



GOVERNMENT OF BERMUDA

Financial Statements of the Consolidated Fund

March 31, 2012

Issued by
The Accountant General
Ministry of Finance

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INDEPENDENT AUDITOR'S REPORT

To the House of Assembly, the Governor and the Senate

I have audited the accompanying financial statements of the Consolidated Fund of the Government of Bermuda, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and accumulated deficit, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

I qualified my auditor's opinion on the financial statements of the Consolidated Fund for the year ended March 31, 2011, on the basis of serious deficiencies in internal control over the management of various capital development projects. These deficiencies led me to question the appropriateness of certain transactions and the underlying value of tangible capital assets as at March 31, 2011. As a consequence of last year's qualification, and without the benefit of an independent professional valuation, I am still unable to determine whether adjustments might be necessary to tangible capital assets and accumulated deficit as at March 31, 2012.

Qualified Opinion

In my opinion, except for the effect of adjustments which I might have determined necessary had I been able to satisfy myself with respect to the balances of tangible capital assets and accumulated deficit referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Consolidated Fund of the Government of Bermuda as at March 31, 2012, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

Other matters

As permitted by Section 6 of the Audit Act 1990, I may include in my auditor's report any other comments arising out of the accounts that I consider appropriate.

Increasing Net Debt

Without qualifying my opinion, I wish to draw attention to the level of net debt which increased by \$347 million to \$2.4 billion as of March 31, 2012. Government needs to take concerted action to address this fiscal challenge.

Incidences of non-compliance with the Government of Bermuda's Financial Instructions

Also, without qualifying my opinion, I wish to draw attention to several incidences of non-compliance with the Government of Bermuda's Financial Instructions which form the standard for financial controls for the Government. Although these incidences of non-compliance did not lead me to qualify my audit opinion for the current year, it is important that the Government adhere to its internal control framework.

Usefulness of these Financial Statements is Limited

As described in Note 2, these financial statements represent the financial transactions of the Consolidated Fund and have been prepared primarily to provide accountability for the financial resources appropriated by the Legislature of Bermuda. These financial statements are not summary financial statements of the Government of Bermuda. Significant financial activities of the Government occur outside the Consolidated Fund. As such, the financial statements of the Consolidated Fund for the year ended March 31, 2012 do not represent the full nature and extent of the overall financial affairs and resources of the Government of Bermuda.

Hamilton, Bermuda
November 7, 2012



Heather A. Jacobs Matthews, JP, FCA, CFE
Auditor General



GOVERNMENT OF BERMUDA

Ministry of Finance

**Government of Bermuda
Consolidated Fund
Statement of Responsibility for the Financial Statements
March 31, 2012**

The Accountant General, subject to the general direction and control of the Minister of Finance, is responsible for the preparation of the financial statements of the Consolidated Fund.

The financial statements of the Consolidated Fund are prepared by the Accountant General in accordance with the requirements of governing legislation. The financial statements are based upon information provided by Government departments and, where necessary, information is based upon best estimates and judgement.

In order to fulfill accounting and reporting responsibilities, the Accountant General maintains systems of financial management and internal control to provide reasonable assurance that transactions are properly authorised by the Legislature, executed in accordance with prescribed regulations and properly recorded to maintain accountability of public money and safeguard the assets and properties under Government administration.

The audited financial statements are tabled before the Legislature annually and are referred to the Public Accounts Committee, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of Bermuda.

Anthony Manders, CGA
Acting Financial Secretary
Ministry of Finance

Joyce Hayward, CA
Accountant-General
Ministry of Finance

Hamilton, Bermuda
November 7, 2012

Government of Bermuda - Consolidated Fund Statement of Financial Position

As at March 31		2012	2011
		Actual	Restated (Note 20)
		\$	\$
Liabilities			
	<u>Schedule</u>		
Bank Overdraft (Note 16)		120,720,014	57,490,260
Accounts Payable and Accrued Liabilities	5	154,068,571	146,366,433
Deferred Revenue	6	34,045,465	34,142,751
		<u>308,834,050</u>	<u>237,999,444</u>
Interest Bearing Debt - Net of Sinking Fund	7	<u>1,115,252,919</u>	944,491,502
Pensions and Other Employee Future Benefits			
- Pensions and Retirement Benefits (Note 9(g))		1,126,225,368	1,015,453,966
- Compensated Absences (Note 8)		24,321,023	21,995,987
		<u>1,150,546,391</u>	<u>1,037,449,953</u>
Other Liabilities			
Due to Government Funds and Agencies	3(a)	40,751,629	50,942,015
Total Liabilities		2,615,384,989	2,270,882,914
Financial Assets			
Cash and Cash Equivalents		24,018,677	10,993,022
Accounts Receivable	1	138,971,513	166,636,860
Due from Government Funds and Agencies	3	30,722,901	18,113,855
Long-Term Receivables	4	1,522,619	1,904,335
Investment in Quango (Notes 3(e) & 14(b))		5,000,000	5,000,000
Total Financial Assets		200,235,710	202,648,072
Net Debt		2,415,149,279	2,068,234,842
Non-Financial Assets			
Tangible Capital Assets (Notes 3(f) & 15)	11	751,450,187	727,752,452
Assets under Construction (Note 3(f))	11	40,101,565	59,272,927
Inventories for Consumption	2	13,573,803	14,976,960
Prepaid Expenses		4,035,002	3,473,625
Total Non-Financial Assets		809,160,557	805,475,964
Accumulated Deficit		1,605,988,722	1,262,758,878
Contingent Liabilities, Non-Contractual Operational Commitments and Contractual Commitments (Notes 10, 11, 12 and Schedule 13)			

The accompanying notes and schedules are an integral part of these financial statements.

Government of Bermuda - Consolidated Fund Statement of Operations and Accumulated Deficit

For the year ended March 31		2012	2011
		Actual*	Restated (Note 20)
		\$	\$
Revenue	<u>Schedule</u> 8, 9		
Taxes & Duties			
Payroll Tax		344,702,370	423,049,799
Customs Duties		180,696,578	195,807,157
Other Taxes and Duties		76,557,477	87,220,853
Land Tax		52,312,877	49,131,169
Passenger Tax		35,068,899	32,345,082
Total Taxes & Duties		689,338,201	787,554,060
Fees, Permits & Licenses		195,733,293	180,713,466
Other Revenue		25,644,452	25,750,919
Investment Income		3,465,694	2,709,960
Total Revenue		914,181,640	996,728,405
Expenses	10		
Economic Development		414,270,904	433,116,776
Health		207,131,607	237,071,273
National Security		168,963,434	165,417,323
Education		149,415,777	157,159,158
Pensions and Retirement Benefits Expenses		113,096,438	110,880,113
Social Services & Assistance		72,662,704	79,401,304
Interest on Debt		67,592,428	55,297,892
Other General Government Services		64,278,192	70,169,927
Total Expenses		1,257,411,484	1,308,513,766
Annual Deficit		(343,229,844)	(311,785,361)
Accumulated Deficit, Beginning of Year		(1,262,758,878)	(1,028,061,278)
Recognition of Tangible Capital Assets (Note 15)		-	44,120,315
Correction of Estimate (Note 20)		-	34,121,628
Correction of Error (Note 20)		-	(1,154,182)
Accumulated Deficit, End of Year		(1,605,988,722)	(1,262,758,878)

* Estimates against these actuals are provided for revenue in Schedules 8 and 9 and for current expenses in Schedules 10(a) and 10(b) for appropriation purposes.

Government of Bermuda - Consolidated Fund Statement of Change in Net Debt

For the year ended March 31	2012	2011
	Actual	Restated (Note 20)
	\$	\$
Annual Deficit	(343,229,844)	(311,785,361)
Change Due to Tangible Capital Assets:		
Net Additions to Tangible Capital Assets	(70,242,398)	(126,306,791)
Net Reductions in Assets under Construction	19,171,362	39,346,434
Amortization of Tangible Capital Assets	46,544,662	43,156,723
Total Change Due to Tangible Capital Assets	(4,526,374)	(43,803,634)
Net Reductions in Inventories for Consumption	1,403,157	1,443,142
Net (Additions to) Reductions in Prepaid Expenses	(561,376)	1,278,129
Total Change Due to Inventories for Consumption and Prepaid Expenses	841,781	2,721,271
Increase in Net Debt	(346,914,437)	(352,867,724)
Net Debt, Beginning of Year	(2,068,234,842)	(1,748,334,564)
Correction of Estimate (Note 20)	-	34,121,628
Correction of Error (Note 20)	-	(1,154,182)
Net Debt, End of Year	(2,415,149,279)	(2,068,234,842)

The accompanying notes and schedules are an integral part of these financial statements.

Government of Bermuda - Consolidated Fund Statement of Cash Flow

For the year ended March 31	2012	2011
	Actual	Restated (Note 20)
	\$	\$
Operating Activities		
Annual Deficit	(343,229,844)	(311,785,361)
Items not affecting cash:		
Amortization of Tangible Capital Assets	46,544,662	43,156,723
Increase in Pension and Retirement Benefits Liability (Note 20(b))	110,771,402	110,220,728
Increase in Compensated Absences Liability	2,325,036	659,385
Increase (Decrease) in Non-Cash Working Capital	13,694,264	(6,888,484)
Cash Applied to Operating Activities	(169,894,480)	(164,637,009)
Capital Activities		
Net Additions to Tangible Capital Assets	(70,242,398)	(126,306,791)
Net Reductions in Assets under Construction	19,171,362	39,346,434
Cash Applied to Capital Activities	(51,071,036)	(86,960,357)
Financing Activities		
Debt issues	200,000,000	500,000,000
Increase in Sinking Fund	(29,238,583)	(21,021,017)
Debt retirement	-	(200,000,000)
Cash Provided By Financing Activities	170,761,417	278,978,983
Net (Decrease) Increase in Cash and Cash Equivalents	(50,204,099)	27,381,617
Cash and Cash Equivalents, Beginning of Year	(46,497,238)	(73,878,855)
Cash and Cash Equivalents, End of Year	(96,701,337)	(46,497,238)
Cash and Cash Equivalents, End of Year		
Cash and Cash Equivalents	24,018,677	10,993,022
Bank Overdraft	(120,720,014)	(57,490,260)
Cash and Cash Equivalents, End of Year	(96,701,337)	(46,497,238)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

1. Authority

The Consolidated Fund (the “Fund”) operates under the authority of the Bermuda Constitution Order 1968 and amendments, and the Public Treasury (Administration and Payments) Act 1969 and amendments.

All public money is paid into the Fund and legislative authority must be obtained for any expenditure out of the Fund.

The Legislature provides authority to make payments out of the Fund in annual Appropriation Acts, Supplementary Estimates and other statutes. Unused spending authority for current account appropriations lapses at the end of the fiscal year. Unused spending authority for uncompleted capital projects is carried forward to subsequent fiscal years, subject to the approval of the Minister of Finance.

2. Reporting Entity

The Fund’s financial statements report the financial position, results of operations, change in net debt and cash flow resulting from the activities of the Fund only, which comprise the accounts of the Senate, the House of Assembly, all Government departments and offices (including the Public Service Commission) and all courts. The Fund is established and defined pursuant to section 94 of the Bermuda Constitution Order 1968.

These financial statements are not summary consolidated financial statements of the Bermuda Government. Separate audited financial statements are prepared for all other Government organizations.

These financial statements are prepared in accordance with the legislative requirements as outlined in sections 5 and 32A of the Public Treasury (Administration and Payments) Act 1969 and amendments.

The Government adheres to the general practice of using a Consolidated Fund as its general operating fund. Schedules 8 to 11 provide information concerning the operations, tangible capital assets and capital expenses of individual Government departments and funds and agencies comprising the Fund.

3. Summary of Significant Accounting Policies

The recommendations of the Public Sector Accounting Board and the Accounting Standards Board of the Canadian Institute of Chartered Accountants (which are promoted by the Institute of Chartered Accountants of Bermuda by signed agreement and therefore generally accepted in Bermuda) are the source for the disclosure basis of accounting.

The preparation of financial statements in accordance with the disclosed basis of accounting 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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

3. Summary of Significant Accounting Policies (cont'd)

and expenses during the year. Actual results could differ from these estimates.

The significant accounting policies are as follows:

(a) Method

The financial statements are prepared on the accrual basis of accounting.

(b) Revenue

Revenues are accounted for in the fiscal year in which the transactions or events occurred that gave rise to the revenues.

Revenues not practicably measurable until cash is received are accounted for upon receipt.

Amounts received or receivable prior to the end of the year, which relate to revenues that will be earned in a subsequent fiscal year, are reported as deferred revenue.

(c) Expenses

Expenses are accounted for in the fiscal year that goods and services are acquired, a liability is incurred or grant payments are due.

Contributions to Government funds and agencies are expensed in the year the expenditure is made.

Classification of expenses between current account items and capital account items follows the classification in the Approved Estimates.

(d) Interdepartmental Revenues and Expenses

Interdepartmental revenues and expenses are not eliminated but have been identified as explained in Note 14(c).

(e) Financial Assets

Financial assets are resources that can be used to discharge existing liabilities or finance future operations. They include cash and cash equivalents, accounts receivable, amounts due from Government funds and agencies, long-term receivables and investment in QUANGO.

Accounts receivable are recorded at cost. A valuation allowance is recorded when collection of the receivable is considered doubtful.

Long-term receivables are recorded at unamortized cost.

Investment in QUANGO is recorded at cost.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012**

3. Summary of Significant Accounting Policies (cont'd)

(f) Non-Financial Assets

Non-Financial assets are resources that are employed for future services. They include tangible capital assets, assets under construction, inventories for consumption and prepaid expenses. The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized over the estimated useful lives of the assets. Where original acquisition documents were difficult to retrieve, the Book Value Calculator (“BVC”), developed by the Chief Appraiser of Public Works and Government Services Canada (as modified by them to address the Bermuda Government situation), was used to establish reasonable estimates of the Net Book Values in order to develop opening balances.

Other tangible capital assets that do not meet the minimum threshold requirements for their respective asset class have continued to be charged to capital expenses in the year of purchase, which is consistent with prior years. These expenses are currently classified as capital development and capital acquisition expenses on Schedule 10, Expenses by Program. Included in the capital development and capital acquisition expenses are other significant items: capital grants, repairs and maintenance, professional fees and other items which are expensed as they are incurred. Tangible capital assets that have not yet been disclosed include historical treasures.

Amortization is recorded on a straight-line basis for all assets, according to the following:

Buildings	40 years
Leasehold Improvements	Remaining life or lease period of the related asset
Betterments	Remaining life or lease period of the related asset
Heavy Equipment	
\$10,000 to \$99,999	5 years
\$100,000 and above	7 years
Vehicles	
2 – 3 Wheeled Vehicles	
\$3,000	5 years
4 or More Wheeled Vehicles	
\$0 - 99,999	5 years
\$100,000 and above	7 years

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012**

3. Summary of Significant Accounting Policies (cont'd)

Boats & Vessels	
\$10,000 to \$99,999	5 years
\$100,000 and above	10 years
Leased Equipment	
\$3,000 and above	3 years
Computer Hardware	
\$3,000 to \$99,999	3 years
\$100,000 and above	7 years
All laptops and desktop computers are capitalized	
Computer Software	
\$20,000 and above	10 years
Furniture & Fixtures	
\$3,000 and above	7 years
Office Equipment	
\$3,000 and above	5 years
Plant, Machinery & Equipment	
\$50,000 and above	10 – 30 years
Infrastructure	
\$50,000 to \$199,999	10 years
\$200,000 and above	40 years

The Ministry of Government Estates and Information Services is primarily responsible for Government's tangible capital assets. In prior years, amortization was reported as a single expense item of this Ministry. Amortization expense is now reported under the respective Ministries. Since amortization is a non-cash expense, it is removed for appropriation reporting purposes.

Assets under construction relate to the development of buildings, betterments, vehicles, computer hardware, computer software, infrastructure, office equipment and vessels. Upon completion, the balance of assets under construction will be transferred to tangible capital assets and amortized based on the appropriate useful life.

Tangible capital assets that have historical or cultural value, including works of art, historical documents, and historical and cultural artifacts, are not recognised as tangible capital assets in these financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

Inventories for consumption are comprised of spare parts and supplies that are held for

3. Summary of Significant Accounting Policies (cont'd)

future program delivery and are not intended for resale. They are valued at cost. Inventories for consumption that no longer have service potential are valued at the lower of cost or net realizable value. Items for which the costs are not readily available have been valued using management's best estimates of original cost based on available information.

(g) Liabilities

Liabilities are recorded for financial obligations to organizations and individuals occurring as a result of transactions and events arising on or before the year-end. They occur as a result of contracts, agreements and legislation in force at year-end that require the Government to repay borrowings or to pay for goods and services acquired or provided on or before the year-end. Liabilities also include grant payments due where no direct value is received in return.

(h) Translation of Foreign Currencies

The financial statements are reported in Bermuda dollars. The Bermuda dollar is valued at par with the United States dollar. Assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the year-end date. Revenues and expenses originating in foreign currencies are translated at the exchange rate in effect on the date the specific transactions occurred. Translation gains and losses are included in the Statement of Operations and Accumulated Deficit.

(i) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate payroll and land taxes, accruals for pension obligations, accruals for environmental obligations, allowances for doubtful receivables and accruals for liabilities through actuarial valuations.

The nature of the uncertainty related to the accruals for pension obligations arise because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on the pension investments, salary increases and the life expectancy of the participants. The uncertainty related to the accrual of environmental obligations is based upon the identification of all sites where environmental damages have occurred that are the Government's responsibilities to mitigate and the quantification of what the actual liability will be based upon impact studies. Uncertainty concerning the allowance for doubtful revenue is based upon actual collectability and changes in economic conditions.

3. Summary of Significant Accounting Policies (cont'd)

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future condition in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

(j) Risk Management of Public Debt

Funds are borrowed in both domestic and foreign capital markets by issuing Bermuda Government senior notes and using bank loans and other credit facilities. This borrowing activity is used to fund government capital expenditure programs and other budgeted governmental operations. These transactions result in exposure to four types of risk: interest rate risk, foreign exchange rate risk, credit risk and liquidity risk.

Interest rate risk is the risk that debt servicing costs will increase due to changes in interest rates. This risk is managed by issuing debt securities as predominately fixed rates of interest rather than floating rates of interest for fixed terms.

Foreign exchange rate risk is the risk that debt servicing costs will increase due to a decline of the Bermuda dollar relative to other currencies. This risk is managed by maintaining a preference for debt that is issued predominately in United States ("US") dollars. The Bermuda dollar is pegged to the US dollar to eliminate the impact of any fluctuations in the exchange rates between the two.

Credit risk is the risk that a loss might occur from the failure of another party to meet its obligations under a derivative financial instrument contract. The risk is managed by issuing debt securities that have no derivatives as the underlying securities. The debt instruments are senior notes of the Bermuda Government and loan facilities with a domestic lender.

Liquidity risk is the risk that financial commitments will not be met over the short term. This risk is managed through the establishment of the Government Borrowing Sinking Fund as a separate legal entity for the repayment of government debt and to pay interest charged on long-term public debt under the provisions of the Government Loans Act 1978.

4. Approved Estimates of the Government of Bermuda

(a) Budget Process

Annually, the Government presents a Budget ("Estimates") of expected revenues and expenditures for the following fiscal year.

The Government's spending Estimates for the fiscal year commencing April 1, 2011 were presented to the Members of the Legislature by the Minister of Finance.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

4. Approved Estimates of the Government of Bermuda (cont'd)

The Estimates outline the spending plans of each Ministry/Department submitted for approval to the Legislature in the Appropriations Act.

The Estimates referred to in the financial statement schedules are from the original Approved Estimates of Revenue and Expenditure for the fiscal year 2011/12 and do not reflect changes arising from the tabling of Supplementary Estimates, except for the Adjusted Estimates referred to in Schedule 12 which include the original Approved Estimates and any tabled Supplementary Estimates.

(b) Comparison of Expenses to Estimates for Expenditure

The Ministry of Finance prepares annual Estimates on the modified cash basis. These financial statements are prepared on an accrual basis. Due to the difference in accounting, Schedule 12 restates actual expenses to the modified cash basis for comparative and analytical purposes against the adjusted estimates. The most significant differences are as follows:

- (i) Bad Debts – For financial statement purposes, a provision is established and expensed for accounts receivable where collection is doubtful. For budget purposes, no such provision is made.
- (ii) Pension – The financial statement pension-related expense is explained in Note 9. For budget purposes, pension expense is equal to its funding requirements.
- (iii) Government Borrowing Sinking Fund (Note 5) – Transfers to the Sinking Fund are recorded as cash transfers against long-term debt. For budget purposes, the Sinking Fund contribution is considered expenditure.
- (iv) Compensated Absences – Certain Government employees are entitled to paid retirement leave, as explained in Note 8. For budget purposes, retirement pay is estimated based on anticipated salary spending for the current year.
- (v) Amortization – For financial statement purposes, annual amortization of tangible capital assets is expensed based on the respective assets as explained in Note 3(f). For budget purposes, amortization is not considered expenditure.
- (vi) Environment Liability – As explained in Note 10(c), the Government has recognized a cost of restoration of land. For budget purposes, the liability established is not considered expenditure.

5. Government Borrowing Sinking Fund

Effective March 31, 1993, the Government Borrowing Sinking Fund (“GBSF”) was established as a separate legal entity for the repayment of government borrowing under the provisions of the Government Loans Act 1978, as amended.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

5. Government Borrowing Sinking Fund (cont'd)

During each financial year, the Fund must pay to the GBSF 2.5% of the public debt outstanding in the Fund at the end of the preceding year. Under section 12AA of the Government Loans Act 1978 as amended, the Minister may, by Order, suspend the annual contribution for a period of twelve months.

2011		2012	
\$		\$	
Sinking Fund	Contributions	Earnings	Sinking Fund
85,508,499	25,781,041	3,457,541	114,747,081

The GBSF assets may only be applied to reduce, cancel or pay interest on public debt. The assets are invested in accordance with the Public Funds Act 1954 and are shown as a reduction of debt issued on the Fund's Statement of Financial Position.

The assets of the GBSF are comprised of the following:

	2012	2011
	\$	\$
Fixed Term Deposits	121,267,293	92,083,718

The following is a schedule of projected contributions to the GBSF by the Fund up to March 31, 2017, based on estimated debt levels to March 31, 2013:

	2012
	\$
2013	30,750,000
2014	37,625,000
2015	37,625,000
2016	37,625,000
2017	37,625,000

Separate audited financial statements are prepared for the GBSF to which readers should refer for further information.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

6. Contingencies Fund

On March 14, 1979 the House of Assembly passed a resolution to withdraw \$1 million from the Fund to set up a Contingencies Fund under the provisions of Section 10(1) of the Public Treasury (Administration and Payments) Act 1969, as amended.

The purpose of the Contingencies Fund is to allow the Minister of Finance to authorize urgent and unforeseen expenditures up to \$1 million prior to the approval of the Legislature by supplementary estimate. The Contingencies Fund balance is not segregated from general operating cash and cash equivalents and accumulated deficit.

7. Unemployment Insurance Fund

The Unemployment Insurance Fund (“Insurance Fund”) was established March 18, 2002 by amendment to the Public Treasury (Administration and Payments) Act 1969 under the provisions of Section 10B. The Legislature authorized \$1 million to be set aside within the Fund to set up the Insurance Fund.

The Minister of Finance will pay amounts approved by the Legislature as Government’s contribution to the Insurance Fund. Monies paid into the Insurance Fund will be invested in accordance with the Public Funds Act 1954 and the interest earned on such investments will be paid into the Insurance Fund.

On August 10, 2011 the Government amended the Public Treasury (Administration and Payments) Act 1969 in order to make further provision about the Unemployment Insurance Fund. The Act has been amended to provide for payments out of the Fund to be made at the direction of the Minister of Finance for the purpose of assisting unemployed persons.

8. Compensated Absences

Certain Government employees are entitled to paid retirement leave under the various union agreements that exist with the Government. Paid retirement leave is available to those eligible employees with a minimum of ten years credited service, who are retiring on the basis of age. The leave is paid at the salary level immediately preceding the date of retirement, to a maximum eligibility of twelve weeks.

An actuarial valuation of the Government’s obligation for retirement leave was performed to March 31, 2012, using similar various long-term assumptions as the Public Service Superannuation Fund pension plan (Note 9). The valuation determined that the accrued benefit obligation for retirement leave is currently \$24,321,023 (2011- \$21,995,987), as defined in the table below.

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Notes to the Financial Statements
March 31, 2012

8. Compensated Absences (cont'd)

	2012	2011
	\$	\$
Accrued benefit obligation, beginning of year	21,995,987	21,336,602
Amortization of experience loss	60,754	60,754
Current period benefit cost	1,197,259	1,148,450
Interest accrued	1,487,885	1,397,769
Benefit payments	(420,862)	(1,947,588)
	<hr/>	<hr/>
Accrued benefit obligation, end of year	<u>24,321,023</u>	<u>21,995,987</u>

9. Pensions and Other Retirement Benefits

(a) Contributory Defined Benefit Pension Plans

The Government administers contributory defined benefit pension plans for substantially all of its employees, quasi-autonomous non-governmental organization (“QUANGO”) employees and all ministers and members of the Legislature. There are two plans currently in operation – the Public Service Superannuation Fund (“PSSF”) and the Ministers and Members of the Legislature Pensions Fund (“MMLPF”).

For the PSSF, a service pension is available with a minimum of eight years credited service. Subject to exceptions as outlined in the Public Service Superannuation Act 1981, it is based on the number of years of service times 1.5% of the salary payable immediately preceding the date of retirement. Additional benefits are provided to special groups such as police, prison wardens, fire service and regiment employees.

For the MMLPF, a service pension is generally available to contributors who have reached age 60 and have served for at least 8 years, or to contributors who have reached age 55 and have served for at least 20 years. The rate of pension is 3/1000th of the monthly salary payable to a minister, member or officer, on the date on which the contributor becomes entitled to receive a pension, for each month of service rendered up to a maximum of 25 years. Cost of living increases are calculated by reference to the Consumer Price Index on a biennial basis.

Employees contribute 8.0% of their basic salary for PSSF and Ministers and Members contribute 12.5% of their salary for MMLPF. The Government matches the participant’s contribution in each plan. The amount of Government contributions made during the year for each plan was as follows: PSSF - \$33,338,006 (2011 - \$32,588,714), MMLPF - \$526,528 (2011 - \$485,071). The Public Service Superannuation Act 1981 and the Ministers and Members of the Legislature (Salaries and Pensions) Act 1981, as amended, provide that, if at any time the funds are insufficient to meet the payments chargeable against them, the deficiency shall be made up out of the Consolidated Fund.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

9. Pensions and Other Retirement Benefits (cont'd)

(b) Pension Liability

Normally, the pension liability is calculated on an actuarial basis. Actuarial valuations are performed triennially using the projected benefit method, pro-rated on services. An actuarial valuation was performed on both the PSSF and the MMLPF as at March 31, 2012 using the same assumptions, to produce the estimates included in the financial statements.

Actuarial valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, employee turnover and mortality. The assumptions used reflect Government's best estimates of expected long-term rates and short-term forecasts.

The most significant assumptions are that the average investment return will be greater than the average rate of salary increase by approximately 2.25% (prior valuation – 2.25%) and the cost of living increase will average 3.0% (prior valuation - 3.0%) per annum.

The 1994 Group Annuity Mortality Table was used for the mortality assumption.

For the PSSF, pension fund assets consist primarily of listed stocks and bonds, short-term investment funds, hedge funds and private equity investments. Market-related asset values, which recognize the differences between the actual return on assets and the expected return on assets over a period of five years, have been used to determine the pension liability and pension-related expenses for the PSSF.

The market-related value of assets for the PSSF was \$492,045,167 as at March 31, 2012 (2011 - \$468,985,435) compared to a real market value of \$502,261,171 (2011 - \$486,693,676).

For the MMLPF, there is no difference between the market value of plan assets and the market-related value. As at March 31, 2012, the value was \$10,990,884 (2011 – \$10,242,303). The actual return on plan assets during the year was 3.65% (2011 – 14.67%) for the PSSF and 7.17% (2011 - 7.25%) for the MMLPF.

As at March 31, 2012, \$2,563,962 (2011 – \$4,366,587) was due to the PSSF in respect of contributions received in excess of benefits paid by the Fund (Schedule 3(a)). As at March 31, 2012, \$10,789,460 (2011 – \$10,472,058) was due to the MMLPF in respect of contributions received in excess of benefits paid by the Fund (Schedule 3(a)).

(c) Pension-Related Expenses

Pension-related expenses recognized by the Consolidated Fund comprise the cost of pension benefits earned by employees during the year, interest on the pension benefit liability (net of interest on pension plan assets) and amortization of the Government's share of any experience gains or losses, less contributions made by the employees. The

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

9. Pensions and Other Retirement Benefits (cont'd)

estimated total cost of the Government's share of plan amendments related to past service is expensed in the year the plan is amended. The pension-related expense is disclosed in Note 9(g) and included in Schedule 10(a) as a component of retirement benefit expenses.

A net unamortized experience loss of \$119,885,000 (2011 - \$146,266,000) is reported in the schedule below. The amount comprises a total unamortized experience loss on the pension liability of \$100,356,000 (2011 - \$130,183,000) and a total unamortized experience loss on the asset valuation of \$19,529,000 (2011 - \$16,083,000). The period of amortization is ten years.

Aggregate information about the PSSF and MMLPF is in the following tables.

(d) Funded Status of Plans

For the year ended March 31

	2012	2011
	Actual	Actual
	\$	\$
Pension Liability		
Accrued Benefit Obligation		
PSSF	1,475,141,000	1,393,994,000
MMLPF	33,539,000	31,526,000
	<u>1,508,680,000</u>	<u>1,425,520,000</u>
Net Fund Assets		
PSSF	(492,045,000)	(468,985,000)
MMLPF	(10,991,000)	(10,298,000)
	<u>(503,036,000)</u>	<u>(479,283,000)</u>
Net Unamortized Experience Loss		
PSSF	<u>(119,885,000)</u>	<u>(146,266,000)</u>
Pension Liability		
PSSF	863,211,000	778,743,000
MMLPF	22,548,000	21,228,000
Carried Forward to Note 9 (g)	<u>885,759,000</u>	<u>799,971,000</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

9. Pensions and Other Retirement Benefits (cont'd)

For the year ended March 31	2012 Actual \$	2011 Actual \$
Cost of Pension Benefits	56,588,100	54,379,221
Employee Contributions	(33,864,500)	(33,073,785)
Interest on Pension Liability	62,950,921	59,570,564

Amortization of Experience Gains & Losses

2003 Experience Loss	-	3,418,847
2004 Experience Loss	21,908,086	21,908,086
2005 Experience Loss	2,048,199	2,048,199
2006 Experience Loss	595,574	595,574
2007 Experience Gain	(351,626)	(351,626)
2008 Experience Loss	5,243,035	5,243,035
2009 Experience Loss	7,608,893	7,608,893
2010 Experience Gain	(2,547,908)	(2,547,908)
2011 Experience Loss	442,686	-
Carried forward to Note 9 (g)	<u>120,621,460</u>	<u>118,799,100</u>

Value of Obligations Relating to Benefits for the Pension Plans

The value of obligations relating to benefits for the pensions plan at a given date is determined using the actuarial projections prorated on service, taking into account, among other things, the most probable long-term economic assumption made by the Government.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

9. Pensions and Other Retirement Benefits (cont'd)

Main economic assumptions used:

	PSSF (%)	MMLPF (%)
Inflation Rate	3.00	3.00
Discount Rate for Obligations	6.50	6.50
Salary Escalation Rate	4.25	3.50

Changes in these assumptions may lead to a material increase or decrease in the value of the obligations relating to vested benefits. The following tables, which take the main assumptions into account, show the potential impact of a difference of 1.00% in the value of the obligations for the two pension plans, PSSF and MMLPF. The tables also show the impact of a one-year difference in life expectancy, considering that, according to current assumptions, the life expectancy of beneficiaries aged 60 is 21.8 years for men and 25.6 years for women.

Impact of changes on the main assumptions on the value of obligations relating to PSSF benefits as at March 31, 2012:

Assumption	Change	Impact on ABO (\$)	Impact on ABO (%)
Discount rate	1.0% increase	(172,563,100)	(11.7)
	1.0% decrease	216,032,000	14.6
Salary increase rate	1.0% increase	58,753,100	4.0
	1.0% decrease	(52,745,900)	(3.6)
Inflation	1.0% increase	143,768,700	9.7
	1.0% decrease	(122,630,200)	(8.3)
Life expectancy	1 year increase	38,146,600	2.6
	1 year decrease	(35,856,800)	(2.4)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

9. Pensions and Other Retirement Benefits (cont'd)

Impact of changes on the main assumptions on the value of obligations relating to MMLPF benefits as at March 31, 2012:

Assumption	Change	Impact on ABO (\$)	Impact on ABO (%)
Discount rate	1.0% increase	(3,544,600)	(10.6)
	1.0% decrease	4,281,300	12.8
Salary increase rate	1.0% increase	932,700	2.8
	1.0% decrease	(877,900)	(2.6)
Inflation	1.0% increase	3,346,400	10.0
	1.0% decrease	(2,888,500)	(8.6)
Life expectancy	1 year increase	1,397,500	4.2
	1 year decrease	(1,231,100)	(3.7)

(e) Contributory Pension Fund

The Contributory Pension Fund (“CPF”) was established under the Contributory Pensions Act 1970 and subsequent amendments.

The purpose of the CPF is to provide old age pension, disability and death benefits for persons satisfying certain contribution, citizenship and residency requirements.

Contributions to the CPF are compulsory for persons employed in Bermuda, the self-employed and employers.

There is no legislative provision for the Fund to provide for any shortfall if, at any time, the CPF has insufficient funds to meet its current legislated obligations.

(f) Retirement Benefits Other than Pensions – Employee Health Insurance Plan

The Government administers a health care plan, the Government Employees Health Insurance Fund (“GEHI”), for substantially all of its employees, QUANGO employees, all ministers and members of the Legislature and retirees. The GEHI Fund provides medical insurance for retirees and eligible dependents with the Government matching the participants’ contribution to the plan. In 2002 the Government adopted accrual accounting for the GEHI plan.

An actuarial calculation of the Government’s obligations for retirement benefits other than pensions was performed for accounting purposes at March 31, 2012, using various long-term assumptions.

Government of Bermuda – Consolidated Fund
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9. Pensions and Other Retirement Benefits (cont'd)

The discount rate used in determining the accumulated post-retirement benefit obligation was 6.5%. The assumed health-care cost trend rate used was 9.0% (2011 - 9.0%). This will be reducing by 0.5% per annum (from 2014) to 5.0% per annum (to 2022). The 1994 Group Annuity Mortality Table was used for the mortality assumption. The value accrues a liability in respect of the matching premium paid by government under the insurance arrangement in respect of retired employees. The calculation is based on the projected benefit method pro-rated on service.

Aggregate information about the health care plan is in the table below.

	2012	2011
	\$	\$
Accrued benefit obligation at beginning of year	254,254,613	266,040,563
Curtailment of Pension Benefit (Note 20(b))	-	(37,882,936)
Valuation adjustment	-	7,840,911
Adjusted accrued benefit obligation at beginning of year	254,254,613	235,998,538
Current period benefit cost	10,165,588	9,545,153
Interest accrued	16,647,332	15,431,697
Benefit payments	(6,449,217)	(6,720,775)
Accrued benefit obligation at end of year	<u>274,618,316</u>	<u>254,254,613</u>
Expected accrued benefit obligation at end of year	274,618,316	254,254,613
Actual accrued benefit obligation at end of year	<u>249,883,817</u>	<u>254,254,613</u>
Experience gain	<u>24,734,499</u>	-

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

9. Pensions and Other Retirement Benefits (cont'd)

	2012	2011
Expected average remaining service life	12 years	12 years
Annual amortization	4,619,699	\$4,619,699

Liability for retirement benefits recorded in the statement of financial position

	2012	2011
	\$	\$
Accrued benefit obligation, end of year	249,883,817	254,254,613
Unamortized experience losses	<u>(9,417,449)</u>	<u>(38,771,647)</u>
Liability for retirement benefits (Note 9(g))	<u>240,466,368</u>	<u>215,482,966</u>

Expenses recorded in statement of operations and accumulated deficit

	2012	2011
	\$	\$
Current period benefit cost	10,165,588	9,545,143
Amortization of experience losses	<u>4,619,699</u>	<u>4,619,699</u>
Retirement benefit expense	14,785,287	14,164,842
Retirement benefit interest expense	<u>16,647,332</u>	<u>15,431,697</u>
Total expenses related to retirement benefits (Note 9(g))	<u>31,432,619</u>	<u>29,596,539</u>

(g) Accrued Pensions and Retirement Benefits Liability and Expense Summary

	2012	2011
	\$	\$
Pensions (Note 9(d))	885,759,000	799,971,000
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(f))	<u>240,466,368</u>	<u>215,482,966</u>
Total Pensions and Retirement Benefits Liability	<u>1,126,225,368</u>	<u>1,015,453,966</u>
Pensions (Note 9(d))	120,621,460	118,799,100
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(f))	<u>31,432,619</u>	<u>29,596,539</u>
Total Pensions and Retirement Benefits Expense	<u>152,054,079</u>	<u>148,395,639</u>

10. Contingent Liabilities

(a) Guarantees

(i) National Education Guarantee Scheme

In August 1994, the Government introduced the National Education Guarantee Scheme to provide qualifying students with financial guarantees on bank loans for post-secondary education. The repayment of principal and accrued interest is guaranteed by the Government. In the event of default by the student, the banks will call on the guarantee contract. At March 31, 2012, \$179,760 (2011 - \$356,895) is outstanding on guaranteed student loans with local banks.

(ii) West End Development Corporation (“WEDCO”) Guarantee

On April 1, 2009, the Minister of Finance consented to the borrowing of \$10 million by WEDCO from the Capital G Bank to facilitate the completion of the new Sewage Treatment Plant at Dockyard.

The Minister of Finance further approved the guarantee given by the Ministry of Public Works to repay the indebtedness by way of annual payments to WEDCO until all indebtedness to the Capital G Bank has been fully discharged.

The Ministry of Public Works further guarantees and will make good any default on the part of WEDCO in the payment of the loan to Capital G Bank and all related interest fees and charges due as a result of default by WEDCO until all indebtedness to the Capital G Bank has been fully discharged. At March 31, 2012, \$7,142,858 (2011 - \$8,571,429) is outstanding on WEDCO’s indebtedness to Capital G (Schedule 5).

(iii) Bank of N.T. Butterfield Guarantee Agreement

On June 12, 2009, the Government assisted The Bank of N.T. Butterfield & Son Limited (“BNTB”) in raising qualifying Tier 1 capital via a perpetual preference share offering of US\$200 million.

Accordingly the Government provided the commitment that if the full \$200 million Preference Share Offering was not achieved on or prior to June 30, 2009, the Government would purchase no later than June 30, 2009 such number of Preference Shares as was sufficient to ensure that the Bank realized aggregate proceeds equal to and not less than US\$200 million. As the offering was fully subscribed, no such Government purchase was necessary.

On June 22, 2009, the Government entered into a Preference Shares Guarantee Agreement with the BNTB and others. The Government has guaranteed payment of 100% of the liquidation value of the outstanding Preferred Shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of BNTB during the term of the Guarantee. Also, the Government will act as a guarantor for the dividend payments relating to the Preferred Shares issuance. Should the BNTB fail to declare and pay dividends in any quarterly dividend

10. Contingent Liabilities (cont'd)

period during the term of the Guarantee, the Government will pay such dividends at 8% per annum.

Pursuant to the Preference Share Offering, the BNTB pays to the Government a fee of 1% per annum on the liquidation value of then outstanding Preference Shares issued to third party investors. The Government was in receipt of 4,279,601 warrants issued by the Bank to purchase a number of non-voting common shares of BNTB having an aggregate market price equal to US\$30 million. The initial exercise price for the warrants and the price for determining the number of common shares of BNTB subject to the warrants was \$7.01 per common share. The quantity of warrants remained at 4,150,773.72 with an exercise price of \$3.614. Per the valuation model run for March 31, 2012, the value of the warrants is \$0.08 (2011 - \$0.157) per warrant which represents a total value of \$332,062 (2011 - \$651,671).

(iv) Bermuda Hospitals Board (“BHB”) Guarantee

On December 1, 2010, the Minister of Finance provided an irrevocable Guarantee Agreement to Paget Health Services Limited on behalf of the BHB to facilitate the completion of the New Hospital Project of the King Edward VII Memorial Hospital in Paget.

The design and construction related costs of the new facility are approximately \$247 million. Once construction is completed in 2014, annual service payments will commence for a period of thirty years, consisting of principal, interest, construction, lifecycle and hard facilities maintenance. A portion of the annual service payment is indexed over the thirty year period to allow for changes in the cost of living and other related facility costs.

The Guarantee Agreement guarantees the payment obligations of the BHB to Paget Health Services Limited by the Government as required by the lenders.

(b) Claims and Potential Claims

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

The total of specific amounts claimed or potential settlements which are under litigation or possible litigation as at March 31, 2012 is \$11,703,246 (2011 - \$12,502,395).

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10. Contingent Liabilities (cont'd)

(c) Base Lands Clean Up

The Government recognizes that there will be a cost for restoration of the land at the bases formerly occupied by the US military. It is anticipated that such costs would include removal of hazardous materials and clean-up.

A liability of \$40,250,000 (2011 - \$26,250,000) has been accrued, which is an estimate of the costs of the clean-up and remediation at the three former major base land sites. The estimated range is \$37.5 million to \$56.5 million.

The cost for Southside (estimated at \$10.5 million, with a range of \$10.5 million to \$20 million; \$6.5 million for work already performed has been deducted from the lower end of the estimated range) involves demolition of buildings beyond refurbishment and removal of asbestos.

The cost for clean-up of Tudor Hill (estimated at \$1 million with a range of \$1 million to \$2 million) is for removal of asbestos and demolition of buildings on the site.

Clean-up of Morgan's Point is estimated at \$28.75 million (with a range of \$26 million to \$34.5 million) to remove environmental hazards and fuel storage tanks, removal and remediation of asbestos, as well as demolition of derelict buildings. This accrual was increased by \$14 million in the current year.

The prior year's estimate was originally developed in 2003, based on orders of cost which were developed from unit rates used for clean-up at Southside and budget estimates from consultants hired by potential developers at the Morgan's Point site. The Government had a registered professional engineer conduct an independent review of the estimates in 2008, 2010 and 2012.

A request for proposal was issued by the Government in July 2009 with proposed cleanup standards for Morgan's Point. The registered professional engineer independently estimated in 2010 that if this proposal was to be contracted, it would cost the Government \$14 million to \$25 million in addition to the amounts already accrued.

The Government signed the Morgan's Point Exchange Agreement with Southlands Limited and Morgan's Point Limited. The agreement exchanged 12.454 hectares of land owned by Southlands Ltd., located in Warwick, for 66.82 acres of freehold land at Morgan's Point in Southampton. Furthermore, the agreement provides Morgan's Point Limited, as the Developer, the ability to develop an additional 128.46 acres of Leasehold property at Morgan's Point, as further detailed in the Morgan's Point Land Development Agreement, also signed and dated April 8, 2011, amongst the same parties.

Article 6 of the Morgan's Point Land Development Agreement, states the Bermuda Government is still responsible for the remediation of the Morgan's Point property to international standards deemed reasonably acceptable to the Developer. These standards are met in the RFP issued in 2009. Therefore, an additional \$14 million has been accrued in the current year to ensure the liability is within the range of the estimates developed. The registered professional engineer independently currently estimates that if this proposal was to be contracted, it would cost the Government \$34.5 million, which is the maximum of the range disclosed above.

10. Contingent Liabilities (cont'd)

(d) Hotels Concession Act 2000 and the Memorandum of Understanding between the Minister of Finance and the Bermuda Hotel Association

On February 21, 2009, the Government entered into a Memorandum of Understanding (“MoU”) with the Bermuda Hotel Association to provide exemptions for applicable hotels from the payment of payroll tax. The assessment of the exemption was to be done quarterly and, if applicable, would allow for the full exemption of the quarterly payroll tax. This MoU has been extended to March 31, 2013.

The Hotels Concession Act 2000 allows for the full or partial exemption from or deferral of payroll tax, land tax and hotel occupancy tax for hotels which undergo development deemed to be in the national economic interest of Bermuda as if it is determinable that the development will, among other considerations:

- benefit the tourism industry and the economy;
- create employment and entrepreneurial opportunities for Bermudians;
- encourage local development, or;
- employ and train Bermudians.

The concessions are granted at the discretion of the Minister of Tourism with the written agreement of the Minister of Finance for those hotels that apply for the concessions. The Hotels Concession Act 2000 permits an exemption from, either in part or in full, or deferral of the payroll tax, land tax and hotel occupancy tax for a period not exceeding five years from the hotel’s opening date.

The concession afforded to the hotels is non-refundable and in instances where the payroll tax is deemed null and void due to the MoU, the concession remains as a contra-revenue amount to be applied against any future payroll tax incurred by those hotels.

The Government is obligated to recognize the effect of the concessions when payroll tax is actually incurred unless they are dismissed by the Minister of Finance. No liability has been admitted and no provision for collectibility is included in the financial statements. Any resulting losses of payroll tax will be recorded and charged to operations in the year the payroll tax is effective.

The total of the hotel concessions as at March 31, 2012 is \$3,069,262 (2011 - \$1,201,500) which may be applied against any future payroll tax incurred (\$2,252,510) and future hotel occupancy tax incurred (\$816,752) by the applicable hotels.

(e) Air Service Agreements

(i) WestJet

On November 1, 2011, the Government renewed a Revenue Guaranty Agreement with WestJet. In consideration of the revenue guaranty provided by the Guarantor, WestJet agrees to operate scheduled daily service between Toronto and Bermuda for the period November 1, 2011 to April 30, 2012 (“Guaranty Period”).

10. Contingent Liabilities (cont'd)

The Government has guaranteed that WestJet will receive the minimum 10% operating margin for the scheduled service during the Guaranty Period. Upon the completion of the Guaranty Period, WestJet shall calculate the fully allocated profit margin consistent with the reporting process historically utilized by WestJet in determining route profitability (the "Profit Margin"). Additionally, WestJet shall deliver an operational report summarizing route specific traffic statistics, revenues, fully operating costs, profit margins, and funds required to achieve 10% profit margin to Guarantor (the "Report"). If the Profit Margin exceeds 10% during the Guaranty Period, no payment is due to WestJet. If the Profit Margin fails to reach 10% in the Guaranty Period, the Government shall pay to WestJet the difference between the actual Profit Margin and the amount of additional earnings that would hence result in a 10% Profit Margin within thirty (30) days of receipt of the Report to a maximum of \$1,450,000 USD.

The Government has established and delivered to WestJet an irrevocable Letter of Credit ("LOC") which came into effect April 14, 2010 issued by Bank of Bermuda, HSBC ("HSBC") in the amount of US\$500,000.

On August 28, 2011, the Government paid \$1,266,559 to WestJet for the revenue guarantee period of November 1, 2010 to April 30, 2011. On February 15, 2012, the Government paid \$1,000,000 to WestJet for the revenue guarantee period of May 1, 2011 to October 31, 2011.

(ii) American Airlines Inc.

On November 18, 2011, the Government entered into an Air Service Agreement with American Airlines Inc. In consideration of the Air Service Agreement provided by the Government, American Airlines shall provide regular scheduled passenger Air Service between Miami International Airport and Bermuda International Airport in both directions effective November 18, 2011 through November 17, 2012. The Government has guaranteed payment to American of any revenue shortfall during the Air Service Period, if the Total Revenue as defined in the contract, from the provision of the Air Service is less than the Minimum Revenue Requirement as set forth in the contract.

In consideration of the Air Service provided by American Airlines the Government has established and delivered an irrevocable LOC issued by HSBC in the amount of US\$1,500,000 which came into effect February 25, 2011.

On February 15, 2012, the Government paid \$361,536 to American Airlines for the fiscal year end November 2011 revenue shortfall.

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10. Contingent Liabilities (cont'd)

(f) Operating Agreement – Pembroke Hamilton Club

On September 18, 2008, the Government entered into an operating agreement with the Pembroke Hamilton Club for the use of its planned multi-purpose community complex. The Government agrees to pay a minimum of \$391,000 per year, for a twenty year period, for the use of the facilities. However, this agreement is only operational upon the issuance of the Completion Certificate issued by the Department of Planning. We are unable to determine when, or if, the Completion Certificate will be issued.

11. Non-Contractual Operational Commitments

The Government has ongoing commitments to fund a variety of programs for public welfare including health, education, social services, protection of persons and properties, and management of natural resources. The following is an analysis of the future, non-contractual, operational commitments:

	2012
	\$
2013	5,354,805
2014	16,608,666
2015	300,000
2016	300,000
2017	300,000
2018 and subsequent	<u>1,230,000</u>
Total Future Operational Commitments	<u><u>24,093,471</u></u>

Government of Bermuda – Consolidated Fund
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March 31, 2012

12. Contractual Commitments

(a) Capital Leases

The average period of capitalized leased office machines is 3 years. Leases are capitalized based on the discounted rate of 6.04% and amortized on a straight-line basis over the period of the lease.

The following is an analysis of the leases:

	2012	2011
	\$	\$
Present value of lease cost	4,602,292	4,351,940
Less: Accumulated amortization	<u>(3,903,506)</u>	<u>(3,560,100)</u>
Present value of leases payable	<u>698,786</u>	<u>791,840</u>

The following is a schedule of discounted future minimum lease payments under leases expiring up to March 31, 2016:

	2012
	\$
2013	283,395
2014	202,573
2015	81,772
2016	-
Add: Discounted Amount	<u>131,046</u>
Present value of lease obligation	<u>698,786</u>

(b) Contractual Obligation

The nature of government activity results in some large multi-year contracts and agreements of various sizes and importance. Any financial obligations resulting from these are recorded as a liability when the terms of these contracts and agreements for the acquisition of goods and services or the provision of transfer payments are met.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

12. Contractual Commitments (cont'd)

The following is an analysis of estimated future expenditures related to these contractual obligations:

	2012
	\$
2013	26,602,369
2014	3,682,879
2015	2,855,847
2016	1,657,860
2017	758,240
2018 and subsequent	<u>2,217,270</u>
Total Contractual Obligations	<u><u>37,774,465</u></u>

(c) Operating Leases

The Government rents premises under operating leases which expire at certain dates.

The following is an analysis of the future minimum operating lease payments:

	2012
	\$
2013	12,741,533
2014	11,956,448
2015	10,152,280
2016	7,507,632
2017	4,748,934
2018 and subsequent	<u>20,731,298</u>
Total Future Minimum Operating Lease Payments	<u><u>67,838,125</u></u>

13. Supplementary Estimates and Virements (Transfers)

Section 96(3) of the Bermuda Constitution Order 1968 allows for Supplementary Estimates in respect of any fiscal year it is found that (a) the amount appropriated by the appropriation law for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by that law; or (b) moneys have been expended for any purpose in excess of the amount appropriated for that purpose by the appropriation law or for a purpose to which no amount has been appropriated by that law, a supplementary estimate, showing the sum required or spent, shall be laid before the House of Assembly. Section 96(4) of the Bermuda Constitution Order 1968 requires that a Supplementary Appropriation Bill be introduced into the Legislature as soon as practical after year end of the year that supplementary estimates have been necessary.

The Public Treasury (Administration and Payments) Amendment Act 2004 allows a Permanent Secretary or a Head of Department to transfer a part of a Department's approved budget to another Department within the same Ministry, subject to the consent of the Minister of Finance. Virements do not increase the overall appropriation amount but facilitate the redeployment of approved budget resources after the start of a financial year.

During the year \$70,376,000 (2011 - \$49,969,000) in Supplementary Estimates were approved and spent which consisted of \$70,376,000 (2011 - \$49,969,000) for current expenditure and \$0 (2011 - \$0) for capital expenditure.

During the year \$18,668,147 (2011 - \$12,352,977) in virements were approved and transferred which consisted of \$5,867,896 (2011 - \$8,570,017) for current expenditure and \$12,800,251 (2011 - \$3,782,960) for capital expenditure.

Additional expenditures of \$33,774,412 (2011 - \$23,517,956) were incurred in excess of amounts appropriated by the Ministry and will require final approval, which consisted of \$25,330,112 (2011 - \$22,634,452) for current expenditure and \$8,444,300 (2011 - \$883,504) for capital expenditure.

Additional virements of \$11,484,831 (2011 - \$30,086,119) require final approval and transfer, which consisted of \$9,056,035 (2011 - \$23,111,814) for current expenditure and \$2,428,796 (2011 - \$6,974,305) for capital expenditure.

14. Related Party Transactions

(a) Funds

The Fund is related to the GEHI Fund, the CPF, the MMLPF, the Bermuda Department of Tourism North America Retirement Plan ("BDTRP"), the PSSF, the Confiscated Assets Fund, the GBSF, the Health Insurance Fund, the Mutual Re-insurance Fund, the FutureCare Fund and the Government Reserves Fund.

14. Related Party Transactions (cont'd)

The financial activities of these funds are reported separately in each fund's financial statements. The Fund provides accounting and certain administrative services to these funds. These transactions are in the normal course of operations and are measured at the appropriate exchange amount. The other activities represent the net position of contributions payable to the funds and expenses paid out of the Fund on behalf of the funds. Schedules 3 and 3(a) display details of unpaid balances due from and due to the funds which have arisen from normal operating activities. The rate of interest accruing on the balances is 7% per annum.

(b) QUANGOs and Other Related Organizations

The Fund is related to certain quasi-autonomous non-governmental organizations ("QUANGOs") and other government controlled organizations. QUANGOs are government businesses which have been established under their respective legislative incorporation acts. Other government-related organizations are organizations that are controlled by government either by the possession of shares or voting rights or by some other means.

The Fund enters into transactions with the QUANGOs and other related organizations in the normal course of business which are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Schedules 3 and 3(a) include details of balances due from and due to these entities which have arisen from normal operating activities. During the year, no interest was charged and/or incurred from or to the Fund and the various QUANGOs and other related organizations.

(i) Bermuda Monetary Authority ("BMA")

In accordance with Section 8 (3) of the Bermuda Monetary Authority Act 1969, the BMA pays a portion of its net profit (historically 50%) to the Consolidated Fund of the Government.

The BMA did not report a net profit for the year ended December 31, 2011, thus no transfer was required to be made to the Consolidated Fund.

(ii) Bermuda Land Development Company Limited ("BLDC")

On November 12, 1996 (date of inception), the Government purchased 2,500,000 common shares of BLDC. The shares are valued at par \$1 each and are held in trust by the Minister of Finance.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
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14. Related Party Transactions (cont'd)

On November 12, 1996 (date of inception), the Government purchased 2,500,000 common shares of BLDC. The shares are valued at par \$1 each and are held in trust by the Minister of Public Works.

(iii) Bermuda Housing Corporation (“BHC”)

On July 12, 2011, the Government provided a letter of comfort to the Bank of NT Butterfield (“BNTB”) on behalf of the Bermuda Housing Corporation (“BHC”) which states, “To the extent that the BHC operates programmes which do not break even, the Government appropriates annual grants which enable BHC to comply with its legislation.”

(c) Interdepartmental Transactions

Interdepartmental transactions are those transactions in which revenues and expenses are generated between Government departments and/or Ministries. These revenues and the related expenses should be eliminated from the Fund’s figures. As per Note 3(d), interdepartmental revenues and expenses are not eliminated. However, all interdepartmental revenues and expenses have been identified and are shown in Schedules 9(a) and 10(c), respectively.

15. Tangible Capital Asset Recognition

As disclosed in the Statement of Operations and Accumulated Deficit as a restatement of the 2011 financial statements, sidewalks have now been recognized as a part of infrastructure in the financial statements as at April 1, 2010. The assets in these classes purchased prior to April 1, 2010 have been recognized at amortized value. The recognition of the amortized value of these capital assets has been offset by an adjustment to the accumulated deficit, as disclosed in the Statement of Operations and Accumulated Deficit, excluded from the purchase of assets in the Statement of Cash Flow, and included at gross values in Schedule 11.

16. Bank Overdraft

As at March 28, 2012 the Government has an overdraft facility agreement at the Bank of NT Butterfield (“BNTB”) of \$50 million which expires on June 30, 2012. The facility bears interest at 1.20% per annum above the BNTB’s Bermuda Dollar base rate.

As at March 27, 2012, the Government has an overdraft facility agreement at the Bank of Bermuda, HSBC (“HSBC”) of \$90 million which expires on September 30, 2012. The

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

16. Bank Overdraft (cont'd)

daily charges applied to overdrawn balances is 1% above HSBC's base rate. Unauthorized overdraft balances are charged at 7.50% over the bank's base rate.

17. Temporary Loans Act (1973)

During the current fiscal year the Government had to meet some of its borrowing requirements by increasing overdraft facilities with local financial institutions. These amounts were raised under the Government Loans Act 1978 which provides the Minister of Finance with the authority to borrow in such manner and on such terms and conditions as may be agreed with the lenders; provided overall borrowing does not exceed \$1.45 billion.

This provision is in conflict with the Temporary Loans Act 1973 which restricts the Minister of Finance to certain forms of borrowing classified as temporary loans. The definition of a temporary loan is one in which principal and interest is to be repaid to the lender not later than fifteen months after the funds are raised. The limit for temporary loans established under this Act is 10% of annual budget estimates of expenditure approved by the House of Assembly for the financial year in which the borrowing takes place.

As the overdraft facilities described in Note 16 were for terms of less than fifteen months, these facilities could be classified as temporary loans, in which case the Government would not be in compliance with Section 2 of the Temporary Loans Act 1973.

The overdraft facilities were paid off on July 3, 2012.

18. Increase in Borrowing Limit

Effective March 27, 2012, the Government increased the legislated borrowing limit from \$1.25 billion to \$1.45 billion.

19. Increase in Borrowing

On May 20 2011, the Government entered into a Term Loan Facility Agreement with Butterfield Bank of BDA\$ 200 million. The purpose of the loan facility was to replace existing overdraft facilities, with the balance used to fund capital expenditure programs and for other budgeted governmental purposes. Interest charged on the loan is 4.95% per annum. The facility has been fully utilized.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012

20. Restatement of Prior Period

(a) Correction of Error

As disclosed in note 7, the establishment of the Unemployment Insurance Fund (the "Fund") in March 2002 should have been recorded and disclosed as a grant from the Government. Additionally, all ancillary transactions (bank deposits, interest and bank charges) relating to the Fund since its inception should be recorded as grants to the Fund from the Government increasing the offsetting liability account of the Fund. As a result of this correction, the prior years' Unemployment Insurance Fund liability account has been increased by \$1,154,180.

The prior years' Unemployment Insurance Fund liability and Accumulated Deficit have been restated accordingly.

Due To Unemployment Insurance Fund (Correction of Error)

As previously stated (March 31, 2011)	\$0
As restated:	\$1,154,180

(b) Correction of Estimate

Prior to the commencement of the fiscal year, April 1, 2010, Government employees, who had vested in the PSSF, but had left Government employment prior to being eligible to receive the pension earned ("deferred pensioners"), were allowed, when they became eligible to receive their pension, to receive the benefit of GEHI coverage.

However, after review, it was determined that under the law, deferred pensioners are not eligible for the benefit of GEHI coverage when they reach pension eligibility.

Therefore, commencing in the fiscal year April 1, 2010, the policy was adopted that deferred pensioners would no longer automatically be entitled to GEHI coverage and this benefit would be curtailed. All pensioners receiving this benefit, after previously being a deferred pensioner, will continue to receive this benefit. This policy will not be applied retroactively.

As a result of this curtailment, all deferred pensioners have been removed from the prior year's estimate of the Retirement Benefits Other than Pensions, (note 9(f)), and the obligation has been decreased by \$34,121,628.

The prior years' Pensions and Retirement Benefits and Accumulated Deficit have been restated accordingly.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2012**

20. Restatement of Prior Period (cont'd)

Pensions and Retirement Benefits (Correction of Estimate)

As previously stated (March 31, 2011)	\$1,049,575,594
As restated	\$1,015,453,966

Accumulated Deficit (Correction of Error and Estimate)

As previously stated (March 31, 2011)	\$1,295,726,324
As restated	\$1,262,758,878

21. Subsequent Events

(a) WEDCO Guarantee

On April 24, 2012, the Minister of Finance consented to the borrowing of \$36 million by WEDCO from BNTB to facilitate the completion of the Infrastructure and Housing Project in Dockyard.

The Ministry of Finance further guarantees and will make good any default on the part of WEDCO in the payment of the loan to BNTB and all related interest fees and charges due as a result of default by WEDCO until all indebtedness to BNTB has been fully discharged.

(b) Air Service Agreement – WestJet

On June 22, 2012, the Government paid \$1,450,000 to WestJet for the winter 2011 revenue guarantee.

(c) Increase in Borrowing

On June 26, 2012, the Government entered into a public bond offering in the international debt capital markets authorizing the issue and sale of \$475 million of 10-year, fixed rate bonds priced at par. The coupon and yield of the bonds are 4.138% per annum. The bonds are due in January 2023 and interest is payable semi-annually. The proceeds of these bonds were used to repay all of our outstanding short-term indebtedness with local banks and a BD\$200 million credit facility with a local bank that would have matured in 2014, with the balance to be used to fund capital expenditure programs and for other budgeted governmental purposes.

21. Subsequent Events (cont'd)

(d) Overdraft Facilities

On June 26, 2012 the overdraft facility of \$90 million (see Note 16) with HSBC was increased to \$170 million. On July 6, 2012 it reverted back to \$25 million, to expire on September 30, 2012. The daily charges applied to overdrawn balances remained at 1% above HSBC's base rate.

(e) Bermuda Housing Corporation ("BHC") Guarantee

On October 30, 2012, the Minister of Finance granted approval to the borrowing of \$36 million by BHC from BNTB to finance the purchase of the units of phase three of the Grand Atlantic Housing Development ("Grand Atlantic") and to repay the loans advanced by the bank for Grand Atlantic phases one and two. This loan facility is for a two year duration.

The Ministry of Finance further guaranteed to make good any default on the part of BHC in the payment of the loan to BNTB and all related interest fees and charges due as a result of default by BHC until all indebtedness to BNTB has been fully discharged.

22. Comparative Figures

Certain comparative figures have been restated and reclassified to conform to the current year's presentation.

Government of Bermuda - Consolidated Fund

Schedule 1: Accounts Receivable

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Office of the Tax Commissioner	164,879,657	182,218,897
Works & Engineering	5,220,326	3,642,490
Airport Operations	4,507,169	3,556,516
Registrar of Companies	3,996,988	3,761,285
Judicial Department	3,711,821	3,176,345
Telecommunications	3,290,392	2,975,324
Fire Services	2,993,334	2,437,573
Accountant General	2,888,778	631,573
Post Office	2,307,912	2,456,497
Customs	2,176,578	2,681,816
Department of Education	1,490,174	1,478,712
Department of Health	1,389,906	1,191,239
Ministry of Public Works HQ	967,680	1,063,450
Civil Aviation	829,928	167,456
Public Lands & Buildings	809,149	640,979
Public Transportation	639,581	191,751
Conservation Services	341,422	280,056
Maritime Administration	319,264	224,288
Office of the Auditor General	233,000	-
Marine & Ports Services	210,671	179,724
Human Resources	165,657	183,852
Police	165,060	119,776
Ministry of National Security HQ	154,092	-
Environmental Protection	97,627	207,900
Financial Assistance	58,410	59,810
Registry General	56,954	61,720
Information Technology Office	44,527	-
Planning	38,711	-
Transport Control Department	35,187	49,282
Ministry of Health HQ	31,708	-
Project Management & Procurement	13,773	-
Ministry of Environment, Planning & Infrastructure Str. HQ	10,500	16,500
Tourism	8,996	1,404
Parks	6,027	6,027
Child & Family Services	3,425	22,403
Land, Surveys and Registration	3,360	-
Libraries	979	1,723
Ministry of Government Estates & Information Services HQ	964	-
Attorney General's Chambers	877	1,177
Parliamentary Registrar	50	50
Youth, Sport & Recreation	-	330
	204,100,614	213,687,925
Less: Provision for Doubtful Accounts	65,129,101	47,051,065
	138,971,513	166,636,860

Government of Bermuda - Consolidated Fund Schedule 2: Inventories for Consumption

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Public Transportation	3,832,110	4,105,916
Ministry of Public Works HQ	3,332,232	5,814,378
Marine & Ports Services	2,350,197	2,491,369
Works & Engineering	2,097,020	-
Police	1,424,446	1,434,700
Department of Education	1,013,486	903,481
Department of Corrections	415,396	408,590
Health	307,525	473,097
Defence	249,457	751,113
Public Lands & Buildings	173,337	-
Conservation Services	75,818	84,512
Post Office	29,373	28,195
Border Control	-	141,422
Transport Control Department	-	53,409
	15,300,397	16,690,182
Less: Provision for Obsolescence	1,726,594	1,713,222
	13,573,803	14,976,960

Government of Bermuda - Consolidated Fund
Schedule 3: Due From Gov't Funds and Agencies

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Contributory Pension Fund	13,616,130	-
Health Insurance Fund	8,969,970	7,236,525
Government Borrowing Sinking Fund	6,520,212	6,575,219
Bermuda Hospitals Board	3,013,277	3,649,982
Confiscated Assets Fund	2,783,446	4,476,320
Government Reserves Fund	1,129,106	-
Bermuda Monetary Authority	1,063,479	1,119,846
Golf Courses	897,379	824,711
CedarBridge Academy	374,976	92,836
West End Development Corporation	299,994	382,019
Bermuda Housing Corporation	279,499	288,724
Bermuda College	274,679	307,128
Bermuda Land Development Company	183,417	91,508
Pembroke Parish Council	98,408	96,899
Bermuda Health Council	55,434	9,959
Bermuda Economic Development Corporation	30,193	30,199
Financial Intelligence Agency	28,274	32,186
Pension Commission	21,145	40,137
Parish Councils	20,865	18,846
Berkeley Institute	14,397	23,490
Bermuda Housing Trust	11,368	11,423
Whitney Institute	5,111	6,270
National Sports Centre	1,298	14,445
St. George's Preparatory School	814	2,032
Department of Tourism North American Retirement Plan	-	10,000
Sandys Secondary Middle School	-	8,238
Bermuda Educators Council	-	1,438
	39,692,871	25,350,380
Less: Provision for Doubtful Accounts	8,969,970	7,236,525
	30,722,901	18,113,855

Government of Bermuda - Consolidated Fund
Schedule 3(a): Due to Gov't Funds and Agencies

As at March 31	2012	2011
	Actual	Restated (Note 20)
	\$	\$
Bermuda Hospitals Board	24,984,362	22,121,357
Ministers and Members Pensions Fund	10,789,460	10,472,058
Public Service Superannuation Fund	2,563,962	4,366,587
Health Insurance Fund	1,476,397	640,970
Department of Tourism North American Retirement Plan	701,256	701,256
Bermuda Health Council	100,000	-
Sandys Secondary Middle School	65,841	-
West End Development Corporation	57,394	6,981
Bermuda Land Development Company	5,142	5,142
Bermuda Economic Development Corporation	3,800	3,800
Golf Courses	1,943	1,943
Bermuda College	1,672	1,672
Bermuda Housing Corporation	400	400
Contributory Pension Fund	-	9,359,040
Unemployment Insurance Fund	-	1,154,182
Government Reserves Fund	-	1,144,857
Government Employees Health Insurance Fund	-	961,770
	40,751,629	50,942,015

**Government of Bermuda - Consolidated Fund
Schedule 4: Long-Term Receivables**

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Student Loans and Teacher Training Awards	1,090,461	1,060,508
Customs Duty	432,158	843,827
	1,522,619	1,904,335

**Government of Bermuda - Consolidated Fund
Schedule 5: Accounts Payable and Accrued Liabilities**

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Base Lands Clean Up	40,250,000	26,250,000
Department Trade Accounts	39,705,206	43,720,679
Deposits Held	18,224,385	15,564,893
Employees' Leave Entitlements	17,879,671	18,788,777
Interest on Debt	17,320,437	17,174,018
Teachers' Salaries & Leave Entitlements	9,749,741	9,089,152
Guarantee Payable to WEDCO (Note 10(a))	7,142,858	8,571,429
Salaries, Wages and Benefits	3,228,533	6,476,471
Leases Payable	567,740	731,014
	154,068,571	146,366,433

Government of Bermuda - Consolidated Fund Schedule 6: Deferred Revenue

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Transport Control Department	17,076,161	17,706,189
Civil Aviation	11,534,493	10,681,720
Economy, Trade & Industry HQ	4,507,641	-
Post Office	419,367	423,994
Police	160,030	145,727
Environmental Protection	109,836	109,836
Public Lands & Buildings	90,812	90,812
Health Department	62,874	44,818
Parks	27,927	46,278
Youth, Sport & Recreation	27,688	27,837
Tourism	24,661	18,845
Marine & Ports Services	3,975	942,532
Border Control	-	3,904,163
	34,045,465	34,142,751

Government of Bermuda - Consolidated Fund
Schedule 7: Interest Bearing Debt - Net of Sinking Fund

As at March 31

	2012	2011
	Actual	Actual
	\$	\$
Loan Facility - US\$		
Issue Date: May 18, 2011		
Interest: 4.95% payable annually		
Facility Fee: 0.5% per annum payable quarterly		
Loan Due: April 30, 2014	200,000,000	-
Senior Notes Due 2020 - US\$		
Issue Date: July 13, 2010		
Interest: 5.60% payable semi-annually		
January 20 and July 20		
Notes Due: July 20, 2020	500,000,000	500,000,000
Senior Notes Due 2019 - US\$		
Issue Date: November 10, 2009		
Interest: 5.93% payable semi-annually		
November 10 and May 10		
Notes Due: November 10, 2019	80,000,000	80,000,000
Senior Notes Due 2016- US\$		
Issue Date: November 10, 2009		
Interest: 5.27% payable semi-annually		
November 10 and May 10		
Notes Due: November 10, 2016	60,000,000	60,000,000
Senior Notes Due 2019 - US\$		
Issue Date: May 21, 2009		
Interest: 7.38% payable semi-annually		
May 21 and November 21		
Notes Due: May 21, 2019	100,000,000	100,000,000
Senior Notes Due 2016 - US\$		
Issue Date: May 21, 2009		
Interest: 6.98% payable semi-annually		
May 21 and November 21		
Notes Due: May 21, 2016	30,000,000	30,000,000
Senior Notes Due 2014 - US\$		
Issue Date: May 21, 2009		
Interest: 6.55% payable semi-annually		
May 21 and November 21		
Notes Due: May 21, 2014	45,000,000	45,000,000
Senior Notes Due 2022 - US\$		
Issue Date: December 4, 2007		
Interest: 5.73% payable semi-annually		
June 4 and December 4		
Notes Due: December 4, 2022	140,000,000	140,000,000
Senior Notes Due 2014 - US\$		
Issue Date: June 10, 2004		
Interest: 5.39% payable semi-annually		
June 10 and December 10		
Notes Due: June 10, 2014	75,000,000	75,000,000
	1,230,000,000	1,030,000,000
Less: Sinking Fund (Note 5)	114,747,081	85,508,498
	1,115,252,919	944,491,502

Government of Bermuda - Consolidated Fund Schedule 8: Revenue By Type

For the year ended March 31	2012 Original Estimates	2012 Actual	2011 Actual
	\$	\$	\$
Taxes & Duties			
Payroll Tax	350,000,000	344,702,370	423,049,799
Customs Duty	200,000,000	180,696,578	195,807,157
Land Tax	52,000,000	52,312,877	49,131,169
Passenger Tax	34,370,000	35,068,899	32,345,082
	636,370,000	612,780,724	700,333,207
Other Taxes & Duties			
Stamp Duty	26,292,000	25,112,718	35,362,265
Foreign Currency Purchase Tax	27,000,000	23,106,834	24,712,350
Non-Bermudian Land Acquisition Tax	11,351,000	12,121,040	15,397,432
Hotel Occupancy Tax	9,500,000	10,906,607	7,028,453
Corporate Services Tax	3,600,000	3,244,309	3,298,216
Betting Tax	850,000	1,487,450	1,365,234
Timesharing Tax	200,000	578,519	56,903
	78,793,000	76,557,477	87,220,853
Total Taxes & Duties	715,163,000	689,338,201	787,554,060
Fees, Permits & Licences			
International Companies	68,515,000	60,479,284	61,455,783
Vehicle Licences & Registration	25,207,000	26,671,933	26,582,795
Registration of Aircraft	20,634,000	23,196,885	17,393,790
Telecommunications	15,300,000	13,661,343	12,498,062
Air Terminal & Aviation	10,748,000	10,809,825	9,985,287
Wharfage	7,750,000	8,968,804	1,637,275
Immigration	16,605,000	8,730,480	10,212,606
Bus Transportation	7,900,000	7,989,490	8,345,834
Postal Services	5,424,000	5,369,529	5,455,532
Water	4,738,000	5,180,296	5,081,512
Registration of Shipping	3,126,000	4,208,866	3,545,808
Solid Waste Services	3,520,000	4,111,317	3,481,115
Services to Seaborne Shipping	2,547,000	3,036,162	2,708,111
Local Companies	3,149,000	2,778,498	3,320,615
Rentals	2,261,000	2,493,836	2,014,078
Other Customs Fees & Charges	745,000	2,265,187	1,911,627
Ferry Services	1,314,000	1,854,422	1,123,546
Trade and Service Mark	1,381,000	1,788,790	1,689,651
Planning Fees and Searches	937,000	828,304	1,355,786
Companies Licences	475,000	595,049	347,487
Liquor Licences	351,000	326,345	319,125
Plant Production and Marketing Centre	425,000	280,906	126,441
Insurance Fees	-	107,742	121,600
	203,052,000	195,733,293	180,713,466
Other Revenue			
Other	14,343,000	22,821,646	21,599,480
Fines & Forfeitures	3,983,000	2,822,806	4,151,439
	18,326,000	25,644,452	25,750,919
Investment Income	3,500,000	3,465,694	2,709,960
	21,826,000	29,110,146	28,460,879
TOTAL REVENUE	940,041,000	914,181,640	996,728,405

Government of Bermuda - Consolidated Fund
Schedule 9: Revenue By Ministry / Department

For the year ended March 31	2012 Original Estimates	2012 Actual	2011 Actual
	\$	\$	\$
Non-Ministry Departments			
05 Office of the Auditor General	807,000	798,777	577,061
63 Parliamentary Registrar	252,000	177,278	262,740
01 Governor & Staff	-	7,260	9,526
92 Internal Audit	-	1,493	1,456
02 Legislature	2,000	-	-
85 Ombudsman's Office	-	(486)	-
	1,061,000	984,322	850,783
Cabinet Office Departments			
09 Cabinet Office	-	9,298	2,520
26 Department of Human Resources	-	60	-
14 Department of Statistics	-	(9,471)	-
	-	(113)	2,520
Ministry of Transport			
34 Transport Control Department	25,208,000	27,029,093	26,574,443
57 Civil Aviation	20,664,000	23,305,390	17,434,950
31 Airport Operations	11,798,000	11,971,054	11,127,278
35 Public Transportation	7,900,000	8,008,415	8,360,301
30 Marine & Ports Services	4,552,000	6,172,528	4,977,227
73 Maritime Administration	3,125,000	4,230,376	3,561,986
48 Ministry of Transport HQ	-	33,098	-
	73,247,000	80,749,954	72,036,185
Ministry of Justice			
03 Judicial Department	8,567,000	6,932,883	12,009,231
88 National Drug Control	64,000	48,203	699,712
87 Ministry of Justice HQ	-	32,074	2,643,590
74 Court Services	-	2,949	(2,564)
25 Department of Corrections	-	1,954	-
75 Department of Public Prosecutions	-	838	95,974
04 Attorney General's Chambers	-	113	1,065
	8,631,000	7,019,014	15,447,008
Ministry of Finance			
38 Office of the Tax Commissioner	499,560,000	492,874,678	568,719,993
12 Customs	209,264,000	196,995,020	202,640,880
11 Accountant General	3,500,000	3,987,122	3,956,259
10 Ministry of Finance HQ	2,000,000	2,022,465	2,002,267
28 Department of Social Insurance	-	9,225	-
	714,324,000	695,888,510	777,319,399
Ministry of Education			
17 Department of Education	220,000	195,366	189,689
	220,000	195,366	189,689
Ministry of Health			
22 Health Department	2,246,000	2,997,293	2,445,376
91 Health Insurance	-	4,500	137,717
21 Ministry of Health HQ	-	348	-
	2,246,000	3,002,141	2,583,093

Government of Bermuda - Consolidated Fund
Schedule 9: Revenue By Ministry / Department (cont'd)

For the year ended March 31	2012 Original Estimates	2012 Actual	2011 Actual
	\$	\$	\$
Ministry of the Environment, Planning & Infrastructure Strategy			
46 Telecommunications	15,299,000	13,661,343	12,450,556
32 Department of Planning	1,047,000	1,002,073	1,460,863
72 Environmental Protection	737,000	596,664	782,179
50 Ministry of the Environment, Planning & Infr. Str. HQ	18,000	17,551	17,513
49 Land Valuation	-	530	15
97 Land, Surveys & Registration	-	455	-
42 Rent Commissioner	1,000	245	170
	17,102,000	15,278,861	14,711,296
Ministry of Youth, Families, Sports & Community Development			
20 Youth, Sport & Recreation	779,000	902,794	876,053
52 Community and Cultural Affairs	210,000	155,384	211,073
23 Child & Family Services	90,000	109,981	93,371
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	-	7,093	720
56 Human Affairs	-	26	5,616
55 Financial Assistance	-	-	139,135
	1,079,000	1,175,278	1,325,968
Ministry of National Security			
27 Border Control	12,406,000	12,895,181	25,606,754
45 Fire Services	712,000	559,197	(280,281)
07 Police	477,000	501,517	470,554
06 Defence	-	23,515	90,748
83 Ministry of National Security HQ	-	12,144	-
	13,595,000	13,991,554	25,887,775
Ministry of Economy, Trade & Industry			
94 Ministry Economy, Trade & Industry HQ	15,550,000	7,953,214	-
13 Post Office	5,453,000	5,399,814	5,608,905
60 Labour & Training	242,000	4,640	24,994
	21,245,000	13,357,668	5,633,899
Ministry of Public Works			
82 Works & Engineering	9,968,000	11,468,254	10,137,810
69 Conservation Services	825,000	900,512	591,201
36 Min. of Public Works HQ	122,000	750,040	96,225
68 Parks	254,000	258,456	210,301
	11,169,000	13,377,262	11,035,537
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	1,750,000	2,086,073	1,589,582
29 Registry General	852,000	1,115,207	1,942,960
18 Libraries	14,000	17,879	16,330
19 Department of Archives	4,000	2,902	4,546
43 Information Technology Office	-	-	2,706
	2,620,000	3,222,061	3,556,124
Ministry of Business Development & Tourism			
39 Registrar of Companies	72,738,000	64,935,135	65,834,010
95 Min. of Business Dev. & Tourism HQ	732,000	956,898	-
33 Tourism	32,000	35,929	315,119
67 E- Commerce	-	11,800	-
	73,502,000	65,939,762	66,149,129
TOTAL REVENUE	940,041,000	914,181,640	996,728,405

Government of Bermuda - Consolidated Fund
Schedule 9(a): Interdepartmental Revenue By Ministry / Department

For the year ended March 31	2012 Interdepartmental Revenue	2012 Gross Revenue Actual	2012 Net Revenue
	\$	\$	\$
Non-Ministry Departments			
05 Office of the Auditor General	-	798,777	798,777
63 Parliamentary Registrar	50	177,278	177,228
01 Governor & Staff	-	7,260	7,260
92 Internal Audit	-	1,493	1,493
02 Legislature	-	-	-
85 Ombudsman's Office	-	(486)	(486)
	50	984,322	984,272
Cabinet Office Departments			
09 Cabinet Office	-	9,298	9,298
26 Department of Human Resources	144	60	(84)
14 Department of Statistics	-	(9,471)	(9,471)
	144	(113)	(257)
Ministry of Transport			
34 Transport Control Department	-	27,029,093	27,029,093
57 Civil Aviation	-	23,305,390	23,305,390
31 Airport Operations	43,498	11,971,054	11,927,556
35 Public Transportation	22,714	8,008,415	7,985,701
30 Marine & Ports Services	84	6,172,528	6,172,444
73 Maritime Administration	16,200	4,230,376	4,214,176
48 Ministry of Transport HQ	-	33,098	33,098
	82,496	80,749,954	80,667,458
Ministry of Justice			
03 Judicial Department	10,643	6,932,883	6,922,240
88 National Drug Control	-	48,203	48,203
87 Ministry of Justice HQ	-	32,074	32,074
74 Court Services	-	2,949	2,949
25 Department of Corrections	5,288	1,954	(3,334)
75 Department of Public Prosecutions	-	838	838
04 Attorney General's Chambers	-	113	113
	15,931	7,019,014	7,003,083
Ministry of Finance			
38 Office of the Tax Commissioner	35,559	492,874,678	492,839,119
12 Customs	586,876	196,995,020	196,408,144
11 Accountant General	275	3,987,122	3,986,847
10 Ministry of Finance HQ	-	2,022,465	2,022,465
28 Department of Social Insurance	85	9,225	9,140
	622,795	695,888,510	695,265,715
Ministry of Education			
17 Department of Education	240	195,366	195,126
	240	195,366	195,126
Ministry of Health			
22 Health Department	65	2,997,293	2,997,228
91 Health Insurance	-	4,500	4,500
21 Ministry of Health HQ	-	348	348
	65	3,002,141	3,002,076

Government of Bermuda - Consolidated Fund
Schedule 9(a): Interdepartmental Revenue By Ministry / Department

For the year ended March 31	2012 Interdepartmental Revenue	2012 Gross Revenue Actual	2012 Net Revenue
	\$	\$	\$
Ministry of the Environment, Planning & Infrastructure Strategy			
46 Telecommunications	1,330	13,661,343	13,660,013
32 Department of Planning	4,070	1,002,073	998,003
72 Environmental Protection	1,351	596,664	595,313
50 Ministry of the Environment, Planning & Infr. Str. HQ	500	17,551	17,051
49 Land Valuation	-	530	530
97 Land, Surveys & Registration	65	455	390
42 Rent Commissioner	-	245	245
	7,316	15,278,861	15,271,545
Ministry of Youth, Families, Sports & Community Development			
20 Youth, Sport & Recreation	78,198	902,794	824,596
52 Community and Cultural Affairs	130	155,384	155,254
23 Child & Family Services	-	109,981	109,981
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	-	7,093	7,093
56 Human Affairs	-	26	26
55 Financial Assistance	-	-	-
	78,328	1,175,278	1,096,950
Ministry of National Security			
27 Border Control	4,438	12,895,181	12,890,743
45 Fire Services	3,282	559,197	555,915
07 Police	970	501,517	500,547
06 Defence	-	23,515	23,515
83 Ministry of National Security HQ	-	12,144	12,144
	8,690	13,991,554	13,982,864
Ministry of Economy, Trade & Industry			
94 Ministry Economy, Trade & Industry HQ	-	7,953,214	7,953,214
13 Post Office	9,201	5,399,814	5,390,613
60 Labour & Training	-	4,640	4,640
	9,201	13,357,668	13,348,467
Ministry of Public Works			
82 Works & Engineering	706,897	11,468,254	10,761,357
69 Conservation Services	156	900,512	900,356
36 Min. of Public Works HQ	618	750,040	749,422
68 Parks	-	258,456	258,456
	707,671	13,377,262	12,669,591
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	3,500	2,086,073	2,082,573
29 Registry General	1,170	1,115,207	1,114,037
18 Libraries	-	17,879	17,879
19 Department of Archives	-	2,902	2,902
43 Information Technology Office	94	-	(94)
	4,764	3,222,061	3,217,297
Ministry of Business Development & Tourism			
39 Registrar of Companies	-	64,935,135	64,935,135
95 Min. of Business Dev. & Tourism HQ	-	956,898	956,898
33 Tourism	-	35,929	35,929
67 E- Commerce	-	11,800	11,800
	-	65,939,762	65,939,762
TOTAL REVENUE	1,537,691	914,181,640	912,643,949

**Government of Bermuda - Consolidated Fund
Schedule 10: Expenses By Program**

For the year ended March 31		2012	2012	2012	2012	2011
		Capital	Capital	Current	Total	Total
		Development	Acquisition	Expenses	Actual	Actual
		\$	\$	\$	\$	\$
Economic Development						
11	Accountant General	-	26,799	85,189,099	85,215,898	86,457,250
82	Works & Engineering	3,423,050	-	52,244,936	55,667,986	46,626,280
81	Public Lands & Buildings	1,739,736	-	41,096,293	42,836,029	27,705,695
33	Tourism	-	-	30,207,319	30,207,319	39,288,193
31	Airport Operations	397,581	4,037	25,194,093	25,595,711	24,694,849
36	Ministry of Public Works HQ	763,149	177,844	24,270,491	25,211,484	7,536,106
35	Public Transportation	1,754	24,450	23,598,008	23,624,212	23,266,513
30	Marine & Ports Services	-	19,705	23,094,307	23,114,012	22,504,602
13	Post Office	48	124,836	14,181,396	14,306,280	15,124,690
38	Office of the Tax Commissioner	-	-	12,436,940	12,436,940	13,347,860
10	Ministry of Finance HQ	-	30,000	10,955,162	10,985,162	12,659,735
43	Information Technology Office	-	1,439,454	9,292,626	10,732,080	9,796,311
57	Civil Aviation	-	75,730	8,413,697	8,489,427	7,722,598
12	Customs	-	(88,791)	8,092,349	8,003,558	20,064,256
34	Transport Control Department	-	-	6,698,711	6,698,711	6,547,116
95	Ministry of Business Development & Tourism HQ	-	-	4,667,279	4,667,279	-
05	Office of the Auditor General	-	57,522	3,863,399	3,920,921	3,271,645
32	Department of Planning	-	-	3,634,469	3,634,469	3,909,764
39	Registrar of Companies	-	2,421	3,129,882	3,132,303	3,068,541
94	Ministry of Economy, Trade & Industry HQ	-	486	2,334,111	2,334,597	-
73	Maritime Administration	-	4,100	2,053,489	2,057,589	1,605,678
80	Project Management & Procurement	308,753	-	1,477,815	1,786,568	1,297,608
46	Telecommunications	98,200	-	1,620,102	1,718,302	3,419,986
97	Land, Surveys & Registration	-	8,535	1,343,314	1,351,849	-
29	Registry General	-	-	1,331,958	1,331,958	1,789,691
49	Land Valuation	-	11,900	1,081,219	1,093,119	641,902
48	Ministry of Transport HQ	23,838	-	1,037,046	1,060,884	4,149,865
84	E-Government	-	65,059	990,488	1,055,547	1,235,794
67	E-Commerce	-	-	548,186	548,186	998,673
96	Sustainable Development	-	-	517,396	517,396	-
93	Ministry of Government Estates & Inform. Services HQ	-	-	515,946	515,946	-
89	Energy	-	-	436,728	436,728	696,945
90	Energy, Telecommunications and E-Commerce HQ	-	-	(17,546)	(17,546)	531,907
	Amortization (Note 3(f))	-	-	-	-	43,156,723
		6,756,109	1,984,087	405,530,708	414,270,904	433,116,776
Health						
24	Hospitals	-	120,000	142,698,074	142,818,074	160,927,282
22	Health Department	56,086	112,184	30,325,520	30,493,790	30,883,607
91	Health Insurance	-	-	13,600,483	13,600,483	20,273,623
21	Ministry of Health HQ	-	-	11,915,339	11,915,339	15,291,715
28	Department of Social Insurance	-	-	8,303,921	8,303,921	9,695,046
		56,086	232,184	206,843,337	207,131,607	237,071,273
National Security						
07	Police	108,343	268,167	69,451,897	69,828,407	72,643,070
25	Corrections	80,260	3,814	29,272,748	29,356,822	30,640,962
45	Fire Services	36,088	56,057	17,542,550	17,634,695	14,079,869
27	Border Control	-	31,195	17,379,601	17,410,796	5,833,503
03	Judicial Department	-	27,629	8,924,865	8,952,494	9,132,868
06	Defence	25,324	1,776	7,442,831	7,469,931	8,007,479
87	Ministry of Justice HQ	-	(370)	6,998,254	6,997,884	8,316,761
04	Attorney General's Chambers	-	-	3,875,574	3,875,574	4,197,325
74	Court Services	-	8,905	3,540,614	3,549,519	4,481,303
75	Department of Public Prosecutions	-	-	2,550,290	2,550,290	2,374,099
83	Ministry of National Security HQ	-	-	1,345,028	1,345,028	5,709,904
54	Security Services & Delegated Affairs	-	-	(8,006)	(8,006)	180
		250,015	397,173	168,316,246	168,963,434	165,417,323
Education						
17	Department of Education	794,856	350,291	120,855,654	122,000,801	127,667,492
41	Bermuda College	-	-	18,119,000	18,119,000	19,869,313
60	Labour & Training	-	-	5,485,283	5,485,283	7,047,234
16	Ministry of Education HQ	-	-	3,810,693	3,810,693	2,575,119
		794,856	350,291	148,270,630	149,415,777	157,159,158

Government of Bermuda - Consolidated Fund
Schedule 10: Expenses By Program (cont'd)

For the year ended March 31

	2012 Capital Development	2012 Capital Acquisition	2012 Current Expenses	2012 Total Actual	2011 Total Actual
	\$	\$	\$	\$	\$
Social Services & Assistance					
55 Financial Assistance	-	-	38,674,696	38,674,696	37,402,231
23 Child & Family Services	-	28,899	16,017,687	16,046,586	19,697,021
53 Bermuda Housing Corporation	-	-	6,587,000	6,587,000	7,000,000
88 National Drug Control	-	-	4,132,149	4,132,149	5,955,074
52 Community & Cultural Affairs	-	-	3,817,738	3,817,738	4,532,386
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	-	215	2,849,528	2,849,743	4,289,232
42 Rent Commissioner	-	-	554,792	554,792	525,360
	-	29,114	72,633,590	72,662,704	79,401,304
Other General Government Services					
20 Youth, Sport & Recreation	-	37,869	10,865,421	10,903,290	11,802,615
68 Parks	327,707	(8,209)	10,484,198	10,803,696	11,347,632
09 Cabinet Office	-	19,124	6,891,178	6,910,302	8,427,525
02 Legislature	6,544	82,772	5,520,620	5,609,936	4,974,715
69 Conservation Services	189,498	8,307	5,235,580	5,433,385	5,277,487
26 Department of Human Resources	-	(14,764)	4,013,108	3,998,344	4,723,497
72 Environmental Protection	24,589	-	3,233,074	3,257,663	3,928,214
14 Department of Statistics	-	9,865	2,765,598	2,775,463	4,883,507
51 Department of Communication & Information	-	56,904	2,661,882	2,718,786	2,445,984
18 Libraries	-	2,394	2,390,042	2,392,436	2,355,901
56 Human Affairs	-	-	2,251,731	2,251,731	2,947,983
01 Governor & Staff	-	-	1,782,323	1,782,323	1,625,140
19 Department of Archives	-	2,871	1,399,631	1,402,502	1,595,495
92 Internal Audit	-	-	1,372,206	1,372,206	1,429,166
63 Parliamentary Registrar	-	58,745	920,191	978,936	820,028
50 Ministry of the Environment, Planning & Infra. Strategy HQ	9,140	-	871,818	880,958	796,209
85 Ombudsman's Office	-	7,207	802,883	810,090	703,911
08 Public Service Commission	-	-	(45)	(45)	84,918
15 Department of Management Services	-	-	(3,810)	(3,810)	-
	557,478	263,085	63,457,629	64,278,192	70,169,927
Interest on Debt					
58 Interest on Debt	-	-	67,592,428	67,592,428	55,297,892
	-	-	67,592,428	67,592,428	55,297,892
Pensions and Other Employee Future Benefits					
Retirement Benefit Expenses	-	-	113,096,438	113,096,438	110,880,113
	-	-	113,096,438	113,096,438	110,880,113
TOTAL EXPENSES	8,414,544	3,255,934	1,245,741,006	1,257,411,484	1,308,513,766

**Government of Bermuda - Consolidated Fund
Schedule 10(a): Current Expenses By Type**

For the year ended March 31	2012 Original Estimates	2012 Actual	2011 Actual
	\$	\$	\$
Employees			
Salaries	301,276,000	306,594,789	302,299,743
Retirement Benefit Expenses (Note 4(b)(ii))	31,531,815	152,054,080	148,395,639
Wages	70,593,000	85,288,493	99,274,093
Employer Overhead	36,129,185	31,976,564	32,743,105
Training	6,520,000	3,824,956	5,665,893
Compensated Absences	-	2,325,036	659,385
Other Personnel Costs	9,250,000	1,552,274	10,707,145
	455,300,000	583,616,192	599,745,003
Operations			
Grants & Contributions	227,387,000	274,257,810	277,155,948
Professional Services	79,376,000	99,198,233	119,069,697
Interest on Debt	70,700,000	71,067,016	58,728,649
Amortization (Note 3(f))	-	46,544,663	43,156,723
Materials & Supplies	27,692,000	27,167,645	32,857,391
Energy	20,050,000	20,656,630	20,120,149
Bad Debts	-	18,852,186	19,614,898
Repairs & Maintenance	20,796,000	18,343,514	21,886,848
Rentals	18,383,000	17,766,475	18,125,043
Other	3,675,000	16,014,812	2,940,435
Advertising & Promotion	16,146,000	15,663,553	19,224,464
Insurance	12,895,000	13,028,695	12,977,250
Communications	9,074,000	10,038,866	10,636,735
Transport	6,576,000	5,610,817	6,829,739
Travel	5,360,000	3,618,687	5,016,775
Clothing & Uniforms	2,161,000	2,001,481	2,165,129
Bank Charges & Commissions	-	1,513,402	968,508
Equipment	1,128,000	780,329	1,431,226
Transfer to Other Funds (Note 4(b)(iii))	25,750,000	-	-
	547,149,000	662,124,814	672,905,607
TOTAL CURRENT EXPENSES	1,002,449,000	1,245,741,006	1,272,650,610

Government of Bermuda - Consolidated Fund
Schedule 10(b): Current Expenses By Ministry / Department

For the year ended March 31	2012 Original Estimates \$	2012 Actual \$	2011 Actual \$
Non-Ministry Departments			
02 Legislature	5,367,000	5,520,620	5,010,289
05 Office of the Auditor General	4,049,000	3,863,399	3,275,930
01 Governor & Staff	1,685,000	1,782,323	1,625,140
92 Internal Audit	1,703,000	1,372,206	1,426,496
63 Parliamentary Registrar	1,035,000	920,191	820,028
85 Ombudsman's Office	826,000	802,883	703,911
08 Public Service Commission	-	-	84,918
	14,665,000	14,261,622	12,946,712
Cabinet Office Departments			
09 Cabinet Office	6,774,000	6,891,178	8,425,922
26 Department of Human Resources	5,577,000	4,009,253	4,713,009
14 Department of Statistics	3,243,000	2,765,598	4,876,199
51 Department of Communication & Information	2,600,000	2,661,882	2,440,610
	18,194,000	16,327,911	20,455,740
Ministry of Transport			
31 Airport Operations	20,501,000	25,194,093	23,851,661
35 Public Transportation	18,388,000	23,598,008	23,266,513
30 Marine & Ports Services	18,897,000	23,094,307	22,393,151
57 Civil Aviation	9,141,000	8,413,697	7,682,316
34 Transport Control Department	6,659,000	6,698,711	6,533,528
73 Maritime Administration	1,640,000	2,053,489	1,605,678
48 Ministry of Transport HQ	1,000,000	1,037,046	2,589,954
	76,226,000	90,089,351	87,922,801
Ministry of Justice			
25 Corrections	27,389,000	29,272,748	30,482,512
03 Judicial Department	8,049,000	8,924,865	9,111,153
87 Ministry of Justice HQ	2,956,000	6,998,254	8,310,563
88 National Drug Control	3,946,000	4,132,149	5,955,074
04 Attorney General's Chambers	4,358,000	3,875,574	4,081,156
74 Court Services	4,511,000	3,540,614	4,481,303
75 Department of Public Prosecutions	2,992,000	2,550,290	2,374,099
	54,201,000	59,294,494	64,795,860
Ministry of Finance			
Retirement Benefit Expenses	-	113,096,438	110,880,113
11 Accountant General	78,087,000	85,189,099	86,436,679
58 Interest on Debt	70,000,000	67,592,428	55,297,892
38 Office of the Tax Commissioner	3,515,000	12,436,940	13,334,160
10 Ministry of Finance HQ	10,581,000	10,955,162	12,634,572
28 Department of Social Insurance	5,150,000	8,303,921	9,695,046
12 Customs	7,650,000	8,092,349	20,000,981
80 Project Management & Procurement	1,300,000	1,477,815	1,156,068
59 Sinking Fund Contribution	25,750,000	-	-
	202,033,000	307,144,152	309,435,511
Ministry of Education			
17 Department of Education	105,544,000	120,855,654	125,978,285
41 Bermuda College	18,119,000	18,119,000	19,869,313
16 Ministry of Education HQ	4,495,000	3,810,693	2,575,119
	128,158,000	142,785,347	148,422,717
Ministry of Health			
24 Hospitals	123,198,000	142,698,074	150,184,153
22 Health Department	31,396,000	30,325,520	30,507,599
91 Health Insurance	4,989,000	13,600,483	20,273,623
21 Ministry of Health HQ	12,598,000	11,915,339	15,291,715
	172,181,000	198,539,416	216,257,090

Government of Bermuda - Consolidated Fund
Schedule 10(b): Current Expenses By Ministry / Department (cont'd)

For the year ended March 31	2012 Original Estimates	2012 Actual	2011 Actual
	\$	\$	\$
Ministry of the Environment Planning & Infrastructure Strategy			
32 Department of Planning	3,933,000	3,634,469	3,909,764
72 Environmental Protection	3,515,000	3,233,074	3,827,780
46 Telecommunications	1,529,000	1,620,102	3,236,371
97 Land, Surveys & Registration	1,802,000	1,343,314	-
49 Land Valuation	787,000	1,081,219	641,902
50 Ministry of the Environment, Planning & Infra. Strategy HQ	822,000	871,818	782,056
42 Rent Commissioner	588,000	554,792	525,360
96 Sustainable Development	515,000	517,396	-
89 Energy	754,000	436,728	696,945
	14,245,000	13,292,912	13,620,178
Ministry of Youth, Families, Sports & Community Development			
55 Financial Assistance	27,467,000	38,674,696	37,375,262
23 Child & Family Services	17,413,000	16,017,687	19,697,021
20 Youth, Sport & Recreation	11,517,000	10,865,421	11,800,910
52 Community & Cultural Affairs	3,877,000	3,817,738	4,532,386
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	3,703,000	2,849,528	4,289,232
56 Human Affairs	2,230,000	2,251,731	2,947,721
	66,207,000	74,476,801	80,642,532
Ministry of National Security			
07 Police	58,203,000	69,451,897	71,816,859
45 Fire Services	12,897,000	17,542,550	13,977,270
27 Border Control	14,797,000	17,379,601	5,746,988
06 Defence	6,913,000	7,442,831	7,997,556
53 Bermuda Housing Corporation	6,587,000	6,587,000	7,000,000
83 Ministry of National Security HQ	1,445,000	1,337,022	1,863,627
	100,842,000	119,740,901	108,402,300
Ministry of Economy, Trade & Industry			
13 Post Office	14,953,000	14,181,396	14,921,680
60 Labour & Training	6,235,000	5,485,283	7,047,234
94 Ministry of Economy, Trade & Industry HQ	2,425,000	2,334,111	-
	23,613,000	22,000,790	21,968,914
Ministry of Public Works			
82 Works & Engineering	33,658,000	52,244,936	41,970,884
36 Ministry of Public Works HQ	5,688,000	24,270,491	7,255,901
68 Parks	10,955,000	10,484,198	11,067,157
69 Conservation Services	5,698,000	5,235,580	5,113,670
Amortization (Note 3(f))	-	-	43,156,723
	55,999,000	92,235,205	108,564,335
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	20,620,000	41,096,293	24,639,914
43 Information Technology Office	7,885,000	9,292,626	8,467,015
18 Libraries	2,348,000	2,390,042	2,351,345
19 Department of Archives	1,529,000	1,399,631	1,589,385
29 Registry General	1,464,000	1,331,958	1,789,691
84 E-Government	1,097,000	990,488	1,042,179
93 Ministry of Govt Estates & Information Services HQ	600,000	515,946	-
90 Energy, Telecommunications and E-Commerce HQ	-	(17,546)	531,907
	35,543,000	56,999,438	40,411,436
Ministry of Business Development & Tourism			
33 Tourism	30,245,000	30,207,319	34,785,263
95 Ministry of Business Dev. & Tourism HQ	5,383,000	4,667,279	-
39 Registrar of Companies	3,634,000	3,129,882	3,020,548
67 E-Commerce	1,080,000	548,186	998,673
	40,342,000	38,552,666	38,804,484
TOTAL CURRENT EXPENSES	1,002,449,000	1,245,741,006	1,272,650,610

Government of Bermuda - Consolidated Fund
Schedule 10(c): Interdepartmental Current Expenses By Ministry/Department

For the year ended March 31	2012 Interdepartmental Expense	2012 Actual Gross Expense	2012 Net Expense
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	-	5,520,620	5,520,620
05 Office of the Auditor General	3,245	3,863,399	3,860,154
01 Governor & Staff	9,674	1,782,323	1,772,649
92 Internal Audit	-	1,372,206	1,372,206
63 Parliamentary Registrar	694	920,191	919,497
85 Ombudsman's Office	-	802,883	802,883
	13,613	14,261,622	14,248,009
Cabinet Office Departments			
09 Cabinet Office	135	6,891,178	6,891,043
26 Department of Human Resources	1,412	4,009,253	4,007,841
14 Department of Statistics	260	2,765,598	2,765,338
51 Department of Communication & Information	8,526	2,661,882	2,653,356
	10,333	16,327,911	16,317,578
Ministry of Transport			
31 Airport Operations	1,545	25,194,093	25,192,548
35 Public Transportation	120,143	23,598,008	23,477,865
30 Marine & Ports Services	14,762	23,094,307	23,079,545
57 Civil Aviation	16,200	8,413,697	8,397,497
34 Transport Control Department	1,422	6,698,711	6,697,289
73 Maritime Administration	1,888	2,053,489	2,051,601
48 Ministry of Transport HQ	618	1,037,046	1,036,428
	156,578	90,089,351	89,932,773
Ministry of Justice			
25 Corrections	196,344	29,272,748	29,076,404
03 Judicial Department	1,899	8,924,865	8,922,966
87 Ministry of Justice HQ	-	6,998,254	6,998,254
88 National Drug Control	4,800	4,132,149	4,127,349
04 Attorney General's Chambers	-	3,875,574	3,875,574
74 Court Services	8,695	3,540,614	3,531,919
75 Department of Public Prosecutions	102	2,550,290	2,550,188
	211,840	59,294,494	59,082,654
Ministry of Finance			
Retirement Benefit Expenses	-	113,096,438	113,096,438
11 Accountant General	2,911	85,189,099	85,186,188
58 Interest on Debt	-	67,592,428	67,592,428
38 Office of the Tax Commissioner	-	12,436,940	12,436,940
10 Ministry of Finance HQ	631	10,955,162	10,954,531
28 Department of Social Insurance	547	8,303,921	8,303,374
12 Customs	2,405	8,092,349	8,089,944
80 Project Management & Procurement	45	1,477,815	1,477,770
	6,539	307,144,152	307,137,613
Ministry of Education			
17 Department of Education	99,825	120,855,654	120,755,829
41 Bermuda College	-	18,119,000	18,119,000
16 Ministry of Education HQ	-	3,810,693	3,810,693
	99,825	142,785,347	142,685,522
Ministry of Health			
24 Hospitals	-	142,698,074	142,698,074
22 Health Department	112,628	30,325,520	30,212,892
91 Health Insurance	-	13,600,483	13,600,483
21 Ministry of Health HQ	1,609	11,915,339	11,913,730
	114,237	198,539,416	198,425,179

Government of Bermuda - Consolidated Fund
Schedule 10(c): Interdepartmental Current Expenses By Ministry/Department

For the year ended March 31

	2012 Interdepartmental Expense	2012 Actual Gross Expense	2012 Net Expense
	\$	\$	\$
Ministry of the Environment Planning & Infrastructure Strategy			
32 Department of Planning	675	3,634,469	3,633,794
72 Environmental Protection	2,124	3,233,074	3,230,950
46 Telecommunications	871	1,620,102	1,619,231
97 Land, Surveys & Registration	130	1,343,314	1,343,184
49 Land Valuation	-	1,081,219	1,081,219
50 Ministry of the Environment, Planning & Infra. Strategy HQ	1,057	871,818	870,761
42 Rent Commissioner	-	554,792	554,792
96 Sustainable Development	-	517,396	517,396
89 Energy	-	436,728	436,728
	4,857	13,292,912	13,288,055
Ministry of Youth, Families, Sports & Community Development			
55 Financial Assistance	3,265	38,674,696	38,671,431
23 Child & Family Services	7,944	16,017,687	16,009,743
20 Youth, Sport & Recreation	142,834	10,865,421	10,722,587
52 Community & Cultural Affairs	1,533	3,817,738	3,816,205
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	185	2,849,528	2,849,343
56 Human Affairs	139	2,251,731	2,251,592
	155,900	74,476,801	74,320,901
Ministry of National Security			
07 Police	122,020	69,451,897	69,329,877
45 Fire Services	217	17,542,550	17,542,333
27 Border Control	140	17,379,601	17,379,461
06 Defence	1,695	7,442,831	7,441,136
53 Bermuda Housing Corporation	-	6,587,000	6,587,000
83 Ministry of National Security HQ	53	1,337,022	1,336,969
	124,125	119,740,901	119,616,776
Ministry of Economy, Trade & Industry			
13 Post Office	4,257	14,181,396	14,177,139
60 Labour & Training	-	5,485,283	5,485,283
94 Min. of Economy, Trade & Industry HQ	185	2,334,111	2,333,926
	4,442	22,000,790	21,996,348
Ministry of Public Works			
82 Works & Engineering	1,437	52,244,936	52,243,499
36 Min. of Public Works HQ	485,916	24,270,491	23,784,575
68 Parks	115,465	10,484,198	10,368,733
69 Conservation Services	20,741	5,235,580	5,214,839
	623,559	92,235,205	91,611,646
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	98	41,096,293	41,096,195
43 Information Technology Office	1,602	9,292,626	9,291,024
18 Libraries	226	2,390,042	2,389,816
19 Department of Archives	-	1,399,631	1,399,631
29 Registry General	3,157	1,331,958	1,328,801
84 E-Government	-	990,488	990,488
93 Min. of Govt Estates & Inform. Svcs HQ	-	515,946	515,946
90 Energy, Telecommunications and E-Commerce HQ	-	(17,546)	(17,546)
	5,083	56,999,438	56,994,355
Ministry of Business Development & Tourism			
33 Tourism	6,580	30,207,319	30,200,739
95 Min. of Business Dev. & Tourism HQ	-	4,667,279	4,667,279
39 Registrar of Companies	-	3,129,882	3,129,882
67 E-Commerce	180	548,186	548,006
	6,760	38,552,666	38,545,906
TOTAL CURRENT EXPENSES	1,537,691	1,245,741,006	1,244,203,315

**Government of Bermuda - Consolidated Fund
Schedule 11: Schedules of Tangible Capital Assets and Assets Under Construction
As at March 31, 2012**

	Estimated Useful Life	COST				ACCUMULATED AMORTIZATION				31-Mar-11	
		Opening Balance	Additions	Disposals & Adjustments	Closing Balance	Opening Balance	Amortization Expense	Disposals & Adjustments	Closing Balance	Net Book Value	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
Tangible Capital Assets											
Land	Indefinite	45,636,778	-	-	45,636,778	-	-	-	-	45,636,778	45,636,778
Buildings & Betterments	40 years	585,979,976	22,797,953	-	608,777,929	(136,523,741)	(16,423,278)	-	(152,947,019)	455,830,910	449,456,235
Infrastructure	10 - 40 Years	171,166,593	978,497	-	172,145,090	(25,714,888)	(10,758,601)	-	(36,473,489)	135,671,601	145,451,705
Vehicles & Heavy Equipment	5 - 7 Years	86,919,463	1,464,276	(51,495)	88,332,244	(64,251,373)	(6,556,280)	51,495	(70,756,158)	17,576,086	22,668,090
Vessels	5 - 10 Years	41,848,740	2,876,856	-	44,725,596	(30,650,693)	(2,631,385)	-	(33,282,078)	11,443,518	11,198,047
Computer Software	10 years	23,339,569	7,658,392	-	30,997,961	(4,988,497)	(2,691,659)	-	(7,680,156)	23,317,805	18,351,072
Office Equipment	5 years	15,005,347	328,860	-	15,334,207	(6,816,165)	(2,510,097)	-	(9,326,262)	6,007,945	8,189,182
Computer Hardware	3 - 7 years	12,075,334	1,239,483	-	13,314,817	(7,174,968)	(1,698,492)	-	(8,873,460)	4,441,357	4,900,366
Capital Leases	3 - 5 years	4,351,942	250,350	-	4,602,292	(3,560,100)	(343,405)	-	(3,903,505)	698,787	791,843
Furniture & Fixtures	7 years	4,272,850	189,050	-	4,461,900	(2,080,985)	(567,589)	-	(2,648,574)	1,813,326	2,191,865
Plant, Machinery & Equipment	10 - 30 Years	53,811,274	32,458,681	-	86,269,955	(34,894,005)	(2,363,876)	-	(37,257,881)	49,012,074	18,917,269
Total Tangible Capital Assets		1,044,407,866	70,242,398	(51,495)	1,114,598,769	(316,655,415)	(46,544,662)	51,495	(363,148,582)	751,450,187	727,752,452
Assets Under Construction		59,272,927	37,853,002	(57,024,364)	40,101,565	-	-	-	-	40,101,565	59,272,927

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure - Estimates Compared to Expenditures

For the year ended March 31, 2012

	Expenses	Expenditure *	Adjusted Estimates **	Under (Over) Spent
	\$	\$	\$	\$
Non-Ministry Departments				
02 Legislature	5,520,620	5,499,932	5,367,094	(132,838)
05 Office of the Auditor General	3,863,399	3,834,385	3,969,460	135,075
01 Governor & Staff	1,782,323	1,781,535	1,684,965	(96,570)
92 Internal Audit	1,372,206	1,370,325	1,703,243	332,918
63 Parliamentary Registrar	920,191	905,235	1,035,001	129,766
85 Ombudsman's Office	802,883	802,588	826,240	23,652
	14,261,622	14,194,000	14,586,003	392,003
Cabinet Office Departments				
09 Cabinet Office	6,891,178	6,855,803	7,401,275	545,472
14 Department of Statistics	2,765,598	2,754,331	3,243,455	489,124
26 Department of Human Resources	4,009,253	3,975,581	4,949,932	974,351
51 Department of Communication & Information	2,661,882	2,610,159	2,600,013	(10,146)
	16,327,911	16,195,874	18,194,675	1,998,801
Ministry of Transport				
31 Airport Operations	25,194,093	22,753,745	20,501,006	(2,252,739)
35 Public Transportation	23,598,008	21,527,505	20,865,253	(662,252)
30 Marine & Ports Services	23,094,307	20,695,003	18,897,284	(1,797,719)
57 Civil Aviation	8,413,697	8,335,673	9,069,026	733,353
34 Transport Control Department	6,698,711	6,053,917	6,658,838	604,921
48 Ministry of Transport HQ	1,037,046	1,031,845	999,639	(32,206)
73 Maritime Administration	2,053,489	2,044,137	1,712,527	(331,610)
	90,089,351	82,441,825	78,703,573	(3,738,252)
Ministry of Justice				
03 Judicial Department	8,924,865	8,269,647	8,299,051	29,404
25 Corrections	29,272,748	29,428,888	29,653,527	224,639
87 Ministry of Justice HQ	6,998,254	6,998,254	6,536,820	(461,434)
04 Attorney General's Chambers	3,875,574	3,758,051	4,146,253	388,202
88 National Drug Control	4,132,149	4,112,141	3,946,152	(165,989)
74 Court Services	3,540,614	3,514,210	4,510,716	996,506
75 Department of Public Prosecutions	2,550,290	2,538,083	2,992,031	453,948
	59,294,494	58,619,274	60,084,550	1,465,276
Ministry of Finance				
Retirement Benefit Expenses	113,096,438	-	-	-
11 Accountant General	85,189,099	85,019,310	81,787,291	(3,232,019)
58 Interest on Debt	67,592,428	67,592,428	67,600,000	7,572
12 Customs	8,092,349	6,794,368	7,200,001	405,633
38 Office of the Tax Commissioner	12,436,940	3,083,473	3,165,000	81,527
80 Project Management & Procurement	1,477,815	1,467,384	1,300,362	(167,022)
10 Ministry of Finance HQ	10,955,162	10,936,937	11,381,000	444,063
28 Department of Social Insurance	8,303,921	8,259,062	6,550,000	(1,709,062)
59 Sinking Fund Contribution	-	25,726,034	25,750,000	23,966
	307,144,152	208,878,996	204,733,654	(4,145,342)
Ministry of Education				
17 Department of Education	120,855,654	120,063,257	116,543,600	(3,519,657)
41 Bermuda College	18,119,000	18,119,000	18,119,000	-
16 Ministry of Education HQ	3,810,693	3,810,693	4,494,693	684,000
	142,785,347	141,992,950	139,157,293	(2,835,657)
Ministry of Health				
24 Hospitals	13,600,483	142,698,074	141,198,050	(1,500,024)
22 Health Department	30,325,520	29,693,211	31,689,919	1,996,708
91 Health Insurance	11,915,339	11,867,037	7,988,925	(3,878,112)
21 Ministry of Health HQ	142,698,074	11,908,118	12,304,166	396,048
	198,539,416	196,166,440	193,181,060	(2,985,380)

* Adjusted for Non-Budgeted, Non-Cash Items

** Includes all Approved Supplementary amounts during the year

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure - Estimates Compared to Expenditures (cont'd)

For the year ended March 31, 2012

	Expenses	Expenditure*	Adjusted Estimates **	Under (Over) Spent
	\$	\$	\$	\$
Ministry of the Environment, Planning & Infrastructure Strategy				
32 Department of Planning	3,634,469	3,609,535	3,932,605	323,070
72 Environmental Protection	3,233,074	3,315,991	3,515,451	199,460
50 Ministry of the Environment, Planning & Infra. Strategy HQ	871,818	868,719	887,057	18,338
97 Land, Surveys & Registration	1,343,314	1,340,561	1,584,449	243,888
96 Sustainable Development	517,396	517,396	525,777	8,381
49 Land Valuation	1,081,219	1,048,329	1,049,742	1,413
89 Energy	436,728	436,728	632,962	196,234
42 Rent Commissioner	554,792	554,792	587,918	33,126
46 Telecommunications	1,620,102	1,595,762	1,528,893	(66,869)
	13,292,912	13,287,813	14,244,854	957,041
Ministry of Youth, Families, Sports & Community Development				
20 Youth, Sport & Recreation	10,865,421	10,768,381	11,810,124	1,041,743
55 Financial Assistance	38,674,696	38,650,812	39,781,741	1,130,929
23 Child & Family Services	16,017,687	15,946,313	17,412,892	1,466,579
52 Community & Cultural Affairs	3,817,738	3,801,951	3,877,253	75,302
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	2,849,528	2,849,247	3,132,224	282,977
56 Human Affairs	2,251,731	2,169,826	2,507,463	337,637
	74,476,801	74,186,530	78,521,697	4,335,167
Ministry of National Security				
07 Police	69,451,897	69,060,159	66,402,978	(2,657,181)
45 Fire Services	17,542,550	13,450,681	13,897,087	446,406
06 Defence	7,442,831	6,842,386	7,213,164	370,778
53 Bermuda Housing Corporation	6,587,000	6,587,000	6,587,000	-
27 Border Control	17,379,601	16,593,935	16,832,211	238,276
83 Ministry of National Security HQ	1,337,022	1,337,022	1,410,234	73,212
	119,740,901	113,871,183	112,342,674	(1,528,509)
Ministry of Economy, Trade & Industry				
60 Labour & Training	5,485,283	5,463,851	6,085,400	621,549
94 Ministry of Economy, Trade & Industry HQ	2,334,111	2,334,111	2,424,911	90,800
13 Post Office	14,181,396	13,989,119	14,353,385	364,266
	22,000,790	21,787,081	22,863,696	1,076,615
Ministry of Public Works				
68 Parks	10,484,198	10,351,467	10,954,548	603,081
69 Conservation Services	5,235,580	5,207,483	5,697,517	490,034
82 Works & Engineering	52,244,936	38,777,373	33,652,672	(5,124,701)
36 Ministry of Public Works HQ	24,270,491	11,751,596	9,192,767	(2,558,829)
	92,235,205	66,087,919	59,497,504	(6,590,415)
Ministry of Government Estates & Information Services				
18 Libraries	2,390,042	2,362,435	2,371,321	8,886
43 Information Technology Office	9,292,626	8,147,628	7,884,515	(263,113)
29 Registry General	1,331,958	1,288,262	1,463,505	175,243
93 Ministry of Government Estates & Inform. Services HQ	515,946	515,879	624,691	108,812
84 E-Government	990,488	990,451	1,096,616	106,165
81 Public Lands & Buildings	41,096,293	24,386,012	20,619,956	(3,766,056)
90 Energy, Telecommunications and E-Commerce HQ	(17,546)	(19,869)	-	19,869
19 Department of Archives	1,399,631	1,377,506	1,481,143	103,637
	56,999,438	39,048,304	35,541,747	(3,506,557)
Ministry of Business Development & Tourism				
33 Tourism	30,207,319	28,694,651	30,244,831	1,550,180
95 Ministry of Business Development & Tourism HQ	4,667,279	4,667,187	5,383,460	716,273
67 E-Commerce	548,186	543,576	1,080,400	536,824
39 Registrar of Companies	3,129,882	2,800,843	3,353,309	552,466
	38,552,666	36,706,257	40,062,000	3,355,743
TOTAL CURRENT EXPENDITURE	1,245,741,006	1,083,464,446	1,071,714,980	(11,749,466)

* Adjusted for Non-Budgeted, Non-Cash Items

** Includes all Approved Supplementary amounts during the year

Government of Bermuda - Consolidated Fund Schedule 13: Commitments - Legislated

For the year ended March 31	2012	2011
	Actual	Actual
	\$	\$

Unspent Capital Appropriations

In accordance with Section 6 of the Appropriations Act 2011, unspent capital appropriations for incomplete capital projects to be carried forward to future years are as follows:

Capital Development	18,715,029	9,402,418
Capital Acquisition	7,037,781	8,210,178
	25,752,810	17,612,596

Total Authorized Funding

Total Authorized Funding represents the estimated total cost of capital development projects and is subject to the voting of supply by the Legislature. Estimated future expenditure for continuing capital development projects is as follows:

Total Authorized Funding	962,730,796	1,029,096,754
Projects Completed during the year	(56,601,688)	(58,750,601)
Revised Total Authorized Funding	906,129,108	970,346,153
Appropriated Capital Development	(514,348,192)	(529,369,862)
Unappropriated Capital Development Commitments	391,780,916	440,976,291

Government of Bermuda - Consolidated Fund Schedule 14: Public Debt - Legislated Limit

As at March 31	2012	2011
	Actual	Actual
	\$	\$
Debt (Schedule 7)	1,230,000,000	1,030,000,000
Overdraft Facility Drawdown (Note 16)	120,720,014	57,490,260
	1,350,720,014	1,087,490,260
Less:		
Sinking Fund (Schedule 7)	114,747,081	85,508,498
Public Debt	1,235,972,933	1,001,981,762
Legislated Limit	1,450,000,000	1,250,000,000
Available Limit	214,027,067	248,018,238

The Government Loans Act 1978, as amended (2011), defines public debt as debt owed or guaranteed by the Consolidated Fund, but only if and when, and to the extent that, the guarantee obligation becomes due and payable by the Government.

Section 2A(1) of the Act limits public debt (net of sinking fund assets) to \$1.45 billion (2011 - \$1.25 billion) as amended as at March 27, 2012.