



Government of Bermuda

Financial Statements
of the
Consolidated Fund

March 31, 2008

Issued by

The Accountant General
Ministry of Finance

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AUDITOR'S REPORT

To the House of Assembly, the Governor and the Senate

I have audited the statement of financial position of the Consolidated Fund of the Government of Bermuda as at March 31, 2008, and the statements of operations and accumulated deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

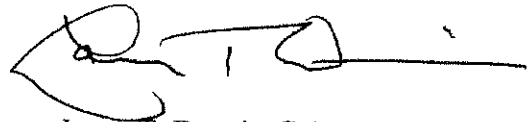
My examination indicated deficiencies in the internal control over the expenditures of a capital project whose capital development expenditures for the year and period subsequent to the year-end but prior to the audit report date totalled \$13,243,881 and whose total authorized funding budget is \$78 million. In addition, my examination indicated deficiencies in the internal controls over the purchasing and the valuation of certain services totalling \$5,512,742. These deficiencies have led me to question the propriety of certain transactions relating to the capital project and the purchase of the services. As a result, I was unable to determine whether adjustments might be necessary to current expenses, capital development expenses, deficit, work in progress, and accumulated deficit or additional note disclosure that may be necessary.

In my opinion, except for the effect of adjustments or additional note disclosure, if any, which I might have determined to be necessary had I been able to verify the expenditures outlined in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of the Consolidated Fund of the Government of Bermuda as at March 31, 2008 and the results of its operations and the changes in its financial position for the year then ended, in accordance with the stated accounting policies disclosed in Note 3 to the financial statements, which conform with generally accepted accounting principles in Bermuda and Canada as at March 31, 2008. As required by Section 6 of the Audit Act 1990, I also report that, in my opinion, these stated accounting policies have been applied, in all material respects, on a basis consistent with that of the preceding year.

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 the summary consolidated financial statements, as contemplated by the Institute of Chartered Accountants of Bermuda and the Canadian Institute of Chartered Accountants, that would report the financial position and results of operations of the Government of Bermuda. Significant financial activities of the Government occur outside the Consolidated Fund.

In the absence of consolidated summary financial statements for the Government of Bermuda, I am of the opinion that the financial statements of the Consolidated Fund are intended and used to represent for all practical purposes the financial position of the Government of Bermuda and results of its operations and changes in its financial position. As such, in my opinion the accounting policies used to prepare these financial statements are inappropriate to present fairly the financial position of the Government of Bermuda and the results of its operations and changes in its financial position.

Hamilton, Bermuda
December 31, 2008

A handwritten signature in black ink, appearing to read 'Larry T. Dennis', with a long horizontal line extending to the right.

Larry T. Dennis, C.A.
Auditor General

Government of Bermuda
Consolidated Fund
Statement of Responsibility for the Financial Statements
March 31, 2008

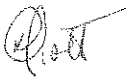
The Accountant General, subject to the general direction and control of the Minister of Finance, is responsible for the preparation of the financial statements of the Consolidated Fund.

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

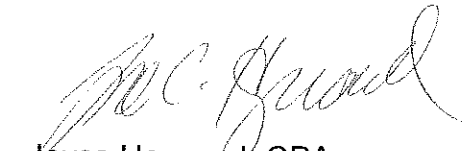
In order to fulfil accounting and reporting responsibilities, the Accountant General maintains systems of financial management and internal control to provide reasonable assurance that transactions are properly authorised by the Legislature, executed in accordance with prescribed regulations and properly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

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

On behalf of the Government of Bermuda.



Donald Scott
Financial Secretary
Ministry of Finance



Joyce Hayward, CPA
Accountant-General
Ministry of Finance

Hamilton, Bermuda
December 31, 2008

**Government of Bermuda - Consolidated Fund
Statement of Financial Position**

As at March 31		2008	2007
		Actual	Actual
		\$	\$
Liabilities			
	<i>Schedule</i>		
Accounts Payable and Accrued Liabilities	5	163,392,523	111,054,921
Deferred Revenue	6	88,578,000	80,125,610
Interest Bearing Debt - Net of Sinking Fund	7	277,169,888	196,660,877
Pensions and Other Employee Future Benefits			
- Pensions and Retirement Benefits (Note 9(h), Note 17)		748,131,128	671,243,029
- Compensated Absences (Note 8)		18,010,709	16,179,406
		<u>766,141,837</u>	<u>687,422,435</u>
Other Liabilities			
Due to Government Funds and Agencies	3(a)	35,047,211	25,910,190
Deferred Insurance Proceeds (Note 13)		-	358,856
		<u>35,047,211</u>	<u>26,269,046</u>
Total Liabilities		1,330,329,459	1,101,532,889
Financial Assets			
Cash and Cash Equivalents		23,543,990	15,388,924
Accounts Receivable	1	150,176,960	127,814,653
Due from Government Funds and Agencies	3	20,644,623	43,024,436
Long-Term Receivables	4	4,260,139	3,910,988
Total Financial Assets		198,625,712	190,139,001
Net Debt		1,131,703,747	911,393,888
Non-Financial Assets			
Tangible Capital Assets (Note 16)	12	471,937,023	463,862,127
Construction in Process	12	24,711,237	15,939,708
Prepaid Supplies	2	13,156,994	13,530,409
Prepaid Expenses		4,415,677	3,179,690
		<u>514,220,931</u>	<u>496,511,934</u>
Accumulated Deficit		617,482,816	414,881,954

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

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

For the year ended March 31		2008 Original Estimates	2008 Actual	2007 Actual
		\$	\$	\$
	Schedule			
Revenue	8,10	917,113,000	928,499,854	883,711,019
Expenses				
Current	9,11	884,812,000	1,022,899,708	952,606,293
Capital Development (Note 3(f))	13		108,867,283	49,815,364
Capital Acquisition (Note 3(f))	14		11,980,267	12,263,529
			1,143,747,258	1,014,685,186
Annual Deficit			(215,247,404)	(130,974,167)
Accumulated Deficit, Beginning of Year			(414,881,954)	(269,961,419)
Adjustment for Tangible Capital Assets (Note 16)			12,646,542	5,476,522
Correction of Accounting Error (Note 17)			-	(19,422,890)
Accumulated Deficit, End of Year			(617,482,816)	(414,881,954)

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

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

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$
Annual Deficit	(215,247,404)	(130,974,167)
Change Due to Tangible Capital Assets:		
Net Additions to Tangible Capital Assets (Schedule 12)	(21,351,507)	(189,497,033)
Net (Additions to) Reductions in Construction In Process (Schedule 12)	(8,771,529)	139,046,227
Amortization of Tangible Capital Assets	25,923,153	17,801,884
Total Change Due to Tangible Capital Assets	(4,199,883)	(32,648,922)
Net Reductions in (Additions to) Prepaid Supplies	373,415	(1,718,437)
Net Additions to Prepaid Expenses	(1,235,987)	(2,081,017)
Total Change Due to Prepaid Supplies and Prepaid Expenses	(862,572)	(3,799,454)
Increase in Net Debt	(220,309,859)	(167,422,543)
Net Debt, Beginning of Year	(911,393,888)	(724,548,455)
Add: Correction of Accounting Error (Note 17)	-	(19,422,890)
Net Debt, End of Year	(1,131,703,747)	(911,393,888)

**Government of Bermuda - Consolidated Fund
Statement of Cash Flow**

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$
Operating Activities		
Annual Deficit	(215,247,404)	(130,974,167)
Items not affecting cash:		
Amortization of Tangible Capital Assets	25,923,153	17,801,884
Increase in Pension and Retirement Benefits Liability	76,888,099	80,202,385
Increase in Compensated Absences Liability	1,831,303	1,326,573
Increase (Decrease) in Non-Cash Working Capital	68,373,939	(6,340,953)
Decrease in Advance to Bermuda Housing Corporation	-	49,500,000
Cash (Applied to) Provided by Operating Activities	(42,230,910)	11,515,722
Capital Activities		
Net Additions to Tangible Capital Assets (Schedule 12)	(21,351,507)	(189,497,033)
Net (Additions to) Reductions in Construction in Process (Schedule 12)	(8,771,529)	139,046,227
Cash Applied to Capital Activities	(30,123,036)	(50,450,806)
Financing Activities		
Loan Proceeds	90,000,000	30,000,000
Increase in Sinking Fund	(9,490,989)	(6,763,379)
Cash Provided By Financing Activities	80,509,011	23,236,621
Net Increase (Decrease) in Cash and Cash Equivalents	8,155,065	(15,698,463)
Cash and Cash Equivalents, Beginning of Year	15,388,924	31,087,387
Cash and Cash Equivalents, End of Year	23,543,989	15,388,924

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

1. Authority

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

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

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

2. Reporting Entity

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

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

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

The Government adheres to the general practice of using a Consolidated Fund as its general operating fund. Schedules 10 to 14 (excluding Schedule 12) provide information concerning the operations, tangible capital assets, and capital expenses of individual Government departments and funds and agencies comprising the Fund.

3. Summary of Significant Accounting Policies

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

The preparation of financial statements in accordance with the disclosed basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

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

The significant accounting policies are as follows:

(a) Method

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

(b) Revenue

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

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

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

(c) Expenses

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

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

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

(d) Interdepartmental Revenues and Expenses

Interdepartmental revenues and expenses are not eliminated but have been identified as explained in Note 15(c).

(e) Financial Assets

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

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

Long term receivables are recorded at unamortized cost.

(f) Tangible Capital Assets

Land and buildings identified as held by the Bermuda Government are valued at historical cost and have been disclosed in the financial statements since March 31, 2002. Where original acquisition documents were difficult to retrieve, the Book Value

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

Calculator (BVC), developed by the Chief Appraiser of Public Works and Government Services Canada (as modified by them to address the Bermuda Government situation), was used to establish reasonable estimates of the historical costs in order to develop opening balances.

Betterments are defined as building and leasehold improvements that exceed \$10,000 in value per single structural job, where such work is deemed to increase the useful life or value of the respective asset.

Work in process as it relates to the development of buildings, building betterments, vehicles or vessels has also been capitalized. Upon completion of specific projects, the balance of work in process will be transferred to the appropriate assets category and amortized over the appropriate useful life.

Vehicles, heavy and light equipment (rolling stock) and vessels owned by the Bermuda Government have been identified at historical cost and disclosed in the financial statements at amortized value beginning April 1, 2002.

Computer hardware systems, computer software, furniture and fixtures and office equipment owned by the Bermuda Government have been identified at historical cost and disclosed in the financial statements at amortized value beginning April 1, 2006.

Plant, machinery & equipment owned by the Bermuda Government have been identified at historical cost and disclosed in the financial statements at amortized value beginning April 1, 2007. Plant facilities completed prior to April 1, 2007 include the Tynes Bay Incinerator Plant, the Recycling Plant, the Asphalt Plant, the Containerized Seawater Reverse Osmosis Plant and the Reverse Osmosis Plant located at Westgate Correctional Facility. The Reverse Osmosis Plant located at the Co-Ed Prison Facility was completed during the current year.

Work continues to be done to identify assets held by the Government to ensure that all assets for the disclosed classes are recorded. If any of these assets are identified, the assets will be properly valued at historical cost and disclosed at amortized value in the financial statements of the Government.

Other tangible capital assets have continued to be charged to capital expenses in the year of purchase or construction, which is consistent with prior years. Tangible capital assets that have not yet been disclosed include infrastructure and historical treasures. These expenses are currently classified as capital development and capital acquisition expenses on the Statement of Operations. Infrastructure will be capitalized and disclosed on the Statement of Financial Position in the fiscal year ending March 31, 2009.

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

Buildings	40 years
Betterments	Remaining life or lease period of the related asset
Building Systems	7 years
Vehicles & Heavy Equipment	
\$10,000 to \$99,999	5 years
\$100,000 and above	7 years
Light Equipment, Boats & Vessels	
\$10,000 to \$99,999	5 years
\$100,000 and above	10 years
Leased Equipment	3 - 5 years
Computer Hardware	3 years
Computer Software	10 years
Furniture & Fixtures	7 years
Office Equipment	5 years
Plant, Machinery & Equipment	10 – 30 years

The Ministry of Works and Engineering is primarily responsible for Government's tangible capital assets. Amortization expense is reported under that Ministry. Since amortization is a non-cash expense, it is removed for appropriation reporting purposes.

(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 are the result of contracts, agreements and legislation in force at year-end that require the Government to repay borrowings or to pay for goods and services acquired or provided on or before the year-end. Liabilities also include grant payments due where no direct value is received in return.

(h) Translation of Foreign Currencies

The financial statements are reported in Bermuda dollars. The Bermuda dollar is valued at par with the United States dollar. Assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the year-end date. Revenues and expenses originating in foreign currencies are translated at the exchange

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008**

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

rate in effect on the date the specific transactions occurred. Translation gains and losses are included in the Statement of Operations and Accumulated Deficit.

4. Approved Estimates of the Government of Bermuda

(a) Budget Process

Annually, the government presents a Budget (“Estimates”) of expected revenues and expenditures for the following fiscal year.

The Government’s spending Estimates for the fiscal year commencing April 1, 2007 are presented to the Members of the Legislature by the Minister of Finance. The Estimates outline the spending plans of each Ministry/Department submitted for approval to the Legislature in the Appropriations Act.

The Estimates referred to in the financial statement schedules are from the original Approved Estimates of Revenue and Expenditure for the fiscal year 2007/08 and do not reflect changes arising from the tabling of Supplementary Estimates, except for the Adjusted Estimates referred to in Schedule 15 which include the original Approved Estimates and any tabled Supplementary Estimates.

(b) Comparison of Expenses to Estimates for Expenditure

The Ministry of Finance prepares annual Estimates on the modified cash basis. These financial statements are prepared on an accrual basis. Due to the difference in accounting, Schedule 15 restates actual expenses to the modified cash basis for comparative and analytical purposes against the adjusted estimates. The most significant differences are as follows:

- (i) Bad Debts – For financial statement purposes, a provision is established and expensed for accounts receivable where collection is doubtful. For budget purposes, no such provision is made.
- (ii) Pension – The financial statement pension-related expense is explained in Note 9. For budget purposes, pension expense is equal to its funding payments.
- (iii) Government Borrowing Sinking Fund (Note 5) – Transfers to the Sinking Fund are recorded as cash transfers. For budget purposes, the Sinking Fund contribution is considered an expenditure.
- (iv) Compensated Absences – Certain Government employees are entitled to pre-retirement leave benefits, as explained in Note 8. For budget purposes, retirement pay is estimated based on anticipated salary spending for the current year.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

5. Government Borrowing Sinking Fund

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

During each financial year, the Fund must pay to the GBSF 2.5% of the public debt outstanding in the Fund at the end of the preceding year, subject to certain exclusions and interest provisions as defined by the legislation.

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

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

6. Contingencies Fund

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

The purpose of the Contingencies Fund is to allow the Minister of Finance to authorize urgent and unforeseen expenditures up to \$1 million prior to the approval of the Legislature by supplementary estimate. The Contingencies Fund balance is not segregated from general operating cash and deposits 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 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. As of March 31, 2008, no amounts have been paid into the Insurance Fund.

8. Compensated Absences

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

8. Compensated Absences (cont'd)

An actuarial valuation of the Government's obligation for retirement leave was extrapolated to March 31, 2008, using similar various long-term assumptions as the Public Service Superannuation Fund pension plan (Note 9). The valuation determined that the accrued benefit obligation for retirement leave is currently \$18,010,709 (2007 - \$16,179,406), as defined in the table below.

	2008	2007
	\$	\$
Accrued benefit obligation, beginning of year	16,179,406	14,852,833
Amortization of experience loss	80,974	-
Current period benefit cost	930,818	800,662
Interest accrued	1,139,922	976,802
Less: Benefit payments	<u>(320,411)</u>	<u>(450,891)</u>
Accrued benefit obligation, end of year	<u>18,010,709</u>	<u>16,179,406</u>

9. Pensions and Other Retirement Benefits

(a) Contributory Defined Benefit Pension Plans

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

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

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

Employees contribute 7.0% of their basic salary for PSSF and Ministers and Members contribute 12.5% of their salary for MMLPF. The Government matches the participant's contribution in each plan. The amount of Government contributions made during the year for each plan was as follows: PSSF 2008 - \$22,384,273 (2007 - \$17,030,028), MMLPF 2008 - \$406,734 (2007 - \$352,934). 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 Consolidated 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 on both the PSSF and the MMLPF as at March 31, 2008, using the same assumptions, to produce the estimates included in these financial statements.

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

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

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

For the PSSF, pension fund assets consist primarily of listed stocks and bonds and short-term investment funds. Market-related asset values, which recognize the differences between the actual return on assets and the expected return on assets over a period of five years, have been used to determine the pension liability and pension-related expenses for the PSSF. The market-related value of assets for the PSSF was \$395,509,684 as at March 31, 2008 (2007 - \$356,299,907) compared to a real market value of \$408,135,628 (2007 - \$393,138,484).

For the MMLPF, there is no difference between the market value of plan assets and the market-related value and as at March 31, 2008, the value was \$8,867,000 (2007 - \$8,436,893). The actual return on plan assets during the year was 4.5% (2007 - 11.1%) for the PSSF and 7.0% (2007 - 7.0%) for the MMLPF.

As at March 31, 2008, \$4,821,700 (2007 - \$21,990,461) was receivable from the PSSF in respect of net benefits paid in excess of contributions received by the Fund.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

(c) Non-Contributory Defined Benefit Pension Plan

The Bermuda Department of Tourism North America Retirement Plan (BDTRP) provides retirement, disability and death benefits for Department of Tourism employees residing in North America.

In accordance with the BDTRP agreement, the Government is required to provide funding necessary to ensure that benefits based on actuarial valuations will be fully provided for at retirement. The Government contribution for the year was \$306,970 (2007 - \$275,838). A valuation was performed on the BDTRP as of March 31, 2008 to produce the estimates included in these financial statements.

A service pension is available based on the number of years of service times 2.4% of the last five years' average salary up to a maximum of 60% of the annual salary.

The BDTRP has its own unique set of assumptions which were used to prepare the actuarial valuation. The most significant assumptions are an interest rate of 6.5% and a salary increase rate of 4.5% (2007 - 4.25%). Due to the small size of the scheme, no staff turnover assumptions were made. The mortality assumptions are the same as those used for the PSSF. Pension fund assets consist primarily of listed stocks and short-term investment funds. There is no difference between the market value of plan assets and the market-related value and as at March 31, 2008, the value was \$2,507,000 (2007 - \$2,990,060). The actual return on plan assets during the year was 0.2 % (2007 - 2.6%).

(d) Pension-Related Expenses

Pension-related expense recognized by the Fund comprises the cost of pension benefits earned by employees during the year, interest on the pension benefit liability (net of interest on pension plan assets) and amortization of the Government's share of any experience gains or losses, less contributions made by the employees. The estimated total cost of the Government's share of plan amendments related to past service is expensed in the year the plan is amended. The pension-related expense is disclosed in Note 9(h) and included in Schedule 9 as a component of retirement benefit expenses.

During the year, certain procedures were revised with respect to system data used in the calculation of the pension liability. The revisions led to the discovery of ineligible employees that were included in the calculation of the estimated pension liability. These persons have been removed from the calculation. As a result of this correction of an accounting error, an adjustment decrease of \$4,695,000 has been made to the prior year liability. This reduced the prior PSSF accrued benefit obligation from \$1,032,999,732 to \$1,028,304,732, as disclosed below.

A net unamortized experience loss of \$205,434,000 (2007 - 178,751,817) is reported in the table below. The amount comprises a total unamortized experience loss on the

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

pension liability of \$195,156,000 (2007 - \$145,444,283) and a total unamortized experience loss on the asset valuation of \$10,278,000 (2007 - \$33,307,534). The period of amortization is ten years.

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

(e) Funded Status of Plans

For the year ended March 31

	2008	2007
	Actual	Actual
	\$	\$
		(as restated)
Pension Liability		
Accrued Benefit Obligation		
PSSF	1,156,050,000	1,028,304,732
MMLPF	27,156,000	27,874,992
BDTRP	1,790,000	2,582,985
	<u>1,184,996,000</u>	<u>1,058,762,709</u>
Net Fund Assets		
PSSF	(395,509,000)	(356,299,907)
MMLPF	(8,867,000)	(8,436,893)
BDTRP	(2,507,000)	(2,990,060)
	<u>(406,883,000)</u>	<u>(367,726,860)</u>
Net Unamortized Experience Loss		
PSSF	<u>(205,434,000)</u>	<u>(178,751,817)</u>
Pension Liability		
PSSF	555,107,000	493,253,008
MMLPF	18,289,000	19,438,099
BDTRP	(717,000)	(407,075)
Carried Forward to Note 9 (h)	<u>572,679,000</u>	<u>512,284,032</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$
Pension-Related Expense		
Cost of Pension Benefits	38,759,687	36,394,072
Employee Contributions	(22,791,007)	(17,382,962)
Interest on Pension Liability	45,900,968	43,886,862
Amortization of Experience Gains & Losses		
1999 Experience Gain	-	(1,067,086)
2000 Experience Gain	(3,011,773)	(3,011,773)
2001 Experience Gain	(2,196,870)	(2,196,870)
2002 Experience Loss	573,592	573,592
2003 Experience Loss	3,418,847	3,418,847
2004 Experience Loss	21,908,086	21,908,086
2005 Experience Loss	2,048,199	2,048,199
2006 Experience Loss	595,574	595,574
2007 Experience Gain	(351,626)	-
Carried forward to Note 9 (h)	<u>84,853,677</u>	<u>85,166,541</u>

(f) Contributory Pension Fund

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

The purpose of the CPF is to provide old age pension, disability and death benefits for persons satisfying certain contribution, citizenship and residency requirements. Contributions to the CPF are compulsory for persons employed in Bermuda, the self-employed and employers.

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

(g) Retirement Benefits Other than Pensions - Health Insurance Plan

The Government administers a health care plan, the Government Employees Health Insurance Fund (GEHI), for substantially all of its employees, quasi-autonomous non-governmental organization (QUANGO) employees, all ministers and members of the Legislature and retirees. The GEHI Fund provides medical insurance for retirees and eligible dependents with the Government matching the participant's contribution to the plan.

In 2002 the Government adopted accrual accounting for the GEHI plan.

An actuarial calculation of the Government's obligations for retirement benefits other than pensions was performed for accounting purposes at March 31, 2008, using various long-term assumptions.

The discount rate used in determining the accumulated post-retirement benefit obligation was 6.50%. The assumed health-care cost trend rate used was 7.0% (2007 - 7.5%), this will be increased to 9.0% (2009) and reducing by 0.5% per annum to 5% (2017) per annum. The 1994 Group Annuity Mortality Table was used for the mortality assumption. The value accrues a liability in respect of the matching premium paid by government under the insurance arrangement in respect of retired employees. The calculation is based on the projected benefit method pro-rated on service.

During the current valuation, certain procedures led to the discovery that deferred pensioners were not previously included in the calculation of the estimated pension liability. As a result of this correction of data, an adjustment increase of \$24,117,890 was included in the prior years' expense.

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

	2008	2007
	\$	\$
		(as restated)
Accrued benefit obligation at beginning of year	184,054,567	148,136,986
Adjustment to include deferred vested members	-	24,117,890
Current period benefit cost	6,620,812	6,216,725
Interest accrued	12,034,312	9,697,234
Less: Benefit payments	<u>(4,443,409)</u>	<u>(4,114,268)</u>
Expected accrued benefit obligation at end of year	<u>198,266,282</u>	<u>184,054,567</u>
Expected accrued benefit obligation at end of year	198,266,282	184,054,567
Actual accrued benefit obligation at end of year	<u>227,383,530</u>	<u>184,054,567</u>
Experience loss	<u>(29,117,248)</u>	<u>-</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

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

Expected average remaining service life	13 years	13 years
Annual amortization	\$2,281,415	\$2,281,415

Liability for retirement benefits recorded in the statement of financial position

	2008	2007
	\$	\$
		(as restated)
Accrued benefit obligation, end of year	227,383,530	184,054,567
Unamortized experience losses	<u>(51,931,402)</u>	<u>(25,095,570)</u>
Liability for retirement benefits (Note 9(h))	<u>175,452,128</u>	<u>158,958,997</u>

Expenses recorded in statement of operations and accumulated deficit

	2008	2007
	\$	\$
Current period benefit cost	6,620,812	6,216,725
Amortization of experience losses	<u>2,281,415</u>	<u>2,281,415</u>
Retirement benefit expense	8,902,227	8,498,140
Retirement benefit interest expense	<u>12,034,312</u>	<u>9,697,234</u>
Total expenses related to retirement benefits (Note 9(h))	<u>20,936,539</u>	<u>18,195,374</u>

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

	2008	2007
	\$	\$
		(as restated)
Pensions (Note 9(e))	572,679,000	512,284,032
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(g))	<u>175,452,128</u>	<u>158,958,997</u>
Total Pensions and Retirement Benefits Liability	<u>748,131,128</u>	<u>671,243,029</u>
Pensions (Note 9(e))	84,853,677	85,166,541
Retirement Benefits other than Pensions – Health Insurance Plan (Note 9(g))	<u>20,936,539</u>	<u>18,195,374</u>
Total Pensions and Retirement Benefits Expense	<u>105,790,216</u>	<u>103,361,915</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

10. Contingent Liabilities

(a) Guarantees

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, 2008, \$1,152,904 (2007 - \$1,498,073) is outstanding on guaranteed student loans with local banks.

(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, 2008 is \$9,926,379 (2007 - \$8,070,984).

(c) Environmental Liabilities

The Government recognizes that there will be a cost for restoration of the environment 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 \$26,250,000 has been accrued, which is an estimate of the costs of the environmental clean-up and remediation at the three former major base land sites. The estimated range is \$32 million to \$40 million, which includes an approximate 20% contingency of the total.

The cost for Southside (estimated at \$10.5 million, with a range of \$10.5 million to \$20 million; \$6.5 million for work already performed has been deducted from the lower end of the estimated range) involves demolition of buildings beyond refurbishment and removal of asbestos. The cost for clean-up of Tudor Hill (estimated at \$1 million with a range of \$1 million to \$2 million) is for removal of asbestos and demolition of buildings on the site. Clean-up of Morgan's Point is estimated at \$14.75 million (with a range of \$15 million to \$18 million); \$3 million of that amount is the estimated amount required to remove immediate environmental hazards and the remainder is for fuel storage tanks, removal and remediation of asbestos as well as demolition of derelict buildings.

This estimate was developed in 2003, based on orders of cost which were developed from unit rates used for clean-up at Southside and budget estimates from consultants hired by potential developers at the Morgan's Point site. The Government also had a registered professional engineer conduct an independent review and estimate in 2008, which fell within the original range. Therefore, no change has been made to the estimated liability.

The Government is currently undertaking steps to commence with the clean up of these sites. It is anticipated that work will commence in 2009 on these sites.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

10. Contingent Liabilities (cont'd)

(d) Building Demolition

On August 25, 2008, the Government razed the buildings of the hotel complex in St. George's, last leased by Club Med. The cost, which includes the demolition of the main hotel, asbestos remediation, removal of materials and the clean-up of the site, has been estimated at \$10 million which has been accrued in the 2007/08 financial statements. The cost of these buildings in the financial statements has already been written down to a nil value.

The Government is unable to accrue for the full cost of the entire project as it will be accepting proposals on significant components of the uncompleted demolition and clean-up projects in the next fiscal year. Therefore, no reasonable estimated range of costs can be determined allowing an estimate to be made of the potential liability at that time. As there are still components of the cleanup project that will be completed over the next fiscal year, there may be additional costs incurred over the \$10 million estimate.

11. Commitments

The Government has ongoing operational and capital development commitments to fund a variety of programs for public welfare including health, education, social services, protection of persons and properties, and management of natural resources. The annual operational and ongoing capital development commitments are detailed in the annual Approved Estimates. The capital development commitments are summarized in Schedule 16.

The following is an analysis of the future operational commitments up to fiscal year end March 31, 2014:

	2008
	\$
2010	12,600,593
2011	11,528,192
2012	11,556,823
2013	5,583,086
2014	<u>5,004,480</u>
Total Future Operational Commitments	<u>46,273,174</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

12. Lease Commitments

The average period of capitalized leased office machines is 3 years. Leases are capitalized based on the discounted value of 5.28% and amortized on a straight line basis over the period of the lease.

The following is an analysis of the leases:

	2008	2007
	\$	\$
Present value of lease cost	2,365,122	2,757,575
Less: Accumulated amortization	<u>(1,310,362)</u>	<u>(1,610,621)</u>
Present value of leases payable	<u>1,054,760</u>	<u>1,146,954</u>

The following is a schedule of future minimum lease payments under leases expiring up to March 31, 2011:

	2008
	\$
2009	237,550
2010	442,553
2011	790,794
Less: Discounted amount	<u>(416,137)</u>
Present value of leases payable	<u>1,054,760</u>

13. Deferred Insurance Proceeds

On September 5, 2003, a Category 3 hurricane (Fabian) struck the island resulting in major destruction and damages to Government buildings, property and equipment.

The Government Insurance Policy covered much of the property damages that Government Departments and QUANGO's sustained from the hurricane. The total insurance claim was settled for \$28,132,212. This settlement was split, \$1,661,393 for St. George's Grammar School and \$26,470,819 for all other properties. All insurance proceeds were received prior to March 31, 2006.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

13. Deferred Insurance Proceeds (cont'd)

Insurance monies received for repairs are recorded as deferred insurance proceeds in the Statement of Financial Position and then drawn down as the expenses are incurred. \$28,132,212 (2007 - \$27,773,356) has been spent on repairs as at March 31, 2008, leaving \$nil (2007 - \$358,856) in deferred insurance proceeds.

14. Supplementary Estimates

Supplementary estimates are required by the Bermuda Constitution Order 1968 for expenditures incurred in excess of amounts appropriated. During the year, \$25,272,450 (2007 - \$29,014,560) in Supplementary Estimates was approved and spent which consisted of \$17,675,450 (2007 - \$20,789,560) for current expenditure and \$7,597,000 (2007 - \$8,225,000) for capital expenditure. Additional expenditures of \$34,115,961 (2007 - \$62,450,046) were incurred in excess of amounts appropriated.

15. Related Party Transactions

(a) Funds

The Fund is related to the Government Employees Health Insurance Fund ("GEHI"), the Contributory Pension Fund ("CPF"), the Ministers and Members of the Legislature Pensions Fund ("MMLPF"), the Bermuda Department of Tourism North America Retirement Plan ("BDTRP"), the Public Service Superannuation Fund ("PSSF"), the Confiscated Assets Fund and the Government Reserves Fund.

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

(b) QUANGOs

The Fund is related to certain quasi-autonomous non-governmental organizations ("QUANGOs"). The QUANGOs are government businesses which have been established under their respective legislative incorporation acts.

The Fund enters into transactions with the QUANGOs 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.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

15. Related Party Transactions (cont'd)

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.

(i) Bermuda Monetary Authority (BMA)

In accordance with Section 8 (3) of the Bermuda Monetary Act 1969, the BMA pays a portion of its net profit (historically 50%) to the Consolidated Fund of the Government of Bermuda. Earnings in the amount of \$2,941,000 (2007 - \$2,582,000) are receivable to the Consolidated Fund for the year ended March 31 2008. This amount is non-interest bearing and payable to the Consolidated Fund by May 31, 2008.

(c) Interdepartmental Transactions

Interdepartmental transactions are those transactions in which revenues and expenses are generated between Government departments and/or Ministries. These revenues and the related expenses should be eliminated from the Fund's figures. As per Note 3(d), interdepartmental revenues and expenses are not eliminated. However all interdepartmental revenues and expenses have been identified and are shown in Schedules 10(a) and 11(a), respectively.

(d) Other

The Bermuda Government provided a letter of comfort to the Bank of Butterfield (the "Bank") on behalf of the Bermuda Housing Corporation ("BHC") dated July 13, 2000 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."

16. Tangible Capital Asset Recognition

As disclosed in note 3(f), plant, machinery and equipment have now been recognized in the financial statements as at April 1, 2007. The assets in these classes purchased prior to April 1, 2007 have been recognized at amortized value. The recognition of the amortized value of these capital assets has been offset by an adjustment to the accumulated deficit, as disclosed in the Statement of Operations & Accumulated Deficit, excluded from the purchase of assets in the Statement of Cash Flow, and included at gross values in Schedule 12.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

17. Correction of an Accounting Error

Pension and Other Retirement Benefits

As disclosed in note 9(d), certain procedures were revised with respect to system data used in the calculation of the pension liability. The revisions led to the discovery of ineligible employees that were included in the calculation of the estimated pension liability. These persons have been removed from the calculation. As a result of this correction of the data, the prior year's liability has been reduced by \$4,695,000.

Additionally, as disclosed in note 9(g), certain procedures led to the discovery that deferred pensioners were not previously included in the calculation of the estimated pension liability. As a result of this correction of data, the prior year's liability has been increased by \$24,117,890.

These corrections resulted in an understatement of the Pensions and Retirement Benefits in the cumulative amount of \$19,422,890, for prior years. The prior year's Pensions and Retirement benefits and Accumulated Deficit have been restated accordingly.

Pensions and Retirement Benefits

As previously stated (March 31, 2007):	\$651,820,139
As restated:	\$671,243,029

Accumulated Deficit, End of Year

As previously stated (March 31, 2007):	\$395,459,064
As restated:	\$414,881,954

18. Arbitration Award

On December 14, 2007, a Final Award was granted to the Bermuda Government by the Tribunal in the Arbitration proceeding between The Government of Bermuda and Pro-Active Management Systems Inc. ("Pro-Active"), in the matter of the construction of the Berkeley Institute in the amount of \$15.6 million. The Award is comprised of a judgement granted of \$13.2M and reimbursement of legal costs of \$2.4M. The award was finalised in September 2008 after initially being appealed by Pro-Active.

The Consolidated Fund has accrued a receivable of \$15.6M and has reduced the cost of the Berkeley School by \$13.2M while recording the additional revenue of \$2.4M resulting from the legal costs in the 2007/08 financial statements.

The Bermuda Government is in the process of engaging legal counsel to proceed in obtaining any remedy from Pro-Active on the award.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

18. Arbitration Award (cont'd)

There is a performance bond with Union Asset Holdings which was to guarantee the Pro-Active contract, in the amount of \$6.8 million. Ultimately, if no remedy is obtained from Pro-Active, then proceedings will commence against Union Asset Holdings Ltd. as the holder of the bond.

A provision of uncollectibility of the award has been recorded in the 2007/08 financial statements, which is the net of the total award less the performance bond, as it has been determined that it is unlikely that the Bermuda Government will receive any satisfaction from Pro-Active given that the company has been represented to be insolvent. No provision has been provided for the amount covered by a \$6.8 million bond issued by Union Assets Holdings Ltd. because the bond is secured by sufficient assets and other resources owned by the Bermuda Industrial Union.

19. Subsequent Event

(a) Increase in Borrowing Limit

Effective April 1, 2008, the government increased the legislated borrowing limit from \$375 million to \$550 million

(b) Increase in Borrowing

On May 27, 2008, the Bermuda Government drew \$70 million from its \$200 million loan facility (Schedule 7).

(c) Increase of Overdraft Facilities

The Government estimated that the borrowing requirement to assist in financing the planned capital outlays would be approximately \$111 million. Considering the current background of widespread credit market uncertainty the Government will meet its short-term borrowing requirements by increasing current credit facilities with local financial institutions.

As at March 31, 2008 the Government has an overdraft facility agreement at The Bank of Bermuda, HSBC ("HSBC") of \$7.5 million which expires December 30, 2008. As at March 31, 2008 the Government has an overdraft facility agreement at The Bank of NT Butterfield ("BNTB") of \$4 million which expires February 28, 2009.

On October 15, 2008, the Government arranged a new overdraft facility with HSBC of \$50 million which expires on October 31, 2009. The daily charges applied to overdrawn balance remains at 0.50% above HSBC's base rate. Unauthorized overdraft balances are charged at 7.50% over the HSBC's base rate.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2008

19. Subsequent Event (cont'd)

On October 10, 2008, the Government arranged a new overdraft facility with BNTB of \$50 million which expires on October 31, 2009. The facility bears interest at 1% below BNTB's base rate.

On December 21, 2008, the Government arranged an additional overdraft facility with HSBC of \$50 million which expires on March 31, 2009. The daily charges applied to overdrawn balance remains at 0.50% above HSBC's base rate. Unauthorized overdraft balances are charged at 7.50% over the HSBC's base rate.

20. Comparative Figures

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

Government of Bermuda - Consolidated Fund

Schedule 1: Accounts Receivable

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Office of the Tax Commissioner	140,083,346	121,010,191
Works & Engineering	17,866,080	4,203,197
Customs	4,728,702	3,606,132
Telecommunications	3,870,209	3,233,786
Post Office	3,530,145	4,759,930
Airport Operations	3,328,997	3,636,267
Registrar of Companies	3,263,056	2,686,831
Department of Education	1,955,662	1,829,071
Operations & Engineering	1,863,720	-
Judicial Department	1,846,990	2,687,078
Maritime Administration	971,000	385,628
Fire Services	603,810	755,489
Accountant General	573,552	347,606
Health Department	492,016	338,870
Lands, Buildings & Surveys	353,446	-
Marine & Ports	332,040	264,160
Public Transportation Board	309,550	80,650
Civil Aviation	235,999	192,429
Conservation Services	181,331	154,874
Human Resources	164,043	192,555
Environmental Protection	126,368	145,229
Police	97,102	52,116
Financial Assistance	67,758	56,073
Registry General	53,806	29,472
Youth, Sport & Recreation	19,813	21,852
Corrections	14,967	-
Child & Family Services	9,040	6,740
Parks	6,650	15,478
Transport Control Department	3,179	1,386
Libraries	2,978	1,154
Immigration	1,969	1,969
Tourism	1,404	428,530
Department of Public Prosecutions	1,340	-
Cultural Affairs	720	-
Office of the Auditor General	-	1,950
Attorney General	-	891
	186,960,788	151,127,584
Less: Provision for Doubtful Accounts	36,783,828	23,312,931
	150,176,960	127,814,653

**Government of Bermuda - Consolidated Fund
Schedule 2: Prepaid Supplies**

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Works & Engineering	5,795,632	5,977,237
Public Transportation Board	3,693,360	3,559,992
Police	1,368,268	1,379,103
Marine & Ports	1,324,969	979,204
Defence	702,486	656,967
Department of Education	561,311	521,765
Department of Corrections	334,952	295,980
Health	211,464	275,685
Conservation Services	87,865	115,198
Post Office	51,666	67,826
Immigration	36,618	59,895
	14,168,591	13,888,852
Less: Provision for Obsolescence	1,011,597	358,443
	13,156,994	13,530,409

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

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Government Employees Health Insurance Fund	10,994,391	13,113,074
Bermuda Monetary Authority	3,460,092	2,929,931
Public Service Superannuation Fund	2,382,817	21,990,461
Hospital Insurance Fund	1,085,713	1,104,773
Golf Courses	729,039	572,791
West End Development Corporation	711,975	431,022
Confiscated Assets Fund	586,582	-
Bermuda Land Development Company	225,426	199,585
Bermuda College	186,696	175,934
Government Reserves Fund	179,982	579,723
CedarBridge Academy	58,332	31,872
Bermuda Small Business Development Corp.	26,858	5,289
Parish Councils	16,187	42,825
National Sports Centre	533	4,696
Pension Commission	-	18,040
Bermuda Hospitals Board	-	1,824,420
	20,644,623	43,024,436

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

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Contributory Pension Fund	22,931,873	13,140,004
Ministers and Members Pensions Fund	9,006,473	8,243,874
Bermuda Housing Corporation	2,133,217	556,890
Bermuda Hospitals Board	812,886	2,519,383
Tourism North America Retirement Plan	131,885	652,419
Pembroke Parish Council	11,560	19,372
West End Development Corporation	6,981	28,207
Bermuda Land Development Company	4,921	5,055
Bermuda Small Business Development Corp.	3,800	1,050
Golf Courses	1,943	1,943
Bermuda College	1,672	1,672
Confiscated Assets Fund	-	722,905
Stonington Beach Hotel Ltd.	-	8,938
National Sports Centre	-	5,989
Bermuda Monetary Authority	-	1,723
CedarBridge Academy	-	766
	35,047,211	25,910,190

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

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Customs Duty	3,262,888	2,807,899
Education Student Loans	997,251	1,103,089
	4,260,139	3,910,988

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

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Department Trade Accounts	72,943,880	42,280,902
Environmental Liabilities (Note 10(c))	26,250,000	26,250,000
Salaries, Wages and Benefits	24,169,615	7,131,570
Employees' Leave Entitlements	13,380,713	13,555,813
Deposits Held	11,467,665	9,727,953
Teachers' Salaries & Leave Entitlements	9,784,060	9,140,540
Interest on Debt	4,640,399	1,898,938
Leases Payable	756,191	1,069,205
	163,392,523	111,054,921

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

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Registrar of Companies	46,063,546	40,917,832
Transport Control Department	17,921,058	18,060,225
Office of the Tax Commissioner	11,089,188	10,960,785
Immigration	7,258,027	5,470,556
Civil Aviation	4,775,575	3,312,777
Marine & Ports	600,800	526,300
Post Office	430,380	430,076
Police	97,230	70,000
Environmental Protection	82,786	92,189
Lands, Buildings & Surveys	82,763	-
Health Department	42,467	33,105
Maritime Administration	39,267	60,363
Customs	34,446	17,653
Tourism	33,855	33,619
Parks	22,677	44,487
Youth, Sport & Recreation	3,935	15,336
Works & Engineering	-	80,307
	88,578,000	80,125,610

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

As at March 31	2008	2007
	Actual	Actual
	\$	\$
Senior Notes Due 2014 - US\$		
Issue Date: June 10, 2004		
Interest: 5.39% payable semi-annually June 10 and December 10		
Notes Due: June 10, 2014	75,000,000	75,000,000
Loan Facility - US\$		
Amount: US \$ 200 million		
Issue Date: June 17, 2005		
Interest: LIBOR + .11% payable on rollover date		
Facility Fee: .04% per annum payable quarterly		
Period: 5 years	130,000,000	160,000,000
Senior Notes Due 2022 - US\$		
Issue Date: December 4, 2007		
Interest: 5.73% payable semi-annually June 4 and December 4		
Notes Due: December 4, 2022	140,000,000	-
Senior Notes Due 2007 - US\$		
Issue Date: November 26, 1997		
Interest: 6.72% payable semi-annually May 26 and November 26		
Notes Due: November 26, 2007	-	20,000,000
	345,000,000	255,000,000
Less: Sinking Fund (Note 5)	67,830,112	58,339,123
	277,169,888	196,660,877

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

For the year ended March 31	2008 Original Estimates	2008 Actual	2007 Actual
	\$	\$	\$
Taxes & Duties			
Payroll Tax	292,000,000	337,748,864	297,301,365
Customs Duty	247,383,000	229,566,222	230,228,439
Stamp Duty	58,377,000	47,378,735	50,709,943
Land Tax	53,200,000	45,220,549	43,286,042
Passenger Tax	30,050,000	29,106,234	30,530,390
Non-Bermudian Land Acquisition Tax	16,000,000	14,685,112	21,242,182
Foreign Currency Purchase Tax	15,000,000	14,096,359	8,714,991
Hotel Occupancy Tax	11,000,000	13,487,271	12,046,540
Corporate Services Tax	2,500,000	3,219,320	3,060,088
Betting Tax	1,500,000	1,486,322	1,765,860
Timesharing Tax	250,000	257,551	322,781
	727,260,000	736,252,539	699,208,621
Fees, Permits & Licences			
International Companies	52,691,000	55,452,790	52,067,072
Vehicle Licences & Registration	28,153,000	28,997,427	27,200,659
Air Terminal & Aviation	11,650,000	11,748,609	11,039,311
Telecommunications	10,000,000	11,551,704	11,295,248
Immigration	11,755,000	11,033,941	13,069,029
Registration of Aircraft	7,900,000	9,973,971	7,327,709
Bus Transportation	8,015,000	8,470,395	8,259,995
Postal Services	7,993,000	5,897,285	6,885,062
Water	5,090,000	3,618,506	3,556,935
Registration of Shipping	2,548,000	3,012,813	2,813,682
Services to Seaborne Shipping	3,037,000	2,840,468	2,986,094
Solid Waste Services	2,060,000	2,796,053	3,325,069
Rentals	3,407,000	2,719,543	2,585,684
Other Customs Fees & Charges	2,082,000	2,476,558	2,222,343
Local Companies	2,730,000	2,463,863	2,705,588
Ferry Services	1,717,000	1,988,863	1,788,824
Planning Fees and Searches	1,750,000	1,697,187	1,290,606
Trade and Service Mark	1,371,000	1,640,775	1,442,971
Wharfage	1,430,000	1,584,168	1,759,241
Companies Licences	295,000	451,657	422,930
Plant Production and Marketing Centre	438,000	426,185	424,462
Liquor Licences	320,000	309,094	318,675
Insurance Fees	-	8,106	12,040
	166,432,000	171,159,961	164,799,229
Other Revenue			
Other	12,969,000	12,167,331	9,948,091
Investment Income	3,200,000	3,935,427	3,273,409
Bermuda Monetary Authority	2,000,000	2,954,469	2,152,138
Fines & Forfeitures	5,252,000	2,030,127	4,329,531
	23,421,000	21,087,354	19,703,169
TOTAL REVENUE	917,113,000	928,499,854	883,711,019

Government of Bermuda - Consolidated Fund
Schedule 9: Current Expense By Type

For the year ended March 31	2008 Original Estimates	2008 Actual	2007 Actual
	\$	\$	\$
Employees			
Salaries	310,238,000	284,734,739	255,472,104
Retirement Benefit Expenses (Note 9(h))	-	105,790,216	103,361,915
Wages	78,480,000	91,418,669	84,207,711
Employer Overhead	48,094,000	26,549,473	22,968,105
Other Personnel Costs	8,942,000	12,146,974	7,860,102
Training	9,653,000	6,802,857	6,065,384
Compensated Absences	-	1,831,303	1,326,573
	455,407,000	529,274,231	481,261,894
Operations			
Grants & Contributions	204,521,000	215,426,235	242,699,563
Professional Services	65,286,000	85,942,804	71,574,920
Materials & Supplies	29,197,000	38,168,846	35,302,209
Amortization	-	25,923,151	17,801,884
Repair & Maintenance	18,244,000	19,898,935	17,331,476
Advertising & Promotion	18,610,000	19,166,463	19,326,824
Energy	16,826,000	18,745,553	16,403,825
Interest on Debt	16,935,000	18,524,801	14,510,280
Rentals	15,681,000	13,926,529	11,941,257
Bad Debts	-	12,969,334	2,436,298
Insurance	12,530,000	12,286,148	10,456,365
Communications	7,864,000	8,968,545	8,130,352
Transport	6,404,000	6,541,863	5,956,495
Travel	7,629,000	6,395,705	5,570,159
Other	6,992,000	4,686,068	3,325,803
Clothing & Uniforms	2,576,000	2,189,938	1,979,914
Equipment	3,483,000	2,156,082	2,408,867
Bank Charges & Commissions	-	519,222	406,267
Transfer to Other Funds	6,375,000	-	-
Capital Recharges	(910,000)	-	-
Receipts Credited to Programmes	(8,838,000)	(18,810,745)	(16,218,359)
	429,405,000	493,625,477	471,344,399
TOTAL CURRENT EXPENSE	884,812,000	1,022,899,708	952,606,293

Government of Bermuda - Consolidated Fund
Schedule 10: Revenue By Ministry / Department

For the year ended March 31	2008 Original Estimates	2008 Actual	2007 Actual
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	-	5,403	5,623
05 Office of the Auditor General	512,000	692,200	468,500
63 Parliamentary Registrar	92,000	123,615	111,047
	604,000	821,218	585,170
Cabinet Office Departments			
09 Cabinet Office	-	6,011	12,979
14 Department of Statistics	1,000	13,597	900
19 Archives	9,000	6,589	2,718
30 Marine & Ports	5,652,000	5,613,170	5,597,492
31 Airport Operations	12,850,000	12,954,017	12,296,304
33 Tourism	35,000	41,439	55,351
34 Transport Control Department	28,154,000	29,002,202	27,195,707
35 Public Transportation Board	8,015,000	8,487,556	8,286,154
48 Ministry of Transport HQ	-	638	-
51 Department of Communication & Information	-	-	1,630
57 Civil Aviation	7,930,000	10,002,314	7,363,559
73 Maritime Administration	2,548,000	2,998,549	2,812,756
	65,194,000	69,126,082	63,625,550
Ministry of Justice			
02 Legislature	3,000	5,101	8,238
03 Judicial Department	11,740,000	6,239,190	6,676,891
04 Attorney-General's Chambers	-	19,616	9,937
75 Department of Public Prosecutions	-	-	970
	11,743,000	6,263,907	6,696,036
Ministry of Finance			
10 Ministry of Finance HQ	-	21,656	2,619
11 Accountant-General	5,260,000	7,293,691	5,786,236
12 Customs	251,252,000	233,941,868	234,444,124
28 Department of Social Insurance	5,000	3,150	-
38 Office of the Tax Commissioner	457,790,000	488,200,141	445,887,559
39 Registrar of Companies	56,446,000	59,396,007	56,027,345
	770,753,000	788,856,513	742,147,883
Ministry of Education			
17 Department of Education	82,000	638,355	190,983
	82,000	638,355	190,983
Ministry of Health			
21 Ministry of Health HQ	-	-	2,109
22 Health Department	1,501,000	1,429,494	1,058,634
	1,501,000	1,429,494	1,060,743

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

For the year ended March 31	2008	2008	2007
	Estimates	Actual	Actual
	\$	\$	\$
Ministry of Environment & Sport			
20 Youth, Sport & Recreation	1,371,000	684,249	690,314
32 Planning	1,843,000	1,745,217	1,371,278
50 Ministry of the Environment HQ	12,000	19,347	19,125
68 Parks	280,000	262,033	285,709
69 Conservation Services	941,000	1,004,272	928,818
72 Environmental Protection	475,000	494,486	549,663
	4,922,000	4,209,604	3,844,907
Ministry of Culture & Social Rehabilitation			
18 Libraries	19,000	24,667	17,518
23 Child & Family Services	197,000	137,658	155,633
52 Community and Cultural Affairs	293,000	217,394	248,375
55 Financial Assistance	-	65,662	-
56 Human Affairs	-	7,418	1,363
86 Ministry of Community & Cultural Affairs HQ	-	6,938	3,482
88 National Drug Control	-	-	1,000
	509,000	459,737	427,371
Ministry of Labour, Home Affairs & Housing			
06 Defence	-	185,254	71,247
07 Police	480,000	577,784	412,896
13 Post Office	7,984,000	5,946,218	6,909,945
25 Department of Corrections	-	150	34
27 Immigration	27,755,000	25,710,185	34,531,600
29 Registry General	1,587,000	1,861,003	1,621,150
42 Rent Commissioner	1,000	377	377
45 Fire Services	2,018,000	597,931	1,006,138
60 Labour & Training	-	5,658	-
83 Ministry of Labour, Home Affairs & Housing	-	298	-
	39,825,000	34,884,858	44,553,387
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	-	2,351	7,492
46 Telecommunications	10,000,000	11,551,704	11,295,248
	10,000,000	11,554,055	11,302,740
Ministry of Works & Engineering			
36 Works & Engineering	127,000	81,623	9,276,249
81 Land, Buildings & Surveys	3,120,000	2,106,943	-
82 Operations & Engineering	8,733,000	8,067,465	-
	11,980,000	10,256,031	9,276,249
TOTAL REVENUE	917,113,000	928,499,854	883,711,019

Government of Bermuda - Consolidated Fund
Schedule 10(a): Interdepartmental Revenue By Ministry / Department

For the year ended March 31	2008 Interdepartmental Revenue	2008 Gross Revenue Actual	2008 Net Revenue
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	-	5,403	5,403
05 Office of the Auditor General	26,000	692,200	666,200
63 Parliamentary Registrar	-	123,615	123,615
	26,000	821,218	795,218
Cabinet Office Departments			
09 Cabinet Office	-	6,011	6,011
14 Department of Statistics	12,676	13,597	921
19 Archives	66	6,589	6,523
26 Human Resources	929	-	(929)
30 Marine & Ports Services	15,187	5,613,170	5,597,983
31 Airport Operations	8,667	12,954,017	12,945,350
33 Tourism	4	41,439	41,435
34 Transport Control Department	381	29,002,202	29,001,821
35 Public Transportation Board	114,871	8,487,556	8,372,685
48 Ministry of Transport HQ	-	638	638
57 Civil Aviation	-	10,002,314	10,002,314
73 Maritime Administration	-	2,998,549	2,998,549
	152,781	69,126,082	68,973,301
Ministry of Justice			
02 Legislature	-	5,101	5,101
03 Judicial Department	135	6,239,190	6,239,055
04 Attorney-General's Chambers	-	19,616	19,616
75 Department of Public Prosecutions	-	-	-
	135	6,263,907	6,263,772
Ministry of Finance			
10 Ministry of Finance HQ	-	21,656	21,656
11 Accountant-General	-	7,293,691	7,293,691
12 Customs	2,994,251	233,941,868	230,947,617
28 Social Insurance	27	3,150	3,123
38 Office of the Tax Commissioner	125,860	488,200,141	488,074,281
39 Registrar of Companies	-	59,396,007	59,396,007
	3,120,138	788,856,513	785,736,375
Ministry of Education			
17 Department of Education	2,475	638,355	635,880
	2,475	638,355	635,880
Ministry of Health			
21 Ministry of Health HQ	-	-	-
22 Health Department	2,459	1,429,494	1,427,035
	2,459	1,429,494	1,427,035

Government of Bermuda - Consolidated Fund
Schedule 10(a): Interdepartmental Revenue By Ministry / Dept (cont'd)

For the year ended March 31	2008 Interdepartmental Revenue	2008 Gross Revenue Actual	2008 Net Revenue
	\$	\$	\$
Ministry of Environment & Sport			
20 Youth, Sport & Recreation	11,836	684,249	672,413
32 Department of Planning	59,200	1,745,217	1,686,017
50 Ministry of the Environment	3,843	19,347	15,504
68 Parks	19,618	262,033	242,415
69 Conservation Services	1,826	1,004,272	1,002,446
72 Environmental Protection	2,292	494,486	492,194
	98,615	4,209,604	4,110,989
Ministry of Culture & Social Rehabilitation			
18 Libraries	368	24,667	24,299
23 Child & Family Services	1,914	137,658	135,744
52 Community and Cultural Affairs	1,155	217,394	216,239
55 Financial Assistance	-	65,662	65,662
56 Human Affairs	-	7,418	7,418
86 Ministry of Community & Cultural Affairs	-	6,938	6,938
88 National Drug Control	-	-	-
	3,437	459,737	456,300
Ministry of Labour, Home Affairs & Housing			
06 Defence	-	185,254	185,254
07 Police	2,582	577,784	575,202
13 Post Office	43,700	5,946,218	5,902,518
25 Corrections	-	150	150
27 Immigration	6,048	25,710,185	25,704,137
29 Registry General	3,425	1,861,003	1,857,578
42 Rent Commissioner	-	377	377
45 Fire Services	515	597,931	597,416
60 Labour & Training	-	5,658	5,658
83 Ministry of Labour, Home Affairs & Hous	-	298	298
	56,270	34,884,858	34,828,588
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	-	2,351	2,351
46 Telecommunications	-	11,551,704	11,551,704
	-	11,554,055	11,554,055
Ministry of Works & Engineering			
36 Works & Engineering	3,382	81,623	78,241
81 Land, Buildings & Surveys	78,043	2,106,943	2,028,900
82 Operations & Engineering	477,633	8,067,465	7,589,832
	559,058	10,256,031	9,696,973
TOTAL REVENUE	4,021,368	928,499,854	924,478,486

Government of Bermuda - Consolidated Fund
Schedule 11: Current Expense By Ministry / Department

For the year ended March 31	2008 Original Estimates	2008 Actual	2007 Actual
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	1,605,000	1,211,228	1,238,561
05 Office of the Auditor General	2,901,000	2,850,973	2,222,077
08 Public Service Commission	80,000	84,318	70,785
63 Parliamentary Registrar	1,377,000	1,271,860	588,055
85 Ombudsman's Office	655,000	642,080	880,355
	6,618,000	6,060,459	4,999,833
Cabinet Office Departments			
09 Cabinet Office	4,622,000	4,846,403	3,887,859
14 Department of Statistics	3,065,000	2,644,884	2,307,020
15 Department of Management Services	1,147,000	1,096,699	959,688
19 Department of Archives	1,815,000	1,162,346	1,009,013
26 Department of Human Resources	6,417,000	4,021,744	4,006,549
30 Marine & Ports	19,680,000	20,537,597	19,404,746
31 Airport Operations	20,555,000	22,291,126	24,968,209
33 Department of Tourism	40,337,000	42,067,916	40,938,344
34 Transport Control Department	4,943,000	4,040,661	4,135,989
35 Public Transportation Board	20,973,000	21,611,336	20,334,219
48 Ministry of Transport HQ	1,770,000	1,641,261	1,270,707
51 Department of Communication & Information	2,569,000	2,634,982	1,682,286
57 Civil Aviation	3,558,000	4,581,468	3,377,375
73 Maritime Administration	1,959,000	1,607,611	1,717,846
	133,410,000	134,786,034	129,999,850
Ministry of Justice			
02 Legislature	5,045,000	3,996,530	4,173,387
03 Judicial Department	10,356,000	10,091,116	8,922,506
04 Attorney-General's Chambers	4,557,000	3,366,973	3,812,468
75 Department of Public Prosecutions	2,304,000	1,898,320	1,169,902
87 Ministry of Justice HQ	1,282,000	510,817	447,242
	23,544,000	19,863,756	18,525,505
Ministry of Finance			
10 Ministry of Finance HQ	15,384,000	12,548,853	8,479,360
11 Accountant-General	58,907,000	64,976,352	52,545,345
Retirement Benefit Expenditures		78,719,402	81,528,958
12 Customs	19,428,000	16,795,995	15,062,987
28 Department of Social Insurance	3,081,000	10,970,590	6,500,178
38 Office of the Tax Commissioner	3,256,000	7,485,943	4,950,783
39 Registrar of Companies	4,060,000	4,990,212	4,239,461
58 Interest on Debt	16,445,000	17,658,177	13,929,104
59 Sinking Fund Contribution	6,375,000	-	-
	126,936,000	214,145,524	187,236,176
Ministry of Education			
17 Department of Education	117,313,000	122,306,818	118,863,453
41 Bermuda College	18,195,000	18,194,981	17,254,000
	135,508,000	140,501,799	136,117,453

Government of Bermuda - Consolidated Fund
Schedule 11: Current Expense By Ministry / Department (cont'd)

For the year ended March 31	2008	2008	2007
	Original	Actual	Actual
	Estimates		
	\$	\$	\$
Ministry of Health			
21 Ministry of Health HQ	3,898,000	3,396,309	4,993,106
22 Health Department	30,485,000	29,463,204	24,540,088
24 Hospitals	105,275,000	111,197,894	100,202,660
	139,658,000	144,057,407	129,735,854
Ministry of Environment & Sports			
20 Youth, Sport & Recreation	15,151,000	15,725,499	13,399,866
32 Department of Planning	4,223,000	3,344,216	3,086,118
49 Land Valuation	827,000	616,335	601,411
50 Ministry of the Environment HQ	701,000	772,419	689,370
68 Parks	11,363,000	10,961,916	9,970,958
69 Conservation Services	5,526,000	5,375,891	4,576,516
72 Environmental Protection	4,286,000	3,464,435	3,830,368
	42,077,000	40,260,711	36,154,607
Ministry of Culture & Social Rehabilitation			
18 Libraries	2,241,000	2,091,733	1,929,478
23 Child & Family Services	12,241,000	14,990,913	12,487,052
52 Community & Cultural Affairs	4,107,000	3,788,936	3,329,267
55 Financial Assistance	15,463,000	18,414,497	17,771,795
56 Human Affairs	4,430,000	3,992,093	2,532,147
71 Ministry of Social Rehabilitation	871,000	1,764,403	-
74 Court Services	4,906,000	4,456,439	3,813,736
86 Ministry of Community & Cultural Affairs HQ	2,579,000	2,061,806	361,888
88 National Drug Control	5,252,000	4,461,960	4,057,153
	52,090,000	56,022,780	46,282,516
Ministry of Labour, Home Affairs & Housing			
06 Defence	8,565,000	7,582,476	5,800,221
07 Police	57,089,000	69,467,526	54,752,076
13 Post Office	13,698,000	13,602,778	12,710,102
25 Corrections	26,002,000	24,346,137	23,355,355
27 Immigration	4,940,000	4,896,812	3,977,229
29 Registry General	2,088,000	1,621,706	1,656,193
42 Rent Commissioner	593,000	536,770	489,645
45 Fire Services	12,902,000	12,525,156	8,596,887
53 Bermuda Housing Corporation	4,300,000	4,300,000	3,699,001
54 Security Services & Delegated Affairs	223,000	186,656	132,496
60 Labour & Training	7,262,000	6,173,741	2,850,296
83 Ministry of Labour, Home Affairs & Housing HQ	1,729,000	3,470,124	50,991,464
	139,391,000	148,709,882	169,010,965
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	6,654,000	6,935,609	6,154,923
46 Telecommunications	2,225,000	2,268,961	2,013,983
67 E-Commerce	1,350,000	1,066,393	1,039,036
84 E-Government	1,082,000	907,469	943,109
	11,311,000	11,178,432	10,151,051
Ministry of Works & Engineering			
36 Works & Engineering	1,874,000	13,619,202	66,590,599
80 Architectural Design & Construction	1,798,000	815,929	-
81 Lands, Buildings & Surveys	30,217,000	28,134,803	-
82 Operations & Engineering	40,380,000	38,819,839	-
Amortization	-	25,923,151	17,801,884
	74,269,000	107,312,924	84,392,483
TOTAL CURRENT EXPENSE	884,812,000	1,022,899,708	952,606,293

Government of Bermuda - Consolidated Fund
Schedule 11(a): Interdepartmental Current Expense By Ministry/Department

For the year ended March 31

	2008 Interdepartmental Expense	2008 Actual Gross Expense	2008 Net Expense
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	9,013	1,211,228	1,202,215
05 Office of the Auditor General	10,759	2,850,973	2,840,214
08 Public Service Commission	13,071	84,318	71,247
63 Parliamentary Registrar	155	1,271,860	1,271,705
85 Ombudsman's Office	338	642,080	641,742
	33,336	6,060,459	6,027,123
Cabinet Office Departments			
09 Cabinet Office	-	4,846,403	4,846,403
14 Department of Statistics	1,058	2,644,884	2,643,826
15 Department of Management Services	80	1,096,699	1,096,619
19 Department of Archives	1,682	1,162,346	1,160,664
26 Department of Human Resources	3,841	4,021,744	4,017,903
30 Marine & Ports	68,163	20,537,597	20,469,434
31 Airport Operations	2,890	22,291,126	22,288,236
33 Department of Tourism	246,042	42,067,916	41,821,874
34 Transport Control Department	101,544	4,040,661	3,939,117
35 Public Transportation Board	1,275,054	21,611,336	20,336,282
48 Ministry of Transport HQ	90	1,641,261	1,641,171
51 Dept. of Communication & Information	11,546	2,634,982	2,623,436
57 Civil Aviation	4,170	4,581,468	4,577,298
73 Maritime Administration	635	1,607,611	1,606,976
	1,716,795	134,786,034	133,069,239
Ministry of Justice			
02 Legislature	135	3,996,530	3,996,395
03 Judicial Department	6,926	10,091,116	10,084,190
04 Attorney-General's Chambers	1,097	3,366,973	3,365,876
75 Department of Public Prosecutions	107	1,898,320	1,898,213
87 Ministry of Justice HQ	-	510,817	510,817
	8,265	19,863,756	19,855,491
Ministry of Finance			
10 Ministry of Finance HQ	550	12,548,853	12,548,303
11 Accountant-General	13,804	64,976,352	64,962,548
Retirement Benefit Expenditures	-	78,719,402	78,719,402
12 Customs	63,573	16,795,995	16,732,422
28 Department of Social Insurance	2,218	10,970,590	10,968,372
38 Office of the Tax Commissioner	6,536	7,485,943	7,479,407
39 Registrar of Companies	2,184	4,990,212	4,988,028
58 Interest on Debt	-	17,658,177	17,658,177
	88,865	214,145,524	214,056,659
Ministry of Education			
17 Department of Education	75,548	122,306,818	122,231,270
41 Bermuda College	-	18,194,981	18,194,981
	75,548	140,501,799	140,426,251

Government of Bermuda - Consolidated Fund

Schedule 11(a): Interdepartmental Current Expense By Ministry/Department (cont'd)

For the year ended March 31		2008	2008	2008
		Interdepartmental	Actual Gross	Net
		Expense	Expense	Expense
		\$	\$	\$
Ministry of Health				
21	Ministry of Health HQ	737	3,396,309	3,395,572
22	Health Department	139,852	29,463,204	29,323,352
24	Hospitals	-	111,197,894	111,197,894
		140,589	144,057,407	143,916,818
Ministry of Environment & Sports				
20	Youth, Sport & Recreation	124,807	15,725,499	15,600,692
32	Department of Planning	240	3,344,216	3,343,976
49	Land Valuation	90	616,335	616,245
50	Ministry of the Environment HQ	4,430	772,419	767,989
68	Parks	130,798	10,961,916	10,831,118
69	Conservation Services	17,693	5,375,891	5,358,198
72	Environmental Protection	1,832	3,464,435	3,462,603
		279,890	40,260,711	39,980,821
Ministry of Culture & Social Rehabilitation				
18	Libraries	5,237	2,091,733	2,086,496
23	Child & Family Services	24,779	14,990,913	14,966,134
52	Community & Cultural Affairs	10,620	3,788,936	3,778,316
55	Financial Assistance	93,099	18,414,497	18,321,398
56	Human Affairs	12,931	3,992,093	3,979,162
86	Ministry of Community & Cultural Affairs HQ	-	1,764,403	1,764,403
71	Ministry of Social Rehabilitation HQ	65	4,456,439	4,456,374
74	Court Services	1,549	2,061,806	2,060,257
88	National Drug Control	26,473	4,461,960	4,435,487
		174,753	56,022,780	55,848,027
Ministry of Labour, Home Affairs & Housing				
06	Defence	11,802	7,582,476	7,570,674
07	Police	337,336	69,467,526	69,130,190
13	Post Office	5,951	13,602,778	13,596,827
25	Corrections	123,395	24,346,137	24,222,742
27	Immigration	39,095	4,896,812	4,857,717
29	Registry General	3,191	1,621,706	1,618,515
42	Rent Commissioner	993	536,770	535,777
45	Fire Services	100,447	12,525,156	12,424,709
53	Bermuda Housing Corporation	-	4,300,000	4,300,000
54	Security Services & Delegated Affairs	-	186,656	186,656
60	Labour & Training	64	6,173,741	6,173,677
83	Ministry of Labour, Home Affairs & Housing HQ	80	3,470,124	3,470,044
		622,354	148,709,882	148,087,528
Ministry of Telecommunications & E-Commerce				
43	Information Technology Office	3,960	6,935,609	6,931,649
46	Telecommunications	646	2,268,961	2,268,315
67	E-Commerce	609	1,066,393	1,065,784
84	E-Government	-	907,469	907,469
		5,215	11,178,432	11,173,217
Ministry of Works & Engineering				
36	Works & Engineering	875,758	13,619,202	12,743,444
80	Architectural Design & Construction	-	815,929	815,929
81	Lands, Buildings & Surveys	-	28,134,803	28,134,803
82	Operations & Engineering	-	38,819,839	38,819,839
	Amortization	-	25,923,151	25,923,151
		875,758	107,312,924	106,437,166
TOTAL CURRENT EXPENSE		4,021,368	1,022,899,708	1,018,878,340

Government of Bermuda - Consolidated Fund
Schedule 12: Schedule of Tangible Capital Assets and Construction in Process

As at March 31, 2008

	Estimated Useful Life	COST				ACCUMULATED AMORTIZATION				31-Mar-08 Net Book Value	31-Mar-07 Net Book Value
		Opening Balance	Additions	Disposals & Adjustments	Closing Balance	Opening Balance	Amortization Expense	Disposals & Adjustments	Closing Balance		
Tangible Capital Assets											
Land	Indefinite	45,488,388	25,410	-	45,513,778	-	-	-	-	45,513,778	45,488,388
Buildings & Betterments	40 years	459,195,395	13,153,179	(14,251,454)	458,097,120	(84,614,760)	(11,449,499)	80,091	(95,984,168)	362,112,952	374,580,635
Vehicles & Heavy Equipment	Varied	59,385,956	8,278,251	(249,600)	67,414,607	(44,010,750)	(5,264,093)	249,600	(49,025,243)	18,389,364	15,375,206
Vessels	Varied	35,627,575	6,028,761	-	41,656,336	(20,770,529)	(2,382,416)	-	(23,152,945)	18,503,391	14,857,046
Computer Software (Note 16)	10 years	4,604,896	2,095,302	361,172	7,061,370	(199,459)	(586,663)	(18,059)	(784,181)	6,277,189	4,405,437
Office Equipment (Note 16)	5 years	4,453,086	1,313,431	29,500	5,796,017	(974,574)	(994,043)	(983)	(1,969,600)	3,826,417	3,478,512
Computer Hardware (Note 16)	3 years	4,380,490	1,155,410	52,799	5,586,699	(955,027)	(1,640,313)	(1,760)	(2,597,100)	2,991,599	3,425,463
Capital Leases	3 - 5 years	2,757,576	806,150	(1,198,603)	2,365,123	(1,610,621)	(698,344)	1,198,603	(1,310,362)	1,054,761	1,146,855
Furniture & Fixtures	7 years	1,497,345	953,053	-	2,450,398	(392,840)	(261,364)	-	(654,204)	1,796,194	1,104,505
Plant, Machinery & Equipment (Note 16)	Varied	-	1,638,512	37,630,961	39,269,473	-	(2,466,418)	(25,331,677)	(27,798,095)	11,471,378	-
Total Tangible Capital Assets		617,390,687	35,447,459	22,374,775	675,212,921	(153,528,560)	(25,923,153)	(23,624,185)	(203,275,898)	471,937,023	463,862,127
Construction in Process		15,939,708	21,793,935	(13,022,406)	24,711,237	-	-	-	-	24,711,237	15,939,708

Government of Bermuda - Consolidated Fund
Schedule 13: Capital Development Expense By Ministry / Department

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$
Cabinet Office Department		
19 Archives	-	5,344
31 Airport Operations	11,422,103	1,715,326
33 Tourism	6,884,683	-
34 Transport Control Department	648,654	1,075,155
35 Public Transportation Board	-	26,729
48 Ministry of Transport HQ	39,549,622	-
51 Department of Communication & Information	132	-
	58,505,194	2,822,554
Ministry of Justice		
02 Legislature	107,617	15,498
03 Judicial Department	20,205	-
	127,822	15,498
Ministry of Finance		
11 Accountant General	414,507	-
	414,507	-
Ministry of Education		
17 Department of Education	3,994,770	4,498,644
41 Bermuda College	300,000	300,000
	4,294,770	4,798,644
Ministry of Environment & Sport		
20 Youth, Sport & Recreation	5,550,371	10,918,766
50 Ministry of the Environment HQ	760,022	388,093
68 Parks	1,221,251	1,089,465
69 Conservation Services	447,597	270,464
72 Environmental Protection	118,125	36,999
	8,097,366	12,703,787
Ministry of Health		
22 Health Department	271,901	(82,106)
24 Hospitals	1,216,991	974,068
	1,488,892	891,962
Ministry of Labour, Home Affairs & Housing		
06 Defence	230,854	(166,455)
07 Police	84,303	65,119
13 Post Office	608	13,094
25 Department of Corrections	78,861	486,310
54 Security Services & Delegated Affairs	42,825	50,461
83 Ministry of Public Safety & Housing HQ	9,165,775	6,060,194
	9,603,226	6,508,723
Ministry of Telecommunications & E-Commerce		
46 Telecommunications	331,062	230,322
	331,062	230,322
Ministry of Works & Engineering		
36 Works & Engineering HQ	25,721,193	21,843,874
80 Architectural Design & Construction	-	-
81 Lands, Buildings & Surveys	2,727	-
82 Operations & Engineering	280,524	-
	26,004,444	21,843,874
TOTAL CAPITAL DEVELOPMENT	108,867,283	49,815,364

Government of Bermuda - Consolidated Fund
Schedule 14: Capital Acquisition Expense By Ministry / Department

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$
Non-Ministry Departments		
05 Office of the Auditor General	19,603	15,809
63 Parliamentary Registrar	-	25,519
	19,603	41,328
Cabinet Office Departments		
09 Cabinet Office	-	(269)
14 Department of Statistics	4,338	9,786
15 Department of Management Services	22,465	-
19 Archives	30,343	31,818
26 Department of Human Resources	10,070	16,912
30 Marine & Ports	491,711	352,189
31 Airport Operations	147,798	162,674
33 Tourism	-	800,000
34 Transport Control Department	209,589	170,840
35 Public Transportation Board	302,406	288,544
51 Department of Communication & Information	172,971	392,601
57 Civil Aviation	29,922	204,512
73 Maritime Administration	-	11,912
	1,421,613	2,441,519
Ministry of Justice		
02 Legislature	20,933	56,821
03 Judicial Department	72,601	25,652
04 Attorney-General's Chambers	14,011	7,731
75 Department of Public Prosecutions	-	18,655
87 Ministry of Justice	10,475	-
	118,020	108,859
Ministry of Finance		
10 Ministry of Finance HQ	29,316	64,398
11 Accountant General	654,891	47,635
12 Customs	607,359	333,286
38 Office of the Tax Commissioner	89,738	239,119
	1,381,304	684,438
Ministry of Education, Sports & Recreation		
17 Department of Education	2,220,524	1,679,274
	2,220,524	1,679,274
Ministry of Health		
21 Ministry of Health HQ	31,184	65,844
22 Health Department	167,024	1,069,720
24 Hospitals	-	45,000
	198,208	1,180,564

Government of Bermuda - Consolidated Fund
Schedule 14: Capital Acquisition Expense By Ministry / Department
(cont'd)

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$
Ministry of Environment & Sport		
20 Youth, Sport & Recreation	19,999	85,573
32 Department of Planning	8,800	60,090
49 Land Valuation	25,698	2,120
68 Parks	(36,874)	82,434
69 Conservation Services	29,268	20,263
72 Environmental Protection	21,451	29,265
	68,342	279,745
Ministry of Culture & Social Rehabilitation		
18 Libraries	79,075	17,150
23 Child & Family Services	32,668	22,465
52 Community & Cultural Affairs	5,353	2,095
55 Financial Assistance	(18,361)	9,680
56 Human Affairs	52,269	15,771
74 Department of Court Services	-	21,080
	151,004	88,241
Ministry of Labour, Home Affairs & Housing		
06 Defence	63,878	-
07 Police	2,305,830	2,376,052
13 Post Office	472,124	292,887
25 Department of Corrections	198,981	14,495
27 Immigration	792,118	19,367
29 Registry General	60	6,505
44 Ministry of Labour & Immigration HQ	-	6,499
45 Fire Services	170,239	205,539
60 Labour & Training	12,352	13,818
	4,015,582	2,935,162
Ministry of Telecommunications & E-Commerce		
43 Information Technology Office	2,011,918	1,497,035
46 Telecommunications	13,863	9,642
67 E-Commerce	35,723	53,220
84 E-Government	76,306	120,103
	2,137,810	1,680,000
Ministry of Works & Engineering		
36 Works & Engineering	(12,431)	883,696
81 Lands, Buildings & Surveys	260,688	260,703
	248,257	1,144,399
TOTAL CAPITAL ACQUISITION	11,980,267	12,263,529

Government of Bermuda - Consolidated Fund
Schedule 15: Current Expenditure - Estimates Compared to Expenses

For the year ended March 31

	Expenses	Expenditure *	Adjusted Estimates	Under (Over) Spent
	\$	\$	\$	\$
Non-Ministry Departments				
01 Governor & Staff	1,211,228	1,211,228	1,604,723	393,495
05 Office of the Auditor General	2,850,973	2,850,973	2,901,259	50,286
08 Public Service Commission	84,318	84,318	79,628	(4,690)
63 Parliamentary Registrar	1,271,860	1,271,860	1,377,165	105,305
85 Ombudsman's Office	642,080	642,080	655,249	13,169
	6,060,459	6,060,459	6,618,024	557,565
Cabinet Office Departments				
09 Cabinet Office	4,846,403	4,846,403	4,872,173	25,770
14 Department of Statistics	2,644,884	2,644,884	2,989,564	344,680
15 Department of Management Services	1,096,699	1,096,699	1,146,818	50,119
19 Department of Archives	1,162,346	1,162,346	1,742,330	579,984
26 Department of Human Resources	4,021,744	4,021,744	4,416,899	395,155
30 Marine & Ports	20,537,597	20,540,671	20,279,688	(260,983)
31 Airport Operations	22,291,126	22,334,743	21,921,562	(413,181)
33 Department of Tourism	42,067,916	42,067,916	40,336,504	(1,731,412)
34 Transport Control Department	4,040,661	4,040,661	4,343,462	302,801
35 Public Transportation Board	21,611,336	21,554,731	22,047,697	492,966
48 Ministry of Transport HQ	1,641,261	1,641,261	2,144,934	503,673
51 Dept. of Communication & Information	2,634,982	2,634,982	2,644,287	9,305
57 Civil Aviation	4,581,468	4,586,996	4,906,708	319,712
73 Maritime Administration	1,607,611	1,594,608	1,759,274	164,666
	134,786,034	134,768,645	135,551,900	783,255
Ministry of Justice				
02 Legislature	3,996,530	4,186,422	5,045,254	858,832
03 Judicial Department	10,091,116	10,091,116	10,356,465	265,349
04 Attorney-General's Chambers	3,366,973	3,366,973	4,556,971	1,189,998
75 Department of Public Prosecutions	1,898,320	1,898,320	2,321,905	423,585
87 Ministry of Justice HQ	510,817	510,817	1,264,440	753,623
	19,863,756	20,053,648	23,545,035	3,491,387
Ministry of Finance				
10 Ministry of Finance HQ	12,548,853	12,548,853	13,274,711	725,858
11 Accountant-General	64,976,352	64,960,174	58,907,023	(6,053,151)
Retirement Benefit Expenditures	78,719,402	-	-	-
12 Customs	16,795,995	16,800,558	18,928,086	2,127,528
28 Social Insurance	10,970,590	10,970,590	5,085,366	(5,885,224)
38 Office of the Tax Commissioner	7,485,943	3,153,998	3,255,938	101,940
39 Registrar of Companies	4,990,212	5,079,223	5,059,885	(19,338)
58 Interest on Debt	17,658,177	17,658,177	16,800,000	(858,177)
59 Sinking Fund Contribution	-	5,625,000	5,625,000	-
	214,145,524	136,796,573	126,936,009	(9,860,564)
Ministry of Education				
17 Department of Education	122,306,818	121,148,102	120,214,359	(933,743)
41 Bermuda College	18,194,981	18,194,981	18,194,981	-
	140,501,799	139,343,083	138,409,340	(933,743)
Ministry of Health				
21 Ministry of Health HQ	3,396,309	3,368,873	3,794,152	425,279
22 Health Department	29,463,204	29,369,771	30,984,685	1,614,914
24 Hospitals	111,197,894	111,197,894	111,611,015	413,121
	144,057,407	143,936,538	146,389,852	2,453,314

* Adjusted for Non-Budgeted, Non-Cash Items

Government of Bermuda - Consolidated Fund
Schedule 15: Current Expenditure - Estimates Compared to Expenses (cont'd)

For the year ended March 31

	Expenses	Expenditure*	Adjusted Estimates	Under (Over) Spent
	\$	\$	\$	\$
Ministry of the Environment & Sports				
20 Youth, Sport & Recreation	15,725,499	15,720,948	15,125,550	(595,398)
32 Department of Planning	3,344,216	3,344,216	4,196,439	852,223
49 Land Valuation	616,335	616,335	826,065	209,730
50 Ministry of the Environment HQ	772,419	772,419	758,213	(14,206)
68 Parks	10,961,916	10,961,916	11,360,547	398,631
69 Conservation Services	5,375,891	5,363,603	5,526,384	162,781
72 Environmental Protection	3,464,435	3,497,987	4,262,928	764,941
	40,260,711	40,277,424	42,056,126	1,778,702
Ministry of Culture & Social Rehabilitation				
18 Libraries	2,091,733	2,091,021	2,241,330	150,309
23 Child & Family Services	14,990,913	14,990,913	14,160,623	(830,290)
52 Community & Cultural Affairs	3,788,936	3,788,936	4,156,716	367,780
55 Financial Assistance	18,414,497	18,402,812	18,463,235	60,423
56 Human Affairs	3,992,093	3,992,093	4,430,037	437,944
71 Ministry of Social Rehabilitation	1,764,403	1,764,403	2,050,879	286,476
74 Court Services	4,456,439	4,456,439	4,905,845	449,406
86 Ministry of Community & Cultural Affairs HQ	2,061,806	2,061,806	2,328,865	267,059
88 National Drug Control	4,461,960	4,461,960	5,251,679	789,719
	56,022,780	56,010,383	57,989,209	1,978,826
Ministry of Labour, Home Affairs & Housing				
06 Defence	7,582,476	7,582,476	8,564,945	982,469
07 Police	69,467,526	69,460,671	57,879,345	(11,581,326)
13 Post Office	13,602,778	13,496,358	14,053,504	557,146
25 Corrections	24,346,137	24,346,137	25,992,476	1,646,339
27 Immigration	4,896,812	4,896,812	4,939,826	43,014
29 Registry General	1,621,706	1,621,706	2,087,994	466,288
42 Rent Commissioner	536,770	536,770	592,817	56,047
45 Fire Services	12,525,156	12,525,156	12,902,240	377,084
53 Bermuda Housing Corporation	4,300,000	4,300,000	4,300,000	-
54 Security Services & Delegated Affairs	186,656	186,656	223,416	36,760
60 Labour & Training	6,173,741	6,173,741	6,792,169	618,428
83 Ministry of Labour, Home Affairs & Housing HQ	3,470,124	3,470,124	1,729,094	(1,741,030)
	148,709,882	148,596,607	140,057,826	(8,538,781)
Ministry of Telecommunications & E-Commerce				
43 Information Technology Office	6,935,609	6,935,609	6,652,334	(283,275)
46 Telecommunications	2,268,961	2,268,961	2,321,274	52,313
67 E-Commerce	1,066,393	1,066,393	1,297,502	231,109
84 E-Government	907,469	907,469	1,034,699	127,230
	11,178,432	11,178,432	11,305,809	127,377
Ministry of Works & Engineering				
36 Works & Engineering	13,619,202	4,784,443	1,873,906	(2,910,537)
80 Architectural Design & Construction	815,929	815,929	1,798,434	982,505
81 Lands, Buildings & Surveys	28,134,803	28,049,374	30,216,954	2,167,580
82 Operations & Engineering	38,819,839	38,422,369	40,379,782	1,957,413
Amortization	25,923,151	-	-	-
	107,312,924	72,072,115	74,269,076	2,196,961
TOTAL CURRENT EXPENDITURE	1,022,899,708	909,093,907	903,128,206	(5,965,701)

* Adjusted for Non-Budgeted, Non-Cash Items

**Government of Bermuda - Consolidated Fund
Schedule 16: Commitments - Legislated**

For the year ended March 31	2008	2007
	Actual	Actual
	\$	\$

Unspent Capital Appropriations

In accordance with Section 6 of the Appropriations Act 2007, unspent capital appropriations for incomplete capital projects to be carried forward to future years are as follows:

Capital Development	56,952,000	69,426,334
Capital Acquisition	9,963,629	13,368,132
	66,915,629	82,794,466

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	926,634,791	766,289,000
Appropriated Capital Development	(500,858,753)	(411,908,363)
Unappropriated Capital Development	425,776,038	354,380,637

**Government of Bermuda - Consolidated Fund
Schedule 17: Public Debt - Legislated Limit**

As at March 31	2008	2007
	Actual	Actual
	\$	\$

The Government Loans Act 1978, as amended, defines public debt as debt owed or guaranteed by the Consolidated Fund.

Section 2A(1) of the Act limits public debt (net of sinking fund assets) to \$375 million.

Debt (Schedule 7)	345,000,000	255,000,000
National Education Guarantees (Note 10(a))	1,152,904	1,498,073
	346,152,904	256,498,073
Sinking Fund (Schedule 7)	67,830,112	-
Public Debt	278,322,792	256,498,073
Legislated Limit	375,000,000	375,000,000
Available Limit	96,677,208	118,501,927