



Ministerial Statement
To The House of Assembly

By

The Hon. Diallo V. Rabain, JP, MP
Minister of Education

Bermuda College: Audited Financial Statements 2018 and 2019

Friday, July 24th 2020

Mr. Speaker,

This morning I rise before this Honourable House to lay the 2018 and 2019 Audited Financial Statements for the Bermuda College, as stipulated in Section 8 of the Bermuda College Act, 1974.

Mr. Speaker,

I am pleased to report that the 2018 and 2019 audited statements were both unqualified and as such, in the opinion of the Auditor General, the statements present fairly, the financial position of Bermuda College at the end of each of the fiscal years, and the results of its operations, changes in its net assets and its cash flows. The financial statements indicate that Bermuda College had assets worth \$24,675,615 and \$23,861,691 in 2018 and 2019 respectively; and total liabilities of \$19,473,229 and \$19,078,451, respectively.

Additionally, **Mr. Speaker**, it should be noted that the Bermuda College currently has no long-term debt. Cash and cash equivalents for the two-year period decreased by 5.3% to \$3,475,174. The accounts receivable increased by 39.3% to \$868,913 and the account payable increased by 12.3% and stood at \$2,692,315 at the end of the 2019 fiscal year.

Mr. Speaker,

Since there has been no major capital investment at Bermuda College, the capital assets continue to depreciate, and as of March 31, 2019, totaled \$16,649,154. However, with the establishment of the Bermuda College Foundation it is expected that capital funding will be raised to upgrade the campus.

Mr. Speaker,

During the two-year period, the Government grant to the Bermuda College has remained consistent, while other revenue increased by \$666,004 or 12%. However, over the same period the physical plant and maintenance expense increased significantly, resulting in a deficit of \$419,146 at the end of the 2019 fiscal period.

Mr. Speaker,

During the past several years, Bermuda College and the Office of the Auditor General have been working assiduously to get the audits for the College up to date, so that Bermuda College can be in compliance with the financial standards of its accreditors. The Bermuda College audits were put in arrears when a former Auditor General decided to cease auditing Bermuda College in 2003, as a result of the 2003 lease with the Coco Reef Hotel.

Mr. Speaker,

The audits of the Bermuda College did not begin again until in 2008, and then were put on hold once again from 2009 to 2011, when a writ was filed by the former Auditor General against the then Finance Minister and Bermuda College, relating to the extension of the term of the Coco Reef Hotel lease.

Nonetheless, **Mr. Speaker** the good news is that since 2011, Bermuda College has completed all outstanding audits, and with the tabling of these 2018 and 2019 audited statements, the Bermuda College audits are currently up to date. Also, in looking ahead, the audited file for the year ended March 31, 2020, is in its final stages of preparation, and due to the Office of the Auditor General by the end of July.

Mr. Speaker,

In closing, acknowledgement and thanks is given to the former Auditor General, Mrs. Heather Jacobs-Matthews, the current Auditor General, Ms. Heather Thomas, and the team in the Office of the Auditor General for their efforts in helping to bring Bermuda College up to date with its audits. Of course thank is also given to faculty and staff at the Bermuda College under the leadership of President, Dr. Duranda Greene, for their support and continued commitment to deliver quality tertiary education to the broad community.

Thank you **Mr. Speaker.**