding Real Property Taxes for the fiscal year 2013/2014 amounted to \$111,033,252.64. In addition, the cumulative outstanding taxes for prior years totaled \$500,595,049.76; thus giving a grand total of \$611,628,302.40.

Description	Current Amount	Prior Years	Cumulative
Taxes	\$ 94,246,283.47	\$ 343,525,350.79	\$ 437,771,634.26
Surcharge	\$ 16,786,969.17	\$ 157,069,698.97	\$ 173,856,668.14
Taxes Outstanding	\$111,033,252.64	\$ 500,595,049.76	\$ 611,628,302.40

7.16 **The outstanding amount of \$611,628,302.40 is exorbitant; and continues to increase from year to year. We recommended that immediate measures be implemented, to address the problem of outstanding taxes.**

Bahamas Customs Department

SECTION 8

SECTION EIGHT

BAHAMAS CUSTOMS DEPARTMENT

- 8.01 Under the provision of the Customs Management Act, 1976, the Customs Department, a branch of the Ministry of Finance, is responsible for the collection and protection of revenue obtained from General Import Duty and Excise duties. The Department is also responsible for collecting Air and Sea Departure Tax and other miscellaneous fees.
- 8.02 According to the figures provided by the Customs Department, the total revenue collected during the fiscal year July 1, 2013 to June 30, 2014 amounted to \$774,825,710.78 compared to actual amount of \$771,503,399.62 collected during the fiscal period July 1, 2012 to June 30, 2013, an increase of \$3,322,311.16.
- 8.03 An analysis of Actual Revenue collected according to individual revenue items set out below:

REVENUE ITEM HEAD/ITEM CLASSIFICATION	ACTUAL REVENUE JULY 2013 / 2014	ACTUAL REVENUE JULY 2012 / 2013	ACTUAL REVENUE CONFIRMED ON GL SYSTEM JULY 2013 / 2014
901/1100 General Import Duties	\$ 335,766,810.86	\$ 332,022,649.75	\$ 335,766,810.86

901/2100 Export Duties	\$ 9,966,998.99	\$ 14,397,861.21	\$ 9,966,998.99
902/1100 Excise Taxes	\$ 248,812,248.53	\$ 246,180,872.62	\$ 248,812,248.53
906/1100 Air Departure Tax	\$ 39,422,343.75	\$ 48,851,375.23	\$ 39,422,343.75
906/1200 Sea Departure Tax	\$ 84,645,118.50	\$ 81,078,954.90	\$ 84,645,118.50
906/1300 Pass. Tax/Pleas. Craft	\$ 811,759.00	\$ 418,147.00	\$ 811,759.00
906/2100 Pass. Ticket Tax	\$ 20,240.00	\$ 13,741,125.68	\$ 20,240.00
907/1100 Stamp Tax - Imports	\$ 0.00	\$ 17,547,258.49	\$ 0.00
907/1200 Stamp Tax - Export	\$ 0.00	\$ 40,259.03	\$ 0.00

REVENUE ITEM HEAD/ITEM CLASSIFICATION	ACTUAL REVENUE		ACTUAL REVENUE CONFIRMED ON GL SYSTEM JULY 2013 / 2014
	JULY 2013 / 2014	JULY 2012 / 2013	
907/1300 Stamp Tax on Ship Report	\$ 190.00	\$ 920.00	\$ 190.00
907/2100 Stamp Duty - Exports	\$ 0.00	\$ 87,902.44	\$ 0.00
919/1380 Ship Registration	\$ 0.00	\$ 20.00	\$ 0.00
919/1452 Customs Fines & Forfeitures	\$ 412,828.73	\$ 362,605.00	\$ 412,828.73
919/2112 Dishonored Cheques Surcharge	\$ 0.00	\$ 0.00	\$ 0.00
919/2210 Wreck Goods	\$ 150.00	\$ 1,500.00	\$ 150.00
919/2220 Customs Storage Fees	\$ 141.00	\$ 5,847.20	\$ 141.00
919/2221 Warehouse Fees	\$ 169,945.28	\$ 163,691.34	\$ 169,945.28
919/2230 Inspection Fees	\$ 206,938.06	\$ 742,891.93	\$ 206,938.06
919/2231 Overtime	\$ 0.00	\$ 3,975,840.99	\$ 0.00

919/2232 Customs Service Charge	\$ 6,582,835.86	\$ 845.00	\$ 6,582,835.86
919/2240 Container Movement	\$ 4,738,924.65	\$ 5,431,545.36	\$ 4,738,924.65
919/2241 Customs Container Fee – Freeport	\$ 386,475.00	\$ 240,319.25	\$ 386,475.00
919/2250 Other Customs Charges	\$ 973,698.05	\$ 225,150.08	\$ 973,698.05
919/2251 Bonding Tax	\$ 1,424,273.47	\$ 1,320,254.03	\$ 1,424,273.47
919/2252 Royalties	\$ 990,665.33	\$ 1,261,618.54	\$ 990,665.33
919/2253 Fishing Permit	\$ 0.00	\$ 15,240.00	\$ 0.00

REVENUE ITEM HEAD/ITEM CLASSIFICATION	ACTUAL REVENUE JULY 2013 / 2014	ACTUAL REVENUE JULY 2012 / 2013	ACTUAL REVENUE CONFIRMED ON GL SYSTEM JULY 2013 / 2014
919/2254 Cruising Permit	\$ 0.00	\$ 99,080.00	\$ 0.00
919/2255 Customs Boarding Fees	\$ 13,500.00	\$ 29,850.00	\$ 13,500.00
919/2260 Transportation Fees	\$ 0.00	\$ 0.00	\$ 0.00
919/2270 Boarding Fees	\$ 937,110.00	\$ 711,991.51	\$ 937,110.00
919/2271 Boarding Fees	\$ 2,718,473.07	\$ 2,387,545.00	\$ 2,718,473.07
919/2280 Customs Processing Fees	\$ 27,691,678.22	\$ 59,402.00	\$ 27,691,678.22
919/2290 Environmental Levy	\$ 7,889,607.95	\$ 0.00	\$ 7,889,607.95
919/2520 Wharf & Port Dues	\$ 160,321.79	\$ 0.00	\$ 160,321.79
920/1420 Rental of Various Properties	\$ 82,434.69	\$ 100,836.04	\$ 82,434.69
TOTAL	\$ 774,825,710.78	\$ 771,503,399.62	\$ 774,825,710.78

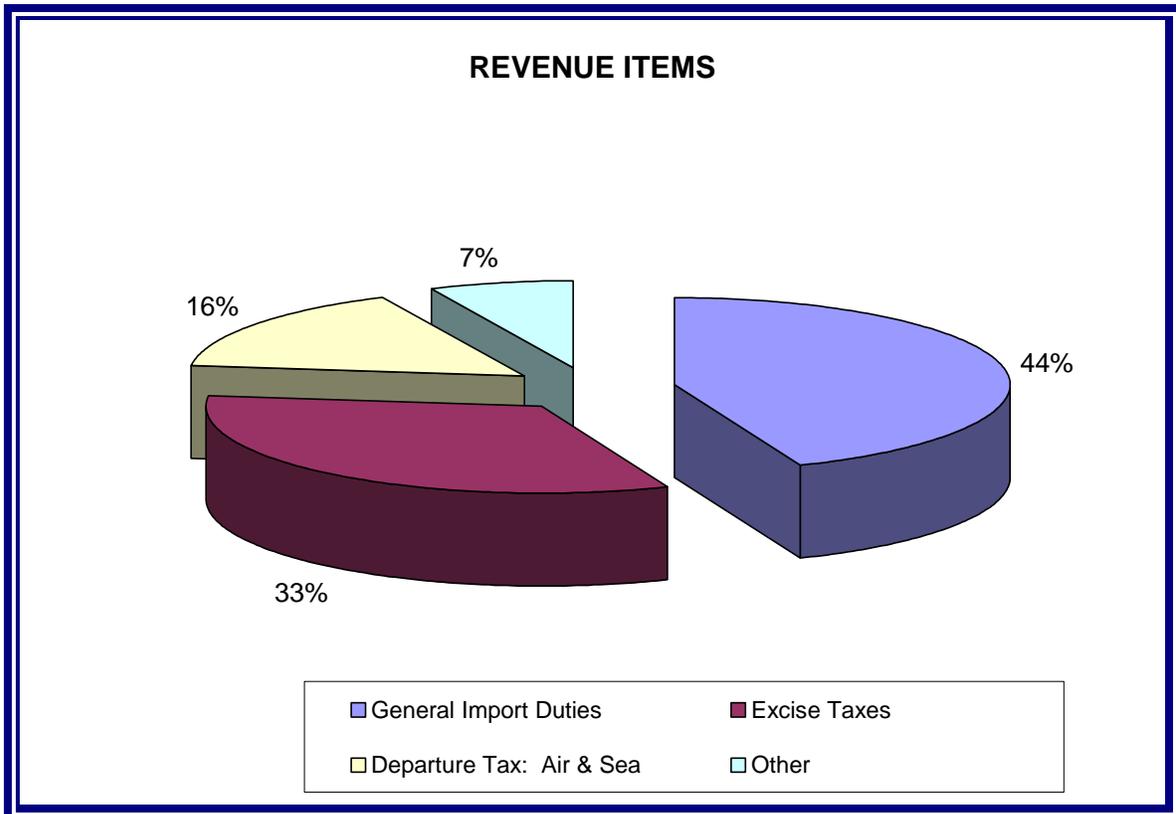
8.04 Actual Revenue collected for the fiscal year 2013/2014 compared to the fiscal year 2012/2013 is as shown:

Details	Amount \$
Actual Revenue collected by Customs fiscal year 2013/2014	774,825,710.78
Actual Revenue collected by Customs fiscal year 2012/2013	771,503,399.62
Difference	3,322,311.16

8.05 The actual revenue collected during the fiscal year exceeded the estimated revenue for some items, e.g. General Import and Departure Tax Air and Sea, etc. Conversely, some collections fell below the estimated figures for some items, e.g. Passenger Ticket Tax, Excise Duties and container Fees.

8.06 The percentage allocation of actual revenue to 2013 / 2014 is as follows:

REVENUE ITEMS	PERCENTAGE
General Import Duties	44%
Excise Taxes	33%
Departure Tax: Air & Sea	16%
Other	7%
Grand Total	100%



8.07 According to the figures provided by the department, the revenue collected during the fiscal year by region 2013/2014 amount to \$774,825,710.78 compared to \$771,503,399.62 in 2012/2013.

NAMES	FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014 \$	FISCAL YEAR JULY 1, 2012 TO JUNE 30, 2013 \$
New Providence	630,604,717.68	632,613,453.28
Grand Bahama: Freeport and West End	62,996,634.60	61,018,137.66
Family Islands	81,224,358.50	77,871,808.68
Grand Total	774,825,710.78	771,503,399.62

[Air Express](#)

8.08 Continuous audits were conducted during the year, informing the Customs Department of the incorrect rates of duty being applied in some instances. Queries were raised relating to the aforementioned periodically.

Customs House Entries

8.09 Continuous audits were conducted during the year; the incorrect rates of duty were applied in many instances. Queries were raised for the period relating to the aforementioned.

Family Island Accounts

8.10 Continuous audits were carried out on the Customs Section at Abaco, Eleuthera, Exuma and Grand Bahama, by our satellite offices. Accounts from our ports were audited in Nassau. Additional surprise audits were carried out. During the audits for Family Island Accounts the following were observed:

- a. Incorrect rates of duty were applied.
- b. Insufficient warehouse space at some ports of entry.

Odyssey Terminal

8.11 Continuous audits were conducted during the year, informing the Customs Department of the incorrect rates of duty being applied in some instances. Queries were raised relating to the aforementioned periodically.

Gladstone Freight Terminal

8.12 Audits were conducted during the year and queries were raised as a result of incorrect rates applied to various imported goods. Queries were raised relating to the aforementioned periodically.

Incomplete Manifest

8.13 We have conducted examination of incomplete manifest and the following was observed:

- a. A large number of bills of lading were released without evidence to suggest duties were collected.

Queries

8.14 During the fiscal year 2013/2014, 446 queries totaling \$181,138.42 were raised with the Customs Department. Of this amount, 263 were satisfactorily resolved which resulted in \$83,740.30 being collected.

PORT/STATION	QUERIES RAISED	DOLLAR VALUE \$	QUERIES ANSWERED	DOLLAR VALUE \$
Customs House	173	97,089.03	90	34,329.45
Gladstone Freight Terminal	258	\$ 78,149.60	169	48,031.59
Family Islands	15	\$ 5,899.79	4	1,380.26
Total	446	\$ 181,138.42	263	83,741.30

Rental of Office Space

8.15 We reviewed the Lease Agreement for the Rental of Office space to determine that the collection for the Rental Office/Cargo Space is being satisfactorily maintained.

Customs Auction

8.16 Auction proceeds realized \$203,415.00 for the fiscal period. All bids that are accepted by the auctioneer were paid at the close of each bid.

Inventory of General Receipt Books

8.17 Our main findings were as follows:

- (1) Counterfoil Issue Notes were not put in sequence in the file folder.
- (2) The General Receipt Book Register did not show the signature of the receiving officer and did not state where receipt books were sent.
- (3) Departure Tax Receipt Books were not recorded in the Receipt Book Register.

Abaco District

8.18 We conducted a special audit of Customs Department Entry Checking for the 6 month period of January 1, 2014. The audit was conducted in accordance with the Financial Administration and Audit Act 1973/2010.

8.19 Our primary objective was to ensure that all Revenue and other funds were accurately collected, recorded and deposited in-tact in a timely manner.

8.20 We performed audit procedures to ensure the following:

- Complete population of Original Entries
- Accurate recording of population of Original Entries
- Funds collected were accurately deposited in a timely manner.

Observations/Findings

8.21 For the period of January 2, 2014 through June 30, 2014, 5156 original entries totaling \$20,537,099 were generated and presented for audit inspection. The only entry that was not physically presented to Audit was original entry no.449 dated January 21, 2014, in the amount of \$4,550.07. Although the latter amount was traced to the cash book, the physical entry was not presented for audit inspection.

8.22 Revenue generated from 5156 Original Entries for this six-month period was as follows:

Month	Original Entries From	Original Entries To	Total Revenue \$
-------	-----------------------	---------------------	------------------

January 2014	1	752	2,935,496.74
February 2014	1	848	3,233,235.68
March 2014	1	862	3,753,414.31
April 2014	1	898	3,352,191.71
May 2014	1	993	3,874,075.25
June 2014	1	803	3,388,685.21
		5156	\$20,537,098.90

8.23 For this six-month period, customs Cash Book totaled \$20,537,098.90 of which only \$19,833,927.53 could be traced as deposits to the bank; hence, a shortage of \$703,171.37.

8.24 We further observed that deposits totaling \$512,898.03 for four (4) days and \$190,273.34 for two (2) days, could not be traced to the Bank:

January 9, February 7, March 11 & March 13.....	\$512,898.03
April 4 and April 16.....	\$190,273.34
	<u>\$703,171.37</u>

8.25 Our examination has revealed that officers did not exercise the required Internal Controls over the daily revenue depositing function, which in this case, has resulted in revenue of \$703,171.37, not being deposited to the Bank.

8.26 **It is our recommendation that Customs Department on a daily basis must ensure that:**

1. **Daily Cash Books and Deposit Slips are agreed by someone other than the preparer; and**
2. **Bank-stamped Deposit Slips are received each day and agreed to relevant Cash Book and Revenue Vouchers.**

8.27 The Comptroller has informed the Office of the Auditor General that stronger controls have been implemented already.

8.28 **It is our recommendation that the Treasury Department must ensure that:**

Deposits are confirmed daily and in cases where there was no deposit, a physical follow-up (confirmation) is made with that department.

- 8.29 We noted that revenue in the amount of \$703,171.00 that was not deposited to the Consolidated Fund, included cheques which totaled \$653,093. Every effort must be made to ensure that this amount is collected immediately. It is evident that businesses which are privileged to use cheques, would have realized that the payments were not executed (Cheques cashed) after a reasonable time. Therefore, these payments must be made immediately, and in full.
- 8.30 We are pleased to note that at the time of the report Customs had collected most of the revenue shortages related to cheques.

General Post Office

SECTION 9

SECTION NINE GENERAL POST OFFICE

New Providence

Cash and Stamp Imprest

- 9.01 During our inspection of the various Imprest Holders we uncovered shortages amounting to \$9,217.39. At the time of our review, a shortage amounting to \$3.87 was made good by one imprest holder; hence \$9,213.52 remains outstanding.
- 9.02 **We recommended that the officers bring shortages totaling \$9,213.52 to account as a matter of urgency. The accounting records verifying that the funds were brought to account should be forwarded to the Office of the Auditor General.**
- 9.03 During our interviews it was reported that the cashier at Cable Beach was short in the amount of \$1,258.75. As a follow up, subsequent meetings were held and the officer concerned was interviewed, where an admission was made that the funds were "borrowed". A recommendation was made that the cashier makes the shortage of \$1,258.75 good. During our

review we noted that the shortage was facilitated with Telegram Money Orders. Further review, showed that these Money Orders originated from Cooper's Town and Green Turtle Cay, Abaco. We were informed that no funds were received before they were remitted and paid to the designated payee. As a result of this, it necessitated a further review of this unusual practice to ensure that this was not a pattern to allegedly defraud the government. A further review was carried out and by all indications it showed that this practice appeared to have occurred before.

- 9.04 **We recommended that funds for the Money Orders issued be remitted the Post Office Savings Bank as a matter of urgency. It is further recommended that the matter be investigated by the Postmaster General.**
- 9.05 As a result of the review of the cash/stamp imprests we noted that the requests for stamps were minimal.
- 9.06 **We recommended that the Postmaster General seek to have a reduction in the amounts of the imprests to necessitate current needs as the increase in modern technology has impacted the need for such large sums.**
- 9.07 It was also noted that supervisors were not conducting frequent spot checks to ensure that imprest were intact.
- 9.08 **We recommended that the training and re-training of the Post Office Staff be addressed as a matter of urgency. This would facilitate the strengthening of the internal controls. Further, supervisory oversight should be given to assist in strengthening overall controls.**
- 9.09 During our audit inspection of the stamp/cash imprests we noted that the listing of the amount of the imprest issued to Imprest Holders by the General Post Office showed differences. The cashier at Carmichael Road had \$12,000.00 when the Post Office listing showed \$14,000.00; hence a difference of \$2,000.00.

- 9.10 **We recommended that the shortage in the imprest of \$2,000.00 be explained.**
- 9.11 We noted during our review that imprests were still being held at the sub-stations in the names of officers who had been transferred to various sections of the Post Office.
- 9.12 **We recommended that when officers are transferred their imprests are retired. It is further recommended that the appropriate information is documented and kept on file to facilitate the auditing process.**
- 9.13 We observed that:
- (1) In some instances in the Parcel Post Section cashiers secured their imprest in drawers.
 - (2) At the Carmichael Road Post Office we noted that the room where the cashiers have to secure their funds is being shared with the Road Traffic Department.
- 9.14 **It is recommended that adequate security is provided for the safeguarding of government funds at the various post offices.**
- 9.15 During our inspection it was noted that the supervisor at Elizabeth Estates failed to collect the cash for a stamp requisition which she had issued on 25th May, 2014; hence a shortage of \$952.26. This matter was being addressed at the time of the review.
- 9.16 **We recommended that due care and attention is paid when carrying out postal functions, ensuring that funds are collected for stamps when issued to Imprest Holders.**

North Andros District
Nicholls's Town Post Office

- 9.17 During our review and request for accounting documentation which included actual money orders and postal records we

were informed that the records were damaged due to a flood in the Post Office Savings Bank.

- 9.18 **We recommended that Administration ensures that the government records are kept safe and any loss or damage is duly reported as is required by Section 38 (2)(c) of the Financial Administration and Audit Act 2010.**
- 9.19 A review of the listing of the Telegraph Money Order transactions recorded by the General Post Office for Nicholls's Town showed that the cash received for these transactions were being held for inordinate periods. During our review we requested the Bank Statements but it was neither produced by the Treasury Department nor The Administrators Office in Nicholls's Town. As a result we were not able to validate the transactions.
- 9.20 **We recommended that Bank Statements be produced for audit examination. We also recommended that Administration ensures that every effort is made to ascertain timely receipt of government postal revenue transaction inclusive of cash.**
- 9.21 We conducted a sample test of the Telegraph Money Order accounting documents which were provided by the Postmaster General, as outstanding. These Telegraph Money Orders had originated from Nicholls's Town and were remitted to the various Post Offices. Our audit of these accounts were extended after we noted discrepancies during our reconciliation process. These accounts were difficult to reconcile due to the manner in which the cashier was allowed to work.
- 9.22 During our interviews with the Treasury Department Family Island Section, the Post Savings Bank and the Administrators Office in Nicholls's Town, Andros we were informed that the Bank Statements for the Family Island Postal Accounts were not being produced. We also noted that reconciliations were not being prepared. As a result, we were uncertain of the accuracy of the cash deposits.
- 9.23 **We recommended with immediate effect, that all efforts be put in place to ensure that the persons responsible fulfill their responsibilities of ensuring that the Postal Revenue Bank Accounts**

- are accurate. We further recommended that Bank Reconciliation Statements are produced to facilitate an audit trail.**
- 9.24 During our review of accounting documents we noted that cashier's monthly transaction records were not submitted to the Post Office Savings Bank in Nassau from the Administrator for the period July 2013 to May 2014.
- 9.25 **We recommended that the Postmaster General and the Permanent Secretary of Lands and Local Government ensures that the Cashier and the Administrator comply with the accounting procedures to ensure that all accounting files are accounted for, and that the delinquent submission cease.**
- 9.26 We noted that our review that at times the cashier did not document the date of the daily transactions (Money Orders) which made it difficult to follow an audit trail.
- 9.27 **We recommended that training of the cashiers be carried out to ensure compliance regarding the required information that should be included on the daily report. Further, when there is continuous non-compliance these matters should be investigated, to correct the situation.**
- 9.28 It was also noted that in some instances the cashier's Telegraph Money Orders were recorded or sold out of sequence on the cashier sheets.
- 9.29 **It is recommended that the Post Office Savings Bank Supervisor ensures that all Money Orders are used and accounted for in their numerical sequence.**
- 9.30 During our review of the Money Order Register which documents the number of books sent to the various Sub-Post Offices: it was difficult to determine the number of books which were used/completed and those that were currently on hand. In addition the books were not being utilized in sequence. As the books were completed they were not being returned to the Head Post Office in Nassau thus impeding the audit process.
- 9.31 **We recommended that an inventory be taken of all unused money order books at all postal locations to ensure that each Sub-Post Office or District keep on hand the required amount of Money Orders. Further, it is our recommendation that all completed Money Order Books are returned to the Postmaster General's Office, this**

would facilitate an audit trail. It is further recommended that the money order books be utilized in numerical sequence.

- 9.32 The Postmaster General along with the appropriate staff should seek to minimize the alarming amount of alleged misappropriations which appear to be occurring within the Post Office. Where the elements of theft can be proven these matters should be turned over to the Royal Bahamas Police Force for prosecution. The idea of transferring these employees from one department to another should be discontinued. The department must move towards ensuring that government and the public funds are protected.

Ragged Island Post Office

- 9.33 At the beginning of our review we were provided with \$159,919.36 worth of supporting documents of Telegraph Money Orders issued from Ragged Island. This also included money order charges that were not paid into the Post Office. In addition, we noted that from the total orders mentioned, approximately \$63,914.00 was not brought to account.
- 9.34 The current untimely depositing of postal revenue is inadequate and unacceptable.
- 9.35 During our audit, we interviewed the former Ragged Island cashier who admitted that while she was in Ragged Island she had misappropriated a "large" amount of funds from the Post Office. This was carried out through the remittance of Money Orders which were sent throughout the Islands of the Bahamas without any funds first being collected before issuance. At the time of our review, we were unable to determine the amount misappropriated.
- 9.36 The District Postmaster (Exuma) was responsible for collecting the reconciling the Ragged Island district Postal Funds. Further, the District Postmaster, at times allowed the Postal Clerk to carry out her duties of collecting the accounts from the Ragged Island District.
- 9.37 Due to the untimely receipt of funds and the late transmittal of money order forms, the accounts of Ragged Island remained outstanding. We were informed that when the designated officer visited Ragged Island, a substantial amount of Telegraph Money Orders were processed by the officer. Additionally, the former cashier at Ragged Island admitted to the processing of Money Orders without following established accounting procedures.

- 9.38 The interview with the former Postal Officer showed that she had received initial instructions from the Senior Clerk, who relayed certain instructions that Money Orders should be remitted in her name. Once these Money Orders were cashed, the amount was to be forwarded to the Senior Clerk's personal account at the Royal Bank of Canada or the Bank of The Bahamas.
- 9.39 During our interview with Cashiers from Ragged Island and Nassau, New Providence, we obtained the names of several persons who received and remitted an exorbitant amount of Money Orders. We noted that the total amount of Telegraph Money Orders received or remitted by the individual for the period under review amounted to \$329,287.40. We could not verify that the funds were first received before the Money Orders were processed.
- 9.40 **We recommended that management investigate the matter and take the necessary action.**
- 9.41 We also noted a substantial amount of unauthorized Telegraph Money Orders in the amount of \$123,497.25 were processed by the Senior Clerk while at the Ragged Island Post Office. We were uncertain that the funds were first collected before the Money Orders were processed.
- 9.42 **We recommended that this matter be addressed and all efforts be made to ensure that the full amount of \$123,497.25 be rectified.**
- 9.43 We noted during our review that Telegraph Money Orders totaling \$594,816.42 was turned into the Post Office Savings Bank. However, we could not verify that this amount was brought to account from Ragged Island. It should be noted that the total amount remitted could not be determined.
- 9.44 **We recommended that an explanation be given as to the reason for the partial submission of accounts. Further, reasons should be given for withholding revenue for an inordinate period.**
- 9.45 We were informed during our interviews by the cashier in Ragged Island that Money Orders were processed without funds first being received.
- 9.46 **We recommended that management investigate the matter and determine what action should be taken.**

- 9.47 We noted during our audit that Telegraph Money Orders totaling \$63,914.10 were not brought to account.
- 9.48 Based on our findings, it appears that the Post Office Department is in need of restructuring. Where there is evidence of misappropriation by staff members, immediate actions should be taken to remedy the exorbitant loss of revenue.
- 9.49 **The Office of the Auditor General finds these matters to be very serious and recommends that:**
- (i) **The Post Offices in the Family Islands, report on a daily basis all Post Office Savings Bank transactions.**
 - (ii) **A computerized system be implemented to track all transactions.**
 - (iii) **An internal section in the Post Office is established.**
 - (iv) **The Post Office undertakes a major training of all staff members.**

Acklins Island District

- 9.50 The financial records were kept in an acceptable manner with the various cash books being properly maintained.

Crooked Island District

- 9.51 The findings of this audit were briefly discussed with the Administrator, in the Airport Terminal, Crooked Island; as we were not given an opportunity to conduct an exit conference, which is a normal procedure of our audit process.
- 9.52 It is our view that full cooperation was not extended to the auditors thereby impeding the audit process as financial documents were not given in a timely fashion.
- 9.53 As a result, no explanation was given to the non-adherence of governmental accounting procedures.

- 9.54 Therefore, we are recommending that the accounts be reviewed, reconciled and brought up to date under the guidance of the Treasury Department, and that the Administrator be attached to the Public Treasury for training.

Gaming Board

SECTION 10

**SECTION TEN
GAMING BOARD**

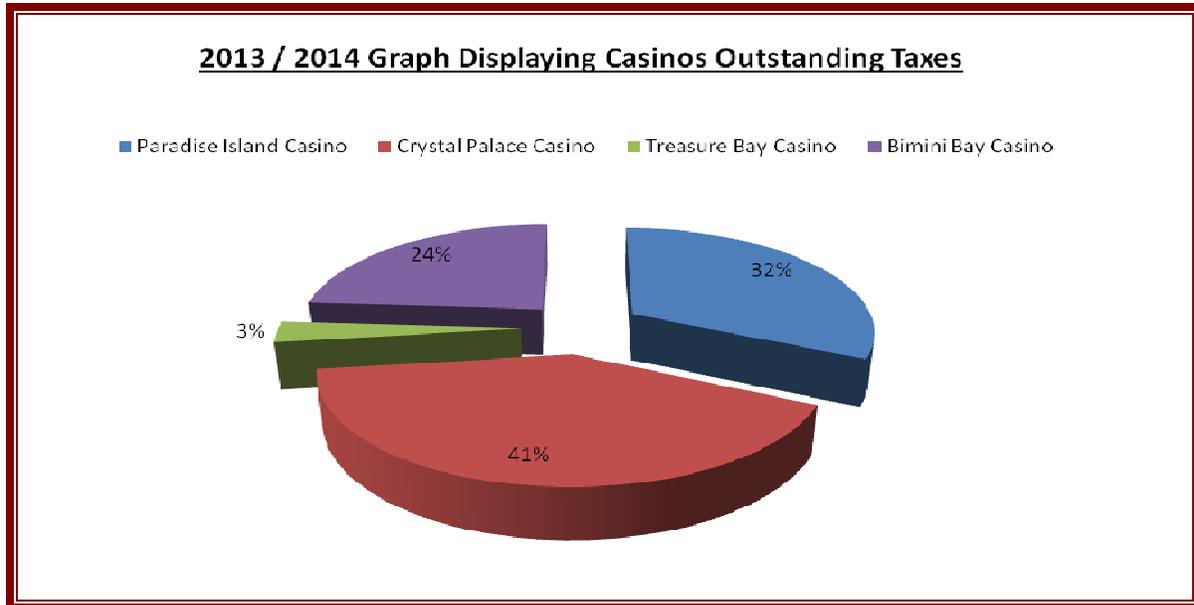
Casino Taxes Outstanding

10.01 Our review of the schedule and Payment of Basic and Actual Gaming Taxes for the period under review showed that the taxes outstanding during the current period amounted to \$6,379,415.07. The total outstanding taxes were \$10,842,516.24 which included prior amount of \$4,463,101.17 as displayed in Figure 1.

Figure 1: Displaying Outstanding Taxes Current and Prior Years by casinos

CASINOS	OUTSTANDING TAXES 2013 / 2014	OUTSTANDING TAXES PRIOR YEARS	TOTAL OUTSTANDING
Paradise Island Casino	\$2,032,255.74	\$1,073,474.70	\$3,105,730.44
Crystal Palace Casino	\$2,592,320.87	\$2,844,301.57	\$5,436,622.44
Treasurer Bay Casino	\$238,649.52	\$340,834.19	\$579,483.71

Bimini Bay Casino	\$1,516,188.94	\$204,490.71	\$1,720,679.65
Total Outstanding Taxes	\$6,379,415.07	\$4,463,101.17	\$10,842,516.24



Closed Casinos Outstanding Adjustments

10.02 It was noted during the audit of outstanding casino taxes that an adjustment was made to several closed casinos as noted in Figure 2 below. A review of the tax spreadsheets of these casinos were performed by the Revenue and Taxes Department in order to determine the statistical accuracy of the amounts owed to the Gaming Board. Upon review by this department, differences were discovered between what was owed per the spreadsheet and what was calculated by the noted department. As such, adjustments were made to the outstanding tax amounts by the casinos outlined in Figure 2.

10.03 We were informed in the current audit year that this review was necessary because of a system failure that occurred in 2011. We were not made aware of this system failure in the prior years' audit.

10.04 **Response – Board**

The Secretary to the Gaming Board indicated that the Ministry of Finance was made aware of the closed Casino adjustments.

10.05 We recommended that urgent steps be taken to collect taxes due the Government before the opportunity to do so no longer exist. We also recommended that a policy decision be made to clear the books of amounts owed by the closed casinos if the amounts are deemed uncollectible.

Figure 2: Displaying Closed Casinos Adjustments

CASINOS	OUTSTANDING TAXES \$	ADJUSTMENTS \$	ADJUSTED TAX BALANCES \$
Isles of Capri	4,920,621.50	(4,795,665.96)	124,955.54
Crystal Palace-Ruffin	5,129,685.40	2,147,045.24	7,276,730.64
Lucayan Beach	24,225,684.40	(2,094,628.00)	22,131,056.40
Casino at Bahamia	13,219,141.78	-	13,219,141.78
Carnival Leisure Industries	4,077,402.10	-	4,077,402.10
Total Closed Casino Taxes			\$51,499,996.88

Pension

SECTION 11

SECTION ELEVEN

PENSION

Official Pension & Gratuity

- 11.01 During the examination of the above captioned, a representative sample of Official Pension & Gratuity was selected and judgmentally tested. The information and calculation on the Pension & Gratuity certificates were confirmed and verified for accuracy. These amounts were checked to the General Ledger (GL671), and the Bahaval systems.
- 11.02 It should be as noted that several corrections were necessary to amend the certificates, such as total years of service, incorrect salary, calculations of unpaid leave, incorrect application of pension acts and the absence of the Department of Public Service official seal on the certificates.
- 11.03 During this period one hundred & thirty-three (133) persons were deleted from the Official Pension Register and three hundred and seventy-six (376) was added to the Official Pension Register.

Parliamentary Pension

- 11.04 We were able to verify and confirm that \$1,585,845.81 was disbursed for pension payment for the fiscal year 2013/2014.
- 11.05 During this period four (4) Parliamentarians were added to the pay sheet and one (1) was deleted by reason of death.

War Veterans & Widows Pension

- 11.06 While examining pensions for the fiscal year ended 30th June, 2014, the amount disbursed was \$11,761.44. These amounts were verified to the Pension Register and the United States (U.S.) Draft Register.
- 11.07 Presently there are four (4) War Veterans & Widows on the pay sheet receiving benefits.

Widows & Orphans Pension

- 11.08 Pension for the year ended 30th June, 2014 was confirmed and verified to the Official Pension Register, and The Widows & Orphans Pension Register.
- 11.09 During the period three (3) persons were deleted from the pay sheet by reason of death. Presently there are twenty-seven (27) Widows & Orphans pensioners on the pay sheet.

Grand Bahama

SECTION 12

SECTION TWELVE GRAND BAHAMA

Post Office

12.01 Our examination to ensure that all boundary documents were complete and produced for audit inspection, revealed that:

1. The sale of Sterling Money Orders were discontinued, but there was no documented evidence on file in support of this action.
2. We continue to note that Canadian Money Orders were not presented for audit inspection.
3. Additionally a number of US Money Orders were also, not presented for audit inspection.
4. There were no counterfoil issue notes on file in support of Parcel Advice Receipt Books.
5. We continue to note that Counterfoil Issue Notes are not sent to Audit independently when accountable forms are transmitted to the various stations.

12.02 **We recommended that:**

- **An official correspondence is filed in support of the cessation of the sale of Sterling Money Orders and the instruments returned to inventory.**
- **All accountable forms sent and received, must be accompanied by the relevant Counterfoil Issue Notes. Further, a copy of the issue note must be sent independently to Audit to ensure objectivity and accuracy.**
- **Additionally, all documents must be properly safeguarded at all times. Further, all documents must be produced for audit inspection when requested.**

12.03 While tracing revenue items per Daily Revenue Report to Treasury's Actual Revenue Detail Report we observed:

Eight (8) revenue items totaling \$7,454.00 were found on Treasury's Actual Revenue Detail Report, which could not be agreed to the Daily Revenue Report.

12.04 **We recommended that revenue collected is accurately reported in its proper period to ensure accuracy and population completeness.**

12.05 While ensuring that all Revenue and Other Funds collected were accurately and properly deposited to the bank account, in-tact and in a timely manner; the following observation was noted:

1. There were 144 bank stamped deposit slips that bore only one departmental signature.

12.06 **We recommended that all deposit Slips are properly signed by two officers as evidence that the deposit was verified by a senior officer.**

12.07 **We continue to note control weaknesses at the boundary whereby, counterfoil issue notes supporting the receipt of Receipt Books are not sent to Audit independently. Persistent shortages in Imprest**

Funds entrusted to Officers. We recommended that the Postmaster ensures that all missing funds are brought to account and in a timely manner.

- 12.08 We continue to note that the Bank Account (Postmaster's) at the Bank of The Bahamas (BOB), Freeport continues to be "un-reconciled". Further, we noted that the periodic net amount of funds deposited and disbursed from this BOB account, is sent to the Postmaster, Nassau via cheque whether that net is excess (+), or overdrawn (-); this practice requires explanation. It is our recommendation that this Bank Account is suspended until it is properly reconciled; its current state is a breeding ground for improprieties.

Treasury Final Accounts

SECTION 13

SECTION THIRTEEN TREASURY FINAL ACCOUNTS

Bank Reconciliation

- 13.01 The Bank Reconciliations for the Financial Statements were not presented within thirty (30) days of the year and is not in accordance with International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Standards (IFRS). However, we note the improvement from years past.
- 13.02 **We recommended that efforts be made to complete bank reconciliations within thirty (30) days of month end in accordance with IPSAS and IFRS.**

Treasurer's Response:

The delay was due mainly to the staffing issues namely staff shortage and the learning curve of two new officers posted during the year. However, every effort is being made to bring accounts current.

Reconciliation of Family Island Suspense Account

- 13.03 Family Island Suspense Accounts are not being cleared in a timely manner.

13.04 **It is recommended that the reconciliation journal entry be prepared so that the Financial Statement could be accurate.**

Treasurer's Response:

The delay in clearing the Family Island Suspense accounts is due mainly to the non-timeliness of the returns from the family islands. We will continue to work with the Family Administrators to ensure that their submissions are sent in promptly.

Recurrent Expenditure and Revenue

13.05 The Recurrent Expenditure and Revenue was not reconciled to the General Ledger until April 9, 2015 (adjusted trial balance).

13.06 **We recommended that the reconciliation should be completed in a timely manner.**

Treasurer's Response

It should be noted that the date on the right-hand corner of the report represent the business/run date and is not the date of the final posting. The fiscal year to which the trial balance relate is shown in the center of the report.

It should also be noted that the deadline for the completion of the Financial Statements by the Treasurer is October 31, and we have always complied with this, however once submitted the Internal Audit Department in the Ministry of Finance then audits the accounts which could take anywhere between three to six months.

Salary Advance

13.07 The AR505 did not always reflect the correct status of officer's advances.

13.08 **We recommended that due diligence be exercised to ensure a transaction trail in the maintenance of Salary Advances to the AR505 ledger and that repayment of the amounts due be posted to the AR505 in a timely manner.**

Treasurer's Response:

There has been some delay in updating of the AR due to staff shortage, however we are trying to address as best we can.

Outstanding Advances

- 13.09 A number of Employees have been terminated or has retired from the Pubic Service with outstanding Salary Advances.
- 13.10 **We recommended that a decision be made on how to deal with the outstanding salary advances.**

Treasury Response:

We are in discussions with the Attorney General's Office on the procedure for dealing with these items.

Dishonoured Cheques / Accounts Receivable)

- 13.11 We continue to have concern with Dishonoured Cheques / Accounts Receivable which is approximately \$19,000,000.
- 13.12 **We recommended that there should be continuous monitoring of Dishonoured Cheques. Dishonoured Cheques that are determined to be uncollectable should be removed from the list. An aging report should be produced.**

Treasurer's Response:

We are currently reviewing the outstanding list and so far in our review we have discovered that:

- i) The amounts related to Real Property taxes may have been paid, due to the fact that once the payment is dishonoured, the tax payer account is adjusted, however the revenue account was not adjusted accordingly; and*
- ii) A number of businesses have closed*

We will be putting forward a paper to have these amounts deemed uncollectible written off.

The officer who has responsibility for this function has been and continues to monitor these items. She has also visited the various

agencies to sensitize them to the importance of having these items made good without delay.

In-active and Dormant Accounts

- 13.13 In your 2013 Financial Statement you reported in Note.26 that the in-active and dormant account amounts were written off in accordance with Section 25 of the Financial Administration and Audit Act 2010 and the Dormant and In-active Accounts Regulations 2013.
- 13.14 However, we noted that in accordance with the FAA 2010, the Minister of Finance needs to perform certain acts before removal from General Ledger of dormant accounts and write off's can take place.
- 13.15 Therefore, we requested that the Treasurer provide documented information from Minister of Finance approving the "write-offs" in the 2013 Financial Statements. However, this information was not received.

Treasurer's Response

A cabinet paper has been prepared and submitted to the Ministry for onward transmission to Cabinet.

We are awaiting the cabinet conclusion authorizing the write off.

Family Islands

SECTION 14

SECTION FOURTEEN FAMILY ISLANDS

CENTRAL GOVERNMENT/ SOUTH ELEUTHERA – ROCK SOUND

Central Government Current Account Cash Position as at June 2014

- 14.01 Treasury Remittances forwarded for Central Government Current Account for the fiscal year 2013/2014 amounted to \$969,209.95, in contrast to \$1,322,383.52 for the 2012/2013 financial year. This indicated a decrease of \$353,173.57.
- 14.02 In addition the Central Government Recurrent Expenditure incurred during 2013/2014 fiscal year totalled \$969,209.95 compared to \$1,274,243.26 for the 2012/2013 financial year. Expenditure decrease by \$305,034.26 or 23%.

Agencies with over/under Expenditures at the end of the fiscal year 2013/2014

- 14.03 We noted that a number of Central Government Agencies in Rock Sound had exhausted their budget allocations and in some instances spent more than was received from the Ministry of Finance. Also, we noted that some agencies had balances remaining at the end of the 2013/2014 fiscal year.
- 14.04 **We recommend that closer attention be given to the Expenditure Report (Expenditure Authorized Form No. III) implemented by the Ministry of Finance to track financial transactions against budget allocations.**

NORTH ELEUTHERA – HARBOUR ISLAND

- 14.05 During our scrutiny of Central Government payment vouchers, it was noted that some payment vouchers did not have supporting documents i.e. bills/receipts, to substantiate payments made.
- 14.06 **We recommend that bills/receipts be provided for audit inspection.**
- 14.07 During our scrutiny of Central Government payment vouchers, it was noted that some payment vouchers were missing from the batches.
- 14.08 **We recommend that the missing payment vouchers be provided for audit review.**
- 14.09 We noted that payment voucher number 137 dated May 30th, 2014; Cheque number 3554 in the amount \$ 9,000.00 was with respect to part payment for construction of bathrooms in North Eleuthera. The total contract sum was \$18,000.00 also the invoice/bill to support this payment along with tender documents was not made available for audit review.
- 14.10 **We recommend that invoices/bills be attached to all payment vouchers. We further recommend that contract documents be presented for audit review.**
- 14.11 We noted cheque number 3376 in the amount of \$10,000.00 dated May 15th 2014 as partial payment for contractual services. The contract sum agreed was \$20,000.00 which included the cutting, clearing and removal of derelict vehicles from Jeans Bay and adjacent roads in the North Eleuthera District. We observed that the payment voucher was not numbered and the signature of the Central Government Agency was absent.
- 14.12 **We recommend that all payment vouchers bear the signature of the Central Government Agency. We further recommend that all payment vouchers be numbered.**
- 14.13 In our opinion, the accounts were not maintained at a satisfactory standard in all respects. More specifically, the cashbooks were not properly maintained. There were too many errors such as financial information entered in the cashbooks that ought to have been cancelled. In addition numerous payment vouchers were

incomplete; void of payment voucher numbers, signatures and supporting documents.

- 14.14 **Internal controls need to be strengthened to ensure efficiency and effectiveness of the financial operation.**

Audit Certificate

**AUDIT CERTIFICATE
THE FINAL ACCOUNTS OF
THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
FOR THE YEAR ENDED JUNE 30, 2014**

In compliance with Section 43 of the Financial Administration and Audit Act, 2010, I have examined the several statements and accounts of the Government of the Commonwealth of The Bahamas as specified under Section 32(3) of the Act. The Financial Statements are the responsibility of the Treasurer. My responsibility is to examine and certify the Statements, based on the outcome of my examinations, as required by the Act.

These Financial Statements have been examined in accordance with The Financial Administration and Audit Act, 2010, The Financial Regulations 1975, The International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards and other auditing procedures as were considered necessary in the circumstances.

As a result of my examination, I now report that while the Treasurer has written off the In-active and Dormant Accounts as requested in prior audit reports, the required written authorization was not available at the date of this report. In addition, due to the large Suspense account balances and weaknesses in system of Internal Controls related to revenue and expenditure, I cannot attest to the completeness and fairness of Cash and Bank Balances.

Because of the fundamental importance, and the material effect of these accounts as described in the preceding paragraph, on the statements of account, I am unable to certify that the Final Accounts of the Government of the Commonwealth of The Bahamas present a true and fair view of the state of affairs for the year ended June 30, 2014.

Terrance S. Bastian (Mr.)
Auditor General

Nassau, Bahamas
September 4, 2015

Annex

REPORT OF THE AUDITOR GENERAL

PART II

ANNEX

Balance Sheet – Consolidated Fund.....	Annex 1
Statement of Revenue & Expenditure.....	Annex 2
Statement of Cash Flow.....	Annex 3
Statement of Consolidated Fund (Current Account).....	Annex 4
Statement of Consolidated Fund (Capital Account).....	Annex 5
Notes to the Financial Statements.....	Annex 6
Statement of Public Debt.....	Annex 7
Graphs of Revenue & Expenditure.....	Annex 8
Statement of Financial Assets & Current Liabilities – (Deposit Fund Account).....	Annex 9

Statement of Changes in Deposit Fund Balances (Deposit Fund Account).....	Annex 9
Schedule of Cash Movement in Deposit Fund by Account Categories	Annex 9
Statement of Contingent Liabilities.....	Annex 10

Annex 1

Balance Sheet – Consolidated Fund

**STATEMENT OF FINANCIAL ASSETS AND LIABILITIES (BALANCE SHEET)
AS AT 30-JUNE-2014
(CONSOLIDATED FUND)**

	Notes	As at 30-Jun-2014 B\$	As at 30-Jun-2013 B\$
FINANCIAL ASSETS			
Cash and Bank Balances	(11)	146,629,550	88,958,956
Fixed Deposits	(16a-c)	42,595,260	31,976,227
Dishonoured Cheques (Receivables)	(17)	19,133,372	18,436,736
Advances	(13)	18,086,184	12,956,960
TOTAL FINANCIAL ASSETS		226,444,367	152,328,879
FINANCIAL LIABILITIES			
CURRENT LIABILITIES			
Bank Overdraft	(11)	249,222,547	193,816,483
Treasury Bills	(8)	549,281,900	588,281,900
Short Term Advances	(9)	129,657,052	105,657,051
Short Term Commercial Paper	(10)	0	20,000,000
Salary Deductions Payable	(12)	26,421,104	22,890,577
Other Short Term Depository Liabilities	(13)	185,789,428	178,799,652
TOTAL CURRENT LIABILITIES		1,140,352,030	1,109,445,662
NET LIABILITIES		913,907,663	957,116,783
Supported by			
FUND BALANCES			
Consolidated Fund Current Account		(880,789,510)	(874,835,560)
Consolidated Fund Capital Development Account		(33,118,152)	(82,281,223)
TOTAL FUND BALANCES		(913,907,663)	(957,116,783)

Annex 2

Statement of Revenue and Expenditure

**STATEMENT OF REVENUE AND EXPENDITURE FOR YEAR ENDED 30-JUNE-2014
(CONSOLIDATED FUND)**

	Notes	Budget Financial Year Ended 30-Jun-2014 B\$	Actuals Financial Year Ended 30-Jun-2014 B\$	Actuals Financial Year Ended 30-Jun-2013 B\$
REVENUE				
Recurrent Revenue				
Tax Revenue	(4)	1,204,219,730	1,124,761,225	1,146,280,131
Non-Tax Revenue	(4)	299,666,685	345,206,219	236,725,386
SUB-TOTAL	(4)	1,503,886,415	1,469,967,443	1,383,005,517
Refund of Revenue			(3,003,632)	(10,725,120)
Total Recurrent Revenue Collected		1,503,886,415	1,466,963,811	1,372,280,397
Other Revenue Receipts				
Sale of Capital Assets	(6)	-	42,439	8,200
Grants and Aids	(6)	8,000,000	380,500	116,071
Sale of Building (Cecil Wallace- Whitfield)	(8)	-	-	-
Proceeds from Notes Receivable (NAD)	(8)	-	-	-
Total other Revenue Receipts	(6)	8,000,000	422,939	122,271
TOTAL REVENUE RECEIVED		1,511,886,415	1,467,386,750	1,372,402,668
OPERATING EXPENDITURE				
Recurrent Expenditure				
Personal Emoluments	(5)	659,068,831	633,438,617	600,306,311
Other Recurrent Charges	(5)	762,831,093	768,058,009	765,366,785
Other Cost Items				
Financing Cost- Interest Payments	(5)	229,722,060	223,452,101	205,146,507
Principal Debt Repayment	(5 & 14)	86,332,933	82,032,720	150,575,293
Total Other Cost		316,054,993	305,484,821	355,721,800
Total Recurrent Expenditure	(5)	1,737,954,917	1,706,981,447	1,721,394,896
Capital Expenditure				
Capital Development Expenditure	(7)	187,137,536	199,354,911	224,842,578
Other Capital Expenditure	(7)	26,222,264	30,055,202	20,104,003
Capital Grants, Contributions and Subsidies to Government Corporations	(7)	81,730,461	103,592,885	107,655,657
Total Capital Expenditure	(7)	295,090,261	333,002,998	352,612,238
Total Operating Expenditure		2,033,045,178	2,039,984,445	2,074,007,134
Surplus/(Deficit) for the period		(521,158,763)	(572,597,695)	(701,604,466)

Annex 3

Statement of Cash Flow

**STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2014
(CONSOLIDATED FUND)**

	Notes	Financial Year Ended	Financial Year Ended
		30-Jun-2014	30-Jun-2013
		B\$	B\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Recurrent Revenue	(4)	1,469,967,443	1,383,005,517
Less: Refund of Revenue		(3,003,632)	(10,725,120)
Increase/Decrease in Dishonoured Cheques		(696,636)	1,249,168
Recurrent Expenditure (less Debt repayment)	(5)	(1,624,953,544)	(1,570,819,603)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(158,686,369)	(197,280,038)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from capital revenue/grants	(6)	422,939	122,271
Capital acquisitions	(7)	(199,354,911)	(244,946,581)
Other capital outlays	(7)	(133,648,087)	(107,665,657)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(332,580,059)	(352,489,967)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in Treasury Bills	(8)	(39,000,000)	244,064,000
Increase (Decrease) in Central Bank Advances	(9)	24,000,000	(32,029,556)
Increase (Decrease) in CitiBank	(10)	(20,000,000)	20,000,000
Increase (Decrease) in Other Advances and Deposits	(10)	5,401,257	(55,008,696)
Proceeds from Bonds/Stocks	(6)	115,000,000	375,000,000
Proceeds from US \$ Loan	(6)	368,000,000	180,000,000
Proceeds from EURO Loan	(6)	101,542,500	
Proceeds from Loans	(6)	33,269,132	65,945,028
Proceeds from Sale of Shares	(6)	0	0
Principal Payments on Public Debt	(5)	(82,032,720)	(120,575,293)
NET CASH FLOWS FROM FINANCING ACTIVITIES		504,180,169	677,395,484
NET INCREASE (DECREASE) IN CASH		12,913,741	127,615,478
CASH AND CASH EQUIVALENT			
Cash and Cash equivalent at beginning of year		(72,881,300)	(200,496,778)
Cash and Cash equivalent at end of year		(59,967,558)	(72,881,300)
		Financial Year Ended	Financial Year Ended
		30-Jun-2014	30-Jun-2013
Cash and Domestic Bank Accounts		126,941,122	72,481,019
Foreign Banks denominated in B\$		19,718,607	16,477,937
Sub-Total		146,659,729	88,958,956
Fixed Deposits (maturities less than 3months)		42,595,260	31,976,227
Sub-Total		189,254,989	120,935,183
Less: Bank Overdrafts		(249,222,547)	(193,816,483)
Net Cash & Cash Equivalent		(59,967,558)	(72,881,300)

Annex 4

Statement of Consolidated Fund – (Current Account)

Annex 5

Statement of Consolidated Fund – (Capital Account)

**STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCES FOR YEAR
ENDED 30- JUNE-2014
(CURRENT ACCOUNT)**

Notes	Financial Year Ended 30-Jun-2014	Financial Year Ended 30-Jun-2013	Net Change in Fund Balance
	B\$	B\$	B\$
Balance as at 1st July, 2013	(874,835,560)	(824,079,085)	50,756,475
Recurrent Revenue	1,469,987,443	1,383,005,517	(86,981,926)
Less: Refund of Revenue	3,003,632	10,725,120	7,721,488
Net Recurrent Revenue	1,466,983,811	1,372,280,397	(94,683,414)
Other Revenues & Transfers			
Transfers from Capital Account	234,066,502	268,358,023	34,289,521
Total Revenues	1,701,032,313	1,640,638,420	(60,393,893)
Sub-Total	826,196,753	816,559,335	(9,637,418)
Recurrent Expenditure	1,706,986,264	1,601,394,895	(15,591,389)
Balance as at 30 June 2014	(880,789,510)	(874,835,560)	5,953,950

**STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCES FOR YEAR
ENDED 30 JUNE 2014
(CAPITAL ACCOUNT)**

Notes	Financial Year Ended 30-Jun-2014	Financial Year Ended 30-Jun-2013	Net Change in Fund Balance
	B\$	B\$	B\$
Balance as at 1st July, 2012	(82,281,223)	(82,378,261)	(97,038)
Other Financing Sources			
Proceeds from Stocks/Bonds (5)	115,000,000	375,000,000	(260,000,000)
Proceeds from US\$ Loan (5)	366,000,000	180,000,000	186,000,000
Proceeds from EURO Loan	101,542,500		
Proceeds from Other Loans (5)	33,269,132	85,945,028	(32,675,896)
Proceeds From Grants (5)	380,500	116,071	264,429
Sale of Building (5)	-	-	-
Proceeds from Note Receivable (NAD) (5)	-	-	-
Other Capital Income (5)	42,439	6,200	38,239
Total Capital Revenue	616,234,571	621,067,299	(106,375,228)
Sub-Total	533,953,348	538,689,038	(4,735,690)
Capital Development Expenditure			
Capital Expenditure (6)	229,410,113	244,946,561	(15,536,468)
Loans, Contributions and Advances to Government Corporations (6)	103,592,885	107,685,657	(4,072,772)
Total Capital Expenditure (6)	333,002,998	352,632,238	(19,609,240)
Other Expenditure and Transfers			
Transfer to Current Account (15)	234,068,502	268,358,023	(34,289,521)
Total Capital Development Expenditure and Transfers	567,071,500	620,970,261	(53,898,761)
Balance as at 30 June 2014	(33,118,152)	(82,281,223)	(49,163,071)

Annex 6

Notes of The financial Statements

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

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 Revenue and Expenditure 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 Revenue and Expenditure, the Statement of Cash Flow and the Statements of Changes in Fund Balances (Current and Capital Development Accounts). The statement of accounts has been replaced by the Statement of Revenue and Expenditure (recurrent & capital) since 2011. The Statement of Financial Assets and Liabilities (Balance Sheet) are inclusive of cash and cash equivalents including dishonoured cheques.

The other required under the FAA Act 2010 are supplementary and are shown in the notes.

The Financial Statements are prepared by the Public Treasury Department of the Commonwealth of the Bahamas and are governed by the Constitution, the FAA Act 2010 and the Financial Regulations 1975. 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 Government of the Commonwealth of the Bahamas.

The FAA 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, using a form of modified cash basis and guided by International Public Sector Accounting Standards (IPSAS) cash basis. We however do not prepare consolidated statements and hence do not report on quasi-government entities. All quasi-government entities report individually to Parliament.

The modified cash basis applied recognizes revenue when received and not when earned, expenditure in the period it is incurred and paid and purchase of fixed assets including immovable property, plant and equipment is expensed fully in the year of purchase. In complying with the FAA Act 2010 the fixed assets acquired in the current year are included in the notes.

Page 6

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

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 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, 2013 to June 30, 2014 as required by the FAA Act 2010.

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.

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

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.

Summary of Recurrent Revenue

HEAD	DESCRIPTION	ESTIMATED	ACTUAL	UNDER/(OVER)
		REVENUE 2013/2014	REVENUE 2013/2014	THE ESTIMATES
901	IMPORT AND EXPORT DUTIES	387,804,210	345,733,810	42,070,400
902	EXCISE TAX	272,320,000	248,812,249	23,507,751
903	PROPERTY TAX	110,613,035	103,955,355	6,657,680
904	MOTOR VEHICLE TAX	39,343,805	39,270,387	73,418
905	GAMING TAX	12,011,000	7,596,992	4,414,008
906	TOURISM TAX	151,886,035	169,919,401	(18,033,366)
907	STAMP TAX	186,411,545	163,718,795	22,692,750
908	COMPANY FEES	20,202,600	21,781,507	(1,578,907)
909	BANK AND TRUST COMPANY FEES	23,627,500	23,321,400	306,100
911	OTHER TAXES	546,165	651,329	(105,164)
	TAX REVENUE SUB-TOTAL	1,204,765,885	1,124,761,225	80,004,670
919	FEES AND SERVICE CHARGES REVENUE FROM GOVERNMENT PROPER	255,613,010	274,044,051	(18,431,041)
920	INTEREST AND DIVIDENDS REIMBURSEMENT AND LOAN REPAYMENT	17,822,835	19,550,476	(1,727,641)
921	INTEREST AND DIVIDENDS REIMBURSEMENT AND LOAN REPAYMENT	16,602,100	44,286,937	(27,684,837)
922	REPAYMENT	2,300,000	74,463	2,225,537
923	SERVICE OF A COMMERCIAL NATURE	6,782,575	7,250,292	(467,717)
	NON-TAX REVENUE SUB-TOTAL	299,120,520	345,206,219	(46,085,699)
	TOTAL REVENUE	1,503,886,415	1,469,967,443	33,918,972

Details regarding the recurrent revenue are contained in Annex 1 pages 2-28.

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

5. Recurrent Expenditure

These comprise of recurrent expenditure by Ministries and Departments during this fiscal period.

Summary of Recurrent Expenditure

HEAD	MINISTRY/DEPARTMENT	APPROVED	ACTUAL	UNDER/(OVER)	SUPP.
		ESTIMATES 2013/2014	EXPENDITURE 2013/2014	THE ESTIMATE	APPROP. AUTHORIZED
1	THE GOVERNOR GENERAL & STAFF	1,240,190	1,166,044.84	74,145	0
2	THE SENATE	257,015	236,625.45	20,390	0
3	THE HOUSE OF ASSEMBLY	2,272,169	2,197,873.53	74,295	0
4	THE DEPARTMENT OF THE AUDITOR-GENERAL	1,773,899	1,664,728.33	109,171	0
5	DEPARTMENT OF PUBLIC SERVICE	178,619,985	182,490,574.14	(3,870,609)	9,756,265.00
6	CABINET OFFICE	6,499,954	5,532,845.32	967,109	0
7	OFFICE OF THE ATTORNEY-GENERAL AND MINIS	11,988,795	13,583,042.20	(1,594,247)	2,123,464.85
8	JUDICIAL DEPARTMENT	8,101,460	7,874,004.60	227,455	0
9	COURT OF APPEAL	2,369,763	1,846,604.93	523,158	0
10	REGISTRAR-GENERAL'S DEPARTMENT	3,316,251	3,136,937.62	179,313	0
11	PRISON DEPARTMENT	23,084,166	22,204,310.21	879,856	0
12	PARLIAMENTARY REGISTRATION DEPARTMENT	1,617,861	1,206,446.42	411,415	0
13	MINISTRY OF FOREIGN AFFAIRS & IMMIGRATIO	24,912,344	25,084,761.36	(172,417)	2,732,774.00
14	OFFICE OF THE PRIME MINISTER	2,886,975	2,813,252.68	73,722	0
16	BAHAMAS INFORMATION SERVICES	1,948,694	1,795,520.55	153,173	0
17	GOVERNMENT PRINTING DEPARTMENT	1,900,831	1,690,061.73	210,769	0
18	DEPARTMENT OF LOCAL GOVERNMENT	23,675,704	22,893,788.29	781,916	0
19	DEPARTMENT OF PHYSICAL PLANNING	1,404,377	761,540.49	642,837	0
20	DEPARTMENT OF LANDS AND SURVEYS	2,265,077	1,928,608.93	336,468	0
21	MINISTRY OF FINANCE	29,923,140	32,451,544.82	(2,528,405)	16,173,980.31
22	TREASURY DEPARTMENT	33,167,917	40,152,042.60	(6,984,126)	9,235,407.55
23	CUSTOMS DEPARTMENT	25,853,265	25,965,743.30	(112,478)	554,130.43
24	DEPARTMENT OF STATISTICS	3,558,200	3,255,885.16	302,315	0
25	MAGISTRATE'S COURTS	5,408,922	4,796,292.54	610,629	250,000.00
26	PUBLIC DEBT SERVICING - INTEREST	229,722,060	223,452,101.10	6,269,959	0
27	PUBLIC DEBT SERVICING - REDEMPTION	86,332,933	82,032,719.53	4,300,213	0
28	Department of Inland Revenue	3,622,722	2,776,774.64	843,947	0
29	MINISTRY OF NATIONAL SECURITY	4,846,937	4,533,857.16	313,080	400,000.00
30	DEPARTMENT OF IMMIGRATION	15,979,652	16,359,554.02	(379,902)	511,234.16
31	ROYAL BAHAMAS POLICE FORCE	127,136,877	128,947,283.57	(189,593)	0

THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014

SUMMARY OF RECURRENT EXPENDITURE (CONT'D)

HEAD	MINISTRY/DEPARTMENT	APPROVED	ACTUAL	UNDER/(OVER)	SUPP.
		ESTIMATES	EXPENDITURE	THE ESTIMATE	APPROP.
		2013/2014	2013/2014		AUTHORIZED
32	ROYAL BAHAMAS DEFENCE FORCE	53,843,547	50,302,980.54	3,540,566	0
33	MINISTRY OF PUBLIC WORKS & URBAN DEVELOP	30,355,377	29,703,379.40	651,998	784,877.55
34	DEPARTMENT OF PUBLIC WORKS	17,439,124	17,013,639.60	425,484	0
35	DEPARTMENT OF EDUCATION	199,842,430	188,924,960.48	10,717,470	0
36	BAHAMAS TECHNICAL & VOCATIONAL INSTITUTE	4,645,262	4,429,937.46	215,345	0
37	DEPARTMENT OF ARCHIVES	1,090,428	933,304.60	157,123	0
38	MINISTRY OF EDUCATION, SCIENCE AND TECHN	42,601,932	42,402,011.97	199,920	1,700,000.00
39	COLLEGE OF THE BAHAMAS	21,495,089	20,769,275.84	725,813	0
40	MINISTRY OF TRANSPORT & AVIATION	6,672,296	9,172,347.10	(2,500,051)	3,426,368.00
41	THE SIMPSON PENN CENTRE FOR BOYS	1,131,971	1,052,069.39	79,902	52,918.26
42	THE WILLAMAE PRATT CENTRE FOR GIRLS	845,593	696,871.24	148,722	0
43	MINISTRY OF SOCIAL SERVICES	3,137,417	2,802,314.85	335,102	0
44	DEPARTMENT OF SOCIAL SERVICES	39,868,059	42,787,534.96	(2,929,476)	7,200,000.00
45	DEPARTMENT OF HOUSING	1,826,527	1,619,785.30	206,762	0
47	MINISTRY OF YOUTH, SPORTS & CULTURE	14,025,244	12,936,381.84	1,088,862	0
48	DEPARTMENT OF LABOUR	2,423,721	2,313,917.04	109,804	0
49	DEPARTMENT OF LABOUR	3,102,550	1,737,760.74	1,364,789	0
51	POST OFFICE DEPARTMENT	8,292,170	8,011,016.59	281,153	40,000.00
52	Department Of Civil Aviation	13,891,972	13,724,078.93	167,893	323,542.42
53	PORT DEPARTMENT	5,490,209	5,091,263.85	398,945	180,088.00
54	DEPARTMENT OF ROAD TRAFFIC	4,741,908	4,634,021.75	107,886	0
55	Department Of Meteorology	2,170,076	1,973,820.56	196,455	0
56	MINISTRY OF AGRICULTURE, MARINE RESOURCE	5,597,745	4,890,663.78	707,081	0
57	Department Of Agriculture	7,009,967	6,092,143.54	917,823	0
58	DEPARTMENT OF MARINE RESOURCES	2,092,972	1,859,456.26	233,516	0
60	MINISTRY OF HEALTH	12,074,192	9,942,127.14	2,132,065	217,794.00
63	THE PUBLIC HOSPITALS AUTHORITY	199,744,905	199,744,905.00	0	0
65	DEPARTMENT ENVIRONMENTAL HEALTH SERVICES	27,269,501	23,178,969.99	4,090,531	1,128,019.00
66	DEPARTMENT OF PUBLIC HEALTH	32,949,124	30,355,496.85	2,593,627	15,726.00
67	MINISTRY OF TOURISM	83,005,959	82,600,730.38	405,229	0
68	THE GAMING BOARD	5,540,560	4,853,885.69	686,674	0
69	AIRPORT AUTHORITY	500,000	714,450.00	(214,450)	214,450.00
70	MINISTRY OF LABOUR & NATIONAL INSURANCE	3,316,549	3,120,377.12	196,172	0
72	MINISTRY OF THE ENVIRONMENT & HOUSING	3,683,193	2,919,765.62	763,427	0
73	DEPARTMENT OF INFORMATION TECHNOLOGY	6,995,533	6,621,803.55	373,729	0
74	MINISTRY FOR GRAND BAHAMA	3,733,680	4,213,664.66	(479,985)	1,363,772.00
TOTAL RECURRENT EXPENDITURE.....		1,737,954,917	1,706,986,284	30,968,653	58,384,811

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

6. Borrowings, Grants and Other Capital Income

During the fiscal year under review \$115 million was borrowed via Bahamas Government Registered Stocks, \$366 million via a US\$ Loan, \$101,542,000 via EURO \$ Loan and \$33,269,132 was drawn-down from various loans (see details in the Statement of Public Debt at pages 15-36). Grants in the amount of \$0.380 million were drawn-down for various projects. (Details are shown in Appendix 1 page 540.)

Summary of Borrowings, Grants and Other Capital Revenue

HEAD	DESCRIPTION	ESTIMATED REVENUE 2012/2013	ACTUAL REVENUE 2012/2013	OVER/(UNDER) THE ESTIMATES
940	CAPITAL REVENUE	0	42,439	42,439
960	GRANTS	8,000,000	380,500	7,619,500
970	PROCEEDS FROM BORROWINGS	521,258,763	615,811,832	(94,552,869)
	TOTAL CAPITAL REVENUE	529,258,763	616,234,571	(86,975,808)

Details regarding Grants, Borrowings and Other Capital Income are contained in Annex 1 pages 540-543.

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 2013/2014	ACTUAL EXPENDITURE 2013/2014	UNDER/(OVER) THE ESTIMATE	SUPP. APPROP. AUTHORIZED
11	PRISON DEPARTMENT	650,000	624,589	25,411.09	0
21	SUNDRY CAPITAL EXPENDITURE	115,600,000	118,010,508	7,589,492	24,346,673
23	CUSTOMS DEPARTMENT	4,213,000	715,895	3,497,105	0
29	MINISTRY OF NATIONAL SECURITY	500,000	500,000	0	0
31	ROYAL BAHAMAS POLICE FORCE	4,190,000	3,854,088	335,914	0
32	ROYAL BAHAMAS DEFENCE FORCE	28,124,413	68,566,634	(40,444,221)	44,448,494
33	MINISTRY OF WORKS & URBAN DEVELOPMENT	111,979,248	102,749,628	9,229,620	14,121,175
38	MINISTRY OF EDUCATION, SCIENCE & TECHNOL	16,378,600	15,277,193	1,101,407	0
39	THE COLLEGE OF THE BAHAMAS	3,000,000	4,404,036	(1,404,036)	1,404,036
45	DEPARTMENT OF HOUSING	750,000	611,062	138,938	0
47	DEPARTMENT OF YOUTH, SPORTS & CULTURE	2,635,000	6,827,706	(4,192,706)	4,725,132
52	DEPARTMENT OF CIVIL AVIATION	2,200,000	1,489,284	710,716	0
56	MIN. OF AGRICULTURE, MARINE RESOURCES &	2,935,000	1,961,805	973,195	0

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

SUMMARY OF CAPITAL ACQUISITIONS, DEVELOPMENT & CAPITAL OUTLAYS (CONT'D)

HEAD	MINISTRY/DEPARTMENT	APPROVED	ACTUAL	UNDER/(OVER)	SUPP.
		ESTIMATES 2013/2014	EXPENDITURE 2013/2014	THE ESTIMATE	APPROP. AUTHORIZED
60	MINISTRY OF HEALTH	1,035,000	523,059	511,941	0
65	DEPARTMENT OF ENVIRONMENTAL HEALTH SERVI	1,000,000	6,885,514	(5,885,514)	5,885,514
TOTAL CAPITAL EXPENDITURE		295,190,261	333,002,998	(37,812,737)	94,931,024

Details by head and line item are contained in Annex 1 pages 545-572.

8. Treasury Bills

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.

Treasury Bills Account for year ended 30th June 2014

Outstanding TBills as at 1st July 2013		\$588,281,900
Amount Redeemed	(\$2,285,817,372)	
Amount Issued	\$2,246,817,732	
		(\$39,000,000)
Outstanding TBills as at 30th June 2014		\$549,281,900

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 which shall be repaid as soon as possible.

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

Central Bank Advances for year ended 30th June 2014

Outstanding Advances as at 1 st July 2013		\$105,657,052
Amount Repaid	(\$120,000,000)	
Amount Advanced	<u>\$144,000,000</u>	<u>\$24,000,000</u>
Outstanding Advances as at 30th June 2013		<u>\$129,657,052</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 \$100million.

In June 2013 an advance of \$20million was secured from Citi Bank by the issuance of a commercial paper for a three month period under the authority of section 17 of the FAA Act. This amount was repaid in September 2014.

11. Cash and Bank Balances- (Consolidated Fund)

	Financial Year Ended 30-Jun-2014	Financial Year Ended 30-Jun-2013
Bank of the Bahamas	23,503,577	2,766,388
Central Bank of the Bahamas	37,662,506	13,817,853
Bank Imprest Ministries & Departments	1,216,500	2,004,700
Foreign Banks	19,718,607	16,477,937
Family Island Bank Accounts	5,836,647	5,897,772
Royal Bank	<u>58,691,714</u>	<u>47,994,306</u>
Sub-Total	<u>146,629,550</u>	<u>88,958,956</u>
Royal Bank	<u>(249,222,547)</u>	<u>(193,816,483)</u>
Total Cash and Bank Balances	<u>(102,592,997)</u>	<u>(104,857,527)</u>

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

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 2014 and paid in July 2014.

13. Other Short term Advances and Depository Liabilities

- a) The amounts advanced include Family Island Cash Districts (\$3.4m), advances to Ministries and Departments (\$9.28m), advance from deposits fund (\$4.47m) and Miscellaneous (\$0.94m).
- b) Other deposits includes contingency fund deposits (\$47.82m), Sinking fund deposits (\$42.59m), unclaimed cheques (\$41.15) and other miscellaneous deposits (\$54.2m). These amounts are paid in subsequent year/s.

14. Public Debt

The Public Debt is the Government's long term liabilities and under the present basis of preparation, they are 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 shown in the supplementary disclosure. A summarized schedule of public debt totaling \$5.0B for the year ending June 30, 2014 is delineated below:

Summary of the Public Debt

LOAN DESCRIPTION	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/13	AMOUNT OUTSTANDING AS AT 30/06/13	AMOUNT OUTSTANDING AS AT 30/06/14
1 Bahamas Government Registered Stock	3,240,272,700	3,240,272,700	56,800,000	258,000,000	2,982,272,700	2,925,472,700
2 Short term Debt Securities	828,948,952	820,288,789	50,000,000	0	821,697,691	770,288,789
3 Loans Syndicated and payable - Bahamian Dollars	11,218,761	11,218,761	1,100,000	9,900,000	3,518,761	218,761
4 Loans & Bonds Syndicated and payable in US Dollars & Other Currencies	1,705,942,419	1,489,529,922	62,604,710	47,607,310	874,548,645	1,357,548,569
Total	5,786,382,832	5,561,310,172	170,504,710	315,507,310	4,682,037,796	5,053,528,819

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

15. Inter-Account Transfers

During the year in review \$115,000,000 was raised via Bahamas Government Registered Stock, US\$366,000,000, proceeds from EURO Loan of \$101,542,500 and drawdowns of \$33.269m on existing loans from which \$234,068,052 was transferred from the Consolidated Fund Capital Account to the Consolidated Fund Current Account to cover the budget deficit.

16. Sinking Funds

Fixed Deposits been established to facilitate periodic deposits from the Consolidated Fund and interests earned are rolled over and will be used to repay the following financing items:

- a) The redemption of a US\$200 million Bond (2003-2033) in accordance with agreement executed by the Minister of Finance in July 2003. As at the 30 June 2014, the fixed deposit balance was \$30,031,671.
- b) The redemption of a US\$100 million Bond (2008-2038) in accordance with agreement executed by the Minister of Finance in July 2008. As at the 30 June 2014, the fixed deposit balance was \$6,910,984.
- c) The redemption of B\$24 million Bond for the Clifton Heritage as per The Clifton Heritage Authority Act, 2004. As at the 30 June 2014, the fixed deposit balance was \$5,652,605.

17. 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.

18. Fixed Assets

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

	\$
Land	2,205,871
Infrastructure	40,879,075
Buildings & improvement	60,961,275
Transportation	70,419,978
Machinery & equipment	6,930,000
Furniture & fixtures	730,626
Computerization	7,228,086
TOTAL	189,354,911

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

19. 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

There are a number of Government Authorities mainly,

a) Airport Authority	100
b) Bahamas Maritime Authority	100
c) Public Hospitals Authority	100
d) The Bridge Authority	100
e) Education Loan 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

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

20. 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 2014, the fund balance of the Deposits Fund is \$73,543,745.

Details are shown in the supplementary disclosure section of these notes.

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

21. Sinking Fund/ Fixed Deposit

A Debenture (1963-2023) in the amount of L86,000 which equated to \$245,714 was issued in 1963 for the purchase of the Harcourt Malcolm Building (Re: Harcourt Malcolm Purchase Act 1963). As of 30 June 2014, the fixed deposit balance was \$218,761.

22. Investments- Deposits Fund

This investment of \$47,800 represents a bequest by Mr. W. G. Elmslie 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 2014, the interest earned and not used is \$83,971.

23. Cash and Bank Balances –Deposits Fund

	Financial Year Ended 30-Jun-2014	Financial Year Ended 30-Jun-2013
Bank of the Bahamas	12,028,898	10,564,777
Central Bank of the Bahamas	471,285	471,285
Royal Bank	52,396,056	47,519,572
Family Island Bank Accounts	<u>7,389,939</u>	<u>7,033,124</u>
Total Cash and Bank Balances	<u><u>72,286,179</u></u>	<u><u>65,588,758</u></u>

24. 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.

The balance of the Fund as at June 30th 2014 was \$7,847,844 and is invested as shown below:

Cash and Bank	\$207,332
Fixed Deposits	\$4,450,512
Bahamas Government Registered Stocks	\$3,190,000

For the year under review interest earned on investment was \$261,861.

There were no re-imbursments made to the Central Government with respect of salaries (50%) paid to administrative staff employed by the Central Government for services rendered in relation to the Post Office Savings Bank.

25. 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.

**THE GOVERNMENT OF THE COMMONWEALTH OF BAHAMAS.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE, 2014**

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, 2013 and June 30, 2014 are \$1,079,792 and \$1,127,349 respectively.

26. 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 2014, the balance of the fund was \$2,365,242.

Annex 7

Statement of The Public Debt

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/13	AMOUNT OUTSTANDING AS AT 30/06/13	AMOUNT OUTSTANDING AS AT 30/06/14	REMARKS
1 Bahamas Government Registered Stock			3,240,272,700	3,240,272,700	56,800,000	258,000,000	2,982,272,700	2,925,472,700	
2 Short term Debt Securities			828,948,952	820,288,789	50,000,000	0	821,697,691	770,288,789	
3 Loans Syndicated and payable - Bahamian Dollars			11,218,761	11,218,761	1,100,000	9,900,000	3,518,761	218,761	
4 Loans & Bonds Syndicated and payable in US Dollars & Other Currencies			1,705,942,419	1,489,529,922	62,604,710	47,607,310	874,548,645	1,357,548,569	
Total			5,786,382,832	5,561,310,172	170,504,710	315,507,310	4,682,037,796	5,053,528,819	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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		25,000,000	0		Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
2 \$45.0m Treasury Stock (1/21/8, 7/8, 1 1/16, 1 3/16 1 1/4 % above prime) (23/9/95) Maturing 2004, 2006, 2010, 2013, 2015, & 2016	1986	2004/2016	45,000,000	45,000,000	30,000,000	15,000,000	30,000,000	20,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
3 \$30.0M Treasury Stock (08/2/97) (1 1/8, 1 7/8% above prime) 2013 & 2016	1997	2015/2016	30,000,000.00	30,000,000.00			30,000,000	30,000,000	Resolution of the House of Assembly dated Dec. 21, 1991
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		35,000,000	0		Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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		47,000,000	0	0	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
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		50,000,000	15,000,000	15,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
7 \$25.5m Treasury Stock (1.8/05/95) (1% above prime) Maturing 2013	1995	2013	25,000,000	25,000,000		25,000,000	0	0	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
8 \$30.0m Treasury Stock (2 1/2/96) (7/8, 1 1/16, 1 1/8% above prime) Maturing 2010, 2013 & 2014	1996	2010/2014	30,000,000	30,000,000	10,000,000	20,000,000	10,000,000	10,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	10,000,000	0	40,000,000	30,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
10 \$50.0m Treasury Stock (15/07/97) (1.7/32%, 9/716%, 19/32%, 5/8% above prime) maturing 2014, 2015 2016 & 2017	1997	2014/2017	50,000,000	50,000,000	0	0	50,000,000	50,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
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	50,000,000	50,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
12 \$21.0m Treasury Stock (08/14/98) (7/716%, & 1/2% above prime rate) maturing 2012 & 2014	1998	2012/2014	21,000,000	21,000,000	11,000,000	10,000,000	11,000,000	0	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	56,000,000		30,000,000	40,000,000	40,000,000	Bahamas Registered Stock Act 1973 and resolution of the House of Assembly dated Dec. 21, 1991
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		15,000,000	30,000,000	30,000,000	Bahamas Registered Stock Act 1973 and resolution of the House of Assembly dated Dec. 21, 1991
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		20,000,000	10,000,000	10,000,000	Bahamas Registered Stock Act 1973 and resolution of the House of Assembly dated Dec. 21, 1991
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, 2018 & 2019	1999	2011/2019	50,000,000	50,000,000	10,000,000	30,000,000	40,000,000	30,000,000	Bahamas Registered Stock Act 1973 and resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	0	0	28,000,000	28,000,000	Bahamas Registered Stock Act 1972 and Resolution of the House of Assembly dated Dec. 21, 1991
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	0	0	30,000,000	30,000,000	Bahamas Registered Stock Act 1972 and Resolution of the House of Assembly dated Dec. 21, 1991
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	5,800,000	0	25,800,000	20,000,000	Bahamas Registered Stock Act 1972 and Resolution of the House of Assembly dated Dec. 21, 1991
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	0	0	34,300,000	34,300,000	Bahamas Registered Stock Act 1972 and Resolution of the House of Assembly dated Dec. 21, 1991
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	0	0	40,947,800	40,947,800	Bahamas Registered Stock Act 1972 and Resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS GOVT REGISTERED STOCK									
22. \$20.465M Treasury Stock (25/04/02) (17/32% & 9/16 APR) Maturing 2020 & 2021	2002	2020/2021	20,465,000	20,465,000		0	20,465,000	20,465,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
23. \$60.0M Treasury Stock (23/08/02) (1/4, 5/16, 11/32, 3/8, 13/32 APR)	2002	2017/2022	60,000,000	60,000,000		0	60,000,000	60,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
Maturing 2017, 2019, 2020, 2021, & 2022									
24. \$65.0M Treasury Stock (04/12/02) (3/16, 11/32, 3/8, 13/32 APR)	2002	2015/2022	65,000,000	65,000,000		0	65,000,000	65,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
Maturing 2015, 2020, 2021, & 2022									
25. \$61.1M Treasury Stock (06/04/03) (1/4, 5/16, 11/32, 3/8) Maturing 2019, 2021, 2022 & 2023	2003	2019/2023	61,100,000	61,100,000		0	61,100,000	61,100,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	75,000,000	75,000,000	0	0	75,000,000	75,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 31, 1981.
27 \$23,289,800 Treasury Stock (09/02/04) (11/32, 3/8) Maturing 2023-2024	2004	2023/2024	23,289,800	23,289,800	0	0	23,289,800	23,289,800	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 31, 1981.
28 \$100.0m Treasury Stock (29/07/04)(1/32, 1/3, 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	0	0	100,000,000	100,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 31, 1981.
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	0	0	100,000,000	100,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 31, 1981.

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT RECEIVED IN CURRENT YEAR	AMOUNT RECEIVED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	0	40,000,000	40,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1981
31 \$40,466M Treasury Stock (28/06/05) (28/06/05)(1/8, 1/4, 9/32) Maturing 2024, 2024 & 2025	2005	2020/2025	40,466,600	40,466,600	0	0	40,466,600	40,466,600	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1981
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	0	75,000,000	75,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1981
33 \$75.0M Treasury Stock (18/03/05)(5/32, 1/4, 9/32, 5/16) Maturing 2021, 2024, 2025 & 2025	2006	2021/2026	75,000,000	75,000,000	0	0	75,000,000	75,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1981
34 \$25,894M Treasury Stock (30/06/05) (3/8) Maturing 2025	2005	2025	25,894,200	25,894,200	0	0	25,894,200	25,894,200	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1981

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	0	51,645,000	51,645,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
36 \$100M Treasury Stock (22/09/06) 5/32%, 3/16%, 7/32%, 1/4%, 9/32% Maturing 2021, 2022, 2023, 2024, 2025 & 2026	2006	2021/2026	100,000,000	100,000,000	0	0	100,000,000	100,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
37 \$50M Treasury Stock (28/03/07)(3/32, 5/16) Maturing 2016 & 2027	2007	2026/2027	50,000,000	50,000,000	0	0	50,000,000	50,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
38 \$45.284M Treasury Stock (09/05/07)(5/16) Maturing 2027	2007	2027	45,284,000	45,284,000	0	0	45,284,000	45,284,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.
39 \$100M Treasury Stock (26/07/07) 5/16%, 9/16%, 5/8% Maturing 2027, 2035 & 2037	2007	2027/2037	100,000,000	100,000,000	0	0	100,000,000	100,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991.

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS GOVT REGISTERED STOCK									
40 \$35M Treasury Stock (08/10/07) 5/16%, 11/32%, 3/8% Maturing 2017, 2028 & 2029	2007	2027/2029	35,000,000	35,000,000	0	0	35,000,000	35,000,000	35,000,000 Bahamas Registered Stock Act 1973 and Memorandum of the House of Assembly dated Dec. 21, 1981
41 \$31,500,000 Treasury Stock (28/11/07) 1/32%, 3/32%, 5/16%, 13/32% Maturing 2018, 2020, 2027 & 2030	2007	2018/2030	31,500,000	31,500,000	0	0	31,500,000	31,500,000	31,500,000 Bahamas Registered Stock Act 1973 and Memorandum of the House of Assembly dated Dec. 21, 1981
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	0	100,000,000	100,000,000	100,000,000 Bahamas Registered Stock Act 1973 and Memorandum of the House of Assembly dated Dec. 21, 1981
43 \$107,226,000 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	0	107,226,000	107,226,000	107,226,000 Bahamas Registered Stock Act 1973 and Memorandum of the House of Assembly dated Dec. 21, 1981

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS GOVT REGISTERED STOCK									
44 \$150M Treasury Stock (27/08/09) 1/8%, 9/64%, 5/32%, 11/64%, 3/16%, 13/64%, 7/32%, 15/64%, 1/4% Maturing 2028, 2029 & 2030	2009	2028/2030	150,000,000	150,000,000	0	0	150,000,000	150,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
45 \$59,724,300 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	0	59,724,300	59,724,300	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
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	0	100,000,000	100,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
47 \$100M Treasury Stock (19/10/10) 5.5%/1/48%, 1/24%, 5/32% Maturing 2015, 2017, 2019 & 2030	2010	2015/2030	100,000,000	100,000,000	0	0	100,000,000	100,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS GOVT REGISTERED STOCK									
48 \$34,993.7M Treasury Stock (10/12/10) 11/95%, 1/8%, 13/95%, 7/8% Maturing 2026, 2027, 2028 & 2029	2010	2026/2029	34,993,200	34,993,200		0	34,993,200	34,993,200	34,993,200 Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
49 \$100M Treasury Stock (15/08/11) Maturing 2016, 2018, 2020, 2026, 2028, 2032	2011	2016/2032	100,000,000	100,000,000		0	100,000,000	100,000,000	100,000,000 Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
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		0	60,000,000	60,000,000	60,000,000 Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991
51 \$10,635.9M 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		0	10,635,900	10,635,900	10,635,900 Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 21, 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS GOVT REGISTERED STOCK									
53 \$200M Treasury Stock (16/07/12) 4%, 4 1/40%, 4 3/40%, 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.	2012	2017/2031	200,000,000	200,000,000	0	0	200,000,000	200,000,000 Bahamas Registered Stock Act 1973 and Revision of the Finance of Assembly dated Dec. 21, 1991	
53 \$100M Treasury Stock (25/09/12) 3/256%, 3/128%, 11/256%, 7/128%, 1/16% Maturing 2016, 2016, 2022, 2027, 2030, 2032	2012	2016/2032	100,000,000	100,000,000	0	0	100,000,000	100,000,000 Bahamas Registered Stock Act 1973 and Revision of the Finance of Assembly dated Dec. 21, 1991	
54 \$25M Treasury Stock (29/10/12) 15/256%, 1/46% Maturing 2031 & 2032	2012	2031/2032	25,000,000	25,000,000	0	0	25,000,000	25,000,000 Bahamas Registered Stock Act 1973 and Revision of the Finance of Assembly dated Dec. 21, 1991	
55 \$50M Treasury Stock (17/09/2013) 7.128%, 15/256%, 1/36% Maturing 2031, 2032, 2033	2013	2031/2033	50,000,000	50,000,000	0	0	50,000,000	50,000,000 Bahamas Registered Stock Act 1973 and Revision of the Finance of Assembly dated Dec. 21, 1991	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS GOVT REGISTERED STOCK									
56 \$70M Treasury Stock (26/07/2013) 3.256%, 7.256%, 5.128%, 3.64%, 7.128%, 1.16%, 9.128% Maturing 2020, 2024, 2027, 2029, 2031, 2033, 2034	2013	2020/2034	70,000,000	70,000,000	0	0	70,000,000	70,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 31, 1991
57 \$45M Treasury Stock (23/08/2013) 7.128%, 15/256%, 1/36% Maturing 2031, 2032, 2033	2013	2031/2033	45,000,000	45,000,000	0	0	45,000,000	45,000,000	Bahamas Registered Stock Act 1973 and Resolution of the House of Assembly dated Dec. 31, 1991
			3,240,272,700	3,240,272,700	56,800,000	258,000,000	2,982,272,700	2,925,472,700	
SHORT TERM FACILITIES									
Treasury Bills			549,291,900	549,291,900	0	0	588,281,900	549,291,900	Sections 3 of
Central Bank of the Bahamas Advances			129,657,052	129,657,052	0	0	105,657,052	129,657,052	Articles 26 of The Central Bank of The Bahamas Act 1991

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
A&C Overdraft Facility			300,000,000	91,339,838			77,758,739	91,339,838	Section 17 of Public Finance Act, 2008
Chibank Line of Credit/Advance	2012	2013	30,000,000	30,000,000	30,000,000		30,000,000	0	Section 17 of Public Finance Act, 2008
Chibank Line of Credit/Advance	2012	2013	20,000,000	20,000,000	20,000,000		20,000,000	0	Provisionary Note
Total			628,948,962	820,288,789	50,000,000	0	821,697,691	770,288,789	
LOANS SYNDICATED & PAYABLE IN BAHAMIAN DOLLARS									
5% Harcourt Malcolm Property Loan 1962/2023	1964	2023	218,761	218,761			218,761	218,761	This Borrower: Malcolm Property Purchase Act (2002, 2007)
The Airport Authority Loan	2008	2013	11,000,000	11,000,000	1,100,000	9,900,000	3,300,000		Reference: Section 17 of Public Finance Act, 2008
TOTAL			11,218,761	11,218,761	1,100,000	9,900,000	3,518,761	218,761	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
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	1,296,002	12,528,047	9,072,013	7,776,011	Loan Agreement dated 21/03/91
Inter-American Development Bank 1266/OC-BH Infrastructure Rehabilitation (Hurricane Floyd) (March 21, 2001)	2001	2021	21,000,000.00	20,222,559	1,263,909	10,111,280	10,111,279	8,847,370	Loan Contract dated 21/03/01
Inter-American Development Bank 1320/OC-BH (New Providence Transport Program) (22/10/01)	2001	2021	46,200,000.00	43,399,981	3,250,878	15,767,517	27,652,464	24,381,586	Loan Contract dated March 22/10/01
Inter-American Development Bank 1589/OC-BH Land Use Policy Loan	2005	2015	3,500,000	3,317,298	526,748	2,263,802	1,053,496	526,748	Loan Contract dated March 16, 2005
Inter-American Development Bank 1617/OC-BH Immediate Response Facility	2005	2025	16,700,000	3,580,521	238,701	716,104	2,864,417	2,625,715	Loan Contract dated April 20th, 2005
Inter-American Development Bank 1695/OC-BH Education & Training Loan	2006	2026	18,000,000	10,177,503	657,775	1,043,163	4,826,191	8,476,565	Loan Agreement

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
E. E. C. Rural Energy Project (1.0m Disbursed in Euro)	1991	2030	1,442,766	1,442,766	32,802	366,206	1,076,560	1,043,758	Loan Agreement listed November 11, 1990.
Food Technology Complex	1982	2021	468,221	468,221	20,866	310,563	157,858	136,972	Loan Agreement dated July 27, 1981.
IDB 1170/OC-BH Solid Waste Management Loan	2001	2019	23,560,000	21,797,800	1,500,613	12,043,414	9,753,486	8,253,373	Loan Contract No. 1170/OC-BH
IDB 1988/OC-BH New Providence Tins Splint Fdg.	2008	2033	100,000,000	100,000,000	4,767,602	4,647,956	94,545,508	90,584,441	Loan Contract dated March 21, 2008
\$200M Bond Issue Maturing 2033	2003	2033	200,000,000	200,000,000			200,000,000	200,000,000	Escalator included \$195,000,000 Restatement House of Assembly June 2003

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOV'T.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
The EXIM Bank of China-Container Scanners Loan *(34,000,000 RMB Yuan Disbursed in USD)	2006	2022	3,652,600	3,492,713	344,795	337,505	2,985,936	2,841,341	Loan Agreement dated September 27th, 2006
\$100M Bond Issue Maturing 2038	2008	2038	100,000,000	100,000,000			100,000,000	100,000,000	Issued at Call Date December 17th, 2007
Family Island Project (CDL Loan no: D9/DIR-BVA)	2010	2015/2018	10,109,000	5,849,107			5,404,495	5,849,107	Loan Agreement dated Dec. 11th, 2010
Chinese Concessional Loan (Airport Road) *(400,000,000 RMB Yuan Disbursed in USD)	2010	2030	57,999,966	56,856,471			55,388,988	56,856,471	
\$300M Bond Issue Maturing 2029	2009	2029	300,000,000	300,000,000			300,000,000	300,000,000	Issued at Call Date March 5, 2009 & June 17, 2009

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
808 2682/2683/OC-BH Air Trnspt. Reform Program (16/12/2011)	2011	2031	50,000,000	15,850,892			15,250,000	15,850,692	Loan Contract Issued Dec. 14, 2011
Chinese Concessional Ln. (Morth Abaco Pk/Bc.) *(250,000,000 RMB Yuan Disbursed in USD)	2012		41,227,305	4,884,371			4,884,371	4,884,371	Assembly Resolution 01J Resolution 01J 28 Feb, 2012
108 2756 OC-BH Trade Sector Support (18/07/2012)	2012	2037	16,500,000	2,190,000				2,190,000	Assembly Resolution 01J Resolution 01J Aug, 2012
108 2758 OC-BH Social Safety Net Reform (30/08/2012)	2012	2037	7,500,000	1,547,838			500,000	1,547,838	Issued Aug. 30, 2012

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
PUBLIC DEBT STATEMENT
FOR YEAR ENDED JUNE 30, 2014

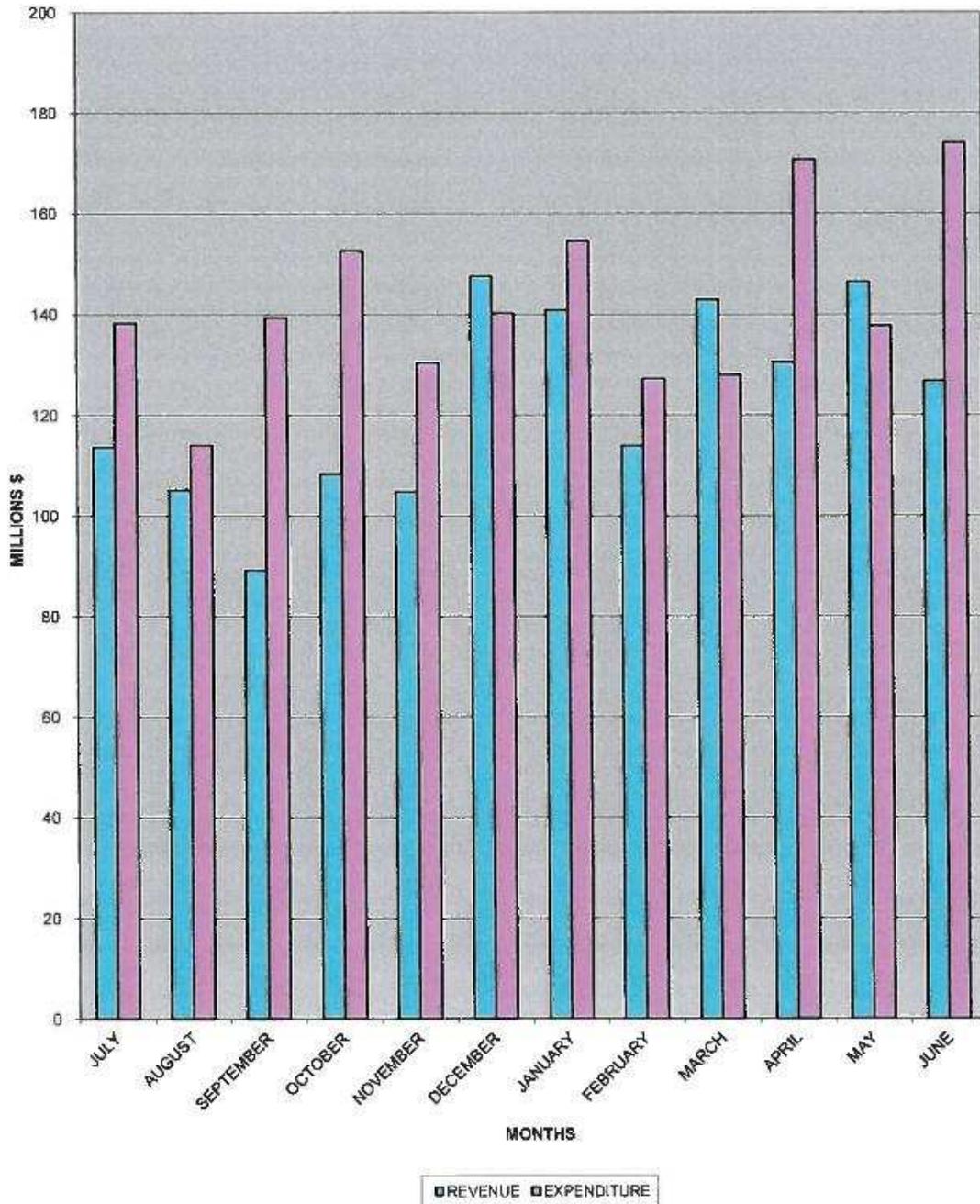
LOAN DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT OF LOAN AUTHORIZED BY GOVT.	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED IN CURRENT YEAR	AMOUNT REDEEMED AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
IDB 2773 OC-4H New Providence S.F. II (04/09/2012)	2012	2037	65,000,000	55,309,920			38,113,116	55,309,920	Jud. Aug. 30, 2012
Deutsche Bank 75M Loan (30/09/2013)	2013	2020	101,542,500	101,542,500				101,542,500	Credit Agreement
RBC US\$ Loan (New, 2013)	2013	2014	50,000,000	50,000,000	50,000,000			0	Credit Agreement
Int'l Private Capital /Mkt Disjunct Bond Issue	2014	2024	300,000,000	300,000,000				300,000,000	Credit Agreement
RBC US\$150 Million Bridge Facility	2013	2014	150,000,000	66,000,000				66,000,000	Credit Agreement
Total			1,705,942,419	1,489,529,922	62,604,710	47,607,310	874,548,645	1,357,548,569	

Annex 8

Graphs of Revenue and Expenditure

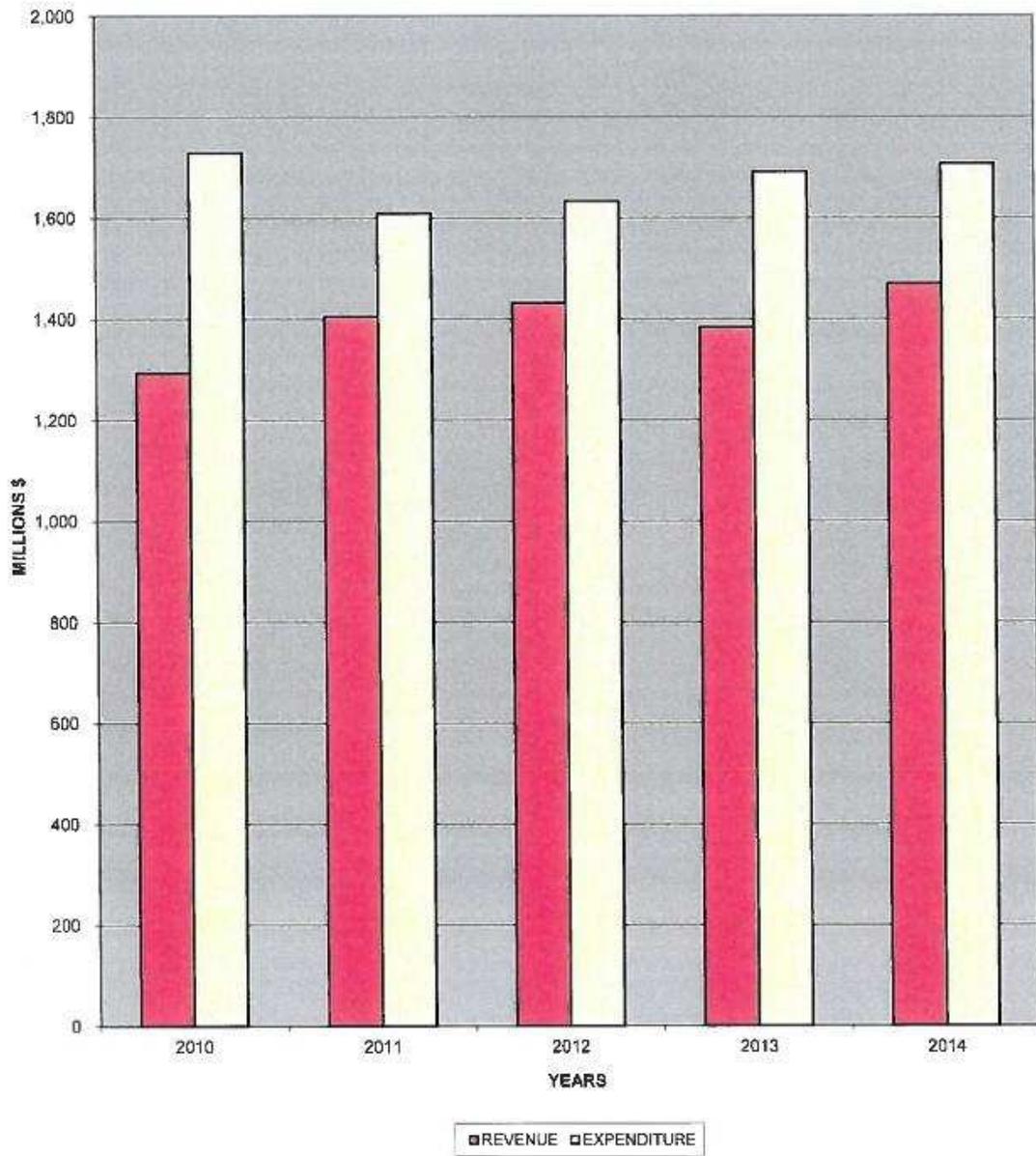
THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

REVENUE & EXPENDITURE FOR YEAR ENDED 30 JUNE, 2014



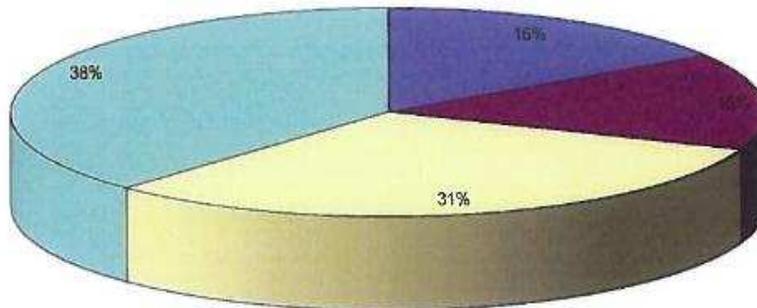
THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

REVENUE & EXPENDITURE FOR FIVE (5) YEAR PERIOD 2010-2014



THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS

PIE CHART OF EXPENDITURE FOR YEAR ENDED 30 JUNE, 2014



■ CAPITAL DEVELOPMENT ■ PUBLIC DEBT ■ PERSONAL EMOLUMENTS ■ OTHER CHARGES

Annex 9

Statement of Financial Assets & Current Liabilities (Deposit Fund Account)

Statement of Changes in Deposit Fund Balances (Deposit Fund Account)

Schedule of Cash Movement in Deposit Fund by Account Categories

**STATEMENT OF FINANCIAL ASSETS AND CURRENT LIABILITIES AS AT 30 JUNE 2014
(DEPOSITS FUND)**

Notes	As at	As at
	30-Jun-2014	30-Jun-2013
	B\$	B\$
FINANCIAL ASSETS		
Cash and Domestic Bank Balances	(22) 72,286,179	65,804,101
Fixed Deposits (Harcourt Malcolm Properties)	(21) 218,671	215,345
Dishonoured Cheques	(16) 991,095	990,035
Investments (Emslie Trust)	(22) 47,800	47,800
TOTAL FINANCIAL ASSETS	73,543,745	67,057,281
CURRENT LIABILITIES & EQUITY		
Fund Balance	73,543,744	(67,057,283)
TOTAL CURRENT LIABILITIES & EQUITY	73,543,744	(67,057,283)

**STATEMENT OF CHANGES IN DEPOSIT FUND BALANCES FOR YEAR ENDED 30-JUNE-2014
(DEPOSITS FUND)**

Notes	Financial Year Ended	Financial Year Ended	Net Change in
	30-Jun-2014	30-Jun-2013	Fund Balance
	B\$	B\$	B\$
Balance as at 1st July 2013	(87,057,283)	(52,762,000)	14,295,283
Receipts			
Cash Transfers in	(61,081,561)	(59,407,662)	1,673,899
Sub-Total	(128,138,844)	(112,169,662)	15,969,182
Payments			
Cash Transfers out	54,595,100	45,112,379	(9,482,721)
Balance as at 30 June 2014	(73,543,744)	(67,057,283)	6,486,461

SCHEDULE OF CASH MOVEMENT IN DEPOSIT FUND BY ACCOUNT CATEGORIES FOR YEAR ENDED 30-JUNE-2014

	Transfers In	Transfers Out	Net Movement
Cash Imprests Family Island	2,181,301	2,565,804	(504,502)
Advances Ministries & Departments	0	0	0
Advances Government Corporations	0	0	0
Postal Advances	2,451,319	2,363,324	87,996
Advances Other Jurisdictions	0	0	0
Advances General	0	0	0
Advances Special	1,042,837	1,118,432	(75,594)
Advances Personal	1,700	0	1,700
Advance to Other Funds	5,191,980	0	5,191,980
Stores Inventory	1,601,535	2,418,745	(817,210)
Undistributed Foreign exchange	4,142,975	4,620,892	(477,917)
Collections (undistributed)	3,761,329	0	3,761,329
Unclaimed cheques	1,132,992	355,907	777,085
Depository Liabilities Ministries & Departments	0	0	0
Depository Liabilities Government Corporations	6,456,800	5,892,791	563,809
Postal Deposits	5,786,131	7,802,460	(2,016,330)
Depository Liabilities General	6,218,843	6,243,074	(24,231)
Depository Liabilities Special	21,088,225	21,093,673	(5,448)
Depository Liabilities Land Acquisition	23,794	0	23,794
Depository Liabilities Payable	0	0	0
Total	61,081,561	64,595,100	6,486,461

Annex 10

Statement of Contingent Liabilities

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
1) BAHAMASAIR	72,450,000	63,950,000	58,592,857	62,878,571	5,357,143	
2) BAHAMAS DVL/PMT. BK.	74,535,293	72,861,845	22,831,584	50,064,011	50,030,261	
3) BAHAMAS ELECTRICITY CORP.	269,600,000	269,600,000	55,250,000	222,790,000	214,350,000	
4) BAHAMAS TELCOMMUNICATION	109,000,000	109,000,000	109,000,000			
5) CLIFTON HERITAGE	24,000,000	24,000,000		24,000,000	24,000,000	
6) THE AIRPORT AUTHORITY	51,000,000	51,000,000	51,000,000	1,100,000		
7) THE BRIDGE AUTHORITY	28,000,000	28,000,000	5,000,000	28,000,000	23,000,000	
8) THE EDUC. LOAN AUTHORITY	107,626,570	107,626,570	34,260,433	73,584,974	73,366,137	
9) THE HOTEL CORPORATION	5,749,000	5,749,000	5,749,000			
10) THE MORT. CORPORATION	168,000,000	168,000,000	3,000,000	168,000,000	165,000,000	
11) PUBLIC HOSPITALS AUTHORITY	37,500,000	70,000,000	22,000,000	3,000,000	45,000,000	
12) WATER & SEWERAGE CORP.	110,700,000	64,400,358	26,131,066	27,517,009	36,269,292	
TOTAL	1,058,160,863	1,034,187,773	392,814,940	661,014,566	638,372,833	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMASAIR HOLDINGS LIMITED						
BANK OF THE BAHAMAS	1,100,000	1,100,000	1,100,000	1,100,000	0	
ROYAL BANK OF CANADA	20,000,000	20,000,000	20,000,000	20,000,000	0	
	5,000,000	5,000,000	5,000,000	5,000,000	0	
SCOTIA BANK	7,250,000	7,250,000	7,250,000	7,250,000	0	
	3,400,000	3,400,000	3,400,000	3,400,000	0	
NATIONAL INSURANCE	6,000,000	6,000,000	6,000,000	6,000,000	0	
RBC	3,200,000	3,200,000	3,200,000	3,200,000	0	
	10,500,000	10,500,000	10,500,000	10,500,000	0	
CITIBANK	7,500,000	7,500,000	2,142,857	6,428,571	5,357,143	
TOTAL	72,450,000	63,950,000	58,582,857	62,878,571	5,357,143	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS DEVELOPMENT BANK						
CARIBBEAN DVL/PMT BANK (6TH LINE)	10,000,000	10,000,000	10,000,000	0	0	
EUROPEAN ECONOMIC COMMUNITY	535,293	535,293	505,032	64,011	30,261	
BDB - SERIES A & B BONDS	25,000,000	25,000,000	0	25,000,000	25,000,000	
BDB - SERIES C & D BONDS	25,000,000	25,000,000	0	25,000,000	25,000,000	
IADB 720/OC-BH	7,000,000	5,326,552	5,326,552	0	0	
CARIBBEAN DEVELOPMENT BANK (3RD LINE)	7,000,000	7,000,000	7,000,000	0	0	
TOTAL	74,535,293	72,861,845	22,831,584	50,064,011	50,030,261	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS ELECTRICITY CORP.						
IADB LOAN (#964)	56,000,000	43,682,151	43,682,151		0	
NATIONAL INSURANCE BOARD \$10M	10,000,000	10,000,000	10,000,000		0	
EUROPEAN INVESTMENT BANK	23,600,000	23,600,000	23,600,000		0	
SBL, CIT, FCB, RBC, BOB	211,000,000	211,000,000	31,650,000	187,790,000	179,350,000	\$128 Refinanced
US\$35M ST LOAN / FCIB	35,000,000	35,000,000		35,000,000	35,000,000	
TOTAL	269,600,000	269,600,000	55,250,000	222,790,000	214,350,000	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
BAHAMAS TELECOMMUNICATIONS COMPANY LIMITED						
FIRST CARIBBEAN BK	27,000,000	27,000,000	27,000,000		0	DSL LOAN
FIRST CARIBBEAN BK	22,000,000	22,000,000	22,000,000		0	GSN LOAN
CITIBANK / FCIB / SCOTIA	60,000,000	60,000,000	60,000,000		0	BDSN LOAN
TOTAL	109,000,000	109,000,000	109,000,000	0	0	
CLIFTON HERITAGE AUTHORITY						
BGRS	24,000,000	24,000,000	0	24,000,000	24,000,000	Resolution House of Asmbly
TOTAL	24,000,000	24,000,000	0	24,000,000	24,000,000	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
THE AIRPORT AUTHORITY						
RBC \$40M AIR SIDE IMPRVMT PROJECT	40,000,000	40,000,000	40,000,000		0	Resolution House of Assembly
RBC US\$11M LOAN	11,000,000	11,000,000	11,000,000	1,100,000	0	
TOTAL	51,000,000	51,000,000	51,000,000	1,100,000	0	
THE BRIDGE AUTHORITY						
BGRS	28,000,000	28,000,000	5,000,000	28,000,000	23,000,000	
	28,000,000	28,000,000	5,000,000	28,000,000	23,000,000	

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT

JUNE 30th, 2014

LOANS	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	REMARKS
	OF LOAN AUTHORIZED BY LEGISLATURE	DRAWN IN RESPECT OF LOAN AUTHORIZED	REDEEMED AS AT 30/06/2014	OUTSTANDING AS AT 30/06/2013	OUTSTANDING AS AT 30/06/2014		
THE EDUCATION AUTHORITY							
VARIOUS BKS - SERIES A,B,C BDS	100,000,000	100,000,000	33,000,000	67,000,000	67,000,000	Resolution House of Asmbly	
BOB EDUCATIONAL GUARANTEE FUND	7,626,570	7,626,570	1,260,433	6,564,974	6,366,137		
TOTAL	<u>107,626,570</u>	<u>107,626,570</u>	<u>34,260,433</u>	<u>73,564,974</u>	<u>73,366,137</u>		
THE HOTEL CORPORATION							
OVERDRAFT FACILITY	500,000	500,000	500,000		0	Resolution House of Asmbly	
GRD. WATER & ENVIRONMENTAL SERVICES	5,249,000	5,249,000	5249000		0		
TOTAL	<u>5,749,000</u>	<u>5,749,000</u>	<u>5,749,000</u>	<u>0</u>	<u>0</u>		

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
THE MORTGAGE CORPORATION						
SERIAL BONDS	168,000,000	168,000,000	3,000,000	168,000,000	165,000,000	
	168,000,000	168,000,000	3,000,000	168,000,000	165,000,000	
THE PUBLIC HOSPITALS AUTHORITY						
CRITICAL CARE BLOCK	100,000,000	45,000,000			45,000,000	
B\$12.5M OF \$15M - SBL	12,500,000	12,500,000	10,000,000	2,500,000	0	
US\$2.5M OF \$15M - SBL	25,000,000	12,500,000	12,000,000	500,000	0	
	37,500,000	70,000,000	22,000,000	3,000,000	45,000,000	
WATER & SEWERAGE CORP.						
IADB-1112/OC-BH LOAN	14,000,000	10,632,274	5,565,712	5,573,241	5,066,562	Resolution House of Assembly
FAMILY ISLAND PORTABLE WATER						

GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
CONTINGENT LIABILITIES
AS AT
JUNE 30th, 2014

LOANS	AMOUNT OF LOAN AUTHORIZED BY LEGISLATURE	AMOUNT DRAWN IN RESPECT OF LOAN AUTHORIZED	AMOUNT REDEEMED AS AT 30/06/2014	AMOUNT OUTSTANDING AS AT 30/06/2013	AMOUNT OUTSTANDING AS AT 30/06/2014	REMARKS
WATER & SEWERAGE CORP. CONTIUED...						
NATIONAL INSURANCE BOARD LOAN #2	1,200,000	1,200,000	1,200,000		0	Resolution House of Asmbly
EUROPEAN INVESTMENT BANK	ECU 8,500,000 7,000,000	14,000,000	12,223,311	2,938,557	1,776,689	Resolution House of Asmbly
CARIBBEAN DVLPMT. BANK LOAN #3	7,500,000	7,500,000	7,142,043	835,230	357,957	Resolution House of Asmbly
IADB 2624/OC-BH \$81.0M WATER LOAN PROJECT	81,000,000	31,068,084		18,269,982	31,068,084	
	<u>110,700,000</u>	<u>64,400,358</u>	<u>26,131,066</u>	<u>27,617,009</u>	<u>38,269,292</u>	

