



GOVERNMENT OF BERMUDA

Financial Statements

of the

Consolidated Fund

March 31, 2019

Issued by
Ministry of Finance
The Accountant General

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Government of Bermuda – Consolidated Fund

Statement of Responsibility for the Consolidated Fund Financial Statements

The financial statements are prepared under the general direction of the Minister of Finance by the Accountant General in accordance with public sector accounting standards, and include statements of financial position, operations and accumulated deficit, change in net debt, cash flow, notes and schedules integral to the statements. Together, they present fairly, the financial position of the Consolidated Fund as at March 31, 2019, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended.

The Government is responsible for the integrity and objectivity of the financial statements. In the preparation of these statements, estimates are sometimes necessary because a precise determination of certain assets, liabilities, revenues and expenses is dependent on future events. The Government believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Accountant General's Department, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the Public Treasury (Administration and Payments) Act 1969.

The Auditor General expresses an independent opinion on these financial statements. Her report, stating the scope of her audit and opinion, appears on the following page.

These financial statements are tabled in both Houses of the Legislature. They 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.

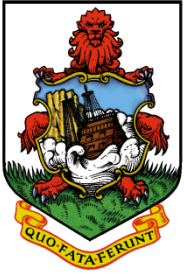


Anthony Manders, CPA, CGA
Financial Secretary



Curtis Stovell, CPA, CA
Accountant General

Hamilton, Bermuda
November 19, 2019



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.bm

INDEPENDENT AUDITOR'S REPORT

To the House of Assembly, the Governor and the Senate

Opinion

I have audited the financial statements of the Consolidated Fund of the Government of Bermuda (the “Consolidated Fund”), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and accumulated deficit, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Consolidated Fund as at March 31, 2019, and the results of its operations, 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.

Basis for Opinion

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

Other Information

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.

Without qualifying my opinion, I wish to draw attention to the following:

Public Debt and Guarantees

As a result of a change in legislation in 2011, the Government Loans Act 1978 (the “Act”), 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. The Act limits public debt (net of sinking fund assets) to \$2.5 billion as at March 31, 2019. The guarantees provided by the Consolidated Fund to various lenders, outside of public debt,

totaled \$1.2 billion as detailed in Note 14. The Consolidated Fund is required to fulfill the guarantee obligations should there be any default.

Increasing Net Debt

In order to finance its annual operating deficits, replace maturing debt and acquire capital assets, Government has borrowed money from various lenders. The level of net debt has increased by \$102 million to \$3.9 billion as of March 31, 2019. The accumulated deficit and the related debt continue to grow.

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.

Government business is transacted through other public funds and Government-controlled organizations such as the Bermuda Housing Corporation and the West End Development Corporation. Government's financial statements do not currently consolidate the results of these organizations with the Consolidated Fund. Consolidating these funds and organizations with the Consolidated Fund would mean that each organization's assets, liabilities and operating results would be incorporated into a set of summary financial statements that show the operating results and the financial position of the whole of Government.

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

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

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

Those charged with governance are responsible for overseeing the Consolidated Fund's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Hamilton, Bermuda
November 19, 2019

Heather Thomas, CPA, CFE, CGMA
Auditor General

**Government of Bermuda - Consolidated Fund
Statement of Financial Position
As at March 31**

		2019 Actual	2018 Actual
		\$	\$
Liabilities			
	<u>Schedule</u>		
Accounts Payable and Accrued Liabilities	5	163,238,112	146,074,098
Deferred Revenue	6	603,107	548,603
Deferred Insurance Proceeds		-	953,606
		<u>163,841,219</u>	<u>147,576,307</u>
Interest Bearing Debt - North Channel (Note16)		-	12,590,496
Interest Bearing Debt - Net of Sinking Fund	7	<u>2,461,087,170</u>	<u>2,418,756,856</u>
		<u>2,461,087,170</u>	<u>2,431,347,352</u>
Pensions and Other Employee Future Benefits			
- Pensions and Retirement Benefits (Note 9(g))		1,543,374,388	1,466,173,046
- Compensated Absences (Note 8)		<u>31,131,052</u>	<u>29,885,154</u>
		<u>1,574,505,440</u>	<u>1,496,058,200</u>
Other Liabilities			
Due to Government Funds and Agencies	3(a)	12,805,815	12,212,424
Total Liabilities		4,212,239,644	4,087,194,283
Financial Assets			
Cash		26,658,762	20,195,584
Accounts Receivable	1	195,561,038	179,699,910
Due from Government Funds and Agencies	3	76,074,558	79,977,962
Discount on Interest Bearing Debt (Note 15(b))		4,619,000	-
Long-Term Receivables	4	461,167	476,120
Investment in BLDC (Note 14(b)(v))		5,000,000	5,000,000
Investment in ACBDA (Note 14(b)(x))		-	100
Total Financial Assets		308,374,525	285,349,676
Net Debt		3,903,865,119	3,801,844,607
Non-Financial Assets			
Tangible Capital Assets	11	668,747,265	692,830,798
Assets under Construction	11	21,845,777	19,484,741
Inventories for Consumption	2	12,664,167	13,280,585
Prepaid Expenses		3,474,237	2,434,680
Total Non-Financial Assets		706,731,446	728,030,804
Accumulated Deficit		3,197,133,673	3,073,813,803

Contingent Liabilities, Non-Contractual Operational Obligations, Contractual Obligations and Commitments - Legislated (Notes 10, 11, 12 and Schedule 13)

**Government of Bermuda - Consolidated Fund
Statement of Operations and Accumulated Deficit
For the year ended March 31**

		2019	2018
		Actual ¹	Actual
		\$	\$
Revenue	<u>Schedule</u> 8, 9		
Taxes & Duties			
Payroll Tax		467,485,520	456,736,461
Customs Duty		226,054,830	223,002,892
Land Tax		79,744,831	62,845,547
Other Taxes and Duties		74,163,907	78,438,729
Passenger Tax		24,095,802	22,177,268
Total Taxes & Duties		871,544,890	843,200,897
Fees, Permits & Licenses		188,221,133	162,156,118
Other Revenue		34,149,193	60,345,847
Investment Income		6,564,584	3,674,224
Total Revenue		1,100,479,800	1,069,377,086
Expenses	10		
Economic Development		343,023,540	360,389,236
Health		194,859,692	166,323,646
National Security		166,491,699	162,135,531
Education		139,086,518	137,846,288
Interest on Debt		124,031,380	117,722,643
Social Services & Assistance		88,850,376	85,001,333
Pensions and Retirement Benefits Expense (Note 9(g))		78,447,240	65,724,826
Other Government Services		71,334,485	59,628,621
Early Tender Premium on Repurchased Debt (Note 15(b))		17,674,740	-
Total Expenses		1,223,799,670	1,154,772,124
Annual Deficit		(123,319,870)	(85,395,038)
Accumulated Deficit, Beginning of Year		(3,073,813,803)	(2,988,418,765)
Accumulated Deficit, End of Year		(3,197,133,673)	(3,073,813,803)

¹ 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**

	2019	2018
	Actual	Actual
	\$	\$
Annual Deficit	(123,319,870)	(85,395,038)
Change Due to Tangible Capital Assets:		
Additions to Tangible Capital Assets	(22,643,311)	(46,176,920)
Loss on Disposal or Impairment of Tangible Capital Assets and Adjustments	352,357	135,902
Net (Additions) Reductions to Assets under Construction	(2,361,036)	16,005,380
Amortization of Tangible Capital Assets	46,374,487	51,267,256
Total Change Due to Tangible Capital Assets	21,722,497	21,231,618
Net Reductions to Inventories for Consumption	616,418	724,210
Net (Additions) Reductions to Prepaid Expenses	(1,039,557)	392,302
Total Change Due to Inventories for Consumption and Prepaid Expenses	(423,139)	1,116,512
Increase in Net Debt	(102,020,512)	(63,046,908)
Net Debt, Beginning of Year	(3,801,844,607)	(3,738,797,699)
Net Debt, End of Year	(3,903,865,119)	(3,801,844,607)

Government of Bermuda - Consolidated Fund
Statement of Cash Flow
For the year ended March 31

	2019	2018
	Actual	Actual
	\$	\$
Operating Activities		
Annual Deficit ¹	(123,319,870)	(85,395,038)
Items not affecting cash:		
Amortization of Tangible Capital Assets	46,374,487	51,267,256
Increase in Pension and Retirement Benefits Liability	77,201,342	64,236,262
Increase in Compensated Absences Liability	1,245,898	1,488,564
Loss on Disposal or Impairment of Tangible Capital Assets and Adjustments	352,357	135,902
Increase in Non-Cash Working Capital	(12,717,003)	(98,537,655)
Cash Applied to Operating Activities	(10,862,789)	(66,804,709)
Capital Activities		
Additions to Tangible Capital Assets	(22,643,311)	(46,176,920)
Net (Additions) Reductions to Assets under Construction	(2,361,036)	16,005,380
Cash Applied to Capital Activities	(25,004,347)	(30,171,540)
Financing Activities		
Debt Issues	670,000,000	85,000,000
Sinking Fund Contribution	(68,734,686)	(63,552,214)
Repayment of Debt	(558,935,000)	-
Cash Provided by Financing Activities	42,330,314	21,447,786
Net Increase (Decrease) in Cash	6,463,178	(75,528,463)
Cash, Beginning of Year	20,195,584	95,724,047
Cash, End of Year	26,658,762	20,195,584

1 - Interest received during the year was \$6,497,823 (2018 - \$1,799,258). Interest received is made up of interest income from the Statement of Operations and Accumulated Deficit in the amount of \$6,564,584 (2018 - \$1,771,567) plus the change in accrued interest receivable in the amount of \$66,761 (2018- \$27,691). Interest paid during the year was \$121,368,613 (2018 - \$124,198,311). Interest paid is made up of interest expense from the Statement of Operations and Accumulated Deficit in the amount of \$124,031,380 (2018 - \$117,722,643) less facility fees of \$2,287,350 (2018 - \$386,924), less amortization of discount of \$124,904 (2018 - \$Nil) and less the change in accrued interest payable in the amount of \$249,513 (2018 - \$6,475,668).

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

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. Unspent current account appropriations lapse at the end of each fiscal year. Unspent capital account appropriations are 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 Government of Bermuda (the “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 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 Chartered Professional Accountants of Bermuda by signed agreement and therefore generally accepted in Bermuda) are the source for the disclosure basis of accounting.

(a) Basis of Accounting

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

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

(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.

Payroll and corporate service tax are recognized when reported for the first three quarters and based on estimates for the last quarter. Land tax is recognized in the month the tax is due. Stamp duty is recognized upon completion of the review of the related legal documents. Passenger tax, foreign currency purchase tax, hotel occupancy tax, betting tax, timesharing tax, and financial services tax are recognized when reported.

Tax concessions result in a reduction of the revenue type for which relief is being provided.

(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.

Government transfers are recognized as an expense in the period the transfer is authorized and all eligibility criteria have been met by the recipient.

Classification of expenses between current account items and capital account items follows the classification in the Approved Estimates of Revenue and Expenditure for the year 2018/19 (the "Approved Estimates").

(d) Interdepartmental Revenues and Expenses

Interdepartmental revenues and expenses are not eliminated but are identified in Schedules 9(a) and 10(c), respectively.

(e) Financial Assets

Financial assets are resources that can be used to discharge existing liabilities or finance future operations. They include cash, accounts receivable, amounts due from Government funds and agencies, long-term receivables and investments in quasi-autonomous non-governmental organizations ("QUANGO"s).

Cash includes cash on hand and demand deposits that are readily convertible to known amounts of cash. These are subject to an insignificant risk of changes in value.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

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

(e) Financial Assets (cont'd)

Accounts receivable, long-term receivables and amounts due from Government funds and agencies are recorded at cost. A provision is recorded when collection of the receivable or amounts due is considered doubtful.

Investments in QUANGOs are recorded at cost.

(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, 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 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 are charged to capital expenses in the year of purchase, which is consistent with prior years. These expenses are 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 not disclosed include historical treasures.

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

Buildings	2 – 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 to 3 Wheeled Vehicles	
\$3,000 to \$99,999	5 years
\$100,000 and above	7 years

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

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

(f) Non-Financial Assets (cont'd)

4 or More Wheeled Vehicles	
\$0 to \$99,999	5 years
\$100,000 and above	7 years
Boats & Vessels	
\$10,000 to \$99,999	5 years
\$100,000 and above	10 years
Capital Leases	
\$3,000 and above	3- 20 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 Public Works is primarily responsible for Government's tangible capital assets. Amortization expense is reported under each respective department. Since amortization is a non-cash expense, it is removed for appropriation reporting purposes.

Assets under construction relate to buildings, betterments, vehicles, computer hardware, computer software, infrastructure, office equipment and vessels in development. Assets under construction are not amortized.

Tangible capital assets that have historical or cultural value, including works of art, historical documents, and historical and cultural artifacts, are not recognized as tangible capital assets in these financial statements.

Inventories for consumption are comprised of spare parts and supplies that are held for future program delivery and are not intended for resale. They are valued at cost.

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

(f) Non-Financial Assets (cont'd)

Inventories for consumption that no longer have service potential are valued at the lower of cost or net realizable value.

Prepaid expenses are cash disbursements for goods or services, other than tangible capital assets and inventories for consumption that will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the good or service is used or consumed.

(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 the year-end that require the Government to repay borrowings, or to pay for goods and services supplied on or before the year-end. Liabilities also include grant payments due on or before the year-end.

(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. Financial assets (excluding investments) and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the year-end date. Non-financial assets and investments are translated at historical rates of exchange. 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 and retirement benefits, accruals for environmental obligations, allowances for doubtful receivables, estimated useful lives of tangible capital assets, future payments related to contingent liabilities, accruals for liabilities through actuarial valuations and provisions for inventory obsolescence.

The nature of the uncertainty related to the accruals for pension obligations and retirement benefits 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.

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

(i) Measurement Uncertainty (cont'd)

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 receivables is based upon actual collectability and changes in economic conditions.

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future conditions 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. Actual results could differ from these estimates.

(j) Risk Management

Funds are borrowed in both domestic and foreign capital markets by issuing 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 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 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 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 as amended.

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

(k) Changes in Accounting Standards

On April 1, 2018, the following standard became effective:

PS 3430 Restructuring transactions – a new standard that establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

This accounting standard had no significant impact on the financial statements.

(l) Future Changes in Accounting Standards

Each year new standards and amendments to standards may be issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The following standards are not yet effective and have not been applied in preparing these financial statements.

New standards effective for fiscal years beginning on or after April 1, 2021 include:

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.

PS 2601 Foreign Currency Translation – replaces PS 2600 and has revised standards on accounting for and reporting transactions denominated in a foreign currency.

PS 3041 Portfolio investments - when Sections PS 1201, PS 2601 and PS 3450 are adopted.

PS 3050 Loans Receivable (Effective Interest Method) – replaces paragraph PS 3050.25 and establishes that a loan discount should be amortized using the effective interest rate method.

PS 3280 Asset Retirement Obligations - a new accounting standard that addresses the reporting of legal obligations associated with the retirement of tangible capital assets.

New standards effective for fiscal years beginning on or after April 1, 2022:

PS 3400 Revenue – a new accounting standard that will address recognition, measurement and presentation of revenues that are common in the public sector.

The Government does not intend to adopt these new standards prior to the effective dates. An assessment will be done to determine the impact that these standards will have on the financial statements.

4. Approved Estimates of the Government

(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, 2018 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 8, 9, 10(a) and 10(b) are from the original Approved Estimates 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 and Expenditures

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 on the modified cash basis for comparative and analytical purposes against the Adjusted Estimates. The primary 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 an expenditure.
- (iv) Compensated Absences – Certain Government employees are entitled to paid retirement leave, as explained in Note 8. For budget purposes, retirement pay is estimated based on anticipated salary spending for the current year.
- (v) Amortization – For financial statement purposes, annual amortization of tangible capital assets is expensed based on the respective assets as explained in Note 3(f). For budget purposes, amortization is not considered expenditure.
- (vi) Environmental Liability – As explained in Note 10(c), the Government has recognized a cost of restoration of land. Changes in the environmental liability are not considered expenditure for budget purposes.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

5. Government Borrowing Sinking Fund

Effective March 31, 1993, the Government Borrowing Sinking Fund (the “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. The contribution was not suspended for 2018 or 2019.

2018		2019		
\$		\$		
Sinking Fund	Contributions	Earnings	Payments	Sinking Fund
150,178,144	64,223,375	4,772,848	(261,537)	218,912,830

Up until 2013, the GBSF assets were only to be applied to reduce, cancel or pay interest on public debt. In 2013 the Government Loans Act 1978 was amended to allow excess funds borrowed to be paid into the GBSF and applied to future year deficits. 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:

	2019	2018
	\$	\$
Cash & Cash Equivalents	84,418,996	21,498,392
Fixed Income Securities	133,639,043	128,205,967
Interest Receivable	854,792	473,785

Due to an amendment to the Government Loans Act 1978 contributions to the GBSF are now at the discretion of the Minister. Refer to Note 17 (b).

There are separate financial statements for the GBSF to which readers should refer for further information.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

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 accumulated deficit.

7. Unemployment Insurance Fund

The Unemployment Insurance Fund (the “Insurance Fund”) was established March 18, 2002 by amendment to the Public Treasury (Administration and Payments) Act 1969 as amended 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 as amended in order to make further provisions about the Insurance Fund. The Act was amended to provide for payments out of the Fund to be made at the direction of the Minister of Finance for the purpose of assisting unemployed persons.

8. Compensated Absences

Government employees are entitled to paid retirement leave under the various union agreements 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 at March 31, 2017. The results were then extrapolated to March 31, 2019, using similar various long-term assumptions as the Public Service Superannuation Fund (the “PSSF”) pension plan (Note 9 (d)).

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

8. Compensated Absences (cont'd)

The valuation determined that the liability for compensated absences is currently \$31,131,052 (2018 - \$29,885,154), as detailed in the table below.

For the year ended March 31	2019	2018
	\$	\$
Liability for Compensated Absences		
Accrued Benefit Obligation	27,623,129	25,910,419
Net Unamortized Experience Gain ^(a)	3,507,923	3,974,735
	31,131,052	29,885,154
	31,131,052	29,885,154

^(a) Under Public Sector Accounting Standards, gains and losses are amortized over the expected average remaining service life of the members of each plan, which is fourteen years.

For the year ended March 31	2019	2018
	\$	\$
Liability for Compensated Absences, beginning of year	29,885,154	28,396,590
Amortization of experience gain	(466,812)	(466,812)
Current period benefit cost	1,492,083	1,401,017
Interest accrued	1,685,075	1,569,615
Benefit payments	(1,464,448)	(1,015,256)
	31,131,052	29,885,154
	31,131,052	29,885,154

9. Pensions and Retirement Benefits

(a) Contributory Defined Benefit Pension Plans

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

For the PSSF, a service pension is available with a minimum of 8 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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(a) Contributory Defined Benefit Pension Plans (cont'd)

preceding the date of retirement. Additional benefits are provided to special groups such as police, corrections and fire services officers.

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

Employees contribute 8.0% of their basic salary to the PSSF and ministers and members contribute 12.5% of their salary to the MMLPF. The Government matches the participants' contribution in each plan. Government made contributions to each plan during the year as follows: PSSF - \$30,554,415 (2018 - \$29,997,809), MMLPF - \$470,679 (2018 - \$455,886). The Public Service Superannuation Act 1981 and the Ministers and Members of the Legislature (Salaries and Pensions) Act 1975, 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 Fund.

(b) Pension Liability

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 for both the PSSF and the MMLPF at March 31, 2017. The results were then extrapolated to March 31, 2019 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 rate, interest rates, wage and salary increases, employee turnover and mortality. A number of experience studies were performed during the 2017 fiscal year based on the membership of the PSSF. The result of the studies led to updates in assumptions relating to the retirement age assumption, termination rates, salary increase rates and marital status at retirement.

These assumptions were used in the valuation of the PSSF and MMLPF liabilities as at March 31, 2019. All assumptions reflect Government's best estimates of expected long-term rates and short-term forecasts.

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(b) Pension Liability (cont'd)

The market-related value of assets for the PSSF was \$615,887,376 as at March 31, 2019 (2018 - \$607,692,339) compared to a real market value of \$606,375,374 (2018 - \$613,666,747).

For the MMLPF, there is no difference between the market value of plan assets and the market-related value. At March 31, 2019 the value was \$11,177,876 (2018 - \$11,559,128). The actual return on plan assets during the year was 3.98% (2018 - 11.06%) for the PSSF and 3.41% (2018 - 4.61%) for the MMLPF.

At March 31, 2019, \$1,614,799 (2018 - \$2,138,791) was due from the PSSF in respect of benefits paid in excess of contributions received by the Fund (Schedule 3). At March 31, 2019 \$11,406,721 (2018 - \$11,806,814) was due to the MMLPF in respect of contributions received in excess of benefits paid by the Fund (Schedule 3(a)).

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

For the year ended March 31	2019	2018
	\$	\$
Pension Liability		
Accrued Benefit Obligation		
PSSF	1,566,192,000	1,503,457,000
MMLPF	32,848,000	31,864,000
	1,599,040,000	1,535,321,000
Net Fund Assets		
PSSF	(615,887,000)	(607,692,000)
MMLPF	(11,178,000)	(11,559,000)
	(627,065,000)	(619,251,000)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(b) Pension Liability (cont'd)

For the year ended March 31	2019	2018
	\$	\$
Net Unamortized Experience Gain/(Loss)^a		
PSSF	44,305,000	58,848,000
MMLPF	(182,000)	264,000
	44,123,000	59,112,000
Pension Liability		
PSSF	994,610,000	954,613,000
MMLPF	21,488,000	20,569,000
Carried Forward to Note 9 (g)	<u>1,016,098,000</u>	<u>975,182,000</u>

Accrued Benefit Obligation

For the year ended March 31

	2019			2018
	PSSF	MMLPF	Total	\$
	\$	\$	\$	\$
Accrued benefit obligation at beginning of year	1,503,457,000	31,864,000	1,535,321,000	1,475,306,000
Current Period Benefit Cost	46,137,000	1,148,000	47,285,000	46,409,000
Interest Accrued on benefits	98,076,000	2,073,000	100,149,000	96,226,000
Benefit payments	<u>(81,478,000)</u>	<u>(2,237,000)</u>	<u>(83,715,000)</u>	<u>(82,620,000)</u>
Expected accrued benefit obligation at end of year	<u>1,566,192,000</u>	<u>32,848,000</u>	<u>1,599,040,000</u>	<u>1,535,321,000</u>
Actual accrued benefit obligation at end of year	<u>1,566,192,000</u>	<u>32,848,000</u>	<u>1,599,040,000</u>	<u>1,535,321,000</u>
Experience gain/(loss)	-	-	-	-

^(a) Under Public Sector Accounting Standards, gains and losses are amortized over the expected average remaining service life of the members of each plan, which ranges from nine to thirteen years.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(c) Pension-Related Expenses

Pension-related expenses recognized by the 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 Schedule 10(a) as a component of pensions and retirement benefits expense.

For the year ended March 31	2019	2018
	\$	\$
Pension Expense		
Cost of Pension Benefits	47,285,000	46,409,000
Employee Contributions	(31,025,000)	(30,454,000)
Interest on Pension Liability	60,583,000	57,377,000
Amortization of Experience (Gains) & Losses		
2015 Experience Gain	(293,000)	(293,000)
2016 Experience Loss	1,777,000	1,777,000
2017 Experience Gain	(6,337,000)	(6,337,000)
2018 Experience Loss	539,000	-
Pensions Expense excluding Employer Contribution	72,529,000	68,479,000

(d) Value of Obligations Relating to Benefits for the Pension Plans

The value of the accrued benefit obligation ("ABO") relating to the pension plans 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, 2019

9. Pensions and Retirement Benefits (cont'd)

(d) Value of Obligations Relating to Benefits for the Pension Plans (cont'd)

Actuarial Assumptions – PSSF

Economic Assumptions		
Investment return (discount rate)	6.5% per annum	
Inflation Rate	3.00% per annum	
Interest credited on employee contributions	4.00% per annum	
Salary increase rates	Age band	% per annum
	20-25	6.00
	25-30	6.00
	30-35	5.10
	35-40	4.40
	40-45	4.15
	45-50	4.10
	50-55	3.90
	55-60	3.65
60-65	3.45	

Actuarial Assumptions – MMLPF

Economic Assumptions	
Investment return (discount rate)	6.50% per annum
Inflation Rate	3.00% per annum
Salary increase rate	3.50 % per annum

Changes in these assumptions may lead to a material increase or decrease in the value of the ABO 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 ABO 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.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(d) Value of Obligations Relating to Benefits for the Pension Plans (cont'd)

Impact of changes on the main assumptions on the value of the ABO relating to PSSF benefits at March 31, 2019:

Assumption	Change	(Reduction) Increase in ABO	
		\$	%
Discount rate	1.0% increase	(172,205,000)	(11.0)
	1.0% decrease	213,429,000	13.6
Salary increase rate	1.0% increase	71,406,000	4.6
	1.0% decrease	(62,466,000)	(4.0)
Life expectancy	1 year increase	24,910,000	1.6
	1 year decrease	(25,803,000)	(1.7)

Impact of changes on the main assumptions on the value of the ABO relating to MMLPF benefits as at March 31, 2019:

Assumption	Change	(Reduction) Increase in ABO	
		\$	%
Discount rate	1.0% increase	(3,120,000)	(9.5)
	1.0% decrease	3,722,000	11.3
Salary increase rate	1.0% increase	770,000	2.3
	1.0% decrease	(717,000)	(2.2)
Life expectancy	1 year increase	813,000	2.5
	1 year decrease	(831,000)	(2.5)

(e) Contributory Pension Fund

The Contributory Pension Fund (the “CPF”) was established under the Contributory Pensions Act 1970 as amended. 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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(e) Contributory Pension Fund (cont'd)

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 (the “GEHI Fund”), for substantially all of its employees, all ministers and members of the Legislature, all QUANGO employees, and retirees. The GEHI Fund provides medical insurance for retirees and eligible dependents with the Government matching the participants’ contribution to the plan.

An actuarial calculation of the Government’s ABO for retirement benefits other than pensions was performed for accounting purposes at March 31, 2017, using various long-term assumptions. The results were then extrapolated to March 31, 2019 using the same assumptions, to produce the estimates included in the financial statements.

The discount rate used in determining the accumulated post-retirement benefit obligation was 6.5% (2018 – 6.5%). The assumed health-care cost trend rate used was 6.5% (2018 – 7%). This will be decreasing by 0.5% per annum to an ultimate rate of 4.5%.

Effective February 1, 2019 there was a 5% member contribution increase. With this increase, the claims cost incurred by the Government are expected to decline giving rise to an actuarial gain at March 31, 2019. These actuarial gains are amortized over the expected average remaining service life of active employees.

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

	2019	2018
	\$	\$
Accrued benefit obligation at beginning of year	467,027,349	398,602,100
Current period benefit cost	17,755,680	15,256,900
Interest accrued	30,607,693	26,086,078
Benefit payments	(10,035,200)	(9,812,541)
	<hr/>	<hr/>
Accrued benefit obligation at end of year	505,355,522	430,132,537
	<hr/>	<hr/>
Expected accrued benefit obligation at end of year	505,355,522	430,132,537
Actual accrued benefit obligation at end of year	460,791,789	467,027,349
	<hr/>	<hr/>
Experience gain/ (loss)	44,563,733	(36,894,812)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

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

	2019	2018
Expected average remaining service life	14 years	14 years
Annual amortization	\$3,183,124	(\$2,635,344)

Liability for retirement benefits recorded in the statement of financial position

	2019	2018
	\$	\$
Accrued benefit obligation, end of year	460,791,789	467,027,349
Unamortized experience gain	66,484,599	23,963,697
Liability for retirement benefits (Note 9(g))	<u>527,276,388</u>	<u>490,991,046</u>

Expenses recorded in the statement of operations and accumulated deficit

	2019	2018
	\$	\$
Current period benefit cost	17,755,680	15,256,900
Amortization of experience gains	<u>(2,042,831)</u>	<u>(4,678,175)</u>
Retirement benefit expense	15,712,849	10,578,725
Retirement benefit interest expense	30,607,693	26,086,078
Total expenses related to retirement benefits	<u>46,320,542</u>	<u>36,664,803</u>

(g) Pensions and Retirement Benefits Liability and Expense Summary

	2019	2018
	\$	\$
Pensions (Note 9(b))	1,016,098,000	975,182,000
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(f))	<u>527,276,388</u>	<u>490,991,046</u>
Total Pensions and Retirement Benefits Liability	<u>1,543,374,388</u>	<u>1,466,173,046</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

9. Pensions and Retirement Benefits (cont'd)

(g) Pensions and Retirement Benefits Liability and Expense Summary (cont'd)

		2019		2018
		\$		\$
	Pension Plans	Other Benefits	Total	Total
Current period benefit cost	47,285,000	19,247,763	66,532,763	63,066,917
Amortization of experience (gains) / losses	(4,314,000)	(2,509,643)	(6,823,643)	(9,997,987)
Employee contributions	(31,025,000)	-	(31,025,000)	(30,454,000)
Interest on accrued benefits	60,583,000	32,292,768	92,875,768	85,032,693
Employer contributions	(31,613,000)	(11,499,648)	(43,112,648)	(41,922,797)
Pensions and retirement benefits expense	40,916,000	37,531,240	78,447,240	65,724,826

10. Contingent Liabilities

(a) Guarantees

(i) Morgan's Point Guarantee

On March 14, 2016, the Minister of Finance provided irrevocable Guarantee Agreements to lenders, replacing the letter of comfort, providing certain credit facilities on behalf of Morgan's Point Limited ("MPL") for use in the construction of a new hotel and condominium project at Morgan's Point to be branded and managed as a member of the Ritz Carlton hotel and residences brands. The guarantees provide that the Government cannot be legally required to fund more than US\$165 million to repay the lenders if the borrowers are unable to perform their obligations to the lenders. The financing guaranteed is provided under separate groups of loans each maturing in five years with two 1 year options to extend. See also Subsequent Events Note 17(c).

10. Contingent Liabilities (cont'd)

(ii.) Hotel Bermuda Holdings Ltd. (“HBH”) Guarantee

The Government has a Master Development Agreement (“MDA”) with HBH, a part of the Desarrollos Hotelco Group, the developers of the proposed St. Regis Luxury Hotel, Casino, Spa and Golf Resort in St. George’s. On May 12, 2017, the Minister of Finance announced the Government’s willingness to support the financing of this project by committing to provide a guarantee of up to \$25 million for an estimated project cost of \$150 million. The guarantee will provide that the Government cannot be legally required to fund more than \$25 million to repay the lender if HBH is unable to meet their obligations to the lender. The financing being guaranteed is provided under a loan facility maturing in fifteen years.

The Government made a further commitment to the project, via an amendment to the MDA, to support the development on a number of infrastructure-related matters, including drilling a water well, installing a back-up generator, constructing a new realigned public road and provision of free metered water. The total value of these additional commitments is not to exceed \$2.7 million.

Pursuant to the provision of section 3 of the St George’s Resort Act 2015, in June 2017 the Government entered into various land lease agreements with the developer for a period of 262 years.

(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, 2019 is \$17,775,201 (2018 - \$11,789,217).

10. Contingent Liabilities (cont'd)

(c) Base Lands Clean Up

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

A liability of \$23,743,465 (2018 - \$23,742,614) has been accrued, which is an estimate of the remaining costs of the clean-up and remediation at two former major base land sites. The estimated range is \$18.4 million to \$21 million.

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 \$17.4 million (with a range of \$17.4 million to \$19 million) to remove environmental hazards and fuel storage tanks, removal and remediation of asbestos, as well as demolition of derelict buildings. To be conservative, the Morgan's Point provision is set at \$22.7 million, comprised of the prior year provision less actual expenditures incurred during the current year.

The Government signed the Morgan's Point Exchange Agreement with Southlands Limited and MPL. 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 MPL, 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 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 request for proposal issued in 2009.

10. Contingent Liabilities (cont'd)

(d) Hotels Concession Act 2000 and the Memorandum of Understanding for Bermuda Hotel Association, Restaurants and Retail Relief

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 if the development is likely, among other considerations:

- to benefit the tourism industry and the economy generally;
- to create employment and entrepreneurial opportunities for Bermudians; and
- to encourage local investment.

The concessions are granted at the discretion of the Minister of Tourism and Transport with the written agreement of the Minister of Finance for those hotels that apply for the concessions. The concessions afforded to the hotels are non-refundable.

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 collectability is included in the financial statements. Hotel concessions are foregone revenue and reduce taxes otherwise owing by the hotels in the year the taxes are due.

The total of the hotel concessions granted as at March 31, 2019 was \$1,638,918 (2018 - \$1,439,212), which may be applied against any future payroll tax or hotel occupancy tax incurred by the applicable hotels.

In addition to this amount, \$73,532,201 (2018 - \$58,676,115) is available for use but has not yet been granted by the Ministry of Tourism and Transport as per the terms and conditions of the individual orders.

In March 2014, with an operative date of February 27, 2015, the Morgan's Point Resort Act 2014, which includes hotel concessions was tabled and later approved in the House of Assembly. The total value of concessions to be applied in the future against payroll, hotel occupancy and land taxes under this Act cannot be determined at this time.

The Tourism Investment Act 2017 became operative on 10 November 2017. As a result, the Hotel Concession Act 2000 has been discontinued and several hotel concessions were revoked. To date no concessions have been granted under the Tourism Investment Act 2017.

10. Contingent Liabilities (cont'd)

(d) Hotels Concession Act 2000 and the Memorandum of Understanding for Bermuda Hotel Association, Restaurants and Retail Relief (cont'd)

(e) Air Service Agreements

The Government had signed agreements with two commercial airlines whereby in consideration of providing regular scheduled air service to Bermuda, the Government commits to pay the airlines a calculated sum if there is a financial shortfall on the routes. The agreements varied in detail, but guaranteed the airlines either a certain level of revenue or a specific level of profit on a particular route. Shortfalls occurred when ticket revenues are insufficient to cover the cost of operating the routes, either due to insufficient passenger numbers or discounted tickets to attract passengers. At March 7, 2017, the vesting date, these air service agreements were vested in the Bermuda Airport Authority. In accordance with the agreements, Government established and delivered to two commercial airlines irrevocable Letters of Credit (“LOC”) issued by HSBC Bank of Bermuda Ltd. (“HSBC”), for US\$500,000 and BNTB for US\$100,000. The BNTB LOC expired on August 3, 2017, and the HSBC LOC expired on February 15, 2019.

(f) St. George’s Resort Act 2018

In July 2018, with an operative date of 31 August 2018, the St. George’s Resort Act 2018 was approved. The St. George’s Resort Act 2015 was simultaneously repealed. A Hotel Concession embedded in the 2015 Resort Act was amended to be a Tourism Investment Order. The total value of concessions to be applied in the future against payroll and hotel occupancy taxes under this act is conservatively estimated to be \$20,000,000 over a period of ten years and is not capped. The land tax concession in this act cannot be determined as the structure does not exist and the value of these concessions is not capped.

(g) Tourism Investment (Bermudiana Beach Resort) Order 2018

In February 2019, with an operative date of 21 February 2019, the Tourism Investment (Bermudiana Beach Resort) Order 2018 was approved. The total value of concessions to be applied in the future against payroll and hotel occupancy taxes under this act is conservatively estimated to be \$5,000,000 over a period of ten years and is restricted to the actual tax due. The land tax concession cannot be determined until the valuation of the property is completed and will be applied over a period of 5 years. The value of these concessions is not capped but is restricted to the tax due.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

11. Non-Contractual Operational Obligations

The Government has ongoing obligations 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 obligations:

	2019
	\$
2020	4,248,242
2021	1,085,238
2022	3,528,385
2023	3,175
2024 and subsequent	<u>40,276</u>
Total Future Operational Obligations	<u><u>8,905,316</u></u>

12. Contractual Obligations

(a) Capital Leases

The average period of capitalized leased office machines is 3 years. The lease payments period of capitalized leased LED street lights (luminaires) is over 10 years. The useful life of the capitalized LED street lights (luminaries) is 20 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:

	2019	2018
	\$	\$
Present value of lease cost	8,614,956	5,236,690
Less: Accumulated amortization	<u>(5,170,128)</u>	<u>(4,769,296)</u>
Present value of lease obligations (Schedule 11)	<u><u>3,444,828</u></u>	<u><u>467,394</u></u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

12. Contractual Obligations (cont'd)

(a) Capital Leases (cont'd)

The following is a schedule of discounted future minimum lease payments under leases expiring up to August 31, 2025:

	2019
	\$
2020	542,378
2021	454,073
2022	405,145
2023 and subsequent	<u>2,043,232</u>
Present value of lease obligations	<u>3,444,828</u>

(b) Contractual Obligations

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:

	2019
	\$
2020	23,757,615
2021	5,672,618
2022	1,443,240
2023	1,202,882
2024 and subsequent	<u>1,881,899</u>
Total Contractual Obligations	<u>33,958,254</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

12. Contractual Obligations (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:

	2019
	\$
2020	5,109,304
2021	4,301,897
2022	4,191,336
2023	3,572,838
2024	2,593,752
2025 and subsequent	<u>8,209,300</u>
Total Future Minimum Operating Lease Payments	<u>27,978,427</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 if 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.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

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

During the year \$0 (2018 - \$15,652,870) in Supplementary Estimates were approved and spent which consisted of \$0 (2018 - \$12,309,716) for current expenditure and \$0 (2018 - \$3,343,154) for capital expenditure.

During the year \$17,969,925 (2018 - \$8,579,532) in virements were approved and transferred which consisted of \$5,661,799 (2018 - \$1,026,591) for current expenditure and \$12,308,126 (2018 - \$7,552,941) for capital expenditure.

Additional expenditures of \$8,914,242 (2018 - \$1,298,093) were incurred in excess of amounts appropriated by the Ministry and will require final approval, which consisted of \$4,838,909 (2018 - \$1,280,302) for current expenditure and \$4,075,333 (2018 - \$17,791) for capital expenditure.

Additional virements of \$6,564,757 (2018 - \$3,397,981) require final approval and transfer, which consisted of \$4,504,184 (2018 - \$2,222,593) for current expenditure and \$2,060,573 (2018 - \$1,175,388) 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, the PSSF, the Confiscated Assets Fund, the Insurance 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 3.5% per annum rate of interest accruing on the balances is the statutory rate as fixed by the Interest and Credit Charges (Regulation) Act 1975 (2018 – 3.5% per annum).

(b) QUANGOs and Other Government-Related Organizations

The Fund is related to certain QUANGOs and other Government-related organizations. QUANGOs and other Government-related organizations are government businesses which have been established under their respective legislative incorporation acts.

14. Related Party Transactions (cont'd)

(b) QUANGOs and Other Government-Related Organizations (cont'd)

The Fund enters into transactions with the QUANGOs and other Government-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 Government-related organizations.

(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, 2019, \$nil (2018 - \$360) is outstanding on guaranteed student loans with local banks.

(ii) Bermuda Hospitals Board (the “BHB”) Guarantee

On December 1, 2010, the Minister of Finance provided an irrevocable Guarantee to Paget Health Services Limited (“PHS”) on behalf of the BHB to facilitate the completion of the new acute care wing (the “New Facility”) of the King Edward VII Memorial Hospital in Paget. The Annual Service Payments commenced from June 12, 2014, the Service Commencement date, for a period of approximately thirty years, consisting of principal, interest, lifecycle and hard facilities management. 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 current year's Annual Service Payment was \$27.1 million (2018 – \$26.5 million). The Guarantee agreement guarantees the payment obligations of the BHB to Paget Health Services Limited by the Government, including principal, interest, life cycle and hard facilities' maintenance expenses, as required by the lenders. The total contractual obligation of BHB's remaining obligation to PHS at March 31, 2019 is \$845.3 million (2018 – \$873.3 million).

(iii) Bermuda Economic Development Corporation (the “BEDC”) Guarantee

The Government provides funding to the 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 the BEDC for defaulted loans.

14. Related Party Transactions (cont'd)

b) QUANGOs and Other Government-Related Organizations (cont'd)

(iii) Bermuda Economic Development Corporation (the “BEDC”) Guarantee (cont'd)

While the Government settles defaulted loans as required, there is no liability recorded and no provision for loans in default is included in the financial statements of the Fund. The total of specific amounts deemed contingent liabilities of the Government, as determined by the BEDC, as at March 31, 2019 is \$1,381,129 (2018 - \$1,168,578).

(iv) Bermuda Monetary Authority (the “BMA”)

In accordance with Section 8(3) of the Bermuda Monetary Authority Act 1969, the BMA pays the remaining portion of its net profit (historically 50%) to the Fund after contributions to the BMA General Reserve and the paid up capital of the Authority. The BMA reported a net deficit as at December 31, 2018, therefore \$nil is owed to Government.

(v) 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.

(vi) Bermuda Housing Corporation (the “BHC”)

On July 12, 2011, the Government provided a letter of comfort to BNTB on behalf of 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.” The annual grant awarded for the year ended March 31, 2019 was \$11,850,000 (2018 - \$6,050,000).

(vii) WEDCO Guarantee

On February 13, 2019, the Minister of Finance consented to a new credit facility comprising of a term loan and a project loan. The loan facility is for a term of seven years, maturing on February 28, 2026.

The term loan is a consolidation of two existing facilities:

The Infrastructure and Housing Project loan - On April 24, 2012, the Minister of Finance consented to the borrowing of \$36 million by WEDCO from BNTB to

14. Related Party Transactions (cont'd)

b) QUANGOs and Other Government-Related Organizations (cont'd)

(vii) WEDCO Guarantee (cont'd)

facilitate the completion of the Infrastructure and Housing Project in Dockyard. The amount borrowed was subsequently reduced to \$25 million and the balance outstanding as at March 31, 2019 was \$21,454,593 (2018 – 22,494,273).

The Land Reclamation Project loan - On June 18, 2015, the Minister of Finance consented to the borrowing of \$39 million by WEDCO from BNTB to facilitate the completion of the Land Reclamation Project in Dockyard. This loan facility is for a term of six years. The balance outstanding as at March 31, 2019 was \$35,202,375 (2018 – \$38,734,217).

The project loan - On February 13, 2019, the Minister of Finance consented to the borrowing of \$15 million by WEDCO from BNTB to facilitate the payment of the King's Wharf project. The Government initiated a \$15 million accelerated replacement program of King's Wharf in October 2018 due to major deterioration and structural and safety issues. King's Wharf is owned by WEDCO. The Ministry of Public Works paid for immediate expenses resulting from the King's Wharf project. As at March 31, 2019, an amount of \$1,708,748 was outstanding from WEDCO for repair and replacement costs associated with the King's Wharf rehabilitation and was recorded as a receivable. The receivable was subsequently settled in August 2019.

The BNTB loan facility will be serviced by grants in the coming years. The balance outstanding on the loan facility as at March 31, 2019 was \$5,205,970.

Under the new credit facility, the WEDCO loans are secured by one guarantee in the amount of \$71,850,000. The Ministry of Finance further guarantees and will make good any default on the part of WEDCO in the payment of these loans to BNTB and all related interest fees and charges due as a result of default by WEDCO until all indebtedness to BNTB has been fully discharged.

(viii) BHC Guarantee

BHC has a loan of \$36.7 million from BNTB, borrowed 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. The balance outstanding as at March 31, 2019 was \$29,300,000 (2018 - \$29,300,000).

The Ministry of Finance 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.

14. Related Party Transactions (cont'd)

b) QUANGOs and Other Government-Related Organizations (cont'd)

(ix) Regulatory Authority (the “RA”)

On February 25, 2019, the Government provided a letter of comfort to Clarien Bank Ltd. on behalf of the RA supporting a revolving line of credit of \$2 million. A line of credit for \$1.5 million at Clarien Bank Ltd. was finalized on September 9, 2019.

In accordance with Section 41 (1) (a) of the Regulatory Authority Act 2011, the RA will pay 50% of its net surplus to the Fund. The Fund's share of RA's net surplus for the year ended March 31, 2019 was \$93,698 (2018 – \$32,904).

(x) ACBDA Limited (“ACBDA”)

On December 24, 2014 (date of inception), the Government purchased 100 common shares of ACBDA. The shares are valued at par \$1 each and are held in trust by the Minister of Economic Development. ACBDA was dissolved on March 16, 2018 and the common shares ceased to exist.

(xi) L. F. Wade International Airport Redevelopment

The Government created a QUANGO, the Bermuda Airport Authority (the “BAA”), under the Bermuda Airport Authority Act 2017, to administer the Agreement and provide the Retained Government Services. All airport property, excluding airport lands, and all liabilities and contracts were transferred to the BAA at the vesting date.

On October 19, 2018 an Assignment and Transfer Agreement (“ATA”) was made between the BAA and the Government of Bermuda. This ATA re-assigned and re-transferred certain assets and liabilities obligation accrued and appropriated back to the Government with an effective date of March 16, 2017. These assets and liabilities should have remained with the Government even though they formed part of the Airport property at financial close.

The Government has leased existing airport land and facilities to Skyport for the 30-year term of the Agreement. The Agreement provides that the lease, and the transfer of the airport assets, labour force and responsibility for airport operations to Skyport, occurred at Financial Close. The Agreement does not have any extension options, so at the end of the term, the airport and all airport assets will revert to the Government subject to the Agreement's hand-back standards.

14. Related Party Transactions (cont'd)

b) QUANGOs and Other Government-Related Organizations (cont'd)

(xii) Bermuda Shipping and Maritime Authority

On July 12, 2016, the Bermuda Shipping and Maritime Authority (the “BSMA”) was established by the Bermuda Shipping and Maritime Authority Act 2016 (the “BSMA Act”). At March 31, 2019, the BSMA had a loan of \$1,590,000 (2018 – \$2,090,000) from the Fund (total loan facility \$5,703,000). In accordance with Section 19(1)(a) of the BSMA Act, the BSMA will transfer a percentage of its net surplus, if any, to the Fund. The 2018 and 2019 net position of the BSMA have not yet been finalised.

(xiii) Bermuda Civil Aviation Authority

In accordance with Section 18(1)(a) of the Bermuda Civil Aviation Authority Act (the “BCAA Act”), the Bermuda Civil Aviation Authority (the “BCAA”) will transfer a percentage of its net surplus to the Fund. The BCAA reported a net surplus of \$15,105,914 for the year ended March 31, 2019 (2018 - \$19,041,892; 2017 - \$6,951,177). The amounts to be transferred to the Fund are included in Due from Government Funds and Agencies (Schedule 3) at March 31, 2019.

(xiv) Bermuda Casino Gaming Commission

On April 4, 2017, the Government authorized the transfer of \$1.6 million from the Fund to the Bermuda Casino Gaming Commission in the form of an interest-free loan. In July 2018, the Government transferred a further \$500,000 to the Bermuda Casino Gaming Commission.

On January 5, 2019, the Government signed a guarantee on behalf of the Bermuda Casino Gaming Commission supporting an overdraft facility with BNTB of \$1.2 million. At March 31, 2019, \$1,021,483 had been drawn on the facility.

15. Debt

(a) Bank Overdraft

During the year the Government had an overdraft facility agreement at HSBC of \$50 million which expired on November 30, 2017. It was subsequently extended until January 31, 2018. The daily charges applied to overdrawn balances was 3% above HSBC’s base rate.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2019

15. Debt (cont'd)

(b) Debt Issue

In November 2018, Government issued debt of \$620 million of 4.750%, 10 year bonds, due January 2029 at an issue price of \$615 million. The remaining discount of \$4,619,000 will be amortized using the effective interest method.

The proceeds of the debt issuance were used to repay the \$135 million, 4.0% revolving credit facility with BNTB; to repurchase the remaining \$223.9 million of the 5.603%, \$500 million senior notes due in 2020; and to repurchase \$200 million of the 4.854%, \$750 million senior notes due in 2024. The repurchase of the 2020 and 2024 notes included a \$17.7 million early tender premium, shown as a line item in the statement of operations and accumulated deficit, and accrued interest of \$7.6 million.

16. North Channel Shipping Loan

In June 2015, the Government entered into an agreement with a cruise line whereby that entity covered the costs for widening the North Channel to permit Quantum Class cruise ships passage to Bermuda. In exchange, the Government will repay the project capital costs, \$15,203,274, plus accrued interest thereon via a new fee called the Capital Cost Recovery Charge (the "CCRC"). The CCRC is charged at \$22 per passenger from eligible passengers on board the Quantum Class cruise ships. The loan accrues interest at 6% per annum. The loan includes capitalized interest of \$828,182.

On February 13, 2019, the Minister of Finance consented to the borrowing of \$10 million 5 year fixed rate loan by the Bermuda Tourism Authority (the "BTA") from BNTB. The loan was used to facilitate the repayment in full of the outstanding project capital costs and accrued interest in the amount of \$10,202,495 on March 13, 2019.

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

Prior to the full repayment of the loan on March 13, 2019, principal repayments of \$1,651,033 (2018 - \$1,458,998) were made by the Government during the year and interest expense recorded for 2019 was \$608,775 (2018 - \$729,499).

17. Subsequent Events

(a) Bank Overdraft

In May 2019, the Government entered into a new overdraft facility agreement at Clarien Bank Limited. The facility is for \$35 million with expiry on May 14, 2020.

In June 2019, the Government renewed two overdraft facility agreements at BNTB, of \$2 million and \$500,000, with expiry on June 30, 2020. The daily charge applied to overdrawn balances was 1% above BNTB's base rate.

(b) Sinking Fund Mandatory Contributions

On February 23, 2019 the Minister of Finance declared that the mandatory contribution to the fund will be suspended for the financial year 2019/20. On June 21, 2019 an amendment to the Government Loans Act 1978 was tabled and passed in the legislature. It was passed in the senate on July 3, 2019. The amendment gives the Minister of Finance flexibility with regard to making a contribution into the Sinking Fund and removes the provision for Government having to pay interest to the Sinking Fund for late payments. This amendment applies to the current fiscal year, meaning that no contribution is to be made to the GBSF for the financial year 2019/2020.

(c) Morgan's Point Guarantee (to be read in conjunction with Note 10(a)(i))

MPL was unsuccessful in their attempts to secure funding to meet the financial obligations to the lenders, resulting in defaults on those obligations. As a result of these defaults, the lenders demanded repayment of their outstanding loans in full. In October 2019, the Government exercised its option, by reason of the defaults, acquiring the interests of the lenders. The total cost to Government to buy the legal interest of the lenders was \$168.5 million.

(d) Limit on the Public Debt

Effective September 13, 2019, section 2A(1) of the Government Loans Act 1978 was amended to increase, by \$250 million, the limit on public debt from \$2.50 billion to \$2.75 billion.

18. Comparative Figures

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

Government of Bermuda - Consolidated Fund
Schedule 1: Accounts Receivable
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Office of the Tax Commissioner	272,673,892	254,619,656
Works & Engineering	14,576,944	12,352,028
Registrar of Companies	10,300,071	9,144,522
Customs	7,465,329	4,404,839
Judicial Department	4,472,760	8,735,051
Accountant General	3,499,741	3,917,494
Airport Operations	2,926,175	2,932,025
Public Lands & Buildings	2,900,148	2,554,536
Post Office	2,732,196	2,365,790
Ministry of Public Works HQ	2,181,289	906,768
Health Department	1,642,679	1,547,038
Department of Education	1,512,111	1,590,226
Environment & Natural Resources	1,314,566	1,317,882
Ministry of Transport & Regulatory Affairs HQ	724,232	175,000
Marine & Ports	699,434	499,569
Other Departments	688,195	1,361,842
Public Transportation	569,899	350,245
Financial Assistance	407,706	219,708
Ministry of Health HQ	226,077	226,077
Police	218,585	111,757
Telecommunications	195,880	195,880
Immigration	173,575	205,650
Defence	129,066	129,066
Office of the Auditor General	129,000	153,000
Ministry of Finance HQ	99,960	94,892
Department of Human Resources	92,553	101,253
Registry General	17,678	33,224
	332,569,741	310,245,018
Less: Provision for Doubtful Accounts	137,008,703	130,545,108
	195,561,038	179,699,910

Government of Bermuda - Consolidated Fund
Schedule 2: Inventories for Consumption
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Public Transportation	4,519,042	3,980,772
Works & Engineering	3,691,450	3,559,739
Marine & Ports	2,506,591	2,735,420
Ministry of Public Works HQ	2,337,943	2,680,937
Police	990,785	1,016,314
Department of Education	764,887	1,030,068
Department of Corrections	394,216	330,637
Post Office	81,922	81,922
Defence	54,459	54,459
Environmental Protection	39,808	86,990
Immigration	35,115	37,303
	15,416,218	15,594,561
Less: Provision for Obsolescence	2,752,051	2,313,976
	12,664,167	13,280,585

Government of Bermuda - Consolidated Fund
Schedule 3: Due From Government Funds and Agencies
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Government Employees Health Insurance Fund	30,408,176	32,062,744
Bermuda Civil Aviation Authority	22,916,158	20,291,710
Regulatory Authority	5,988,907	5,295,374
Bermuda Hospitals Board	4,686,545	4,814,299
Bermuda Casino Gaming Commission	2,115,264	1,615,623
Bermuda Monetary Authority	1,671,866	1,537,089
Public Service Superannuation Fund (Note 9(b))	1,614,799	2,138,791
Bermuda Shipping and Maritime Authority (Note 14(b)(xii))	1,612,978	2,148,569
Confiscated Assets Fund	1,187,347	954,773
West End Development Corporation	1,053,759	926,213
Bermuda Land Development Company	916,970	487,662
Bermuda College	681,537	323,305
Golf Courses	417,028	131,036
CedarBridge Academy	130,306	211,677
Pembroke Parish Council	104,377	-
Corporation of Hamilton	102,178	-
Bermuda Housing Corporation	90,684	355,703
Bermuda Tourism Authority	80,370	78,354
Parish Councils	75,033	19,936
Financial Intelligence Agency	57,115	43,818
Corporation of St. Georges	43,131	-
Berkeley Institute	29,275	38,366
National Sports Centre	20,935	-
Whitney Institute	19,164	5,439
Bermuda Economic Development Corporation	13,474	19,501
Pension Commission	13,064	12,439
Bermuda Health Council	11,910	-
Bermuda Sports Anti-Doping Agency	4,764	-
Sandys Secondary Middle School	4,135	4,682
Bermuda Housing Trust	1,622	1,699
St. George's Preparatory School	1,464	1,980
Bda Deposit Insurance (BDIC)	222	-
Government Reserves Fund	1	568,370
Contributory Pension Fund	-	5,773,622
Unemployment Insurance Fund (Note 7)	-	115,188
	76,074,558	79,977,962
Less: Provision for Doubtful Accounts	-	-
	76,074,558	79,977,962

Government of Bermuda - Consolidated Fund
Schedule 3(a): Due to Government Funds and Agencies
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Ministers and Members of the Legislature Pensions Fund (Note 9(b))	11,406,721	11,806,814
Bermuda Housing Corporation	979,379	400
Bermuda Hospitals Board	182,100	226,096
Contributory Pension Fund	174,510	-
Bermuda Airport Authority	45,390	75,427
West End Development Corporation	6,981	6,981
Bermuda Land Development Company	5,142	5,142
Bermuda Economic Development Corporation	3,800	3,800
Bermuda College	1,672	1,672
Unemployment Insurance Fund (Note 7)	120	-
Corporation of Hamilton	-	80,750
Corporation of St. Georges	-	4,575
Bermuda Health Council	-	767
	12,805,815	12,212,424

Government of Bermuda - Consolidated Fund
Schedule 4: Long-Term Receivables
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Student Loans and Teacher Training Awards	426,307	395,983
Customs Duty	34,860	80,137
	461,167	476,120

Government of Bermuda - Consolidated Fund
Schedule 5: Accounts Payable and Accrued Liabilities
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Trade Accounts Payable	39,400,802	32,668,502
Deposits Held	38,658,039	35,283,703
Interest on Debt	24,907,604	25,399,625
Base Lands Clean Up (Note 10(c))	23,743,465	23,742,614
Employees' Leave Entitlements	20,417,662	18,586,503
Teachers' Salaries & Leave Entitlements	8,885,745	8,649,303
Salaries, Wages and Benefits	4,596,471	1,552,159
Leases Payable	2,628,324	191,689
	163,238,112	146,074,098

Government of Bermuda - Consolidated Fund
Schedule 6: Deferred Revenue
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Post Office	282,517	261,624
Health Department	188,447	171,568
Public Lands & Buildings	91,116	91,116
Youth, Sport & Recreation	33,961	17,364
Office of the Tax Commissioner	5,000	5,000
Department of Education	1,230	1,095
Accountant General	836	836
	603,107	548,603

Government of Bermuda - Consolidated Fund
Schedule 7: Interest Bearing Debt - Net of Sinking Fund
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
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
BNTB Loan Due May 2019 - US\$		
Issue Date: December 14, 2017		
Interest: 4% payable monthly		
Last business day of the month		
Loan Due: May 31, 2019	-	85,000,000
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 2020 - US\$		
Issue Date: July 13, 2010		
Interest: 5.603% payable semi-annually		
January 20 and July 20		
Notes Due: July 20, 2020	-	223,935,000
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

Government of Bermuda - Consolidated Fund
Schedule 7: Interest Bearing Debt - Net of Sinking Fund (cont'd)
As at March 31

	2019	2018
	Actual	Actual
	\$	\$
Senior Notes Due 2023 - BMD\$		
Issue Date: December 16, 2013		
Interest: 4.75% payable semi-annually June 16 and December 16		
Notes Due: December 16, 2023	50,000,000	50,000,000
Senior Notes Due 2024 - US\$		
Issue Date: August 6, 2013		
Interest: 4.854% payable semi-annually February 6 and August 6		
Notes Due: February 6, 2024	550,000,000	750,000,000
Senior Notes Due 2027 - US\$		
Issue Date: October 19, 2016		
Interest: 3.717% payable semi-annually January 25 and July 25		
Notes Due: January 25, 2027	665,000,000	665,000,000
Senior Notes Due 2029 - US\$		
Issue Date: November 15, 2018		
Interest: 4.750% payable semi-annually February 15 and August 15		
Notes Due: February 15, 2029	620,000,000	-
	2,680,000,000	2,568,935,000
Less: Sinking Fund (Note 5)	218,912,830	150,178,144
	2,461,087,170	2,418,756,856

Government of Bermuda - Consolidated Fund
Schedule 8: Revenue By Type
For the year ended March 31

	2019 Original Estimates	2019 Actual	2018 Actual
	\$	\$	\$
Taxes & Duties			
Payroll Tax	454,000,000	467,485,520	456,736,461
Customs Duty	235,000,000	226,054,830	223,002,892
Land Tax	78,330,000	79,744,831	62,845,547
Passenger Tax	25,000,000	24,095,802	22,177,268
	792,330,000	797,380,983	764,762,168
Other Taxes & Duties			
Stamp Duty	23,000,000	25,697,446	26,714,093
Foreign Currency Purchase Tax	22,000,000	21,936,536	20,895,761
Hotel Occupancy Tax	11,000,000	9,192,973	11,990,807
Financial Services Tax	8,900,000	8,973,389	7,160,215
Corporate Services Tax	5,500,000	5,421,390	5,393,207
Non-Bermudian Land Acquisition Tax	7,000,000	2,782,678	6,069,965
Betting Tax	800,000	127,509	164,018
Timesharing Tax	20,000	31,986	50,663
	78,220,000	74,163,907	78,438,729
Total Taxes & Duties	870,550,000	871,544,890	843,200,897
Fees, Permits & Licences			
International Companies	68,461,000	64,443,960	63,353,109
Vehicle Licences & Registration	30,449,000	31,000,544	29,290,699
Civil Aviation (Note 14(b)(xiii))	19,850,000	19,648,983	21,000,000
Telecommunications	17,950,000	17,877,633	14,458,688
Immigration	16,500,000	16,820,378	15,981,522
Bus Transportation	8,142,000	6,338,907	6,435,165
Solid Waste Services	5,473,000	5,372,528	5,359,466
Water	3,692,000	3,576,637	3,327,470
Postal Services	4,652,000	3,681,096	4,665,107
Services to Seaborne Shipping	3,088,000	3,382,782	3,081,634
Local Companies	2,940,000	2,804,928	2,652,582
Capital Cost Recovery Charge (Note 16)	-	2,433,662	2,048,310
Rentals	2,025,000	2,366,541	2,227,379
Other Customs Fees & Charges	2,100,000	1,974,769	1,918,909
Trade and Service Marks	1,801,000	1,707,331	1,787,210
Planning Fees and Searches	1,200,000	1,303,103	1,760,077
Ferry Services	1,636,000	1,080,379	1,532,215
Wharfage	840,000	835,575	805,309
Companies Licences	820,000	756,318	710,815
Liquor Licences	320,000	585,612	509,357
Plant Production and Marketing Centre	190,000	229,467	137,113
Vacation Rental Fee	750,000	-	-
Air Terminal & Aviation	-	-	113,982
	192,879,000	188,221,133	183,156,118
Other Revenue			
Other (Notes 10(c) and 16)	21,526,000	31,300,304	35,735,151
Fines & Forfeitures	3,500,000	2,848,889	2,910,696
Asset Sales	1,000,000	-	700,000
	26,026,000	34,149,193	39,345,847
Investment Income	406,000	6,564,584	3,674,224
	26,432,000	40,713,777	43,020,071
TOTAL REVENUE	1,089,861,000	1,100,479,800	1,069,377,086

Government of Bermuda - Consolidated Fund
Schedule 9: Revenue By Ministry / Department
For the year ended March 31

	2019 Original Estimates	2019 Actual	2018 Actual
	\$	\$	\$
Non-Ministry Departments			
05 Office of the Auditor General	1,105,000	1,069,169	1,363,019
63 Parliamentary Registrar	275,000	370,735	344,272
02 Legislature	-	-	5,383
	1,380,000	1,439,904	1,712,674
Cabinet Office Departments			
13 Post Office	4,563,000	3,650,181	4,646,621
09 Cabinet Office	-	2,880	1,246
14 Department of Statistics	-	1,364	1,203
	4,563,000	3,654,425	4,649,070
Ministry of Transport & Regulatory Affairs			
48 Ministry of Transport & Regulatory Affairs HQ	37,800,000	49,815,168	23,739,314
34 Transport Control Department	30,453,000	31,072,515	29,408,245
35 Public Transportation	8,190,000	6,371,604	6,484,395
30 Marine & Ports	6,153,000	5,817,328	6,021,489
31 Airport Operations	-	1,326,332	115,741
89 Energy	200,000	197,545	-
	82,796,000	94,600,492	65,769,184
Ministry of Legal Affairs			
03 Judicial Department	8,806,000	4,814,715	10,395,033
87 Ministry of Legal Affairs HQ	-	136,823	130,853
04 Attorney General's Chambers	-	79	3,000
	8,806,000	4,951,617	10,528,886
Ministry of Finance			
38 Office of the Tax Commissioner	623,840,000	641,546,354	607,731,245
12 Customs	239,240,000	230,292,047	227,118,128
39 Registrar of Companies	72,502,000	68,816,858	67,189,597
11 Accountant General	406,000	7,299,716	10,657,918
10 Ministry of Finance HQ	188,000	549,097	382,866
28 Social Insurance	-	200	1,246
	936,176,000	948,504,272	913,081,000
Ministry of Education & Workforce Development			
17 Department of Education Ministry of Education & Workforce Development	230,000	157,866	153,567
16 HQ	76,000	73,089	-
60 Workforce Development	29,000	13,965	22,250
18 Libraries & Archives	17,000	11,817	17,080
19 Archives	-	-	339
	352,000	256,737	193,236
Ministry of Health			
22 Health Department	3,606,000	3,184,623	3,344,628
21 Ministry of Health HQ	115,000	252,195	135,478
	3,721,000	3,436,818	3,480,106

Government of Bermuda - Consolidated Fund
Schedule 9: Revenue By Ministry / Department (cont'd)
For the year ended March 31

	2019 Original Estimates	2019 Actual	2018 Actual
	\$	\$	\$
Ministry of Economic Development & Tourism			
95 Ministry of Economic Development & Tourism HQ	1,403,000	670,892	-
	1,403,000	670,892	-
Ministry of Social Development & Sports			
20 Youth, Sport & Recreation	641,000	636,916	617,809
23 Child and Family Services	192,000	161,140	167,430
52 Community & Cultural Affairs	6,000	4,313	94,050
88 National Drug Control	-	-	575
71 Ministry of Social Development & Sports HQ	-	118	-
	839,000	802,487	879,864
Ministry of National Security			
07 Police	428,000	1,066,716	610,132
67 Department of Information & Communication Technology	-	876,260	14,954,989
45 Fire Services	113,000	346,038	147,506
06 Defence	-	3,831	130
25 Department of Corrections	-	-	100
83 Ministry of National Security HQ	-	-	25
	541,000	2,292,845	15,712,882
Ministry of Home Affairs			
27 Immigration	23,535,000	19,697,297	22,313,412
29 Registry General	2,027,000	1,957,104	2,030,977
32 Department of Planning	1,411,000	1,552,668	1,951,497
79 Environment & Natural Resources	1,638,000	1,424,674	1,601,963
93 Ministry of Home Affairs HQ	405,000	86,000	640,040
50 Ministry of the Environment HQ	-	-	9,150
	29,016,000	24,717,743	28,547,039
Ministry of Public Works			
82 Works & Engineering	16,715,000	12,581,320	11,323,795
81 Public Lands & Buildings	2,829,000	2,052,115	13,269,830
97 Land Title & Registration	625,000	342,995	135,957
68 Parks	88,000	151,560	80,393
36 Ministry of Public Works HQ	5,000	23,578	13,170
49 Land Valuation	6,000	-	-
	20,268,000	15,151,568	24,823,145
TOTAL REVENUE	1,089,861,000	1,100,479,800	1,069,377,086

Government of Bermuda - Consolidated Fund
Schedule 9(a): Interdepartmental Revenue By Ministry / Department
For the year ended March 31

	2019 Interdepartmental Revenue	2019 Gross Revenue Actual	2019 Net Revenue
	\$	\$	\$
Non-Ministry Departments			
05 Office of the Auditor General	-	1,069,169	1,069,169
63 Parliamentary Registrar	85	370,735	370,650
	85	1,439,904	1,439,819
Cabinet Office Departments			
13 Post Office	30,413	3,650,181	3,619,768
09 Cabinet Office	-	2,880	2,880
14 Department of Statistics	736	1,364	628
	31,149	3,654,425	3,623,276
Ministry of Transport & Regulatory Affairs			
48 Ministry of Transport & Regulatory Affairs HQ	-	49,815,168	49,815,168
34 Transport Control Department	-	31,072,515	31,072,515
35 Public Transportation	172,590	6,371,604	6,199,014
30 Marine & Ports	1,000	5,817,328	5,816,328
31 Airport Operations	-	1,326,332	1,326,332
89 Energy	-	197,545	197,545
	173,590	94,600,492	94,426,902
Ministry of Legal Affairs			
03 Judicial Department	12,650	4,814,715	4,802,065
87 Ministry of Legal Affairs HQ	-	136,823	136,823
04 Attorney General's Chambers	-	79	79
	12,650	4,951,617	4,938,967
Ministry of Finance			
38 Office of the Tax Commissioner	300	641,546,354	641,546,054
12 Customs	2,004,469	230,292,047	228,287,578
39 Registrar of Companies	-	68,816,858	68,816,858
11 Accountant General	-	7,299,716	7,299,716
10 Ministry of Finance HQ	-	549,097	549,097
28 Social Insurance	-	200	200
	2,004,769	948,504,272	946,499,503
Ministry of Education & Workforce Development			
17 Department of Education	1,040	157,866	156,826
16 Ministry of Education & Workforce Development HQ	-	73,089	73,089
60 Workforce Development	-	13,965	13,965
18 Libraries & Archives	319	11,817	11,498
	1,359	256,737	255,378
Ministry of Health			
22 Health Department	195,240	3,184,623	2,989,383
21 Ministry of Health HQ	9,770	252,195	242,425
	205,010	3,436,818	3,231,808

Government of Bermuda - Consolidated Fund
Schedule 9(a): Interdepartmental Revenue By Ministry / Department (cont'd)
For the year ended March 31

	2019 Interdepartmental Revenue	2019 Gross Revenue Actual	2019 Net Revenue
	\$	\$	\$
Ministry of Economic Development & Tourism			
95 Ministry of Economic Development & Tourism HQ	-	670,892	670,892
	-	670,892	670,892
Ministry of Social Development & Sports			
20 Youth, Sport & Recreation	21,446	636,916	615,470
23 Child and Family Services	-	161,140	161,140
52 Community & Cultural Affairs	-	4,313	4,313
71 Ministry of Social Development & Sports HQ	-	118	118
	21,446	802,487	781,041
Ministry of National Security			
07 Police	12,232	1,066,716	1,054,484
67 Department of Information & Communication Technology	-	876,260	876,260
45 Fire Services	1,851	346,038	344,187
06 Defence	-	3,831	3,831
	14,083	2,292,845	2,278,762
Ministry of Home Affairs			
27 Immigration	5,000	19,697,297	19,692,297
29 Registry General	6,794	1,957,104	1,950,310
32 Department of Planning	11,685	1,552,668	1,540,983
79 Environment & Natural Resources	6,272	1,424,674	1,418,402
93 Ministry of Home Affairs HQ	-	86,000	86,000
	29,751	24,717,743	24,687,992
Ministry of Public Works			
82 Works & Engineering	356,629	12,581,320	12,224,691
81 Public Lands & Buildings	92,241	2,052,115	1,959,874
97 Land Title & Registration	-	342,995	342,995
68 Parks	150	151,560	151,410
36 Ministry of Public Works HQ	-	23,578	23,578
	449,020	15,151,568	14,702,548
TOTAL REVENUE	2,942,912	1,100,479,800	1,097,536,888

Government of Bermuda - Consolidated Fund
Schedule 10: Expenses By Program
For the year ended March 31

	2019 Capital Development	2019 Capital Acquisition	2019 Current Expenses	2019 Total Actual	2018 Total Actual
	\$	\$	\$	\$	\$
Economic Development					
11 Accountant General	-	(102,876)	84,681,805	84,578,929	83,910,469
82 Works & Engineering	13,717,388	12,338	49,342,752	63,072,478	62,725,030
81 Public Lands & Buildings Ministry of Economic Development &	5,471,786	-	36,986,935	42,458,721	39,563,116
95 Tourism HQ	-	-	32,501,974	32,501,974	31,013,022
35 Public Transportation	-	389,599	22,906,134	23,295,733	22,164,165
30 Marine & Ports Ministry of Transport & Regulatory Affairs	-	121,870	20,503,156	20,625,026	23,020,080
48 HQ	2,500,000	8,980	15,941,020	18,450,000	46,471,781
13 Post Office Department of Information and Digital	-	(11,110)	10,533,563	10,522,453	10,623,396
43 Technologies	380,397	1,243,410	7,854,268	9,478,075	8,089,033
36 Ministry of Public Works HQ	476,178	475,016	6,083,619	7,034,813	6,201,289
10 Ministry of Finance HQ	500,000	128,670	5,952,886	6,581,556	5,934,598
34 Transport Control Department	-	-	5,815,671	5,815,671	6,056,202
38 Office of the Tax Commissioner	-	17,508	4,294,146	4,311,654	999,356
32 Department of Planning	-	153,876	2,909,467	3,063,343	2,721,800
39 Registrar of Companies	-	(28,389)	2,514,097	2,485,708	3,019,816
93 Ministry of Home Affairs HQ	-	(669)	2,320,645	2,319,976	1,774,779
29 Registry General	-	-	1,746,040	1,746,040	1,603,704
97 Land Title & Registration	-	-	1,300,521	1,300,521	923,349
80 Project Management & Procurement Department of Information &	382	-	956,547	956,929	700,960
67 Communication Technology	4,042	-	941,931	945,973	1,459,736
49 Land Valuation	-	27,480	829,359	856,839	751,496
89 Energy	-	29,630	591,442	621,072	626,349
Other	-	-	56	56	35,710
	23,050,173	2,465,333	317,508,034	343,023,540	360,389,236
Health					
24 Hospitals	120,000	-	147,723,892	147,843,892	120,319,891
22 Health Department	(14,891)	17,020	26,850,589	26,852,718	25,705,532
21 Ministry of Health HQ	-	(4,144)	11,139,354	11,135,210	11,278,733
28 Social Insurance	-	-	4,736,142	4,736,142	5,057,741
91 Health Insurance	-	-	4,291,730	4,291,730	3,961,749
	105,109	12,876	194,741,707	194,859,692	166,323,646
National Security					
07 Police	59,128	(28,721)	67,807,557	67,837,964	64,075,484
25 Department of Corrections	(35,864)	(41,012)	24,793,001	24,716,125	26,058,723
12 Customs	-	21,870	18,373,817	18,395,687	18,010,000
45 Fire Services	-	52,402	15,487,038	15,539,440	13,806,392
03 Judicial Department	-	340	8,144,622	8,144,962	8,232,270
06 Defence	-	76,426	6,808,784	6,885,210	6,975,494
87 Ministry of Legal Affairs HQ	-	16,865	5,663,407	5,680,272	6,177,835
27 Immigration	-	590	5,433,854	5,434,444	5,465,493
04 Attorney General's Chambers	-	2,306	5,034,993	5,037,299	4,649,646
74 Department of Court Services	-	-	4,196,511	4,196,511	3,812,094
75 Department of Public Prosecutions	-	-	3,222,294	3,222,294	3,153,655
83 Ministry of National Security HQ	-	-	1,401,491	1,401,491	1,718,445
	23,264	101,066	166,367,369	166,491,699	162,135,531
Education					
17 Department of Education	814,876	423,054	115,114,217	116,352,147	115,024,449
41 Bermuda College	500,000	-	15,906,000	16,406,000	16,331,000
60 Workforce Development Ministry of Education & Workforce	-	11,282	3,336,839	3,348,121	4,172,178
16 Development HQ	-	-	2,980,250	2,980,250	2,318,661
	1,314,876	434,336	137,337,306	139,086,518	137,846,288

Government of Bermuda - Consolidated Fund
Schedule 10: Expenses By Program (cont'd)
For the year ended March 31

	2019 Capital Development	2019 Capital Acquisition	2019 Current Expenses	2019 Total Actual	2018 Total Actual
	\$	\$	\$	\$	\$
Public Debt					
58 Interest on Debt	-	-	124,031,380	124,031,380	117,722,643
Early Tender Premium on Repurchased Debt (Note 15(b))	-	-	17,674,740	17,674,740	-
	-	-	141,706,120	141,706,120	117,722,643
Social Services & Assistance					
55 Financial Assistance	-	11,436	51,824,665	51,836,101	51,949,032
23 Child and Family Services	-	36,213	15,798,474	15,834,687	13,264,803
53 Bermuda Housing Corporation	5,800,000	-	6,050,000	11,850,000	10,850,000
88 National Drug Control Ministry of Social Development & Sports HQ	-	14,933	4,951,169	4,966,102	4,444,277
71 Sports HQ	-	-	2,540,318	2,540,318	1,792,243
52 Community & Cultural Affairs	-	1,595	1,821,573	1,823,168	2,700,978
	5,800,000	64,177	82,986,199	88,850,376	85,001,333
Other General Government Services					
09 Cabinet Office	124,972	(7,560)	13,407,425	13,524,837	5,731,361
20 Youth, Sport & Recreation	1,020,000	45,633	9,726,930	10,792,563	9,258,759
68 Parks	1,136,099	10,137	9,352,996	10,499,232	8,870,155
79 Environment & Natural Resources	238,835	26,376	8,304,939	8,570,150	8,484,801
02 Legislature	3	2,250	5,356,313	5,358,566	5,060,000
05 Office of the Auditor General	-	-	3,712,758	3,712,758	3,444,019
26 Department of Human Resources	-	(905)	3,448,209	3,447,304	3,274,294
51 Department of Communications	-	25,534	3,297,367	3,322,901	2,811,889
18 Libraries & Archives	-	9,445	2,990,229	2,999,674	2,791,473
14 Department of Statistics	-	-	2,022,133	2,022,133	1,992,441
01 Governor & Staff	311,774	-	1,329,893	1,641,667	1,254,447
92 Internal Audit	-	15,000	1,387,061	1,402,061	1,035,141
56 Human Rights Commission	-	13,360	1,256,638	1,269,998	1,170,928
98 Information Commissioner's Office	-	-	953,410	953,410	854,609
85 Ombudsman's Office	-	3,485	921,131	924,616	872,213
63 Parliamentary Registrar	-	-	839,812	839,812	1,612,370
69 Conservation Services	-	-	-	-	-
101 Privacy Commissioner's Office	-	-	52,803	52,803	-
72 Environmental Protection	-	-	-	-	-
50 Ministry of the Environment HQ	-	-	-	-	1,109,721
	2,831,683	142,755	68,360,047	71,334,485	59,628,621
Pensions and Other Employee Future Benefits					
Pensions and Retirement Benefits Expense	-	-	78,447,240	78,447,240	65,724,826
	-	-	78,447,240	78,447,240	65,724,826
TOTAL EXPENSES	33,125,105	3,220,543	1,187,454,022	1,223,799,670	1,154,772,124

Government of Bermuda - Consolidated Fund
Schedule 10(a): Current Expenses By Type
For the year ended March 31

	2019 Original Estimates ¹	2019 Actual	2018 (Note 18)
	\$	\$	\$
Employees			
Salaries	304,709,000	306,055,895	296,647,475
Wages	68,165,000	79,658,637	77,643,974
Employer Overhead	78,920,000	78,060,641	75,881,372
Pensions and Retirement Benefits Expense	-	77,201,342	64,236,262
Other Personnel Costs	5,784,000	5,778,779	4,721,722
Training	3,462,000	2,045,909	2,492,215
Compensated Absences	-	1,245,898	1,488,564
	461,040,000	550,047,101	523,111,584
Operations			
Grants & Contributions	316,565,000	319,154,716	285,298,228
Interest on Debt	124,050,000	124,031,380	117,911,001
Amortization (Note 4(b)(v))	-	46,374,487	51,267,256
Professional Services	49,554,000	43,959,234	41,184,111
Materials & Supplies	23,165,000	18,245,243	17,273,474
Early Tender Premium on Repurchased Debt (Note 15(b))	-	17,674,740	-
Repairs & Maintenance	19,467,000	16,533,934	16,416,827
Energy	16,512,000	14,592,129	14,512,955
Rentals	12,091,000	11,469,939	11,639,311
Insurance	9,008,000	6,795,923	6,943,006
Communications	7,145,000	6,561,951	6,249,833
Other	2,924,000	2,981,660	3,510,236
Travel	3,045,000	2,125,896	2,043,095
Bank Charges & Commissions	-	2,098,812	1,796,233
Transport	4,397,000	2,185,135	2,389,858
Advertising & Promotion	2,490,000	1,380,774	24,646,096
Clothing & Uniforms	1,124,000	1,362,743	1,486,142
Equipment	552,000	710	(1,186,248)
Loss on Disposal of Tangible Capital Assets	-	350,911	130,271
Sinking Fund Contribution (Note 4(b)(iii))	64,223,000	-	-
Bad Debt (Recoveries) Expense	-	(473,396)	3,730,536
	656,312,000	637,406,921	607,242,221
TOTAL CURRENT EXPENSES	1,117,352,000	1,187,454,022	1,130,353,805

Government of Bermuda - Consolidated Fund
Schedule 10(b): Current Expenses By Ministry / Department
For the year ended March 31

	2019 Original Estimates	2019 Actual	2018 Actual
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	5,530,000	5,356,313	4,985,319
05 Office of the Auditor General	4,082,000	3,712,758	3,466,514
92 Internal Audit	1,426,000	1,387,061	1,035,141
01 Governor & Staff	1,395,000	1,329,893	1,383,868
56 Human Rights Commission	1,269,000	1,256,638	1,170,928
98 Information Commissioner's Office	957,000	953,410	854,609
85 Ombudsman's Office	924,000	921,131	872,213
63 Parliamentary Registrar	1,571,000	839,812	1,612,370
101 Privacy Commissioner's Office	567,000	52,803	-
	17,721,000	15,809,819	15,380,962
Cabinet Office Departments			
09 Cabinet Office	7,562,000	13,407,425	5,740,181
13 Post Office	10,677,000	10,533,563	10,600,446
26 Department of Human Resources	3,813,000	3,448,209	3,274,294
14 Department of Statistics	2,493,000	2,022,133	1,992,441
80 Project Management & Procurement	772,000	956,547	687,078
	25,317,000	30,367,877	22,294,440
Ministry of Transport & Regulatory Affairs			
35 Public Transportation	21,615,000	22,906,134	21,986,345
30 Marine & Ports	20,250,000	20,503,156	22,769,043
48 Ministry of Transport & Regulatory Affairs HQ	14,395,000	15,941,020	46,218,627
34 Transport Control Department	5,375,000	5,815,671	6,033,412
89 Energy	783,000	591,442	627,575
73 Maritime Administration	-	-	140,943
31 Airport Operations	-	56	(100,846)
67 Department of Information & Communication Technology	-	-	1,139,382
	62,418,000	65,757,479	98,814,481
Ministry of Legal Affairs			
03 Judicial Department	8,473,000	8,144,622	8,162,719
87 Ministry of Legal Affairs HQ	5,718,000	5,663,407	6,166,746
04 Attorney General's Chambers	5,309,000	5,034,993	4,651,515
74 Department of Court Services	4,675,000	4,196,511	3,812,094
75 Department of Public Prosecutions	3,503,000	3,222,294	3,123,487
	27,678,000	26,261,827	25,916,561
Ministry of Finance			
58 Interest on Debt	124,000,000	124,031,380	117,722,643
11 Accountant General	86,461,000	84,681,805	83,886,475
11a Pensions and Retirement Benefits Expense	-	78,447,240	65,724,826
58.1 Early Tender Premium on Repurchased Debt (Note 15(b))	-	17,674,740	-
10 Ministry of Finance HQ	5,050,000	5,952,886	4,521,808
28 Social Insurance	5,250,000	4,736,142	5,057,741
38 Office of the Tax Commissioner	3,451,000	4,294,146	1,142,817
39 Registrar of Companies	3,187,000	2,514,097	3,019,816
59 Sinking Fund Contribution	64,223,000	-	-
	291,622,000	322,332,436	281,076,126
Ministry of Education & Workforce Development			
17 Department of Education	114,243,000	115,114,217	112,588,660
41 Bermuda College	15,906,000	15,906,000	15,481,000
60 Workforce Development	3,849,000	3,336,839	4,172,658
18 Libraries & Archives	3,222,000	2,990,229	1,800,851
16 Ministry of Education & Workforce Development HQ	3,340,000	2,980,250	2,318,661
19 Archives	-	-	1,017,943
	140,560,000	140,327,535	137,379,773
Ministry of Health			
24 Hospitals	145,674,000	147,723,892	120,199,891
22 Health Department	28,912,000	26,850,589	25,688,529
21 Ministry of Health HQ	11,488,000	11,139,354	11,229,866
91 Health Insurance	3,995,000	4,291,730	3,961,749
	190,069,000	190,005,565	161,080,035

Government of Bermuda - Consolidated Fund
Schedule 10(b): Current Expenses By Ministry / Department (cont'd)
For the year ended March 31

	2019 Original Estimates \$	2019 Actual \$	2018 Actual \$
Ministry of Economic Development & Tourism			
95 Ministry of Economic Development & Tourism HQ	38,035,000	32,501,974	30,045,408
51 Department of Communications	3,150,000	3,297,367	2,783,440
	41,185,000	35,799,341	32,828,848
Ministry of the Environment			
50 Ministry of the Environment HQ	-	-	1,109,721
	-	-	1,109,721
Ministry of Social Development & Sports			
55 Financial Assistance	51,684,000	51,824,665	51,948,833
23 Child and Family Services	15,715,000	15,798,474	13,386,225
20 Youth, Sport & Recreation	9,654,000	9,726,930	9,248,854
88 National Drug Control	4,511,000	4,951,169	4,432,024
71 Ministry of Social Development & Sports HQ	2,519,000	2,540,318	1,792,243
52 Community & Cultural Affairs	2,242,000	1,821,573	2,700,343
	86,325,000	86,663,129	83,508,522
Ministry of National Security			
07 Police	65,802,000	67,807,557	63,839,139
25 Department of Corrections	25,082,000	24,793,001	26,045,750
12 Customs	16,939,000	18,373,817	17,926,891
45 Fire Services	13,127,000	15,487,038	14,004,833
43 Department of Information and Digital Technologies	6,690,000	7,854,268	7,656,624
06 Defence	7,209,000	6,808,784	6,895,234
83 Ministry of National Security HQ	1,466,000	1,401,491	1,718,445
67 Department of Information & Communication Technology	1,475,000	941,931	-
	137,790,000	143,467,887	138,086,916
Ministry of Home Affairs			
79 Environment & Natural Resources	8,221,000	8,304,939	8,030,011
27 Immigration	4,754,000	5,433,854	5,464,293
32 Department of Planning	3,304,000	2,909,467	2,714,544
93 Ministry of Home Affairs HQ	4,467,000	2,320,645	1,774,642
29 Registry General	1,953,000	1,746,040	1,603,704
	22,699,000	20,714,945	19,587,194
Ministry of Public Works			
82 Works & Engineering	30,588,000	49,342,752	55,145,055
81 Public Lands & Buildings	19,507,000	36,986,935	36,091,090
53 Bermuda Housing Corporation	6,050,000	6,050,000	6,050,000
68 Parks	9,808,000	9,352,996	8,753,428
36 Ministry of Public Works HQ	5,931,000	6,083,619	5,575,808
97 Land Title & Registration	1,297,000	1,300,521	923,349
49 Land Valuation	787,000	829,359	751,496
	73,968,000	109,946,182	113,290,226
TOTAL CURRENT EXPENSES	1,117,352,000	1,187,454,022	1,130,353,805

Government of Bermuda - Consolidated Fund
Schedule 10(c): Interdepartmental Current Expenses By Ministry/Department
For the year ended March 31

	2019 Interdepartmental Expense	2019 Actual Gross Expense	2019 Net Expense
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	150	5,356,313	5,356,163
05 Office of the Auditor General	215	3,712,758	3,712,543
92 Internal Audit	170	1,387,061	1,386,891
01 Governor & Staff	(5,505)	1,329,893	1,335,398
56 Human Rights Commission	210	1,256,638	1,256,428
98 Information Commissioner's Office	130	953,410	953,280
85 Ombudsman's Office	-	921,131	921,131
63 Parliamentary Registrar	432	839,812	839,380
101 Privacy Commissioner's Office	-	52,803	52,803
	(4,198)	15,809,819	15,814,017
Cabinet Office Departments			
09 Cabinet Office	52	13,407,425	13,407,373
13 Post Office	5,332	10,533,563	10,528,231
26 Department of Human Resources	-	3,448,209	3,448,209
14 Department of Statistics	665	2,022,133	2,021,468
80 Project Management & Procurement	-	956,547	956,547
	6,049	30,367,877	30,361,828
Ministry of Transport & Regulatory Affairs			
35 Public Transportation	991,243	22,906,134	21,914,891
30 Marine & Ports	162,308	20,503,156	20,340,848
48 Ministry of Transport & Regulatory Affairs HQ	(4,686)	15,941,020	15,945,706
34 Transport Control Department	13,961	5,815,671	5,801,710
89 Energy	-	591,442	591,442
31 Airport Operations	-	56	56
	1,162,826	65,757,479	64,594,653
Ministry of Legal Affairs			
03 Judicial Department	300	8,144,622	8,144,322
87 Ministry of Legal Affairs HQ	-	5,663,407	5,663,407
04 Attorney General's Chambers	65	5,034,993	5,034,928
74 Department of Court Services	4,269	4,196,511	4,192,242
75 Department of Public Prosecutions	-	3,222,294	3,222,294
	4,634	26,261,827	26,257,193
Ministry of Finance			
58 Interest on Debt	-	124,031,380	124,031,380
11 Accountant General	170	84,681,805	84,681,635
11a Pensions and Retirement Benefits Expense	-	78,447,240	78,447,240
Early Tender Premium on Repurchased Debt (Note 15(b))	-	17,674,740	17,674,740
10 Ministry of Finance HQ	422	5,952,886	5,952,464
28 Social Insurance	191,825	4,736,142	4,544,317
38 Office of the Tax Commissioner	976	4,294,146	4,293,170
39 Registrar of Companies	21	2,514,097	2,514,076
	193,414	322,332,436	322,139,022
Ministry of Education & Workforce Development			
17 Department of Education	77,111	115,114,217	115,037,106
41 Bermuda College	(250)	15,906,000	15,906,250
60 Workforce Development	505	3,336,839	3,336,334
18 Libraries & Archives	-	2,990,229	2,990,229
16 Ministry of Education & Workforce Development HQ	-	2,980,250	2,980,250
	77,366	140,327,535	140,250,169
Ministry of Health			
24 Hospitals	-	147,723,892	147,723,892
22 Health Department	78,617	26,850,589	26,771,972
21 Ministry of Health HQ	3,439	11,139,354	11,135,915
91 Health Insurance	-	4,291,730	4,291,730
	82,056	190,005,565	189,923,509

Government of Bermuda - Consolidated Fund
Schedule 10(c): Interdepartmental Current Expenses By Ministry/Department (cont'd)
For the year ended March 31

	2019 Interdepartmental Expense	2019 Actual Gross Expense	2019 Net Expense
	\$	\$	\$
Ministry of Economic Development & Tourism			
95 Ministry of Economic Development & Tourism HQ	300	32,501,974	32,501,674
51 Department of Communications	-	3,297,367	3,297,367
	300	35,799,341	35,799,041
Ministry of Social Development & Sports			
55 Financial Assistance	205	51,824,665	51,824,460
23 Child and Family Services	7,288	15,798,474	15,791,186
20 Youth, Sport & Recreation	129,882	9,726,930	9,597,048
88 National Drug Control	2,131	4,951,169	4,949,038
71 Ministry of Social Development & Sports HQ	65	2,540,318	2,540,253
52 Community & Cultural Affairs	5,716	1,821,573	1,815,857
	145,287	86,663,129	86,517,842
Ministry of National Security			
07 Police	86,326	67,807,557	67,721,231
25 Department of Corrections	71,946	24,793,001	24,721,055
12 Customs	6,586	18,373,817	18,367,231
45 Fire Services	27,884	15,487,038	15,459,154
43 Department of Information and Digital Technologies	-	7,854,268	7,854,268
06 Defence	794	6,808,784	6,807,990
83 Ministry of National Security HQ	-	1,401,491	1,401,491
67 Department of Information & Communication Technology	590	941,931	941,341
	194,126	143,467,887	143,273,761
Ministry of Home Affairs			
79 Environment & Natural Resources	7,483	8,304,939	8,297,456
27 Immigration	-	5,433,854	5,433,854
32 Department of Planning	-	2,909,467	2,909,467
93 Ministry of Home Affairs HQ	12,500	2,320,645	2,308,145
29 Registry General	210	1,746,040	1,745,830
50 Ministry of the Environment HQ	225	-	(225)
	20,418	20,714,945	20,694,527
Ministry of Public Works			
82 Works & Engineering	2,730	49,342,752	49,340,022
81 Public Lands & Buildings	12,705	36,986,935	36,974,230
53 Bermuda Housing Corporation	-	6,050,000	6,050,000
68 Parks	3,177	9,352,996	9,349,819
36 Ministry of Public Works HQ	1,032,132	6,083,619	5,051,487
97 Land Title & Registration	85	1,300,521	1,300,436
49 Land Valuation	9,805	829,359	819,554
	1,060,634	109,946,182	108,885,548
TOTAL CURRENT EXPENSES	2,942,912	1,187,454,022	1,184,511,110

Government of Bermuda - Consolidated Fund
Schedule 11: Schedules of Tangible Capital Assets and Assets Under Construction
As at March 31, 2019

	Estimated Useful Life	COST				ACCUMULATED AMORTIZATION				31-Mar-19 Net Book Value	31-Mar-18 Net Book Value
		Opening Balance	Additions	Disposals & Adjustments	Closing Balance	Opening Balance	Amortization Expense	Disposals & Adjustments	Closing Balance		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets											
Land	Indefinite	45,642,338	7,590	-	45,649,928	-	-	-	-	45,649,928	45,642,338
Buildings & Betterments	2 - 40 years	649,546,919	5,437,543	-	654,984,462	(259,549,958)	(15,772,375)	(1,058,896)	(276,381,229)	378,603,233	389,996,961
Infrastructure	10 - 40 years	255,921,968	1,277,567	(185,309)	257,014,226	(88,285,214)	(10,275,461)	1,262,419	(97,298,256)	159,715,970	167,636,754
Vehicles & Heavy Equipment	5 - 7 years	99,723,004	5,909,507	(6,176,716)	99,455,795	(90,944,494)	(3,328,142)	5,971,618	(88,301,018)	11,154,777	8,778,510
Boats & Vessels	5 - 10 years	49,132,000	106,020	(1,774,082)	47,463,938	(45,183,605)	(1,198,018)	1,770,472	(44,611,151)	2,852,787	3,948,395
Computer Software	10 years	45,036,698	933,097	(84,607)	45,885,188	(29,697,363)	(3,819,764)	33,737	(33,483,390)	12,401,798	15,339,335
Office Equipment	5 years	17,435,503	2,568,448	(7,936)	19,996,015	(13,857,732)	(1,425,506)	6,234	(15,277,004)	4,719,011	3,577,771
Computer Hardware	3 - 7 years	26,052,652	1,280,427	(23,676)	27,309,403	(21,518,517)	(2,089,596)	5,266	(23,602,847)	3,706,556	4,534,135
Capital Leases	3 - 20 years	5,236,689	3,378,266	-	8,614,955	(4,769,295)	(400,832)	-	(5,170,127)	3,444,828	467,394
Furniture & Fixtures	7 years	6,166,412	1,110,157	(3,142)	7,273,427	(5,022,895)	(465,468)	4,094	(5,484,269)	1,789,158	1,143,517
Plant, Machinery & Equipment	10 - 30 years	130,148,181	634,689	(87,104)	130,695,766	(78,382,493)	(7,599,325)	(4,729)	(85,986,547)	44,709,219	51,765,688
Total Tangible Capital Assets		1,330,042,364	22,643,311	(8,342,572)	1,344,343,103	(637,211,566)	(46,374,487)	7,990,215	(675,595,838)	668,747,265	692,830,798
Assets Under Construction		19,484,741	14,559,863	(12,198,827)	21,845,777	-	-	-	-	21,845,777	19,484,741

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure - Estimates Compared to Expenditures
For the year ended March 31, 2019

	Expenses	Expenditure ¹	Adjusted Estimates ²	Under (Over) Spent	
	\$	\$	\$	\$	
Non-Ministry Departments					
02	Legislature	5,356,313	5,297,346	5,530,151	232,805
05	Office of the Auditor General	3,712,758	3,677,795	4,082,261	404,466
01	Governor & Staff	1,329,893	1,326,803	1,395,034	68,231
92	Internal Audit	1,387,061	1,386,731	1,426,045	39,314
63	Parliamentary Registrar	839,812	828,500	1,571,232	742,732
56	Human Rights Commission	1,256,638	1,210,407	1,269,395	58,988
85	Ombudsman's Office	921,131	909,067	923,697	14,630
98	Information Commissioner's Office	953,410	946,908	1,037,093	90,185
101	Privacy Commissioner's Office	52,803	52,803	487,258	434,455
		15,809,819	15,636,360	17,722,166	2,085,806
Cabinet Office Departments					
13	Post Office	10,533,563	10,308,430	10,676,719	368,289
09	Cabinet Office	13,407,425	13,395,539	13,230,475	(165,064)
26	Department of Human Resources	3,448,209	3,434,489	3,812,938	378,449
14	Department of Statistics	2,022,133	1,991,230	2,493,100	501,870
80	Project Management & Procurement	956,547	953,747	772,317	(181,430)
		30,367,877	30,083,435	30,985,549	902,114
Ministry of Transport & Regulatory Affairs					
Ministry of Transport & Regulatory					
48	Affairs HQ	15,941,020	14,844,012	14,479,553	(364,459)
30	Marine & Ports	20,503,156	18,959,177	20,291,807	1,332,630
35	Public Transportation	22,906,134	21,955,706	21,530,000	(425,706)
34	Transport Control Department	5,815,671	5,569,054	5,332,881	(236,173)
89	Energy	591,442	591,442	783,169	191,727
31	Airport Operations	56	56	-	(56)
		65,757,479	61,919,447	62,417,410	497,963
Ministry of Legal Affairs					
03	Judicial Department	8,144,622	7,891,099	8,473,082	581,983
87	Ministry of Legal Affairs HQ	5,663,407	5,635,220	5,681,371	46,151
04	Attorney General's Chambers	5,034,993	4,920,626	5,346,047	425,421
74	Department of Court Services	4,196,511	4,174,594	4,675,116	500,522
75	Department of Public Prosecutions	3,222,294	3,203,216	3,503,409	300,193
		26,261,827	25,824,755	27,679,025	1,854,270
Ministry of Finance					
58	Interest on Debt	124,031,380	124,031,380	124,050,000	18,620
11	Accountant General	84,681,805	84,097,239	85,260,678	1,163,439
Pension and Retirement Benefits					
11a	Expense	78,447,240	-	-	-
28	Social Insurance	4,736,142	4,734,301	4,869,716	135,415
10	Ministry of Finance HQ	5,952,886	5,809,897	5,979,955	170,058
39	Registrar of Companies	2,514,097	2,579,504	2,867,385	287,881
38	Office of the Tax Commissioner	4,294,146	4,519,977	4,370,900	(149,077)
59	Sinking Fund Contribution	-	64,223,375	64,223,000	(375)
		322,332,436	289,995,673	291,621,634	1,625,961

¹ Adjusted for Non-Cash, Non-Budget Items

² 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, 2019

	Expenses	Expenditure ¹	Adjusted Estimates ²	Under (Over) Spent
	\$	\$	\$	\$
Ministry of Education & Workforce Development				
17 Department of Education	115,114,217	113,521,390	114,243,393	722,003
41 Bermuda College	15,906,000	15,906,000	15,906,000	-
60 Workforce Development	3,336,839	3,272,591	3,995,583	722,992
16 Ministry of Education & Workforce Development HQ	2,980,250	2,980,250	3,193,354	213,104
18 Libraries & Archives	2,990,229	2,950,887	3,221,964	271,077
	<u>140,327,535</u>	<u>138,631,118</u>	<u>140,560,294</u>	<u>1,929,176</u>
Ministry of Health				
24 Hospitals	147,723,892	147,723,892	147,723,868	(24)
22 Health Department	26,850,589	26,698,958	26,938,188	239,230
21 Ministry of Health HQ	11,139,354	11,112,642	11,111,974	(668)
91 Health Insurance	4,291,730	4,289,730	4,295,285	5,555
	<u>190,005,565</u>	<u>189,825,222</u>	<u>190,069,315</u>	<u>244,093</u>
Ministry of Economic Development & Tourism				
95 Ministry of Economic Development & Tourism HQ	32,501,974	32,501,974	32,365,973	(136,001)
51 Department of Communications	3,297,367	3,060,966	3,150,419	89,453
	<u>35,799,341</u>	<u>35,562,940</u>	<u>35,516,392</u>	<u>(46,548)</u>
Ministry of Social Development & Sports				
55 Financial Assistance	51,824,665	51,406,433	51,683,898	277,465
23 Child and Family Services	15,798,474	15,764,808	15,704,578	(60,230)
20 Youth, Sport & Recreation	9,726,930	9,642,329	9,537,090	(105,239)
88 National Drug Control	4,951,169	4,323,197	4,511,394	188,197
52 Community & Cultural Affairs	1,821,573	1,817,265	1,977,474	160,209
71 Ministry of Social Development & Sports HQ	2,540,318	2,533,076	2,912,262	379,186
	<u>86,663,129</u>	<u>85,487,108</u>	<u>86,326,696</u>	<u>839,588</u>
Ministry of National Security				
07 Police	67,807,557	66,359,223	65,802,191	(557,032)
25 Department of Corrections	24,793,001	24,434,599	24,981,421	546,822
12 Customs	18,373,817	17,682,948	16,945,442	(737,506)
45 Fire Services	15,487,038	15,257,214	13,127,002	(2,130,212)
43 Department of Information and Digital Technologies	7,854,268	6,632,549	6,690,296	57,747
06 Defence	6,808,784	6,633,764	7,208,885	575,121
83 Ministry of National Security HQ	1,401,491	1,407,216	1,560,034	152,818
67 Department of Information & Communication Technology	941,931	939,738	1,475,485	535,747
	<u>143,467,887</u>	<u>139,347,251</u>	<u>137,790,756</u>	<u>(1,556,495)</u>
Ministry of Home Affairs				
79 Environment & Natural Resources	8,304,939	8,255,050	8,221,431	(33,619)
27 Immigration	5,433,854	4,747,273	4,754,483	7,210
32 Department of Planning	2,909,467	2,878,221	3,304,222	426,001
93 Ministry of Home Affairs HQ	2,320,645	2,317,006	4,466,602	2,149,596
29 Registry General	1,746,040	1,743,908	1,953,071	209,163
	<u>20,714,945</u>	<u>19,941,458</u>	<u>22,699,809</u>	<u>2,758,351</u>
Ministry of Public Works				
82 Works & Engineering	49,342,752	34,326,651	30,387,240	(3,939,411)
81 Public Lands & Buildings	36,986,935	19,765,519	19,847,551	82,032
68 Parks	9,352,996	8,859,487	9,480,127	620,640
36 Ministry of Public Works HQ	6,083,619	6,201,484	6,085,385	(116,099)
53 Bermuda Housing Corporation	6,050,000	6,050,000	6,050,000	-
97 Land Title & Registration	1,300,521	1,208,543	1,330,227	121,684
49 Land Valuation	829,359	791,533	786,821	(4,712)
	<u>109,946,182</u>	<u>77,203,216</u>	<u>73,967,351</u>	<u>(3,235,866)</u>
TOTAL CURRENT	1,187,454,022	1,109,457,983	1,117,356,397	7,898,414

¹ Adjusted for Non-Cash, Non-Budget Items

² Includes all Approved Supplementary amounts during the year

**Government of Bermuda - Consolidated Fund
Schedule 13: Commitments - Legislated
For the year ended March 31, 2019**

	2019	2018
	Actual	Actual
	\$	\$
Unspent Capital Appropriations		
In accordance with Section 6 of the Appropriations Act 2017, unspent capital appropriations for incomplete capital projects to be carried forward to future years are as follows:		
Capital Development	3,956,417	14,396,511
Capital Acquisition	4,432,035	8,679,984
	8,388,452	23,076,495
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	970,329,775	1,030,189,800
Projects Completed during the year	(151,159,000)	(207,221,800)
Supplementary Estimate No.1 & 2	-	3,343,154
Revised Total Authorized Funding	819,170,775	826,311,154
Appropriated Capital Development	(375,441,116)	(370,861,521)
Unappropriated Capital Development Commitments	443,729,659	455,449,633

Government of Bermuda - Consolidated Fund
Schedule 14: Public Debt - Legislated Limit
As at March 31

	2019	2018
	Actual	Actual
	\$	\$

The Government Loans Act 1978 as amended, defines public debt as debt owed or guaranteed by the 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, as amended February 22, 2019. (Note 17(d))

Debt (Schedule 7)	2,680,000,000	2,568,935,000
Less:		
Sinking Fund (Schedule 7)	218,912,830	150,178,144
Public Debt	2,461,087,170	2,418,756,856
Legislated Limit (Note 17(d))	2,500,000,000	2,500,000,000
Available Limit	38,912,830	81,243,144