



GOVERNMENT OF BERMUDA

Financial Statements of the Consolidated Fund

March 31, 2013

Issued by
The Accountant General
Ministry of Finance

TABLE OF CONTENTS

Auditor's Report	1
Statement of Responsibility	3
Statement of Financial Position	4
Statement of Operations and Accumulated Deficit.....	5
Statement of Change in Net Debt	6
Statement of Cash Flow	7
Notes to the Financial Statements	8
Schedule 1: Accounts Receivable	40
Schedule 2: Inventories for Consumption	41
Schedule 3: Due From / To Government Funds & Agencies	42
Schedule 4: Long-Term Receivables	43
Schedule 5: Accounts Payable and Accrued Liabilities	43
Schedule 6: Deferred Revenue	44
Schedule 7: Debt – Net of Sinking Fund.....	45
Schedule 8: Revenue By Type.....	46
Schedule 9: Revenue By Ministry / Department	47
Schedule 9(a): Interdepartmental Revenue By Ministry / Department.....	49
Schedule 10: Expenses by Program.....	51
Schedule 10(a): Current Expense By Type.....	53
Schedule 10(b): Current Expenses By Ministry / Department.....	54
Schedule 10(c): Interdepartmental Current Expenses By Ministry / Department.....	56
Schedule 11: Schedule of Tangible Capital Assets and Assets Under Construction	58
Schedule 12: Current Expenditure – Estimates Compared to Expenses....	59
Schedule 13: Commitments – Legislated	61
Schedule 14: Public Debt – Legislated Limit	62



Office of the Auditor General

Reid Hall, Penthouse
3 Reid Street
Hamilton HM 11, Bermuda

Tel: (441) 296-3148

Fax: (441) 295-3849

Email: oag@oagbermuda.bm

Website: www.oagbermuda.gov.bm

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, 2013, 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 audit opinion.

Opinion

In my opinion, 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, 2013, 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.

Prior year's Qualified Opinion

In prior years, I qualified my auditor's opinion on the financial statements of the Consolidated Fund, 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 a consequence of last year's qualification, and without the benefit of an independent professional valuation, I was unable to determine whether adjustments might have been necessary to tangible capital assets and accumulated deficit as at March 31, 2012.

This year, Management has provided an independent professional valuation and I have obtained sufficient appropriate audit evidence that these transactions were measured and recognized in accordance with public sector accounting standards generally accepted in Bermuda and Canada and therefore, no longer warrant a qualification of opinion.

Increasing Net Debt

Without qualifying my opinion, I wish to draw attention to the level of net debt which increased by \$404 million to \$2.8 billion as of March 31, 2013. 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 of the Government. Although these incidences of non-compliance did not lead me to qualify my audit opinion for the current year, they revealed weaknesses and deficiencies in the control environment. It is important that the Government adheres 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, 2013 do not represent the full nature and extent of the overall financial affairs and resources of the Government of Bermuda.

Hamilton, Bermuda
March 10, 2014


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, 2013**

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
Financial Secretary
Ministry of Finance

Roseanne Foy, CPA, CA
Acting Accountant General
Ministry of Finance

Hamilton, Bermuda
March 10, 2014

Government of Bermuda - Consolidated Fund Statement of Financial Position

As at March 31		2013	2012
		Actual	Actual
		\$	\$
Liabilities			
	<u>Schedule</u>		
Bank Overdraft (Note 16)		69,000,521	120,720,014
Accounts Payable and Accrued Liabilities	5	163,241,796	154,068,571
Deferred Revenue	6	35,237,299	34,045,465
		<u>267,479,616</u>	<u>308,834,050</u>
Interest Bearing Debt - Net of Sinking Fund	7	<u>1,407,858,034</u>	1,115,252,919
Pensions and Other Employee Future Benefits			
- Pensions and Retirement Benefits (Note 9(g))		1,239,417,986	1,126,225,368
- Compensated Absences (Note 8)		25,439,781	24,321,023
		<u>1,264,857,767</u>	<u>1,150,546,391</u>
Other Liabilities			
Due to Government Funds and Agencies	3(a)	50,808,141	40,751,629
Total Liabilities		2,991,003,558	2,615,384,989
Financial Assets			
Cash and Cash Equivalents		12,174,590	24,018,677
Accounts Receivable	1	137,974,699	138,971,513
Due from Government Funds and Agencies	3	14,661,053	30,722,901
Long-Term Receivables	4	1,557,847	1,522,619
Investment in Quango (Notes 3(e) & 14(b))		5,000,000	5,000,000
Total Financial Assets		171,368,189	200,235,710
Net Debt		2,819,635,369	2,415,149,279
Non-Financial Assets			
Tangible Capital Assets (Notes 3(f))	11	741,349,781	751,450,187
Assets under Construction (Note 3(f))	11	43,851,920	40,101,565
Inventories for Consumption (Note 3(f))	2	14,727,949	13,573,803
Prepaid Expenses		5,726,072	4,035,002
Total Non-Financial Assets		805,655,722	809,160,557
Accumulated Deficit		2,013,979,647	1,605,988,722
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	2013	2012
	Actual*	Actual
	\$	\$
Revenue	<u>Schedule</u> 8, 9	
Taxes & Duties		
Payroll Tax	328,023,069	344,702,370
Customs Duties	169,693,292	180,696,578
Other Taxes and Duties	61,694,088	76,557,477
Land Tax	55,844,840	52,312,877
Passenger Tax	34,577,919	35,068,899
Total Taxes & Duties	649,833,208	689,338,201
Fees, Permits & Licenses	194,064,998	195,733,293
Other Revenue	19,848,310	25,644,452
Investment Income	2,831,042	3,465,694
Total Revenue	866,577,558	914,181,640
Expenses	10	
Economic Development	407,736,821	414,270,904
Health	210,180,706	207,131,607
National Security	165,734,476	168,963,434
Education	144,243,904	149,415,777
Pensions and Retirement Benefits Expenses	114,311,376	113,096,438
Interest on Debt	81,577,570	67,592,428
Social Services & Assistance	78,086,721	72,662,704
Other General Government Services	72,696,909	64,278,192
Total Expenses	1,274,568,483	1,257,411,484
Annual Deficit	(407,990,925)	(343,229,844)
Accumulated Deficit, Beginning of Year	(1,605,988,722)	(1,262,758,878)
Accumulated Deficit, End of Year	(2,013,979,647)	(1,605,988,722)

* 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	2013	2012
	Actual	Actual
	\$	\$
Annual Deficit	(407,990,925)	(343,229,844)
Change Due to Tangible Capital Assets:		
Net Additions to Tangible Capital Assets	(36,944,067)	(70,242,398)
Net (Additions to) Reductions in Assets under Construction	(3,750,355)	19,171,362
Amortization of Tangible Capital Assets	47,044,473	46,544,662
Total Change Due to Tangible Capital Assets	6,350,051	(4,526,374)
Net (Additions to) Reductions in Inventories for Consumption	(1,154,146)	1,403,157
Net Additions to Prepaid Expenses	(1,691,070)	(561,376)
Total Change Due to Inventories for Consumption and Prepaid Expenses	(2,845,216)	841,781
Increase in Net Debt	(404,486,090)	(346,914,437)
Net Debt, Beginning of Year	(2,415,149,279)	(2,068,234,842)
Net Debt, End of Year	(2,819,635,369)	(2,415,149,279)

Government of Bermuda - Consolidated Fund Statement of Cash Flow

For the year ended March 31	2013	2012
	Actual	Actual
	\$	\$
Operating Activities		
Annual Deficit	(407,990,925)	(343,229,844)
Items not affecting cash:		
Amortization of Tangible Capital Assets	47,044,473	46,544,662
Increase in Pension and Retirement Benefits Liability	113,192,618	110,771,402
Increase in Compensated Absences Liability	1,118,758	2,325,036
Increase in Non-Cash Working Capital	34,599,789	13,694,264
Cash Applied to Operating Activities	(212,035,287)	(169,894,480)
Capital Activities		
Net Additions to Tangible Capital Assets	(36,944,067)	(70,242,398)
Net (Additions to) Reductions in Assets under Construction	(3,750,355)	19,171,362
Cash Applied to Capital Activities	(40,694,422)	(51,071,036)
Financing Activities		
Debt issues	475,000,000	200,000,000
Decrease (Increase) in Sinking Fund	17,605,115	(29,238,583)
Debt retirement	(200,000,000)	-
Cash Provided By Financing Activities	292,605,115	170,761,417
Net Increase (Decrease) in Cash and Cash Equivalents	39,875,406	(50,204,099)
Cash and Cash Equivalents, Beginning of Year	(96,701,337)	(46,497,238)
Cash and Cash Equivalents, End of Year	(56,825,931)	(96,701,337)
Cash and Cash Equivalents, End of Year		
Cash and Cash Equivalents	12,174,590	24,018,677
Bank Overdraft	(69,000,521)	(120,720,014)
Cash and Cash Equivalents, End of Year	(56,825,931)	(96,701,337)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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 Chartered Professional Accountants of Canada (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

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.

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, 2013

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.

(k) Future Changes in Accounting Policies

A number of new standards and amendments to standards issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada are not yet effective and have not been applied in preparing these financial statements.

PS 3450 Financial Instruments – a new standard providing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.
PS 1201 Financial Statement Presentation – replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements.

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

Each of these new standards becomes effective for fiscal years beginning on or after April 1, 2015. The Government does not intend to adopt these new standards prior to the effective date. The impact that these standards will have on the financial statements is not deemed significant.

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, 2012 were presented to the Members of the Legislature by the Minister of Finance.

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 2012/13 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.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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

- (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.

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.

2012 \$	2013 \$			2012 \$
Sinking Fund	Contributions	Earnings	Interest Payment	Sinking Fund
114,747,081	30,905,014	2,829,089	(\$51,339,218)	97,141,966

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:

	2013 \$	2012 \$
Fixed Term Deposits	97,141,966	121,267,293

5. Government Borrowing Sinking Fund (cont'd)

The following is a schedule of projected contributions to the GBSF by the Fund up to March 31, 2018, based on estimated debt levels to March 31, 2014:

	2013
	\$
2014	47,693,000
2015	51,374,000
2016	56,304,000
2017	55,556,000
2018	55,556,000

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

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

7. Unemployment Insurance Fund (cont'd)

be made at the direction of the Minister of Finance for the purpose of assisting unemployed persons.

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

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. The results were then extrapolated to March 31, 2013 using similar various long-term assumptions as the Public Service Superannuation Fund pension plan (Note 9). The extrapolation determined that the accrued benefit obligation for retirement leave is currently \$25,439,781 (2012- \$24,321,023), as defined in the table below.

	2013	2012
	\$	\$
Accrued benefit obligation, beginning of year	24,321,023	21,995,987
Amortization of experience loss	(145,685)	60,754
Current period benefit cost	1,141,498	1,197,259
Interest accrued	1,443,004	1,487,885
Benefit payments	(1,320,059)	(420,862)
	<hr/>	<hr/>
Accrued benefit obligation, end of year	<u>25,439,781</u>	<u>24,321,023</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").

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

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 $\frac{3}{1000}$ th 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 - \$32,862,218 (2012 - \$33,338,006), MMLPF - \$475,973 (2012 - \$526,528). 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.

(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. The results were then extrapolated to March 31, 2013 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

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

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 \$517,301,834 as at March 31, 2013 (2012 - \$492,045,167) compared to a real market value of \$544,516,882 (2012 - \$502,261,171).

For the MMLPF, there is no difference between the market value of plan assets and the market-related value. As at March 31, 2013, the value was \$12,119,242 (2012 – \$10,990,884). The actual return on plan assets during the year was 9.02% (2012 – 3.65%) for the PSSF and 7.19% (2012 - 7.17%) for the MMLPF.

As at March 31, 2013, \$27,381,870 (2012 – \$2,563,962) 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, 2013, \$12,438,562 (2012 – \$10,789,460) 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

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 \$88,024,000 (2012 - \$119,885,000) is reported in the schedule below. The amount comprises a total unamortized experience loss on the pension liability of \$69,601,000 (2012 - 100,356,000) and a total unamortized experience loss on the asset valuation of \$18,423,000 (2012 - \$19,529,000). The period of amortization is ten years.

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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

(d) Funded Status of Plans

For the year ended March 31	2013	2012
	Actual	Actual
	\$	\$
Pension Liability		
Accrued Benefit Obligation		
PSSF	1,559,247,000	1,475,141,000
MMLPF	<u>35,281,000</u>	<u>33,539,000</u>
	<u>1,594,528,000</u>	<u>1,508,680,000</u>
Net Fund Assets		
PSSF	(517,302,000)	(492,045,000)
MMLPF	<u>(12,119,000)</u>	<u>(10,991,000)</u>
	<u>(529,421,000)</u>	<u>(503,036,000)</u>
Net Unamortized Experience Loss		
PSSF	<u>(88,024,000)</u>	<u>(119,885,000)</u>
Pension Liability		
PSSF	953,921,000	863,211,000
MMLPF	<u>23,162,000</u>	<u>22,548,000</u>
Carried Forward to Note 9 (g)	<u>977,083,000</u>	<u>885,759,000</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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

For the year ended March 31	2013 Actual \$	2012 Actual \$
Cost of Pension Benefits	56,299,620	56,588,100
Employee Contributions	(33,338,191)	(33,864,500)
Interest on Pension Liability	66,826,298	62,950,921

Amortization of Experience Gains & Losses

2004 Experience Loss	21,908,087	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	442,686
2012 Experienced Loss	944,481	-
Carried forward to Note 9 (g)	<u>125,679,148</u>	<u>120,621,460</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, 2013

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, 2013:

Assumption	Change	Impact on ABO (\$)	Impact on ABO (%)
Discount rate	1.0% increase	(182,401,900)	(11.7)
	1.0% decrease	228,349,200	14.6
Salary increase rate	1.0% increase	62,102,900	4.0
	1.0% decrease	(55,753,200)	(3.6)
Inflation	1.0% increase	151,965,800	9.7
	1.0% decrease	(129,622,000)	(8.3)
Life expectancy	1 year increase	40,321,600	2.6
	1 year decrease	(37,901,200)	(2.4)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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, 2013:

Assumption	Change	Impact on ABO (\$)	Impact on ABO (%)
Discount rate	1.0% increase	(3,728,700)	(10.6)
	1.0% decrease	4,503,700	12.8
Salary increase rate	1.0% increase	981,100	2.8
	1.0% decrease	(923,500)	(2.6)
Inflation	1.0% increase	3,520,200	10.0
	1.0% decrease	(3,038,500)	(8.6)
Life expectancy	1 year increase	1,470,100	4.2
	1 year decrease	(1,295,000)	(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. The results were then extrapolated to March 31, 2013 using the same assumptions, to produce the estimates included in the financial statements.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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% (2012 - 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.

	2013	2012
	\$	\$
Accrued benefit obligation at beginning of year	249,883,817	254,254,613
Current period benefit cost	9,663,797	10,165,588
Interest accrued	16,344,908	16,647,332
Benefit payments	<u>(6,511,195)</u>	<u>(6,449,217)</u>
Accrued benefit obligation at end of year	<u>269,381,327</u>	<u>274,618,316</u>
Expected accrued benefit obligation at end of year	269,381,327	274,618,316
Actual accrued benefit obligation at end of year	<u>269,381,327</u>	<u>249,883,817</u>
Experience gain	<u>-</u>	<u>24,734,499</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

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

	2013	2012
Expected average remaining service life	12 years	12 years
Annual amortization	2,371,108	\$4,619,699

Liability for retirement benefits recorded in the statement of financial position

	2013	2012
	\$	\$
Accrued benefit obligation, end of year	269,381,327	249,883,817
Unamortized experience losses	<u>(7,046,341)</u>	<u>(9,417,449)</u>
Liability for retirement benefits (Note 9(g))	<u>262,334,986</u>	<u>240,466,368</u>

Expenses recorded in statement of operations and accumulated deficit

	2013	2012
	\$	\$
Current period benefit cost	9,663,797	10,165,588
Amortization of experience losses	<u>2,371,108</u>	<u>4,619,699</u>
Retirement benefit expense	12,034,905	14,785,287
Retirement benefit interest expense	<u>16,344,908</u>	<u>16,647,332</u>
Total expenses related to retirement benefits (Note 9(g))	<u>28,379,813</u>	<u>31,432,619</u>

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

	2013	2012
	\$	\$
Pensions (Note 9(d))	977,083,000	885,759,000
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(f))	<u>262,334,986</u>	<u>240,466,368</u>
Total Pensions and Retirement Benefits Liability	<u>1,239,417,986</u>	<u>1,126,225,368</u>
Pensions (Note 9(d))	125,679,148	120,621,460
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(f))	<u>28,379,813</u>	<u>31,432,619</u>
Total Pensions and Retirement Benefits Expense	<u>154,058,961</u>	<u>152,054,079</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, 2013, \$68,851 (2012 - \$179,760) 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, 2013, \$5,714,287 (2012 - \$7,142,858) 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. As at March 31, 2013, BNTB had redeemed \$5 million preference shares.

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 is now 4,277,514.90 with an exercise price of \$3.507. Per the valuation model run for March 31, 2013, the value of the warrants is \$0.025 (2012 - \$0.08) per warrant which represents a total value of \$106,938 (2012 - \$332,062).

(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.

(v) Bermuda Economic Development Corporation (“BEDC”) Guarantee

The Government provides funding to BEDC to facilitate the function of the QUANGO as a guarantor on business loans for locally owned businesses in Bermuda. The Government provides funding to fulfill the payment obligations of BEDC for defaulted loans. There is no signed guarantee agreement between the Government and BEDC.

No liability has been admitted and no provision for loans in default is included in the financial statements of the Government. The total of specific amounts deemed contingent liabilities of the Government, as determined by BEDC, as at March 31, 2013 is \$3,120,941 (2012 - \$3,166,822).

10. Contingent Liabilities (cont'd)

(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, 2013 is \$10,633,686 (2012 - \$11,703,246).

(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 \$38,656,865 (2012 - \$40,250,000) has been accrued, which is an estimate of the remaining 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 \$27.15 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 decreased by \$1.6 million, for work performed during the 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 previously 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

10. Contingent Liabilities (cont'd)

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 was accrued in the prior year to ensure the liability is within the range of the estimates developed. The Developer is still in discussions with the Bermuda Government on the remediation of the site, therefore, these estimates may change.

(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 was extended to March 31, 2014.

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 is likely, among other considerations:

- to benefit the tourism industry and the economy;
- to create employment and entrepreneurial opportunities for Bermudians;
- to encourage local development, or;
- to 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 concessions afforded to the hotels are non-refundable and in instances where the payroll tax is deemed null and void due to the MoU, the concessions remain 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.

10. Contingent Liabilities (cont'd)

The total of the hotel concessions as at March 31, 2013 is \$3,263,190 (2012 - \$3,069,262) which may be applied against any future payroll tax incurred (\$3,222,449) and future hotel occupancy tax incurred (\$40,741) by the applicable hotels.

In addition to this amount, \$1,542,088 is available for use but has not yet been granted by the Ministry of Business Development and Tourism as per the terms and conditions of the individual orders.

(e) Air Service Agreements

During 2013, the Government signed agreements with two commercial airlines whereby in consideration of providing regular scheduled air service to Bermuda, the Government is required to pay the airlines a calculated sum if there is a financial shortfall on the route. The agreements vary in detail, but guarantee the airlines either a certain level of revenue or a specific level of profit on a particular route. Shortfalls occur when ticket revenues are insufficient to cover the cost of operating the routes, either due to a lack of paying passengers ("Load Factor") or a need to discount ticket prices to attract passengers ("Yield").

The estimated liability for Air Service Agreements as at March 31, 2013 is \$1,350,138 (2012 - \$1,450,000). The actual payments made subsequent to year end relating to the agreements for fiscal year end March 31, 2013 was \$1,630,215 (2012 - \$1,775,747). In accordance with the agreements, Government established and delivered to the two commercial airlines irrevocable Letters of Credit ("LOC") issued by HSBC Bank of Bermuda Ltd. ("HSBC"), for a combined total of US\$2,000,000.

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:

11. Non-Contractual Operational Commitments (cont'd)

	2013
	\$
2014	20,445,119
2015	2,305,178
2016	2,246,975
2017	2,183,836
2018	1,230,000
2019 and subsequent	<u>930,000</u>
Total Future Operational Commitments	<u><u>29,341,108</u></u>

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:

	2013	2012
	\$	\$
Present value of lease cost	4,906,219	4,602,292
Less: Accumulated amortization	<u>(4,137,364)</u>	<u>(3,903,506)</u>
Present value of leases payable	<u><u>768,855</u></u>	<u><u>698,786</u></u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2013

12. Contractual Commitments (cont'd)

The following is a schedule of discounted future minimum lease payments under leases expiring up to March 31, 2017:

	2013
	\$
2014	306,658
2015	189,337
2016	54,133
2017	-
Add: Discounted Amount	<u>218,727</u>
Present value of lease obligation	<u><u>768,855</u></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.

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

	2013
	\$
2014	7,017,558
2015	5,400,598
2016	2,079,295
2017	1,149,240
2018	8,473,270
2019 and subsequent	<u>7,343,180</u>
Total Contractual Obligations	<u><u>31,463,141</u></u>

12. Contractual Commitments (cont'd)

(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:

	2013
	\$
2014	8,825,860
2015	7,566,465
2016	6,162,626
2017	4,218,937
2018	3,357,235
2019 and subsequent	<u>19,098,646</u>
Total Future Minimum Operating Lease Payments	<u><u>49,229,769</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.

13. Supplementary Estimates and Virements (Transfers) **(cont'd)**

During the year \$63,500,510 (2012 - \$70,376,000) in Supplementary Estimates were approved and spent which consisted of \$38,484,751 (2012 - \$70,376,000) for current expenditure and \$25,015,759 (2012 - \$0) for capital expenditure.

During the year \$26,867,688 (2012 - \$18,668,147) in virements were approved and transferred which consisted of \$3,166,882 (2012 - \$5,867,896) for current expenditure and \$23,700,506 (2012 - \$12,800,251) for capital expenditure.

Additional expenditures of \$10,325,410 (2012 - \$33,774,412) were incurred in excess of amounts appropriated by the Ministry and will require final approval, which consisted of \$10,289,080 (2012 - \$25,330,112) for current expenditure and \$36,330 (2012 - \$8,444,300) for capital expenditure.

Additional virements of \$12,038,218 (2012 - \$11,484,831) require final approval and transfer, which consisted of \$9,898,934 (2012 - \$9,056,035) for current expenditure and \$2,139,284 (2012 - \$2,428,796) 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.

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.

14. Related Party Transactions (cont'd)

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, 2012, 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.

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.”

(iv) 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

14. Related Party Transactions (cont'd)

and charges due as a result of default by WEDCO until all indebtedness to BNTB has been fully discharged.

(v) 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.

(vi) Regulatory Authority (“RA”)

On January 22, 2013, the Government committed \$2 million to the RA as per Section 111 of the Regulatory Authority Act 2011 (“RAA”). On January 28, 2013 the Government paid \$500,000 of this commitment to the Regulatory Authority.

In accordance with Section 41 (a) of the RAA, the RA will pay 50% of its net surplus to the Consolidated Fund of the Government.

(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. Bank Overdraft

As at March 31, 2013 the Government has an overdraft facility agreement at the Bank of NT Butterfield (“BNTB”) of \$50 million which expires on March 31, 2013. The facility bears interest at 1.50% per annum above the BNTB's Bermuda Dollar base rate.

As at March 31, 2013, the Government has an overdraft facility agreement at the Bank of Bermuda, HSBC (“HSBC”) of \$25 million which expires on March 31, 2013. The 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.

16. 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 \$2.50 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 15 were for terms of less than fifteen months, these facilities could be classified as temporary loans.

The overdraft facilities were paid off on August 6, 2013.

17. Increase in Borrowing Limit

Effective February 22, 2013, the Government increased the legislated borrowing limit from \$1.45 billion to \$2.50 billion.

18. Subsequent Events

(a) Letter of Credit

On April 30, 2013, the Government established a letter of credit facility with HSBC for \$2.05 million for the Rhode Island Fast Ferry Inc. effective May 1, 2013.

(b) Overdraft Facilities

On June 12, 2013, the overdraft facility of \$25 million (see Note 16) with HSBC was increased to \$100 million which expired on October 31, 2013. The daily charges applied to overdrawn balances remained at 1% above HSBC's base rate. Unauthorized overdraft balances are charged at 7.50% over the bank's base rate.

On April 2, 2013, the overdraft facility of \$50 million (see Note 16) with BNTB was increased to \$100 million which expired on June 30, 2013. The facility bears interest at 1.50% per annum above the BNTB's Bermuda Dollar base rate.

18. Subsequent Events (cont'd)

Subsequently, on May 30, 2013, the overdraft facility of \$100 million with BNTB was increased to \$200 million which expired on September 30, 2013. The facility bears interest at 1.50% per annum above the BNTB's Bermuda Dollar base rate.

These facilities were paid off on August 7, 2013.

(c) Increase in Borrowing

On August 6, 2013, the Government entered into a public bond offering in the international debt capital markets authorizing the issue and sale of \$750 million of 10-year, fixed rate bonds priced at par. The coupon and yield of the bonds are 4.854% per annum. The bonds are due in February 2024 and interest is payable semi-annually. The net proceeds from the New Senior Notes were used to repay outstanding short-term indebtedness with local banks and to fund the current year's budget deficit, and the balance was deposited into the Sinking Fund to cover any future budget deficits.

On December 16, 2013, the Government entered into a public bond offering in the Bermuda debt capital markets authorizing the issue and sale of \$50 million of 10-year, fixed rate bonds priced at par. The coupon and yield of the bonds are 4.75% per annum.

The bonds are due in December 2023 and interest is payable semi-annually. The net proceeds from the issuance of the notes were deposited into the Sinking Fund to cover any future budget deficits.

(d) Hotels Concession Orders

In July and August 2013, the Minister of Tourism Development and Transport tabled Hotels Concession Orders in the House of Assembly. These orders were approved which resulted in three additional Hotel Concession Orders for 2013. The total value of concessions to be applied in the future against land tax, payroll tax and hotel occupancy tax under these orders is \$22,279,620.

(e) Letter of Comfort

On August 12, 2013, the Government issued a letter of comfort for the developers of the Morgan's Point Project. This letter was issued based on the request of the Developer that the Government provide \$125M of credit enhancement for the financing of the Project. The Government issued the letter to show its willingness to consider the credit enhancement, however this letter does not constitute a contract or commitment by the Government to provide credit enhancement and it is non-binding.

19. 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	2013	2012
	Actual	Actual
	\$	\$
Office of the Tax Commissioner	177,698,720	164,879,657
Customs	6,509,640	2,176,578
Registrar of Companies	6,097,838	3,996,988
Airport Operations	5,881,753	4,507,169
Works & Engineering	5,450,870	5,220,326
Telecommunications	3,698,207	3,290,392
Fire Services	3,174,597	2,993,334
Judicial Department	2,936,843	3,711,821
Post Office	2,351,367	2,307,912
Accountant General	2,314,883	2,888,778
Public Lands & Buildings	1,805,967	809,149
Department of Education	1,596,859	1,490,174
Civil Aviation	1,207,040	829,928
Department of Health	1,063,169	1,389,906
Ministry of Public Works HQ	951,352	967,680
Public Transportation	715,503	639,581
Maritime Administration	493,546	319,264
Conservation Services	349,734	341,422
Defence	182,070	-
Marine & Ports Services	181,269	210,671
Police	174,983	165,060
Human Resources	138,656	165,657
Environmental Protection	130,097	97,627
Office of the Auditor General	68,400	233,000
Registry General	56,562	56,954
Financial Assistance	46,644	58,410
Ministry of Health HQ	31,708	31,708
Planning	26,774	38,711
Tourism	8,996	8,996
Parks	6,166	6,027
Ministry of Environment, Planning & Infrastructure Str. HQ	4,500	10,500
Child & Family Services	4,265	3,425
Libraries	4,067	979
Information Technology Office	2,301	44,527
Energy	984	-
Attorney General's Chambers	877	877
Transport Control Department	413	35,187
National Drug Control	250	-
Ministry of Business Development & Tourism HQ	89	-
Parliamentary Registrar	50	50
Project Management & Procurement	-	13,773
Ministry of National Security HQ	-	154,092
Ministry of Government Estates & Information Services HQ	-	964
Land, Surveys and Registration	-	3,360
	225,368,009	204,100,614
Less: Provision for Doubtful Accounts	87,393,310	65,129,101
	137,974,699	138,971,513

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

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Public Transportation	4,126,323	3,832,110
Ministry of Public Works HQ	3,159,063	3,332,232
Marine & Ports Services	2,601,341	2,350,197
Works & Engineering	2,456,891	2,097,020
Police	1,408,364	1,424,446
Department of Education	757,931	1,013,486
Defence	688,493	249,457
Department of Corrections	360,244	415,396
Health	329,840	307,525
Border Control	210,310	-
Public Lands & Buildings	186,708	173,337
Conservation Services	131,901	75,818
Post Office	23,762	29,373
	16,441,171	15,300,397
Less: Provision for Obsolescence	1,713,222	1,726,594
	14,727,949	13,573,803

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

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Health Insurance Funds	14,712,972	8,969,970
Bermuda Hospitals Board	3,281,370	3,013,277
Bermuda Monetary Authority	1,057,284	1,063,479
Golf Courses	893,493	897,379
Bermuda College	770,370	274,679
Confiscated Assets Fund	767,120	2,783,446
Bermuda Land Development Company	730,480	183,417
Bermuda Housing Corporation	454,286	279,499
CedarBridge Academy	355,681	374,976
West End Development Corporation	326,791	299,994
Pembroke Parish Council	100,592	98,408
Bermuda Health Council	29,312	55,434
Financial Intelligence Agency	28,923	28,274
Bermuda Economic Development Corporation	28,271	30,193
Parish Councils	23,398	20,865
Pension Commission	20,152	21,145
Government Reserves Fund	18,490	1,129,106
Berkeley Institute	17,281	14,397
Whitney Institute	5,319	5,111
Sandys Secondary Middle School	4,248	-
Unemployment Insurance Fund	2,283	-
St. George's Preparatory School	1,694	814
Bermuda Housing Trust	868	11,368
National Sports Centre	345	1,298
Contributory Pension Fund	-	13,616,130
Government Borrowing Sinking Fund	-	6,520,212
	23,631,023	39,692,871
Less: Provision for Doubtful Accounts	8,969,970	8,969,970
	14,661,053	30,722,901

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

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Public Service Superannuation Fund	27,381,870	2,563,962
Ministers and Members Pensions Fund	12,438,562	10,789,460
Bermuda Hospitals Board	10,000,000	24,984,362
Contributory Pension Fund	555,249	-
Department of Tourism North American Retirement Plan	211,175	701,256
West End Development Corporation	157,568	57,394
Bermuda Housing Corporation	45,400	400
Parish Council	5,760	-
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
Health Insurance Funds	-	1,476,397
Bermuda Health Council	-	100,000
Sandys Secondary Middle School	-	65,841
	50,808,141	40,751,629

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

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Student Loans and Teacher Training Awards	1,183,200	1,090,461
Customs Duty	374,647	432,158
	1,557,847	1,522,619

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

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Department Trade Accounts	50,388,782	42,933,739
Base Lands Clean Up	38,656,865	40,250,000
Interest on Debt	21,810,526	17,320,437
Deposits Held	18,588,178	18,224,385
Employees' Leave Entitlements	17,429,708	17,879,671
Teachers' Salaries & Leave Entitlements	10,103,323	9,749,741
Guarantee Payable to WEDCO (Note 10(a))	5,714,287	7,142,858
Leases Payable	550,127	567,740
	163,241,796	154,068,571

**Government of Bermuda - Consolidated Fund
Schedule 6: Deferred Revenue**

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Transport Control Department	16,293,317	17,076,161
Civil Aviation	12,481,915	11,534,493
Economy, Trade & Industry HQ	5,524,237	4,507,641
Post Office	326,898	419,367
Police	256,851	160,030
Environmental Protection	133,345	109,836
Public Lands & Buildings	90,816	90,812
Health Department	52,841	62,874
Tourism	33,146	24,661
Parks	29,865	27,927
Youth, Sport & Recreation	14,068	27,688
Marine & Ports Services	-	3,975
	35,237,299	34,045,465

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

As at March 31

	2013	2012
	Actual	Actual
	\$	\$
Senior Notes Due 2023 - US\$		
Issue Date: July 3, 2012		
Interest: 4.138% payable semi-annually		
January 3 and July 3		
Notes Due: July 3, 2023	475,000,000	-
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
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
	1,505,000,000	1,230,000,000
Less: Sinking Fund (Note 5)	97,141,966	114,747,081
	1,407,858,034	1,115,252,919

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

For the year ended March 31	2013 Original Estimates	2013 Actual	2012 Actual
	\$	\$	\$
Taxes & Duties			
Payroll Tax	312,000,000	328,023,069	344,702,370
Customs Duty	200,000,000	169,693,292	180,696,578
Land Tax	56,000,000	55,844,840	52,312,877
Passenger Tax	35,370,000	34,577,919	35,068,899
	603,370,000	588,139,120	612,780,724
Other Taxes & Duties			
Foreign Currency Purchase Tax	24,500,000	22,071,642	23,106,834
Stamp Duty	23,012,000	18,754,461	25,112,718
Hotel Occupancy Tax	9,000,000	10,002,033	10,906,607
Non-Bermudian Land Acquisition Tax	11,351,000	5,967,336	12,121,040
Corporate Services Tax	3,300,000	3,185,370	3,244,309
Betting Tax	1,050,000	1,543,828	1,487,450
Timesharing Tax	60,000	169,418	578,519
	72,273,000	61,694,088	76,557,477
Total Taxes & Duties	675,643,000	649,833,208	689,338,201
Fees, Permits & Licences			
International Companies	57,731,000	62,163,373	60,479,284
Vehicle Licences & Registration	27,307,000	26,031,165	26,671,933
Registration of Aircraft	21,950,000	23,925,970	23,196,885
Telecommunications	15,300,000	13,647,281	13,661,343
Air Terminal & Aviation	10,250,000	10,682,301	10,809,825
Wharfage	8,100,000	8,335,162	8,968,804
Immigration	16,605,000	7,985,278	8,730,480
Bus Transportation	8,150,000	7,703,962	7,989,490
Postal Services	5,081,000	5,321,611	5,369,529
Water	5,100,000	4,705,192	5,180,296
Registration of Shipping	3,326,000	4,177,276	4,208,866
Solid Waste Services	3,520,000	4,094,230	4,111,317
Services to Seaborne Shipping	2,550,000	2,768,441	3,036,162
Local Companies	3,121,000	2,808,988	2,778,498
Rentals	1,685,000	2,384,204	2,493,836
Other Customs Fees & Charges	2,407,000	2,149,659	2,265,187
Ferry Services	1,108,000	1,777,478	1,854,422
Trade and Service Mark	1,509,000	1,584,346	1,788,790
Companies Licences	355,000	774,362	595,049
Planning Fees and Searches	954,000	714,183	828,304
Liquor Licences	50,000	277,725	326,345
Plant Production and Marketing Centre	425,000	37,761	280,906
Insurance Fees	-	15,050	107,742
	196,584,000	194,064,998	195,733,293
Other Revenue			
Other	29,548,000	17,773,246	22,821,646
Fines & Forfeitures	4,359,000	2,075,064	2,822,806
	33,907,000	19,848,310	25,644,452
Investment Income	3,500,000	2,831,042	3,465,694
	37,407,000	22,679,352	29,110,146
TOTAL REVENUE	909,634,000	866,577,558	914,181,640

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

For the year ended March 31	2013 Original Estimates	2013 Actual	2012 Actual
	\$	\$	\$
Non-Ministry Departments			
63 Parliamentary Registrar	252,000	360,383	177,278
01 Governor & Staff	-	7,357	7,260
02 Legislature	-	1,823	-
92 Internal Audit	-	1,521	1,493
85 Ombudsman's Office	-	-	(486)
05 Office of the Auditor General	911,000	(61,657)	798,777
	1,163,000	309,427	984,322
Cabinet Office Departments			
14 Department of Statistics	-	1,641	(9,471)
26 Department of Human Resources	-	351	60
09 Cabinet Office	-	120	9,298
	-	2,112	(113)
Ministry of Transport			
34 Transport Control Department	27,307,000	26,145,815	27,029,093
57 Civil Aviation	22,000,000	24,072,465	23,305,390
31 Airport Operations	11,300,000	12,708,563	11,971,054
35 Public Transportation	8,150,000	7,709,462	8,008,415
30 Marine & Ports Services	4,970,000	6,044,951	6,172,528
73 Maritime Administration	3,325,000	4,345,287	4,230,376
48 Ministry of Transport HQ	-	39,503	33,098
	77,052,000	81,066,046	80,749,954
Ministry of Justice			
03 Judicial Department	8,918,000	5,095,051	6,932,883
87 Ministry of Justice HQ	-	88,924	32,074
75 Department of Public Prosecutions	-	81,646	838
88 National Drug Control	12,000	22,092	48,203
04 Attorney General's Chambers	-	652	113
74 Court Services	-	-	2,949
25 Department of Corrections	-	-	1,954
	8,930,000	5,288,365	7,019,014
Ministry of Finance			
38 Office of the Tax Commissioner	461,040,000	471,612,650	492,874,678
12 Customs	211,170,000	180,776,615	196,995,020
10 Ministry of Finance HQ	4,000,000	2,308,701	2,022,465
11 Accountant General	3,500,000	1,300,475	3,987,122
28 Department of Social Insurance	-	2,225	9,225
	679,710,000	656,000,666	695,888,510
Ministry of Education			
17 Department of Education	220,000	193,718	195,366
	220,000	193,718	195,366
Ministry of Health			
22 Health Department	2,757,000	3,144,716	2,997,293
91 Health Insurance	-	7,914	4,500
21 Ministry of Health HQ	-	3,537	348
	2,757,000	3,156,167	3,002,141

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

For the year ended March 31	2013 Original Estimates	2013 Actual	2012 Actual
	\$	\$	\$
Ministry of the Environment, Planning & Infrastructure Strategy			
46 Telecommunications	15,300,000	13,519,708	13,661,343
32 Department of Planning	1,036,000	936,387	1,002,073
72 Environmental Protection	551,000	825,930	596,664
50 Ministry of the Environment, Planning & Infr. Str. HQ	18,000	8,446	17,551
97 Land, Surveys & Registration	-	1,277	455
42 Rent Commissioner	1,000	36	245
49 Land Valuation	-	30	530
	16,906,000	15,291,814	15,278,861
Ministry of Youth, Families, Sports & Community Development			
20 Youth, Sport & Recreation	733,000	923,680	902,794
23 Child & Family Services	115,000	78,231	109,981
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	-	-	7,093
56 Human Affairs	-	(15)	26
	848,000	1,001,896	1,019,894
Ministry of National Security			
27 Border Control	12,406,000	6,734,752	12,895,181
45 Fire Services	712,000	717,696	559,197
07 Police	477,000	569,910	501,517
83 Ministry of National Security HQ	-	11,290	12,144
06 Defence	-	11,149	23,515
	13,595,000	8,044,797	13,991,554
Ministry of Economy, Trade & Industry			
94 Ministry Economy, Trade & Industry HQ	15,550,000	7,228,040	7,953,214
13 Post Office	5,163,000	5,239,207	5,399,814
52 Community and Cultural Affairs	255,000	145,854	155,384
18 Libraries	14,000	20,250	17,879
60 Labour & Training	164,000	935	4,640
	21,146,000	12,634,286	13,530,931
Ministry of Public Works			
82 Works & Engineering	10,330,000	11,285,228	11,468,254
69 Conservation Services	825,000	1,160,316	900,512
36 Min. of Public Works HQ	1,122,000	526,621	750,040
68 Parks	254,000	234,112	258,456
	12,531,000	13,206,277	13,377,262
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	11,182,000	2,055,370	2,086,073
29 Registry General	879,000	725,520	1,115,207
19 Department of Archives	4,000	1,520	2,902
43 Information Technology Office	-	563	-
93 Ministry of Government Estates & Inform. Services HQ	-	(964)	-
	12,065,000	2,782,009	3,204,182
Ministry of Business Development & Tourism			
39 Registrar of Companies	61,835,000	66,557,740	64,935,135
95 Min. of Business Dev. & Tourism HQ	842,000	1,007,700	956,898
33 Tourism	34,000	34,538	35,929
67 E- Commerce	-	-	11,800
	62,711,000	67,599,978	65,939,762
TOTAL REVENUE	909,634,000	866,577,558	914,181,640

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

For the year ended March 31	2013 Interdepartmental Revenue	2013 Gross Revenue Actual	2013 Net Revenue
	\$	\$	\$
Non-Ministry Departments			
63 Parliamentary Registrar	5,250	360,383	355,133
01 Governor & Staff	-	7,357	7,357
02 Legislature	21,691	1,823	(19,868)
92 Internal Audit	-	1,521	1,521
05 Office of the Auditor General	488	(61,657)	(62,145)
	27,429	309,427	281,998
Cabinet Office Departments			
14 Department of Statistics	26,896	1,641	(25,255)
26 Department of Human Resources	5,116	351	(4,765)
09 Cabinet Office	-	120	120
	32,012	2,112	(29,900)
Ministry of Transport			
34 Transport Control Department	-	26,145,815	26,145,815
57 Civil Aviation	-	24,072,465	24,072,465
31 Airport Operations	43,760	12,708,563	12,664,803
35 Public Transportation	2,633	7,709,462	7,706,829
30 Marine & Ports Services	3,541	6,044,951	6,041,410
73 Maritime Administration	569	4,345,287	4,344,718
48 Ministry of Transport HQ	-	39,503	39,503
	50,503	81,066,046	81,015,543
Ministry of Justice			
03 Judicial Department	39,185	5,095,051	5,055,866
87 Ministry of Justice HQ	2,800	88,924	86,124
75 Department of Public Prosecutions	-	81,646	81,646
88 National Drug Control	11,690	22,092	10,402
04 Attorney General's Chambers	-	652	652
25 Department of Corrections	679	-	(679)
	54,354	5,288,365	5,234,011
Ministry of Finance			
38 Office of the Tax Commissioner	61,386	471,612,650	471,551,264
12 Customs	735	180,776,615	180,775,880
10 Ministry of Finance HQ	43,088	2,308,701	2,265,613
11 Accountant General	3,501	1,300,475	1,296,974
28 Department of Social Insurance	-	2,225	2,225
	108,710	656,000,666	655,891,956
Ministry of Education			
17 Department of Education	2,832	193,718	190,886
	2,832	193,718	190,886
Ministry of Health			
22 Health Department	51,713	3,144,716	3,093,003
91 Health Insurance	-	7,914	7,914
21 Ministry of Health HQ	70,998	3,537	(67,461)
	122,711	3,156,167	3,033,456

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

For the year ended March 31	2013 Interdepartmental Revenue	2013 Gross Revenue Actual	2013 Net Revenue
	\$	\$	\$
Ministry of the Environment, Planning & Infrastructure Strategy			
46 Telecommunications	88,895	13,519,708	13,430,813
32 Department of Planning	12,159	936,387	924,228
72 Environmental Protection	1,670	825,930	824,260
50 Ministry of the Environment, Planning & Infr. Str. HQ	-	8,446	8,446
97 Land, Surveys & Registration	-	1,277	1,277
42 Rent Commissioner	-	36	36
49 Land Valuation	-	30	30
89 Energy	1,500	-	(1,500)
	104,224	15,291,814	15,187,590
Ministry of Youth, Families, Sports & Community Development			
20 Youth, Sport & Recreation	7,580	923,680	916,100
52 Community and Cultural Affairs	-	145,854	145,854
23 Child & Family Services	120	78,231	78,111
56 Human Affairs	-	(15)	(15)
	7,700	1,147,750	1,140,050
Ministry of National Security			
27 Border Control	2,517	6,734,752	6,732,235
45 Fire Services	-	717,696	717,696
07 Police	9,257	569,910	560,653
83 Ministry of National Security HQ	392	11,290	10,898
06 Defence	63,387	11,149	(52,238)
	75,553	8,044,797	7,969,244
Ministry of Economy, Trade & Industry			
94 Ministry Economy, Trade & Industry HQ	-	7,228,040	7,228,040
13 Post Office	15,186	5,239,207	5,224,021
60 Labour & Training	-	935	935
	15,186	12,468,182	12,452,996
Ministry of Public Works			
82 Works & Engineering	694,574	11,285,228	10,590,654
69 Conservation Services	-	1,160,316	1,160,316
36 Min. of Public Works HQ	750,835	526,621	(224,214)
68 Parks	-	234,112	234,112
	1,445,409	13,206,277	11,760,868
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	89,508	2,055,370	1,965,862
29 Registry General	1,186	725,520	724,334
18 Libraries	-	20,250	20,250
19 Department of Archives	319	1,520	1,201
43 Information Technology Office	-	563	563
84 E-Government	3,148	-	(3,148)
93 Ministry of Government Estates & Inform. Services HQ	-	(964)	(964)
	94,161	2,802,259	2,708,098
Ministry of Business Development & Tourism			
39 Registrar of Companies	-	66,557,740	66,557,740
95 Min. of Business Dev. & Tourism HQ	117,040	1,007,700	890,660
33 Tourism	2,734	34,538	31,804
67 E- Commerce	120	-	(120)
	119,894	67,599,978	67,480,084
TOTAL REVENUE	2,260,678	866,577,558	864,316,880

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

For the year ended March 31		2013	2013	2013	2013	2012
		Capital	Capital	Current	Total	Total
		Development	Acquisition	Expenses	Actual	Actual
		\$	\$	\$	\$	\$
Economic Development						
11	Accountant General	-	109,120	86,607,340	86,716,460	85,215,898
82	Works & Engineering	1,867,812	-	52,006,475	53,874,287	55,667,986
81	Public Lands & Buildings	4,447,459	-	39,959,436	44,406,895	42,836,029
33	Tourism	-	(58)	30,457,364	30,457,306	30,207,319
31	Airport Operations	352,126	10,352	29,819,172	30,181,650	25,595,711
35	Public Transportation	-	1,740	25,656,719	25,658,459	23,624,212
30	Marine & Ports Services	-	174,197	24,126,943	24,301,140	23,114,012
13	Post Office	-	17,340	13,672,969	13,690,309	14,306,280
36	Ministry of Public Works HQ	510,237	77,459	11,380,461	11,968,157	25,211,484
38	Office of the Tax Commissioner	-	65,332	11,656,136	11,721,468	12,436,940
43	Information Technology Office	-	1,462,726	9,285,585	10,748,311	10,732,080
57	Civil Aviation	-	131,914	9,150,933	9,282,847	8,489,427
12	Customs	-	141,843	7,641,326	7,783,169	8,003,558
34	Transport Control Department	-	-	6,157,968	6,157,968	6,698,711
10	Ministry of Finance HQ	-	17,500	5,075,665	5,093,165	10,985,162
39	Registrar of Companies	-	22,572	4,762,357	4,784,929	3,132,303
95	Ministry of Business Development & Tourism HQ	-	10,115	4,720,390	4,730,505	4,667,279
94	Ministry of Economy, Trade & Industry HQ	-	-	4,152,884	4,152,884	2,334,597
05	Office of the Auditor General	-	11,633	3,855,599	3,867,232	3,920,921
46	Telecommunications	66,756	-	3,520,275	3,587,031	1,718,302
32	Department of Planning	-	-	3,561,602	3,561,602	3,634,469
73	Maritime Administration	-	2,753	1,783,291	1,786,044	2,057,589
97	Land, Surveys & Registration	-	80,935	1,397,605	1,478,540	1,351,849
80	Project Management & Procurement	38,093	-	1,294,595	1,332,688	1,786,568
29	Registry General	-	-	1,276,615	1,276,615	1,331,958
84	E-Government	-	43,727	1,005,970	1,049,697	1,055,547
49	Land Valuation	-	1,894	1,041,750	1,043,644	1,093,119
48	Ministry of Transport HQ	68,851	1,904	670,212	740,967	1,060,884
67	E-Commerce	-	-	626,342	626,342	548,186
93	Ministry of Government Estates & Inform. Services HQ	-	-	614,344	614,344	515,946
89	Energy	-	-	565,303	565,303	436,728
96	Sustainable Development	-	-	495,061	495,061	517,396
90	Energy, Telecommunications and E-Commerce HQ	-	-	1,802	1,802	(17,546)
	Amortization (Note 3(f))	-	-	-	-	-
		7,351,334	2,384,998	398,000,489	407,736,821	414,270,904
Health						
24	Hospitals	120,000	-	149,552,674	149,672,674	142,818,074
22	Health Department	241,213	34,378	30,512,840	30,788,431	30,493,790
91	Health Insurance	-	-	12,041,310	12,041,310	13,600,483
21	Ministry of Health HQ	-	-	11,569,056	11,569,056	11,915,339
28	Department of Social Insurance	-	-	6,109,235	6,109,235	8,303,921
		361,213	34,378	209,785,115	210,180,706	207,131,607
National Security						
07	Police	458,846	861,849	69,682,641	71,003,336	69,828,407
25	Corrections	274,945	29,775	28,799,443	29,104,163	29,356,822
27	Border Control	-	48,967	17,398,528	17,447,495	17,410,796
45	Fire Services	45,508	39,509	15,458,645	15,543,662	17,634,695
03	Judicial Department	-	87,705	8,139,938	8,227,643	8,952,494
06	Defence	98,976	140,766	6,486,558	6,726,300	7,469,931
87	Ministry of Justice HQ	-	-	6,652,601	6,652,601	6,997,884
04	Attorney General's Chambers	-	-	3,544,026	3,544,026	3,875,574
74	Court Services	-	14,040	3,440,679	3,454,719	3,549,519
75	Department of Public Prosecutions	-	-	2,614,952	2,614,952	2,550,290
83	Ministry of National Security HQ	-	-	1,415,579	1,415,579	1,345,028
54	Security Services & Delegated Affairs	-	-	-	-	(8,006)
		878,275	1,222,611	163,633,590	165,734,476	168,963,434
Education						
17	Department of Education	406,389	204,848	117,088,177	117,699,414	122,000,801
41	Bermuda College	-	-	18,119,000	18,119,000	18,119,000
60	Labour & Training	-	502	5,356,322	5,356,824	5,485,283
16	Ministry of Education HQ	-	-	3,068,666	3,068,666	3,810,693
		406,389	205,350	143,632,165	144,243,904	149,415,777

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

For the year ended March 31

	2013 Capital Development	2013 Capital Acquisition	2013 Current Expenses	2013 Total Actual	2012 Total Actual
	\$	\$	\$	\$	\$
Social Services & Assistance					
55 Financial Assistance	-	14,300	43,144,312	43,158,612	38,674,696
23 Child & Family Services	-	33,498	17,681,662	17,715,160	16,046,586
53 Bermuda Housing Corporation	-	-	6,500,000	6,500,000	6,587,000
88 National Drug Control	-	98,746	4,247,236	4,345,982	4,132,149
52 Community & Cultural Affairs	-	-	3,557,799	3,557,799	3,817,738
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	-	2,079	2,283,012	2,285,091	2,849,743
42 Rent Commissioner	-	-	524,077	524,077	554,792
	-	148,623	77,938,098	78,086,721	72,662,704
Other General Government Services					
20 Youth, Sport & Recreation	7,148,000	-	11,554,182	18,702,182	10,903,290
68 Parks	132,148	109,188	11,269,737	11,511,073	10,803,696
09 Cabinet Office	-	3,599	7,153,332	7,156,931	6,910,302
69 Conservation Services	233,794	185	5,488,471	5,722,450	5,433,385
02 Legislature	41,806	(7,596)	5,190,783	5,224,993	5,609,936
26 Department of Human Resources	-	193,140	3,860,900	4,054,040	3,998,344
72 Environmental Protection	9,013	(1,510)	3,417,643	3,425,146	3,257,663
14 Department of Statistics	-	9,876	2,656,086	2,665,962	2,775,463
51 Department of Communication & Information	-	(23,997)	2,400,875	2,376,878	2,718,786
18 Libraries	-	7,038	2,326,086	2,333,124	2,392,436
56 Human Affairs	-	-	2,145,512	2,145,512	2,251,731
01 Governor & Staff	-	1,469	1,605,112	1,606,581	1,782,323
63 Parliamentary Registrar	-	(9,075)	1,531,282	1,522,207	978,936
92 Internal Audit	-	-	1,479,042	1,479,042	1,372,206
19 Department of Archives	-	900	1,303,738	1,304,638	1,402,502
85 Ombudsman's Office	-	4,085	751,882	755,967	810,090
50 Ministry of the Environment, Planning & Infra. Strategy HQ	10,960	-	699,223	710,183	880,958
08 Public Service Commission	-	-	-	-	(45)
15 Department of Management Services	-	-	-	-	(3,810)
	7,575,721	287,302	64,833,886	72,696,909	64,278,192
Interest on Debt					
58 Interest on Debt	-	-	81,577,570	81,577,570	67,592,428
	-	-	81,577,570	81,577,570	67,592,428
Pensions and Other Employee Future Benefits					
Retirement Benefit Expenses	-	-	114,311,376	114,311,376	113,096,438
	-	-	114,311,376	114,311,376	113,096,438
TOTAL EXPENSES	16,572,932	4,283,262	1,253,712,289	1,274,568,483	1,257,411,484

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

For the year ended March 31	2013 Original Estimates	2013 Actual	2012 Actual
	\$	\$	\$
Employees			
Salaries	321,039,000	321,173,034	306,594,789
Retirement Benefit Expenses (Note 4(b)(ii))	-	154,058,961	152,054,080
Wages	72,940,000	84,133,053	85,288,493
Employer Overhead	39,854,000	32,594,636	31,976,564
Other Personnel Costs	6,838,000	5,563,527	1,552,274
Training	6,648,000	2,306,757	3,824,956
Compensated Absences	-	1,118,758	2,325,036
	447,319,000	600,948,726	583,616,192
Operations			
Grants & Contributions	262,152,000	277,384,973	274,257,810
Professional Services	84,774,000	95,944,148	99,198,233
Interest on Debt	35,850,000	84,292,653	71,067,016
Amortization (Note 3(f))	-	47,044,473	46,544,663
Materials & Supplies	27,210,000	23,158,414	27,167,645
Energy	20,707,000	20,573,009	20,656,630
Advertising & Promotion	15,086,000	18,135,591	15,663,553
Repairs & Maintenance	21,610,000	17,613,858	18,343,514
Rentals	17,981,000	16,794,324	17,766,475
Bad Debts	-	15,698,647	18,852,186
Insurance	12,915,000	12,498,541	13,028,695
Communications	9,897,000	9,181,459	10,038,866
Transport	5,936,000	3,977,255	5,610,817
Other	4,658,000	3,603,120	16,014,812
Travel	5,336,000	3,418,547	3,618,687
Clothing & Uniforms	2,329,000	1,576,116	2,001,481
Bank Charges & Commissions	-	977,640	1,513,402
Equipment	1,007,000	890,795	780,329
Transfer to Other Funds (Note 4(b)(iii))	30,750,000	-	-
	558,198,000	652,763,563	662,124,814
TOTAL CURRENT EXPENSES	1,005,517,000	1,253,712,289	1,245,741,006

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

For the year ended March 31	2013	2013	2012
	Original Estimates	Actual	Actual
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	5,663,000	5,190,783	5,520,620
05 Office of the Auditor General	4,049,000	3,855,599	3,863,399
01 Governor & Staff	1,685,000	1,605,112	1,782,323
63 Parliamentary Registrar	1,433,000	1,531,282	920,191
92 Internal Audit	1,703,000	1,479,042	1,372,206
85 Ombudsman's Office	819,000	751,882	802,883
08 Public Service Commission	-	-	-
	15,352,000	14,413,700	14,261,622
Cabinet Office Departments			
09 Cabinet Office	7,392,000	7,153,332	6,891,178
26 Department of Human Resources	4,378,000	3,860,900	4,009,253
14 Department of Statistics	3,067,000	2,656,086	2,765,598
51 Department of Communication & Information	2,594,000	2,400,875	2,661,882
	17,431,000	16,071,193	16,327,911
Ministry of Transport			
31 Airport Operations	21,391,000	29,819,172	25,194,093
35 Public Transportation	19,628,000	25,656,719	23,598,008
30 Marine & Ports Services	19,167,000	24,126,943	23,094,307
57 Civil Aviation	9,949,000	9,150,933	8,413,697
34 Transport Control Department	6,686,000	6,157,968	6,698,711
73 Maritime Administration	1,906,000	1,783,291	2,053,489
48 Ministry of Transport HQ	797,000	670,212	1,037,046
	79,524,000	97,365,238	90,089,351
Ministry of Justice			
25 Corrections	28,014,000	28,799,443	29,272,748
03 Judicial Department	8,532,000	8,139,938	8,924,865
87 Ministry of Justice HQ	6,083,000	6,652,601	6,998,254
88 National Drug Control	3,946,000	4,247,236	4,132,149
04 Attorney General's Chambers	4,428,000	3,544,026	3,875,574
74 Court Services	4,511,000	3,440,679	3,540,614
75 Department of Public Prosecutions	2,986,000	2,614,952	2,550,290
	58,500,000	57,438,875	59,294,494
Ministry of Finance			
Retirement Benefit Expenses	-	114,311,376	113,096,438
11 Accountant General	51,139,000	86,607,339	85,189,099
58 Interest on Debt	35,000,000	81,577,570	67,592,428
38 Office of the Tax Commissioner	3,515,000	11,656,136	12,436,940
12 Customs	7,300,000	7,641,326	8,092,349
28 Department of Social Insurance	5,150,000	6,109,235	8,303,921
10 Ministry of Finance HQ	5,166,000	5,075,665	10,955,162
80 Project Management & Procurement	1,352,000	1,294,595	1,477,815
59 Sinking Fund Contribution	30,750,000	-	-
	139,372,000	314,273,242	307,144,152
Ministry of Education			
17 Department of Education	113,228,000	117,088,177	120,855,654
41 Bermuda College	18,119,000	18,119,000	18,119,000
16 Ministry of Education HQ	2,642,000	3,068,666	3,810,693
	133,989,000	138,275,843	142,785,347
Ministry of Health			
24 Hospitals	142,578,000	149,552,674	142,698,074
22 Health Department	31,396,000	30,512,840	30,325,520
91 Health Insurance	4,406,000	12,041,310	13,600,483
21 Ministry of Health HQ	12,598,000	11,569,056	11,915,339
	190,978,000	203,675,880	198,539,416

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

For the year ended March 31	2013	2013	2012
	Original	Actual	Actual
	Estimates		
	\$	\$	\$
Ministry of the Environment Planning & Infrastructure Strategy			
32 Department of Planning	3,933,000	3,561,602	3,634,469
46 Telecommunications	3,029,000	3,520,275	1,620,102
72 Environmental Protection	3,515,000	3,417,643	3,233,074
97 Land, Surveys & Registration	1,802,000	1,397,605	1,343,314
49 Land Valuation	787,000	1,041,750	1,081,219
50 Ministry of the Environment, Planning & Infra. Strategy HQ	822,000	699,223	871,818
89 Energy	754,000	565,303	436,728
42 Rent Commissioner	588,000	524,077	554,792
96 Sustainable Development	515,000	495,061	517,396
	15,745,000	15,222,539	13,292,912
Ministry of Youth, Families, Sports & Community Development			
55 Financial Assistance	39,845,000	43,144,312	38,674,696
23 Child & Family Services	18,672,000	17,681,662	16,017,687
20 Youth, Sport & Recreation	12,053,000	11,554,182	10,865,421
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	2,458,000	2,283,012	2,849,528
56 Human Affairs	2,344,000	2,145,512	2,251,731
	75,372,000	76,808,680	70,659,063
Ministry of National Security			
07 Police	68,614,000	69,682,641	69,451,897
27 Border Control	17,693,000	17,398,528	17,379,601
45 Fire Services	14,266,000	15,458,645	17,542,550
06 Defence	7,189,000	6,486,558	7,442,831
83 Ministry of National Security HQ	1,150,000	1,415,579	1,337,022
	108,912,000	110,441,951	113,153,901
Ministry of Economy, Trade & Industry			
13 Post Office	14,143,000	13,672,969	14,181,396
60 Labour & Training	6,007,000	5,356,322	5,485,283
94 Ministry of Economy, Trade & Industry HQ	4,236,000	4,152,884	2,334,111
52 Community & Cultural Affairs	3,852,000	3,557,799	3,817,738
18 Libraries	2,348,000	2,326,086	2,390,042
	30,586,000	29,066,060	28,208,570
Ministry of Public Works			
82 Works & Engineering	33,653,000	52,006,475	52,244,936
36 Ministry of Public Works HQ	12,200,000	11,380,461	24,270,491
68 Parks	10,955,000	11,269,737	10,484,198
53 Bermuda Housing Corporation	5,500,000	6,500,000	6,587,000
69 Conservation Services	5,698,000	5,488,471	5,235,580
Amortization (Note 3(f))	-	-	-
	68,006,000	86,645,144	98,822,205
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	20,545,000	39,959,436	41,096,293
43 Information Technology Office	7,571,000	9,285,585	9,292,626
19 Department of Archives	1,611,000	1,303,738	1,399,631
29 Registry General	1,537,000	1,276,615	1,331,958
84 E-Government	1,094,000	1,005,970	990,488
93 Ministry of Govt Estates & Information Services HQ	835,000	614,344	515,946
90 Energy, Telecommunications and E-Commerce HQ	-	1,802	(17,546)
	33,193,000	53,447,490	54,609,396
Ministry of Business Development & Tourism			
33 Tourism	28,704,000	30,457,365	30,207,319
39 Registrar of Companies	3,529,000	4,762,357	3,129,882
95 Ministry of Business Dev. & Tourism HQ	5,244,000	4,720,390	4,667,279
67 E-Commerce	1,080,000	626,342	548,186
	38,557,000	40,566,454	38,552,666
TOTAL CURRENT EXPENSES	1,005,517,000	1,253,712,289	1,245,741,006

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

For the year ended March 31

	2013 Interdepartmental Expense	2013 Actual Gross Expense	2013 Net Expense
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	38,243	5,190,783	5,152,540
05 Office of the Auditor General	85	3,855,599	3,855,514
01 Governor & Staff	10,597	1,605,112	1,594,515
63 Parliamentary Registrar	240	1,531,282	1,531,042
92 Internal Audit	85	1,479,042	1,478,957
85 Ombudsman's Office	-	751,882	751,882
	49,250	14,413,700	14,364,450
Cabinet Office Departments			
09 Cabinet Office	180	7,153,332	7,153,152
26 Department of Human Resources	31	3,860,900	3,860,869
14 Department of Statistics	12,286	2,656,086	2,643,800
51 Department of Communication & Information	-	2,400,875	2,400,875
	12,497	16,071,193	16,058,696
Ministry of Transport			
31 Airport Operations	17,678	29,819,172	29,801,494
35 Public Transportation	137,965	25,656,719	25,518,754
30 Marine & Ports Services	5,503	24,126,943	24,121,440
57 Civil Aviation	1,410	9,150,933	9,149,523
34 Transport Control Department	795	6,157,968	6,157,173
73 Maritime Administration	240	1,783,291	1,783,051
48 Ministry of Transport HQ	-	670,212	670,212
	163,591	97,365,238	97,201,647
Ministry of Justice			
25 Corrections	131,487	28,799,443	28,667,956
03 Judicial Department	22,909	8,139,938	8,117,029
87 Ministry of Justice HQ	5,068	6,652,601	6,647,533
88 National Drug Control	31,701	4,247,236	4,215,535
04 Attorney General's Chambers	5,257	3,544,026	3,538,769
74 Court Services	47	3,440,679	3,440,632
75 Department of Public Prosecutions	2,800	2,614,952	2,612,152
	199,269	57,438,875	57,239,606
Ministry of Finance			
Retirement Benefit Expenses	-	114,311,376	114,311,376
11 Accountant General	4,868	86,607,339	86,602,471
58 Interest on Debt	-	81,577,570	81,577,570
38 Office of the Tax Commissioner	114,362	11,656,136	11,541,774
12 Customs	8,445	7,641,326	7,632,881
28 Department of Social Insurance	49,253	6,109,235	6,059,982
10 Ministry of Finance HQ	4,346	5,075,665	5,071,319
80 Project Management & Procurement	151	1,294,595	1,294,444
	181,425	314,273,242	314,091,817
Ministry of Education			
17 Department of Education	44,064	117,088,177	117,044,113
41 Bermuda College	-	18,119,000	18,119,000
16 Ministry of Education HQ	-	3,068,666	3,068,666
	44,064	138,275,843	138,231,779
Ministry of Health			
24 Hospitals	-	149,552,674	149,552,674
22 Health Department	191,334	30,512,840	30,321,506
91 Health Insurance	-	12,041,310	12,041,310
21 Ministry of Health HQ	85	11,569,056	11,568,971
	191,419	203,675,880	203,484,461

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

For the year ended March 31

	2013 Interdepartmental Expense	2013 Actual Gross Expense	2013 Net Expense
	\$	\$	\$
Ministry of the Environment Planning & Infrastructure Strategy			
32 Department of Planning	-	3,561,602	3,561,602
46 Telecommunications	3,286	3,520,275	3,516,989
72 Environmental Protection	696	3,417,643	3,416,947
97 Land, Surveys & Registration	85	1,397,605	1,397,520
49 Land Valuation	120	1,041,750	1,041,630
50 Ministry of the Environment, Planning & Infra. Strategy HQ	-	699,223	699,223
89 Energy	-	565,303	565,303
42 Rent Commissioner	-	524,077	524,077
96 Sustainable Development	-	495,061	495,061
	4,187	15,222,539	15,218,352
Ministry of Youth, Families, Sports & Community Development			
55 Financial Assistance	3,605	43,144,312	43,140,707
23 Child & Family Services	7,052	17,681,662	17,674,610
20 Youth, Sport & Recreation	147,121	11,554,182	11,407,061
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	72,285	2,283,012	2,210,727
56 Human Affairs	490	2,145,512	2,145,022
	230,553	76,808,680	76,578,127
Ministry of National Security			
07 Police	104,378	69,682,641	69,578,263
27 Border Control	975	17,398,528	17,397,553
45 Fire Services	900	15,458,645	15,457,745
06 Defence	2,205	6,486,558	6,484,353
83 Ministry of National Security HQ	-	1,415,579	1,415,579
	108,458	110,441,951	110,333,493
Ministry of Economy, Trade & Industry			
13 Post Office	7,466	13,672,969	13,665,503
60 Labour & Training	-	5,356,322	5,356,322
94 Min. of Economy, Trade & Industry HQ	-	4,152,884	4,152,884
52 Community & Cultural Affairs	340	3,557,799	3,557,459
18 Libraries	-	2,326,086	2,326,086
	7,806	29,066,060	29,058,254
Ministry of Public Works			
82 Works & Engineering	331	52,006,475	52,006,144
36 Min. of Public Works HQ	109,227	11,380,461	11,271,234
68 Parks	35,820	11,269,737	11,233,917
53 Bermuda Housing Corporation	750,000	6,500,000	5,750,000
69 Conservation Services	790	5,488,471	5,487,681
	896,168	86,645,144	85,748,976
Ministry of Government Estates & Information Services			
81 Public Lands & Buildings	85	39,959,436	39,959,351
43 Information Technology Office	119,806	9,285,585	9,165,779
19 Department of Archives	319	1,303,738	1,303,419
29 Registry General	1,010	1,276,615	1,275,605
84 E-Government	-	1,005,970	1,005,970
93 Min. of Govt Estates & Inform. Svcs HQ	30	614,344	614,314
90 Energy, Telecommunications and E-Commerce HQ	-	1,802	1,802
	121,250	53,447,490	53,326,240
Ministry of Business Development & Tourism			
33 Tourism	7,317	30,457,365	30,450,048
39 Registrar of Companies	213	4,762,357	4,762,144
95 Min. of Business Dev. & Tourism HQ	43,088	4,720,390	4,677,302
67 E-Commerce	120	626,342	626,222
	50,738	40,566,454	40,515,716
TOTAL CURRENT EXPENSES	2,260,675	1,253,712,289	1,251,451,614

Government of Bermuda - Consolidated Fund
Schedule 11: Schedules of Tangible Capital Assets and Assets Under Construction
As at March 31, 2013

	Estimated Useful Life	COST				ACCUMULATED AMORTIZATION				31-Mar-13 Net Book Value	31-Mar-12 Net Book Value
		Opening Balance	Additions	Disposals & Adjustments	Closing Balance	Opening Balance	Amortization Expense	Disposals & Adjustments	Closing Balance		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets											
Land	Indefinite	45,636,778	-	-	45,636,778	-	-	-	-	45,636,778	45,636,778
Buildings & Betterments	40 years	608,777,929	7,458,406	-	616,236,335	(152,947,019)	(16,863,143)	-	(169,810,162)	446,426,173	455,830,910
Infrastructure	10 - 40 Years	172,145,090	5,057,523	-	177,202,613	(36,473,489)	(6,434,684)	-	(42,908,173)	134,294,439	135,671,601
Vehicles & Heavy Equipment	5 - 7 Years	88,332,244	2,721,792	(1,088,249)	89,965,787	(70,756,158)	(6,350,135)	1,088,249	(76,018,044)	13,947,743	17,576,086
Vessels	5 - 10 Years	44,725,596	16,971	-	44,742,567	(33,282,078)	(2,564,012)	-	(35,846,090)	8,896,477	11,443,518
Computer Software	10 years	30,997,961	2,846,093	-	33,844,054	(7,680,156)	(3,358,165)	-	(11,038,321)	22,805,733	23,317,805
Office Equipment	5 years	15,334,207	1,140,285	-	16,474,492	(9,326,262)	(2,107,509)	-	(11,433,771)	5,040,721	6,007,945
Computer Hardware	3 - 7 years	13,314,817	1,500,857	-	14,815,674	(8,873,460)	(1,801,222)	-	(10,674,682)	4,140,993	4,441,357
Capital Leases	3 - 5 years	4,602,292	303,927	-	4,906,219	(3,903,505)	(233,858)	-	(4,137,363)	768,856	698,787
Furniture & Fixtures	7 years	4,461,900	234,051	-	4,695,951	(2,648,574)	(530,876)	-	(3,179,450)	1,516,501	1,813,326
Plant, Machinery & Equipment	10 - 30 Years	86,269,955	15,664,162	-	101,934,117	(37,257,882)	(6,800,868)	-	(44,058,750)	57,875,367	49,012,073
Total Tangible Capital Assets		1,114,598,769	36,944,067	(1,088,249)	1,150,454,587	(363,148,583)	(47,044,472)	1,088,249	(409,104,806)	741,349,781	751,450,187
Assets Under Construction		40,101,565	31,998,590	(28,248,235)	43,851,920	-	-	-	-	43,851,920	40,101,565

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

For the year ended March 31, 2013

	Expenses	Expenditure *	Adjusted Estimates **	Under (Over) Spent
	\$	\$	\$	\$
Non-Ministry Departments				
02 Legislature	5,190,783	5,171,048	5,475,706	304,658
05 Office of the Auditor General	3,855,599	3,816,544	4,034,165	217,621
01 Governor & Staff	1,605,112	1,604,113	1,684,934	80,821
63 Parliamentary Registrar	1,531,282	1,524,084	1,620,663	96,579
92 Internal Audit	1,479,042	1,476,440	1,703,243	226,803
85 Ombudsman's Office	751,882	748,594	800,625	52,031
	14,413,700	14,340,823	15,319,336	978,513
Cabinet Office Departments				
09 Cabinet Office	7,153,332	7,138,745	7,391,631	252,886
26 Department of Human Resources	3,860,900	3,827,132	4,378,370	551,238
14 Department of Statistics	2,656,086	2,642,776	3,030,297	387,521
51 Department of Communication & Information	2,400,875	2,376,730	2,594,342	217,612
	16,071,193	15,985,383	17,394,640	1,409,257
Ministry of Transport				
31 Airport Operations	29,819,172	25,245,501	23,870,651	(1,374,850)
35 Public Transportation	25,656,719	25,271,952	22,837,847	(2,434,105)
30 Marine & Ports Services	24,126,943	21,200,875	20,826,677	(374,198)
57 Civil Aviation	9,150,933	9,008,363	9,449,070	440,707
34 Transport Control Department	6,157,968	5,528,401	5,925,641	397,240
73 Maritime Administration	1,783,291	1,754,051	1,906,115	152,064
48 Ministry of Transport HQ	670,212	668,643	856,854	188,211
	97,365,238	88,677,786	85,672,855	(3,004,931)
Ministry of Justice				
25 Corrections	28,799,443	28,482,788	28,013,527	(469,261)
03 Judicial Department	8,139,938	8,003,719	8,532,323	528,604
87 Ministry of Justice HQ	6,652,601	6,652,405	7,053,785	401,380
88 National Drug Control	4,247,236	4,130,088	3,946,153	(183,935)
04 Attorney General's Chambers	3,544,026	3,433,788	3,807,199	373,411
74 Court Services	3,440,679	3,415,113	4,160,613	745,500
75 Department of Public Prosecutions	2,614,952	2,611,082	2,986,318	375,236
	57,438,875	56,728,983	58,499,918	1,770,935
Ministry of Finance				
Retirement Benefit Expenses	114,311,376	-	-	-
11 Accountant General	86,607,339	54,367,587	53,139,073	(1,228,514)
58 Interest on Debt	81,577,570	30,440,077	35,000,000	4,559,923
38 Office of the Tax Commissioner	11,656,136	3,090,190	3,515,000	424,810
12 Customs	7,641,326	6,080,940	7,300,371	1,219,431
28 Department of Social Insurance	6,109,235	6,073,512	5,150,000	(923,512)
10 Ministry of Finance HQ	5,075,665	5,061,702	5,165,653	103,951
80 Project Management & Procurement	1,294,595	1,287,042	1,352,145	65,103
59 Sinking Fund Contribution	-	30,750,000	30,750,000	-
	314,273,242	137,151,050	141,372,242	4,221,192
Ministry of Education				
17 Department of Education	117,088,177	116,015,899	125,299,084	9,283,185
41 Bermuda College	18,119,000	18,119,000	18,119,000	-
16 Ministry of Education HQ	3,068,666	3,068,666	3,241,661	172,995
	138,275,843	137,203,565	146,659,745	9,456,180
Ministry of Health				
24 Hospitals	149,552,674	149,552,674	142,578,000	(6,974,674)
22 Health Department	30,512,840	29,798,732	31,693,319	1,894,587
91 Health Insurance	12,041,310	12,041,310	9,434,296	(2,607,014)
21 Ministry of Health HQ	11,569,056	11,544,985	12,300,764	755,779
	203,675,880	202,937,701	196,006,379	(6,931,322)

* 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, 2013

	Expenses	Expenditure*	Adjusted Estimates **	Under (Over) Spent
	\$	\$	\$	\$
Ministry of the Environment, Planning & Infrastructure Strategy				
32 Department of Planning	3,561,602	3,543,447	3,931,179	387,732
46 Telecommunications	3,520,275	3,503,892	3,013,893	(489,999)
72 Environmental Protection	3,417,643	3,299,452	3,510,786	211,334
97 Land, Surveys & Registration	1,397,605	1,392,110	1,680,061	287,951
49 Land Valuation	1,041,750	1,007,126	950,732	(56,394)
50 Ministry of the Environment, Planning & Infra. Strategy HQ	699,223	695,884	820,458	124,574
89 Energy	565,303	565,303	754,463	189,160
42 Rent Commissioner	524,077	524,077	560,918	36,841
96 Sustainable Development	495,061	495,061	514,818	19,757
	15,222,539	15,026,352	15,737,308	710,956
Ministry of Youth, Families, Sports & Community Development				
55 Financial Assistance	43,144,312	43,110,604	41,845,057	(1,265,547)
23 Child & Family Services	17,681,662	17,606,254	18,672,288	1,066,034
20 Youth, Sport & Recreation	11,554,182	11,494,012	12,052,848	558,836
71 Ministry of Youth, Families, Sports & Comm. Dev. HQ	2,283,012	2,280,476	2,457,995	177,519
56 Human Affairs	2,145,512	2,079,862	2,344,068	264,206
	76,808,680	76,571,208	77,372,256	801,048
Ministry of National Security				
07 Police	69,682,641	68,864,791	68,614,073	(250,718)
27 Border Control	17,398,528	16,914,513	17,692,575	778,062
45 Fire Services	15,458,645	13,655,692	14,265,716	610,024
06 Defence	6,486,558	6,821,631	7,078,504	256,873
83 Ministry of National Security HQ	1,415,579	1,259,015	1,150,459	(108,556)
	110,441,951	107,515,642	108,801,327	1,285,685
Ministry of Economy, Trade & Industry				
13 Post Office	13,672,969	13,446,811	14,105,000	658,189
60 Labour & Training	5,356,322	5,358,044	5,797,870	439,826
94 Ministry of Economy, Trade & Industry HQ	4,152,884	4,152,804	4,455,841	303,037
52 Community & Cultural Affairs	3,557,799	3,549,315	3,874,253	324,938
18 Libraries	2,326,086	2,304,115	2,348,321	44,206
	29,066,060	28,811,089	30,581,285	1,770,196
Ministry of Public Works				
82 Works & Engineering	52,006,475	39,694,205	39,653,170	(41,035)
36 Ministry of Public Works HQ	11,380,461	12,662,212	12,199,808	(462,404)
68 Parks	11,269,737	11,106,063	10,943,748	(162,315)
53 Bermuda Housing Corporation	6,500,000	6,500,000	6,500,000	-
69 Conservation Services	5,488,471	5,395,387	5,708,314	312,927
	86,645,144	75,357,867	75,005,040	(352,827)
Ministry of Government Estates & Information Services				
81 Public Lands & Buildings	39,959,436	23,435,361	24,179,760	744,399
43 Information Technology Office	9,285,585	8,106,787	7,571,187	(535,600)
19 Department of Archives	1,303,738	1,278,017	1,610,774	332,757
29 Registry General	1,276,615	1,231,576	1,536,921	305,345
84 E-Government	1,005,970	1,004,709	1,094,112	89,403
93 Ministry of Government Estates & Inform. Services HQ	614,344	613,934	835,387	221,453
90 Energy, Telecommunications and E-Commerce HQ	1,802	(518)	-	518
	53,447,490	35,669,866	36,828,141	1,158,275
Ministry of Business Development & Tourism				
33 Tourism	30,457,365	28,949,196	28,703,813	(245,383)
39 Registrar of Companies	4,762,357	2,732,659	3,558,750	826,091
95 Ministry of Business Development & Tourism HQ	4,720,390	4,718,237	5,244,041	525,804
67 E-Commerce	626,342	625,169	1,050,400	425,231
	40,566,454	37,025,261	38,557,004	1,531,743
TOTAL CURRENT EXPENDITURE	1,253,712,289	1,029,002,576	1,043,807,476	14,804,900

* 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	2013	2012
	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	32,052,111	18,715,029
Capital Acquisition	6,506,760	7,037,781
	38,558,871	25,752,810

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	921,871,431	962,730,796
Projects Completed during the year	(16,471,271)	(56,601,688)
Supplementary Estimate No.1	25,015,759	-
Revised Total Authorized Funding	930,415,919	906,129,108
Appropriated Capital Development	(514,932,756)	(514,348,192)
Unappropriated Capital Development Commitments	415,483,163	391,780,916

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

As at March 31	2013	2012
	Actual	Actual
	\$	\$
Debt (Schedule 7)	1,505,000,000	1,230,000,000
Overdraft Facility Drawdown (Note 15)	69,000,521	120,720,014
	1,574,000,521	1,350,720,014
Less:		
Sinking Fund (Schedule 7)	97,141,966	114,747,081
Public Debt	1,476,858,555	1,235,972,933
Legislated Limit	2,500,000,000	1,450,000,000
Available Limit	1,023,141,445	214,027,067

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 \$2.50 billion (2012 - \$1.45 billion) as amended as at February 22, 2013.