

**FINANCIAL INTELLIGENCE AGENCY**

Financial Statements

For the Year Ended March 31, 2021



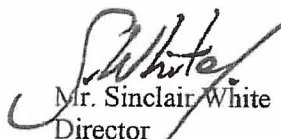
## Management's Responsibility for the Financial Statements

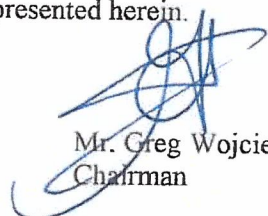
These financial statements have been prepared by management, who are responsible for the reliability, integrity and objectivity of the information provided. The preparation of financial statements necessarily involves using management's best estimates and judgments, where appropriate.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and reliable financial information is available on a timely basis.

The Financial Intelligence Agency's Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Board of Directors meet periodically with management to discuss matters relating to financial reporting, internal control and audits. The Board of Directors also reviews the financial statements before recommending approval by the Board of Directors. The financial statements have been approved by the Board of Directors and have been examined by the Office of the Auditor General.

The accompanying Independent Auditor's Report is presented herein.

  
Mr. Sinclair White  
Director

  
Mr. Greg Wojciechowski  
Chairman

DATE: 30<sup>th</sup> March 2022



## *Office of the Auditor General*

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### INDEPENDENT AUDITOR'S REPORT

To the Minister of Legal Affairs

#### **Opinion**

I have audited the financial statements of the Financial Intelligence Agency, which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Financial Intelligence Agency as at March 31, 2021, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Financial Intelligence Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in Bermuda, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Financial Intelligence Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Financial Intelligence Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Financial Intelligence Agency's financial reporting process.

## Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Bermuda and Canada will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Bermuda and Canada, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Intelligence Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Financial Intelligence Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Financial Intelligence Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Office of the Auditor General website at: [www.oagbermuda.bm](http://www.oagbermuda.bm). This description forms part of our auditor's report.

Hamilton, Bermuda  
March 30, 2022



Heather Thomas, CPA, CFE, CGMA  
Auditor General

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	<u>389,110</u>	<u>432,366</u>
	<u>389,110</u>	<u>432,366</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	39,121	30,330
Employee future benefits and compensated absences	45,091	39,597
Due to the Government of Bermuda (Note 5)	<u>64,462</u>	<u>62,240</u>
	<u>148,674</u>	<u>132,167</u>
<b>NET FINANCIAL ASSETS</b>	<u>240,436</u>	<u>300,199</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	33,469	29,114
Tangible capital assets (Note 4)	<u>36,136</u>	<u>31,277</u>
	<u>69,605</u>	<u>60,391</u>
<b>ACCUMULATED SURPLUS</b>	<u>310,041</u>	<u>360,590</u>
<b>CONTRACTUAL OBLIGATIONS (Note 10)</b>		

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31

	2021 \$ Budget (Note 12)	2021 \$ Actual	2020 \$ Actual
<b>REVENUES</b>			
Government of Bermuda grant (Note 5)	1,624,500	1,624,500	1,805,000
Miscellaneous income	-	-	449
	<u>1,624,500</u>	<u>1,624,500</u>	<u>1,805,449</u>
<b>EXPENSES</b>			
Salaries and employee benefits (Notes 7 & 11 )	1,290,684	1,162,836	1,191,843
Rent (Note 10)	145,854	142,815	145,854
Payroll tax	113,184	108,433	119,582
Computer expenses	96,000	95,317	84,646
Equipment rental and maintenance	53,000	48,955	51,956
Communication costs	37,100	32,251	31,120
Directors' fees (Note 5)	25,000	23,422	23,040
Professional fees (Note 11)	26,000	19,600	21,920
Membership fees	14,500	12,433	11,759
Amortization of tangible capital assets (Note 4)	-	11,341	39,566
Office maintenance	11,600	9,471	8,473
Insurance	5,000	3,956	4,163
Office supplies and expenses	7,500	2,378	7,594
Education, training and awareness	11,650	1,546	10,905
Miscellaneous	4,000	295	252
Travelan denterta inment (Note 6)	-	-	18,114
	<u>1,841,072</u>	<u>1,675,049</u>	<u>1,770,787</u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	<u>(216,572)</u>	(50,549)	34,662
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>360,590</u>	<u>325,928</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>310,041</u>	<u>360,590</u>

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED MARCH 31

	2021	2020
	\$	\$
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>300,199</u>	<u>226,812</u>
Annual (deficit) surplus	(50,549)	34,662
Change in prepaid expenses	(4,355)	(841)
Acquisition of tangible capital assets (Note 4)	(16,200)	-
Amortization of tangible capital assets (Note 4)	<u>11,341</u>	<u>39,566</u>
Change in net financial assets	<u>(59,763)</u>	<u>73,387</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>240,436</u></u>	<u><u>300,199</u></u>

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31

	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual deficit (surplus)	(50,549)	34,662
Adjustment for items not affecting cash:		
Amortization of tangible capital assets	11,341	39,566
Change in non-cash working capital items:		
Decrease in other receivables	-	333
Increase (decrease) in accounts payable and accrued liabilities	8,791	(9,524)
Increase (decrease) in employee future benefits and compensated absences	5,494	(1,851)
Increase (decrease) in due to the Government of Bermuda	2,222	(7,079)
Increase in prepaid expenses	(4,355)	(841)
	<u>(27,056)</u>	<u>55,266</u>
<b>CASH FLOWS USED IN CAPITAL ACTIVITY</b>		
Purchase of tangible capital assets	(16,200)	-
NET (DECREASE) / INCREASE IN CASH	(43,256)	55,266
CASH, BEGINNING OF YEAR	<u>432,366</u>	<u>377,100</u>
CASH, END OF YEAR	<u><u>389,110</u></u>	<u><u>432,366</u></u>

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

1. AUTHORITY

The Financial Intelligence Agency (the “Agency”) was established by Section 3 of the Financial Intelligence Agency Act 2007 (the “Act”) on November 15, 2008. The Agency is designated as the central reporting authority in Bermuda to receive, gather, store, analyse and disseminate reports of suspected proceeds of crime and potential financing of terrorism. Section 4 of the Act states that a Board of Directors (the “Board”) shall be appointed by the Minister responsible for Justice who is to be responsible for managing the affairs and business of the Agency. The Agency is operationally independent and is required by law to have the autonomous authority and capacity to carry out its functions of analyzing, requesting and disseminating information freely. Section 6 of the Act also mandates that the Agency shall have the independent operational authority to acquire and deploy the necessary human resources needed to carry out its functions free from any undue influence (including political, governmental or industry-specific undue influence) that may compromise the operational independence of the Agency. Section 8 of the Act states that the funds of the Agency shall consist of such sums paid out of the Confiscated Assets Fund and such sums as may be appropriated by the Legislature for the purpose of the Agency.

On August 3, 2016, the legislature passed the Proceeds of Crime Amendment (No. 2) Act 2016 bringing dealers in high value goods (“DHVG”) in scope of Bermuda’s anti-money laundering and anti-terrorist financing regime (“AML/ATF”) and empower the Agency to undertake the monitoring and supervision of businesses which make up that group to ensure compliance with the AML/ATF Regulations. These legislative provisions came into effect on December 1, 2016 thereby establishing a Dealers in High Value Goods Supervisory Regime within the operations of the Agency.

On November 1, 2020, supervision of DHVGs was transferred from the Agency to the Registrar of Companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, the Agency is classified as an other government organization. These financial statements have been prepared in accordance with public sector accounting standards generally accepted in Bermuda and Canada and the accounting policies considered particularly significant are as follows:

(a) Cash

Cash includes all cash held with financial institutions that can be withdrawn without prior notice or penalty.

Cash as at March 31, 2021 includes \$10,000 of restricted cash which represents monies held by the bank as partial cash security on the credit cards held by employees of the Agency.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Tangible capital assets and amortization

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	- 3 years
Furniture and fixtures	- 3 - 10 years
Computer software	- 10 years
Leasehold improvements	- the lesser of 10 years or the lease term

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Agency's ability to provide goods and services, or the value of future economic benefits associated with the capital asset is less than its net book value. In either case the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

(c) Revenue recognition

The Government of Bermuda (the "Government") operating grants received and receivable for use in the day-to-day operations of the Agency are recognised as revenue on the statement of operations and accumulated surplus in the year to which the transfer is authorised. Transfers are recognised as deferred revenue when transfer stipulations give rise to a liability.

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current period and are not intended for sale in the normal course of operations.

(e) Translation of foreign currencies

Monetary and non-monetary assets and liabilities in foreign currencies are translated to Bermuda dollars at rates of exchange in effect at the statement of financial position date. Any unrealised foreign exchange gains and losses are recognised in a statement of remeasurement gains and losses.

Revenues and expenses are translated at the exchange rate in effect at the transaction date.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Measurement uncertainty

The preparation of financial statements in accordance with public sector accounting standards generally accepted in Bermuda and Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Estimates are based on the best information available at the time of the preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from these estimates. Significant areas requiring the use of estimates relate to the useful lives of tangible capital assets.

(g) Subsequent events

Post-year-end events that provide additional information about the Agency's position at the statement of financial position date (adjusting events) are reflected in the financial statements.

Post-year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

(h) Financial instruments

The Agency classifies its financial instruments under cost or amortized cost category.

Cash:

Cash is recognized at cost.

Receivables:

Receivables are initially recognized at cost and subsequently carried at amortized cost, less any impairment losses.

Liabilities:

Accounts payable and accrued liabilities, liabilities for employee future benefits and due to the Government of Bermuda are initially recognized at cost and subsequently carried at amortized cost.

Transaction costs related to the financial instruments are added to the carrying value of financial instruments in the cost or amortized cost category when they are initially recognized.

Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations and accumulated surplus.

It is management's opinion that the Agency is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Remeasurement gains and losses

A statement of remeasurement gains and losses has not been presented as the Agency does not have any significant financial assets or liabilities that would give rise to remeasurement gains or losses.

3. ECONOMIC DEPENDENCE

The Agency is economically dependent upon the Government and receives an annual grant to fund its daily operation and cash flow. The ability of the Agency to continue as a going concern and discharge its liabilities in the normal course of business is dependent upon the continued support of the Government. During the year, the Agency received a grant of \$1,624,500 (2020 - \$1,805,000). In addition, the Government has committed to a grant of \$1,624,500 for the year ended March 31, 2022.

4. TANGIBLE CAPITAL ASSETS

2021

	Furniture and fixtures	Computer equipment	Computer software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Opening cost	42,980	352,177	339,780	43,553	778,490
Additions	-	16,200	-	-	16,200
Closing cost	42,980	368,377	339,780	43,553	794,690
Opening accumulated amortization	42,980	345,604	315,076	43,553	747,213
Amortization	-	7,643	3,698	-	11,341
Closing accumulated amortization	42,980	353,247	318,774	43,553	758,554
Net book value	-	15,130	21,006	-	36,136

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

4. TANGIBLE CAPITAL ASSETS (continued)

2020

	Furniture and fixtures	Computer equipment	Computer software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Opening cost	42,980	352,177	339,780	43,553	778,490
Closing cost	42,980	352,177	339,780	43,553	778,490
Opening accumulated amortization	42,140	322,082	299,872	43,553	707,647
Amortization	840	23,522	15,204	-	39,566
Closing accumulated amortization	42,980	345,604	315,076	43,553	747,213
Net book value	-	6,573	24,704	-	31,277

As of March 31, 2021, the Agency had fully depreciated assets with a cost of \$731,091 (2020 - \$707,781).

5. RELATED PARTY TRANSACTIONS

The Agency is related to all Government departments, ministries, funds and agencies and quasi autonomous non-governmental organizations under the common control of the Government. Also, the Agency is related to organizations that the Government jointly controls or significantly influences. The Agency enters into transactions with these entities in the normal course of business and such transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties. Significant related party transactions are as follows:

(a) Government of Bermuda

During the year, the Government of Bermuda provided an operating grant of \$1,624,500 (2020 - \$1,805,000) to the Agency.

(b) Due to the Government of Bermuda

The Agency had transactions totaling \$235,289 (2020 - \$252,936) relating to payroll tax, pension contributions, health insurance and social insurance, of which \$64,462 (2020 - \$62,240) was owed to the Government at year end.

(c) Other

During the year, the Agency paid Directors of the Agency fees in the amount of \$23,422 (2020 - \$23,040).

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

6. TRAVEL AND ENTERTAINMENT

Approximately Nil% (2020 - 92%) of the expenses in this category represent associated travel costs incurred for attendance at Egmont Group and Caribbean Financial Action Task Force working groups and plenary meetings.

7. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

(a) Pension plan

All employees of the Agency are covered by the Public Service Superannuation Fund (the "Fund") administered by the Government. Contributions to the Fund are required from both the employee and the Agency. These contributions represent the total liability of the Agency and are recognised in the accounts on a current basis.

Contributions to the Fund are 8% of gross salary and are matched by the Agency.

The Agency is not required under present legislation to make contributions with respect to actuarial deficiencies of the Fund. As a result, the current year contributions to the Fund represent the total liability of the Agency. The total pension expense contributed by the Agency during the year amounted to \$66,855 (2020 - \$67,520) and is included in Salaries and employee benefits in the statement of operations and accumulated surplus.

The Agency has an outstanding pension contribution amounting to \$11,112 (2020 - \$11,037) to the Fund, and this balance is included in due to the Government of Bermuda in the statement of financial position.

(b) Compensated absences

Compensated absences include maternity and paternity leave, sick leave and vacation days. All these benefits are unfunded.

Maternity and paternity leave does not accumulate or vest and therefore an expense and liability is only recognised when applied for and approved. There were no maternity or paternity benefits applied for or approved during the current year and therefore, no liability has been accrued in the financial statements.

Sick leave does not accumulate or vest, and like maternity and paternity leave, a liability is recorded only when extended leave is applied for and approved. There was no extended sick leave applied for or approved during the current year and therefore, no liability has been accrued in the financial statements.

Vacation days accumulate and vest and therefore a liability has been accrued at year end. The accrued vacation liability as at March 31, 2021 is \$45,091 (2020 - \$39,597) and is presented as liabilities for employee future benefits and compensated absences in the statement of financial position.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021

8. FINANCIAL RISK MANAGEMENT

The Agency is exposed to various risks through its financial instruments. The Board has overall responsibility for the establishment and oversight of its risk management framework. The Agency manages its risks and risk exposures through sound business practices. The following analysis provides a measure of the risks at the reporting date, March 31, 2021.

There have been no significant changes from the previous year in the exposure to risk policies, procedures and methods to measure risk.

(a) Credit risk

Credit risk arises from cash held with banks. The maximum exposure to credit risk is equal to the carrying values of these financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Agency determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. It is management's opinion that the Agency is not exposed to significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk the Agency will not be able to meet its financial obligations as they fall due. The Agency's objective in managing liquidity is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Agency's reputation. The Agency manages exposure to liquidity risk by closely monitoring supplier and other liabilities, focusing on generating positive cash flows from operations and establishing and maintaining good relationships with various financial institutions.

The expected cash flows of financial liabilities for accounts payable and accrued liabilities, employee future benefits and compensated absences and due to the Government of Bermuda are current.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the fair value of recognised assets and liabilities or future cash flows of the Agency's results of operations. The Agency has minimal exposure to market risk.

(i) Foreign exchange risk

The Agency's business transactions are mainly conducted in Bermuda dollars and, as such, it has minimal exposure to foreign exchange risk.

(ii) Interest rate risk

The Agency is exposed to changes in interest rates, which may impact interest revenue on cash deposits. The Agency's accounts payable and accrued liabilities are non-interest bearing.

FINANCIAL INTELLIGENCE AGENCY  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2021

9. CAPITAL MANAGEMENT

The Agency's objective when managing capital is to hold sufficient accumulated surplus to enable it to withstand negative unexpected financial events. The Agency seeks to achieve this objective through receipt of grants from the Government. The Agency maintains sufficient liquidity to meet its short-term obligations as they come due. The Agency is not subject to any externally imposed capital requirements.

10. CONTRACTUAL OBLIGATIONS

The Agency entered into a new five-year lease of the premises currently occupied by the Agency effective November 15, 2020 with an annual rent of \$138,561. The remaining obligation under this lease is \$640,846.

The lease agreement also calls for the Agency to pay a maintenance expense of \$3,912 per month. The remaining obligation under this lease is \$217,116.

Further, the agreement stipulates that at the end of each year, the landlord is required to produce accounts showing the actual maintenance expenses for that period. If the actual maintenance expense is less than the monthly amount noted herein, the balance is to be remitted to the Agency. Conversely, if the actual maintenance expense is more than the monthly amount paid by the Agency, the difference is to be paid by the Agency. These adjustments are recorded on an as notified basis.

Other contractual obligations will become due in the future when the terms of the contracts are met. Disclosure relating to the unperformed portion of these contracts are as follows:

Service	2022	2023	2024 and beyond
\$           \$           \$			
Digicel Internet services	17,160	17,160	953

11. SEGMENTED REPORTING

The Agency receives revenue from a single source (Government of Bermuda grant) and considers itself to be a simple operating segment for segmented disclosure purposes.

The Agency engaged the services of consultants to work with its existing staff to assist with the implementation of the DHVG Supervisory Unit. In this regard, the Agency incurred Consultant costs in the amount of \$Nil (2020 - \$20,069) and additional payroll costs for existing staff in the amount of \$Nil (2020 - \$9,000).

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021

12. BUDGET

Budget amounts represent the operating budget approved by the Board on July 16, 2020 and is presented using a basis consistent with that used for actual results.

On June 5, 2020, the Government requested all ministries, departments, quasi autonomous non-governmental organizations to make budgetary adjustments. The Agency was advised by the Ministry of Legal Affairs that the Agency's 2020/2021 budget would be reduced by 10%. On June 9, 2020, the above matter was communicated to the Agency's Board of Directors who approved such adjustments.

13. COVID-19 PANDEMIC

The Agency continues to closely monitor the evolution of this pandemic, including how it may affect its operations or financial conditions and its related economic, social and public health implications remain uncertain. The Agency has not observed any material impact on its operations or financial position as a result of the COVID-19 outbreak at the issuance of these financial statements.'