



Government of Bermuda

Financial Statements
of the
Consolidated Fund

March 31, 2006

Issued by

The Accountant General
Ministry of Finance

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Government of Bermuda
Consolidated Fund
Statement of Responsibility for the Financial Statements
March 31, 2006

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.

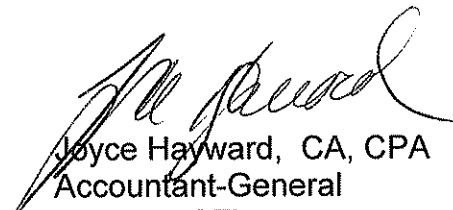
In order to fulfil accounting and reporting responsibilities, the Accountant General maintains systems of financial management and internal control to provide reasonable assurance that transactions are properly authorised by the Legislature, executed in accordance with prescribed regulations and properly 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, CA, CPA
Accountant-General
Ministry of Finance

Hamilton, Bermuda
September 26, 2006



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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, 2006, 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.

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.

In my opinion, 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, 2006 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, 2006. 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.

Larry T. Dennis, C.A.
Auditor General

Hamilton, Bermuda
September 26, 2006

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

As at March 31		2006	2005
		Actual	Actual
		\$	\$
Assets			
	<u>Schedule</u>		
Current			
Cash and Deposits		39,380,837	20,060,892
Accounts Receivable	1	118,223,338	117,809,279
Insurance Proceeds Receivable (Note 14)		-	13,120,819
Prepaid Supplies	2	11,811,972	11,602,363
Prepaid Expenses		1,098,673	1,492,330
Due from Government Funds and Agencies	3a	33,711,677	13,973,865
		204,226,497	178,059,548
Due from Bermuda Housing Corporation	4	49,500,000	49,500,000
Long-Term Receivables	5	3,374,604	726,955
Work in Process	13	150,794,605	103,222,053
Tangible Capital Assets (Note 17)	13	286,690,456	283,710,523
		694,586,162	615,219,079
Liabilities			
Current			
Accounts Payable and Accrued Liabilities	6	99,815,593	93,697,853
Deferred Revenue	7	76,121,810	72,584,649
Deferred Insurance Proceeds (Note 14)		6,186,173	10,617,540
Due to Government Funds and Agencies	3b	26,096,195	26,118,557
		208,219,771	203,018,599
Debt - Net of Sinking Fund	8	173,424,256	128,273,719
Compensated Absences (Note 9)		14,852,833	12,917,594
Pensions and Retirement Benefits (Note 10(h))		571,617,754	438,157,747
		968,114,614	782,367,659
Accumulated Deficit (Note 17)		273,528,452	167,148,580
		694,586,162	615,219,079

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		2006 Original Estimates	2006 Actual	2005 Actual
		\$	\$	\$
	<u>Schedule</u>			
Revenue	9,11	750,493,000	814,086,932	782,469,026
Expenditure				
Current (Note 17)	10,12	711,151,192	870,966,426	755,276,168
Capital Development (Note 3(f))	14		27,304,868	23,612,297
Capital Acquisition (Note 3(f))	15		22,195,510	20,886,554
			920,466,804	799,775,019
Deficit			(106,379,872)	(17,305,993)
Accumulated Deficit, Beginning of Year (Note 17)			(167,148,580)	(143,401,306)
Correction of an Accounting Error (Note 17)			-	(6,441,281)
Accumulated Deficit, Beginning of Year, As Restated (Note 17)			(167,148,580)	(149,842,587)
Accumulated Deficit, End of Year			(273,528,452)	(167,148,580)

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

Government of Bermuda - Consolidated Fund Statement of Changes in Financial Position

For the year ended March 31	2006	2005
	Actual	Actual
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Deficit	(106,379,872)	(17,305,993)
Items not affecting cash:		
Amortization of Tangible Capital Assets	15,229,310	12,510,132
Increase in Compensated Absences Liability	1,935,239	9,504,930
Increase in Pension and Retirement Benefits Liability	133,460,007	11,922,485
(Increase) Decrease in Non-Cash Working Capital	(4,293,482)	29,972,888
(Gain) on Disposal of Tangible Capital Assets	-	(476,905)
	39,951,202	46,127,537
INVESTING ACTIVITIES		
Advances to Bermuda Housing Corporation	-	(5,000,000)
Purchase of Tangible Capital Assets	(18,209,242)	(32,601,225)
Additions to Work In Process	(47,572,552)	(13,960,112)
Proceeds on Disposal of Tangible Capital Assets	-	823,880
	(65,781,794)	(50,737,457)
FINANCING ACTIVITIES		
Loan Proceeds	50,000,000	15,000,000
Increase in Sinking Fund	(4,849,463)	(3,885,274)
	45,150,537	11,114,726
Net Increase in Cash and Deposits	19,319,945	6,504,806
Cash and Deposits, Beginning of Year	20,060,892	13,556,086
Cash and Deposits, End of Year	39,380,837	20,060,892

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

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006**

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 Consolidated Fund financial statements report the financial position, operations and changes in financial position resulting from the activities of the Consolidated 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 Consolidated 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 11 to 15 provide information concerning the operations, tangible capital assets, and capital expenditures of individual Government departments and funds and agencies comprising the Consolidated 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.

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

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 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) Expenditure

Expenditures 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 expenditures between current account items and capital account items follows the classification in the Approved Estimates.

(d) Interdepartmental Revenues and Expenditures

Interdepartmental revenues and expenditures are not eliminated but have been identified as explained in Note 16(c).

(e) Current Assets

Current assets include:

- (i) cash and claims by the Government on organizations and individuals arising from events and transactions occurring prior to the year-end.
- (ii) prepaid supplies intended for use in departmental operations and maintenance activities, valued at cost less a provision for obsolescence, where applicable.

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

(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 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.

Work continues to be done to identify the land and buildings held by the Government to ensure that all are recorded. If any additional buildings are identified as assets of the Government, the buildings will be properly valued at historical cost and disclosed in the financial statements of the Government.

Betterments are defined as building 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. Betterments completed and building systems (over \$10,000), added during the fiscal year have been capitalized in the financial statements. Work in process as it relates to the development of buildings and any building betterments has also been capitalized. This is a change in accounting policy. Previously, building betterments in process were not capitalized. The prior year's work in process has not been restated for this change. 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 equipment, light equipment and boats and vessels (rolling stock) owned by the Bermuda Government have been identified at historical cost and disclosed in the financial statements at amortized value beginning April 1, 2002.

Other tangible capital assets have continued to be charged to capital expenditure in the year of purchase or construction, which is consistent with prior years. Tangible capital assets that have not yet been disclosed include roads and infrastructure, computer systems and software, historical treasures, office furniture, fixtures and equipment (except photocopiers and fax machines under capital lease). These expenditures are currently classified as capital development and capital acquisition expenditures on the Statement of Operations and will be capitalized and disclosed on the Statement of Financial Position in future years.

Amortization is recorded on a straight-line basis for all assets, according to the following schedule. In a change of accounting policy, betterments are now amortized over the remaining life of the related asset rather than as a separate item on a straight-line basis. The prior years' depreciation charges for betterments have not been restated as a result of this policy change.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

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

Buildings	40 years
Betterments	Remaining life 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 Photocopiers & Fax Machines	3 – 5 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 expenditure, 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 expenditures originating in foreign currencies are translated at the exchange rate in effect on the date the specific transactions occurred. Translation gains and losses are included in the Statement of Operations and Accumulated Deficit.

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 are presented to the Members of the Legislature following the presentation of the Budget 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 2005/06 and do not reflect changes arising from the tabling of Supplementary Estimates.

(b) Comparison of Actual to Estimates for Expenditure

The Ministry of Finance prepares annual Approved Estimates on the modified cash basis. These financial statements are prepared on an accrual basis. Due to the difference in accounting, Schedule 16 restates actual expenditure to the modified cash basis for comparative and analytical purposes. 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 expenditure is explained in Note 10. 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 9. For budget purposes, retirement pay is estimated based on anticipated salary spending for the current year.

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

5. Government Borrowing Sinking Fund (cont'd)

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 Consolidated Fund Statement of Financial Position.

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

6. Government Reserves Fund

The Government Reserves Fund (the "Reserves Fund") was set up by amendment to the Public Treasury Administration and Payments Act 1969 under the provisions of Section 10C, in March 2004. The Legislature authorized the Minister of Finance to establish the Reserves Fund with the monies from the termination of the United States Bases Act 2002. Additionally, the Minister may deposit other non-specific bequests or donations to the Government of Bermuda to the Reserves Fund.

Monies paid into the Reserves Fund will be invested in accordance with the Public Funds Act 1954 and the interest earned on such investments will be paid into the Reserves Fund. The Accountant General will pay amounts from the Reserves Fund to entities as directed by the Minister of Finance.

7. Contingencies Fund

On March 14, 1979 the House of Assembly passed a resolution to withdraw \$1 million from the Consolidated 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.

8. 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 Consolidated 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, 2006, no amounts have been paid into the Insurance Fund.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

9. Compensated Absences

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

An actuarial valuation of the Government's obligation for retirement leave was extrapolated to March 31, 2006, using similar various long-term assumptions as the Public Service Superannuation Fund pension plan (Note 10). The valuation determined that the liability for retirement leave is currently \$14,852,833 (2005 - \$12,917,594), as defined in the table below.

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 additional eligible employees that are also included in the calculation of the estimated compensated absences liability. As a result of this change in accounting estimate, the current year's compensated absences expense includes an adjustment increase of \$614,420, as shown in the table below.

	2006	2005
	\$	\$
Benefit obligation, beginning of year	12,917,594	12,059,100
Correlating change in accounting estimate	614,420	-
Current period benefit cost	766,184	699,900
Interest accrued	893,470	786,191
Less: Benefit payments	(338,835)	(627,597)
Accrued benefit obligation, end of year	<u>14,852,833</u>	<u>12,917,594</u>

10. 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.

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

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

Employees contribute 5% 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 2006 - \$14,065,493 (2005 - \$13,519,899), MMLPF 2006 - \$308,761 (2005 - \$293,146). 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 the PSSF as at March 31, 2006. An actuarial valuation was performed on the MMLPF as at March 31, 2004 and the results were then extrapolated to March 31, 2006, 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 4.25% (prior valuation - 2.0%) and the cost of living increase will average 3.0% (prior valuation - 3.25%) 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 expenditure for the PSSF. The market-related value of assets for the PSSF was \$336,286,908 as at March 31, 2006 (2005 - \$327,410,675) compared to a real market value of \$366,987,115 (2005 - \$330,914,425).

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

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

For the MMLPF there is no difference between the market value of plan assets and the market-related value and as at March 31, 2006 the value was \$7,744,008 (2005 - \$7,002,890). The actual return on plan assets during the year was 15.2% (2005 - 8.5%) for the PSSF and 7.0% (2005 - 7.0%) for the MMLPF.

As at March 31, 2006, \$10,066,416 (2005 - \$Nil) was receivable from the PSSF in respect of net benefits paid in excess of contributions received by the Consolidated Fund. The \$Nil balance at March 31, 2005 was due to the PSSF being forgiven \$52,219,640, by the Minister of Finance, from the Consolidated Fund, as a special pension contribution.

(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 \$257,565 (2005 - \$244,884). A valuation was performed on the BDTRP as of March 31, 2006.

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 4.25% (2005 - 4%). 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, 2006 the value was \$2,782,300 (2005 - \$3,069,191). The actual return on plan assets during the year was 9.7% (2005 - 7.3%).

(d) Pension-Related Expenditure

Pension-related expenditure recognized by the Consolidated 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.

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 additional eligible employees and deferred pensioners that are included in the calculation of the estimated pension liability. As a result of this change in accounting estimate, the current year's pension expense includes an adjustment increase of \$61,309,372.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

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

A net unamortized experience loss of \$204,982,815 (2005 - \$221,078,835) is reported in the Schedule below. The amount comprises a total unamortized experience loss on the pension liability of \$159,992,124 (2005 - \$171,871,943) and a total unamortized experience loss on the asset valuation of \$44,990,691 (2005 - \$49,206,892). 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	2006 Actual	2005 Actual
	\$	\$
Pension Liability		
Accrued Benefit Obligation		
PSSF	977,944,777	864,721,952
MMLPF	22,381,545	21,255,585
BDTRP	2,327,461	3,014,500
	<u>1,002,653,783</u>	<u>888,992,037</u>
Net Fund Assets		
PSSF	(336,286,908)	(327,410,675)
MMLPF	(7,744,008)	(7,002,890)
BDTRP	(2,782,300)	(3,069,191)
	<u>(346,813,216)</u>	<u>(337,482,756)</u>
Unamortized Estimation Adjustments		
PSSF	(204,982,815)	(221,078,835)
Pension Liability		
PSSF	436,675,054	316,232,442
MMLPF	14,637,537	14,252,695
BDTRP	(454,839)	(54,691)
Carried Forward to Note 10 (h)	<u>450,857,752</u>	<u>330,430,446</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

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

For the year ended March 31	2006	2005
	Actual	Actual
	\$	\$
Pension-Related Expenditure		
Cost of Pension Benefits	31,887,732	29,915,744
Employee Contributions	(14,374,253)	(13,813,045)
Interest on Pension Liability	35,965,783	33,994,076
Amortization of Experience Gains & Losses		
1999 Experience Gain	(1,067,086)	(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	-
Change in accounting estimate	61,309,372	-
	136,461,629	69,721,571

(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 Consolidated 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, 2006

10. 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 extrapolation of the Government's obligations for retirement benefits other than pensions was performed for accounting purposes at March 31, 2006, using various long-term assumptions, based on the valuation performed as at March 31, 2005.

The discount rate used in determining the accumulated post-retirement benefit obligation was 6.50%. The assumed health-care cost trend rate used was 8% (2005 - 8.5%), reducing by 0.5% per annum to 5% (2012) 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.

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

	2006	2005
	\$	\$
Accrued benefit obligation at beginning of year	137,385,700	100,291,051
Current period benefit cost	5,837,300	3,808,548
Interest accrued	8,987,397	7,034,437
Less: Benefit payments	<u>(4,073,411)</u>	<u>(3,406,735)</u>
Accrued benefit obligation at end of year	<u>148,136,986</u>	<u>107,727,301</u>
Expected accrued benefit obligation at end of year	148,136,986	107,727,301
Actual accrued benefit obligation at end of year	<u>148,136,986</u>	<u>137,385,700</u>
Experience loss	-	(29,658,399)

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

10. 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

	2006	2005
	\$	\$
Closing accrued benefit obligation	148,136,986	137,385,700
Unamortized losses	<u>(27,376,984)</u>	<u>(29,658,399)</u>
Liability for retirement benefits (Note 10(h))	<u>120,760,002</u>	<u>107,727,301</u>

Expenditures/expenses recorded in statement of operations and accumulated deficit

	2006	2005
	\$	\$
Current period benefit cost	5,837,300	3,808,548
Amortization of losses	<u>2,281,415</u>	<u>-</u>
Retirement benefit expenditure	8,118,715	3,808,548
Retirement benefit interest expenditure	<u>8,987,397</u>	<u>7,034,437</u>
Total expenditures related to retirement benefits	<u>17,106,112</u>	<u>10,842,985</u>

(h) Accrued Pensions and Retirement Benefits Summary

	2006	2005
	\$	\$
Pensions (Note 10(e))	450,857,752	330,430,446
Retirement Benefits other than Pensions – Health Insurance Plan (Note 10(g))	<u>120,760,002</u>	<u>107,727,301</u>
Total Pensions and Retirement Benefits	<u>571,617,754</u>	<u>438,157,747</u>

11. 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, 2006, \$1,797,818 (2005 - \$2,170,648) 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, 2006 is \$8,307,633 (2005 - \$9,956,615).

(c) Environmental Liabilities

The Government recognizes that there could be a cost for restoration of the environment at the bases formerly occupied by the US, UK and Canadian militaries. It is anticipated that such costs would include removal of hazardous materials, clean-up and restoration of facilities. It is the Government's intent to pass these costs on to future developers of the sites.

A liability of \$26,250,000 was accrued in 2003 which was an estimate of the costs of the environmental clean-up and remediation at the three former major base land sites. The estimated range was \$26 million (rounded) to \$40 million, which included an approximate 20% contingency of the total. Since no costs have been incurred to clean up the base land sites to date, this amount is still reflected in the March 31, 2006 financial statements.

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.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

11. Contingent Liabilities (cont'd)

The Government recognizes that this is only an estimate based on orders of cost which are developed from unit rates used to date for clean-up at Southside and budget estimates from consultants hired by potential developers at the Morgan's Point site. In the interest of proper accounting, the estimate has been accrued based on the figures available and the Government will endeavour to disclose better estimates when a determination can be made of them.

12. 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. These ongoing operational and capital development commitments are summarized in Schedule 17 and detailed in the annual Approved Estimates.

13. Lease Commitments

Commencing in the fiscal year 2004, the leases for photocopiers and fax machines meeting the criteria were capitalized. The average period of the leases is 3-5 years and the 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:

	2006	2005
	\$	\$
Present value of lease cost	2,414,783	3,497,802
Less: Accumulated amortization	<u>(1,401,949)</u>	<u>(2,351,581)</u>
Present value of leases payable	<u>1,012,834</u>	<u>1,146,221</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

13. Lease Commitments (cont'd)

The following is a schedule of future minimum lease payments under leases expiring up to March 31, 2009:

	2006
	\$
2007	246,557
2008	840,502
2009	446,016
Less: Discounted amount	<u>(520,241)</u>
Present value of obligation	<u>1,012,834</u>

14. Deferred Insurance Proceeds

On September 5, 2003, a category three 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 (2005 – Estimate of \$28,120,819). 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 year-end, leaving no balance as at March 31, 2006.

Insurance monies received for repairs are recorded as deferred insurance proceeds in the Statement of Financial Position and then drawn down as the expenditures are incurred. It is anticipated that the expenditures for damages to buildings and properties will continue over the next fiscal year. \$21,946,039 has been spent on repairs as at March 31, 2006, leaving \$6,186,173 in deferred insurance proceeds.

15. Supplementary Estimates

Supplementary estimates are required by the Bermuda Constitution Order 1968 for expenditures incurred in excess of amounts appropriated. During the year, \$24,573,385 in Supplementary Estimates was approved and spent which consisted of \$20,887,385 for current expenditure and \$3,686,000 for capital expenditure. Additional expenditures of \$10,843,929 were incurred in excess of amounts appropriated.

16. 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") and the Public Service Superannuation Fund ("PSSF").

The financial activities of these Funds are reported separately in each Fund's financial statements. The Consolidated Fund provides accounting and certain administrative services to the 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 Consolidated Fund on behalf of the Funds. Schedules 3a and 3b 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. Schedules 3a and 3b 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 consolidated fund and the various QUANGOs.

(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 11(a) and 12(a), respectively.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2006

16. Related Party Transactions (cont'd)

(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 BHC operates programmes which do not break-even, the Government appropriates annual grants which enable BHC to comply with its legislation."

17. Correction of an Accounting Error

Tangible Capital Asset Restatement

As disclosed in note 3(f) 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. However, during a reconciliation of the capital asset subledger in the current year, some of the buildings were identified as being incorrectly classified as land. Due to the misclassifications, these buildings had not been amortized. This resulted in an understatement of the amortization expense in the cumulative amount of \$6,759,137, \$6,441,281 for fiscal years 2002, 2003 and 2004 and \$317,856 for 2005. The prior year's tangible capital assets and deficit have been restated accordingly.

Tangible Capital Assets

As previously stated (March 31, 2005):	\$ 290,469,660
As restated:	\$ 283,710,523

Current Expenditure

As previously stated (March 31, 2005):	\$ 754,958,312
As restated:	\$ 755,276,168

Accumulated Deficit, Beginning of Year

As previously stated (March 31, 2005):	\$ 143,401,306
As restated:	\$ 149,842,587

Accumulated Deficit, End of Year

As previously stated (March 31, 2005):	\$ 160,389,443
As restated:	\$ 167,148,580

18. Subsequent Event

Increase in Borrowing

On June 7, 2006, the Government drew \$30 million from its \$200 million loan facility (Schedule 8).

19. Comparative Figures

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

Government of Bermuda - Consolidated Fund

Schedule 1: Accounts Receivable

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Office of the Tax Commissioner	110,062,719	103,302,838
Judicial Department	3,889,003	3,275,641
Works & Engineering	3,858,014	3,769,181
Post Office	3,616,373	3,628,542
Customs	3,270,851	3,259,884
Registrar of Companies	2,832,974	2,979,509
Airport Operations	2,652,549	2,752,128
Telecommunications	2,523,639	2,761,237
Department of Education	1,556,685	1,411,634
Fire Services	1,019,902	1,393,867
Accountant General	890,422	302,949
Health Department	452,745	195,129
Maritime Administration	443,979	286,910
Civil Aviation	431,983	288,041
Marine & Ports	402,119	510,891
Tourism	291,153	291,400
Conservation Services	129,510	100,965
Department of Human Resources	104,492	347,560
Environmental Protection	88,608	63,405
Public Transportation Board	71,834	1,133,507
Financial Assistance	58,621	64,410
Police	51,105	45,460
Parks	31,478	37,311
Registry General	29,617	30,723
Youth, Sport & Recreation	15,783	650
Office of the Auditor General	5,550	7,850
Child & Family Services	3,385	3,765
Governor & Staff	1,360	2,088
Libraries	1,019	11,123
Defence	-	104,800
Human Affairs	-	18,368
Transport Control Department	-	532
	138,787,472	132,382,298
Less: Provision for Doubtful Accounts	20,564,134	14,573,019
	118,223,338	117,809,279

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

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Works & Engineering	5,127,525	5,237,661
Public Transportation Board	2,765,680	2,612,562
Police	1,395,152	1,292,587
Marine & Ports	864,214	908,209
Defence	680,816	614,821
Department of Education	504,695	619,305
Health	350,006	174,543
Department of Corrections	287,924	293,472
Conservation Services	74,566	111,024
Immigration	60,581	60,707
Post Office	59,256	35,915
	12,170,415	11,960,806
Less: Provision for Obsolescence	358,443	358,443
	11,811,972	11,602,363

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

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Government Employees Health Insurance Fund	15,252,645	6,370,294
Public Service Superannuation Fund (PSSF)	10,066,416	88,325
Bermuda Monetary Authority	2,403,745	2,251,082
Bermuda Hospitals Board	2,135,189	1,564,009
West End Development Corporation	1,061,177	991,264
Hospital Insurance Fund	766,312	506,390
Golf Courses	585,941	240,343
Bermuda Housing Corporation	485,244	366,230
Bermuda Small Business Development Co.	443,555	573,282
Bermuda Land Development Company	194,266	711,788
Bermuda College	187,765	155,852
Parish Councils	68,017	26,264
CedarBridge Academy	32,649	55,194
Pension Commission	27,269	15,594
National Sports Centre	1,480	2,444
Stonington Beach Hotel Ltd.	7	36,323
National Drug Commission	-	19,187
	33,711,677	13,973,865

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

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Contributory Pension Fund	11,329,374	7,514,412
Ministers and Members Pensions Fund	7,755,199	7,014,081
Government Reserves Fund	4,102,120	7,374,379
Bermuda Hospitals Board	2,060,143	2,916,835
Tourism North America Retirement Plan	463,436	464,363
Pembroke Parish Council	206,268	-
Bermuda College	65,162	294,186
Hospital Insurance Fund	59,210	116,618
West End Development Corporation	41,453	568
Bermuda Land Development Company	7,909	19,643
CedarBridge Academy	2,856	333,213
Golf Courses	1,943	789
Bermuda Small Business Development Co.	800	-
Stonington Beach Hotel Ltd	322	9,606
National Sports Centre	-	40,828
National Drug Commission	-	10,709
Mutual Re-Insurance Fund	-	8,034
Bermuda Monetary Authority	-	293
	26,096,195	26,118,557

Government of Bermuda - Consolidated Fund
Schedule 4: Due From Bermuda Housing Corporation

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Balance, Beginning of Year	49,500,000	44,500,000
Advances	-	5,000,000
Balance, End of Year	49,500,000	49,500,000

The funds loaned to the Bermuda Housing Corporation are on reciprocal terms and conditions as the loan facility described in Schedule 8. However, the Government agreed not to charge the Bermuda Housing Corporation interest for six months during the year, in lieu of providing additional grant funds.

Government of Bermuda - Consolidated Fund
Schedule 5: Long-Term Receivables

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Customs Duty	2,627,170	-
Education Student Loans	747,434	726,955
	3,374,604	726,955

**Government of Bermuda - Consolidated Fund
Schedule 6: Accounts Payable and Accrued Liabilities**

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Department Trade Accounts	38,969,109	28,610,356
Environmental Liabilities (Note 11(c))	26,250,000	26,250,000
Employees' Leave Entitlements	12,070,021	12,454,978
Deposits Held	10,660,912	13,609,470
Teachers' Salaries & Leave Entitlements	6,818,301	7,431,504
Salaries, Wages and Benefits	2,157,006	2,465,751
Interest on Debt	1,788,071	1,753,017
Leases Payable	1,102,173	1,122,777
	99,815,593	93,697,853

**Government of Bermuda - Consolidated Fund
Schedule 7: Deferred Revenue**

As at March 31	2006	2005
	Actual	Actual
	\$	\$
Registrar of Companies	38,553,243	37,485,995
Transport Control Department	17,489,956	16,582,311
Office of the Tax Commissioner	10,403,526	10,277,489
Immigration	5,790,310	5,040,239
Civil Aviation	2,619,373	2,000,194
Marine & Ports	512,654	504,444
Post Office	423,278	396,288
Environmental Protection	80,530	93,051
Works & Engineering	78,599	75,132
Customs	38,250	-
Parks	37,358	17,074
Tourism	33,014	36,562
Health Department	32,179	28,025
Youth, Sport & Recreation	13,463	5,628
Cultural Services	9,430	-
Education	6,437	-
Community Affairs	210	23,199
Airport Operations	-	10,183
Maritime Administration	-	5,135
Department of Social Insurance	-	3,700
	76,121,810	72,584,649

Government of Bermuda - Consolidated Fund
Schedule 8: Debt - Net of Sinking Fund

As at March 31	2006	2005
	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	80,000,000
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	20,000,000
	225,000,000	175,000,000
Less: Sinking Fund (Note 5)	51,575,744	46,726,281
	173,424,256	128,273,719

**Government of Bermuda - Consolidated Fund
Schedule 9: Revenue By Type**

For the year ended March 31	2006 Original Estimates	2006 Actual	2005 Actual
	\$	\$	\$
Taxes & Duties			
Payroll Tax	250,000,000	265,119,440	247,339,334
Customs Duty	202,756,000	227,181,209	212,253,515
Stamp Duty	33,420,000	48,006,480	47,827,366
Land Tax	45,000,000	41,935,894	41,988,476
Passenger Tax	27,150,000	24,856,270	25,843,700
Non-Bermudian Land Acquisition Tax	7,000,000	12,972,746	11,121,675
Hotel Occupancy Tax	10,000,000	11,726,564	10,740,429
Foreign Currency Purchase Tax	5,000,000	6,020,261	5,100,876
Corporate Services Tax	2,500,000	2,916,032	2,483,338
Betting Tax	1,300,000	1,305,454	1,229,013
Timesharing Tax	300,000	226,134	233,755
	584,426,000	642,266,484	606,161,477
Fees, Permits & Licences			
International Companies	48,892,000	49,361,643	49,118,415
Vehicle Licences & Registration	24,597,000	24,995,058	24,019,709
Telecommunications	8,578,000	10,763,238	10,204,495
Air Terminal & Aviation	10,003,000	10,379,127	10,734,939
Immigration	8,386,000	10,012,726	9,001,381
Bus Transportation	6,806,000	7,781,418	6,708,729
Postal Services	8,100,000	7,709,751	7,631,294
Registration of Aircraft	4,369,000	5,757,476	4,639,986
Water	4,200,000	3,697,120	4,224,481
Solid Waste Services	4,760,000	3,186,385	3,802,974
Services to Seaborne Shipping	3,300,000	2,917,843	3,336,182
Local Companies	2,200,000	2,459,337	2,365,670
Rentals	2,051,000	2,192,411	2,344,513
Registration of Shipping	1,440,000	2,187,220	2,069,860
Other Customs Fees & Charges	1,828,000	1,936,996	1,922,292
Wharfage	1,308,000	1,614,045	1,467,290
Trade and Service Mark	1,301,000	1,493,178	1,347,268
Ferry Services	1,000,000	1,435,489	1,133,133
Planning Fees and Searches	1,091,000	1,095,601	1,516,301
Plant Production and Marketing Centre	370,000	393,449	397,378
Companies Licences	200,000	350,464	3,514,930
Liquor Licences	295,000	334,115	298,588
Insurance Fees	-	17,587	40,118
	145,075,000	152,071,677	151,839,926
Other Revenue			
Other	11,242,000	10,519,006	14,016,780
Fines & Forfeitures	5,300,000	4,814,506	4,584,528
Investment Income	3,200,000	2,662,020	4,186,165
Bermuda Monetary Authority	1,250,000	1,753,239	1,680,150
	20,992,000	19,748,771	24,467,623
TOTAL REVENUE	750,493,000	814,086,932	782,469,026

Government of Bermuda - Consolidated Fund
Schedule 10: Current Expenditure By Type

For the year ended March 31	2006 Original Estimates	2006 Actual	2005 Actual
	\$	\$	\$
Employees			
Salaries	254,800,000	238,452,883	223,092,219
Retirement Benefit Expenditures	-	152,098,911	29,899,672
Wages	67,655,000	77,442,704	70,707,341
Employer Overhead	37,867,000	19,089,549	16,675,072
Other Personnel Costs	7,888,000	6,988,842	6,805,817
Training	8,290,000	5,894,967	4,862,064
Compensated Absences	-	1,935,239	12,917,594
Special Pension Contribution	-	-	52,219,640
	376,500,000	501,903,095	417,179,419
Operations			
Grants & Contributions	166,919,000	174,363,084	159,112,706
Professional Services	47,097,000	56,856,311	52,057,482
Materials & Supplies	23,694,000	30,463,610	29,228,320
Advertising & Promotion	19,897,000	20,694,557	22,260,968
Amortization	-	15,229,310	12,510,132
Energy	11,516,000	14,673,987	12,972,620
Repair & Maintenance	21,316,000	13,274,838	13,479,162
Rentals	12,775,000	11,029,420	10,445,856
Interest on Debt	10,519,000	10,868,869	8,952,965
Insurance	9,800,000	9,444,394	7,419,458
Communications	6,618,000	7,134,247	6,450,629
Transport	3,987,000	7,110,008	6,173,076
Travel	5,138,000	4,857,659	4,629,156
Bad Debts	-	2,755,867	(9,921,370)
Equipment	703,000	2,232,008	2,418,065
Clothing & Uniforms	1,936,000	1,758,264	1,834,035
Other	7,932,000	1,482,291	2,692,493
Bank Charges & Commissions	-	348,556	379,427
Transfer to Other Funds (Note 6)	3,752,000	-	8,174,379
Capital Recharges	(1,690,000)	-	-
Receipts Credited to Programmes	(17,257,808)	(15,513,949)	(13,172,810)
	334,651,192	369,063,331	338,096,749
TOTAL CURRENT EXPENDITURE	711,151,192	870,966,426	755,276,168

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

For the year ended March 31	2006 Original Estimates	2006 Actual	2005 Actual
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	-	4,071	12,264
05 Office of the Auditor General	464,000	337,264	524,559
63 Parliamentary Registrar	45,000	84,927	76,777
	509,000	426,262	613,600
Cabinet Office Departments			
09 Cabinet Office	-	-	8,026
14 Department of Statistics	2,000	4,747	9,863
15 Department of Management Services	-	99	352
19 Department of Archives	8,000	10,093	7,100
26 Department of Human Resources	-	-	6,015
51 Dept. of Communication & Information	-	75	5,921
	10,000	15,014	37,277
Ministry of Justice			
02 Legislature	11,000	26,669	5,516
03 Judicial Department	9,751,000	11,413,863	12,350,289
04 Attorney-General's Chambers	-	2,036	1,964
75 Public Prosecutions	-	313	65
	9,762,000	11,442,881	12,357,834
Ministry of Finance			
10 Ministry of Finance HQ	-	1,414	1,641
11 Accountant-General	4,615,000	4,498,355	6,350,205
12 Customs	206,237,000	231,304,794	216,070,051
13 Post Office	8,091,000	7,787,768	7,644,407
28 Department of Social Insurance	5,000	13,583	5,300
38 Office of the Tax Commissioner	370,630,000	396,079,829	375,457,199
39 Registrar of Companies	51,992,000	52,859,549	55,907,429
58 Interest	1,500,000	841,581	966,745
	643,070,000	693,386,873	662,402,977
Ministry of Education & Development			
17 Department of Education	127,000	62,175	379,864
	127,000	62,175	379,864
Ministry of Health & Family Services			
21 Ministry of Health & Family Services HQ	-	48	38,343
22 Health Department	1,051,000	1,079,914	960,494
23 Child & Family Services	159,000	177,006	163,093
55 Financial Assistance	-	15,934	40,638
	1,210,000	1,272,902	1,202,568
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	-	154,346	59,619
07 Police	405,000	384,242	430,932
25 Corrections	-	-	1,415
27 Immigration	15,386,000	23,022,481	22,314,055
29 Registry General	1,301,000	1,528,649	1,348,944
44 Ministry of Labour & Home Affairs HQ	-	1,400	3,150
45 Fire Services	2,015,000	1,053,519	1,356,632
54 Security Services & Delegated Affairs	-	35	4
60 Labour & Training	-	-	12,478
	19,107,000	26,144,672	25,527,229

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

For the year ended March 31	2006 Original Estimates	2006 Actual	2005 Actual
	\$	\$	\$
Ministry of the Environment			
32 Department of Planning	1,127,000	1,133,189	1,575,335
50 Ministry of the Environment	10,000	11,425	15,594
68 Parks	153,000	260,516	125,026
69 Conservation Services	873,000	857,041	866,044
72 Environmental Protection	374,000	600,408	525,955
	2,537,000	2,862,579	3,107,954
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	-	3,722	3,662
46 Telecommunications	8,578,000	10,763,238	10,204,495
67 E-Commerce	-	-	17
	8,578,000	10,766,960	10,208,174
Ministry of Tourism & Transport			
30 Marine & Ports Services	5,159,000	5,159,271	4,967,790
31 Airport Operations	11,100,000	11,730,484	12,148,302
33 Tourism	44,000	45,137	157,948
34 Transport Control Department	24,600,000	24,993,669	24,022,742
35 Public Transportation Board	6,806,000	7,797,472	6,725,114
48 Ministry of Tourism & Transport	-	4,327	-
57 Civil Aviation	4,380,000	5,765,865	4,657,912
73 Maritime Administration	1,440,000	2,190,429	2,095,473
	53,529,000	57,686,654	54,775,281
Ministry of Works & Engineering & Housing			
36 Works & Engineering	11,053,000	9,001,236	10,869,361
42 Rent Commissioner	1,000	308	1,286
	11,054,000	9,001,544	10,870,647
Ministry of Community Affairs & Sport			
18 Libraries	13,000	16,974	19,122
20 Youth, Sport & Recreation	653,000	688,268	634,083
40 Community Affairs	334,000	-	327,783
52 Community and Cultural Affairs	-	306,801	2,833
56 Human Affairs	-	6,373	1,800
	1,000,000	1,018,416	985,621
TOTAL REVENUE	750,493,000	814,086,932	782,469,026

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

For the year ended March 31	2006 Interdepartmental Revenue	2006 Gross Revenue Actual	2006 Net Revenue
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	62	4,071	4,009
05 Office of the Auditor General	-	337,264	337,264
63 Parliamentary Registrar	750	84,927	84,177
	812	426,262	425,450
Cabinet Office Departments			
14 Department of Statistics	2,858	4,747	1,889
15 Department of Management Services	-	99	99
19 Department of Archives	4,456	10,093	5,637
51 Dept. of Communication & Information	75	75	-
	7,389	15,014	7,625
Ministry of Justice			
02 Legislature	-	26,669	26,669
03 Judicial Department	264	11,413,863	11,413,599
04 Attorney-General's Chambers	2,036	2,036	-
75 Department of Public Prosecutions	313	313	-
	2,613	11,442,881	11,440,268
Ministry of Finance			
10 Ministry of Finance HQ	-	1,414	1,414
11 Accountant-General	95	4,498,355	4,498,260
12 Customs	2,006,748	231,304,794	229,298,046
13 Post Office	88,360	7,787,768	7,699,408
28 Social Insurance	-	13,583	13,583
38 Office of the Tax Commissioner	152,074	396,079,829	395,927,755
39 Registrar of Companies	-	52,859,549	52,859,549
58 Interest on Debt	-	841,581	841,581
	2,247,277	693,386,873	691,139,596
Ministry of Education & Development			
17 Department of Education	1,440	62,175	60,735
Ministry of Health & Family Services			
21 Health & Social Services	-	48	48
22 Health Department	6,375	1,079,914	1,073,539
23 Child & Family Services	10,390	177,006	166,616
55 Financial Assistance	-	15,934	15,934
	16,765	1,272,902	1,256,137
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	-	154,346	154,346
07 Police	1,886	384,242	382,356
27 Immigration	3,510	23,022,481	23,018,971
29 Registry General	5,650	1,528,649	1,522,999
44 Ministry of Labour & Home Affairs HQ	62	1,400	1,338
45 Fire Services	739	1,053,519	1,052,780
54 Security Services & Delegated Affairs	-	35	35
	11,847	26,144,672	26,132,825

**Government of Bermuda - Consolidated Fund
Schedule 11(a): Interdepartmental Revenue By Ministry / Dept (cont'd)**

For the year ended March 31	2006 Interdepartmental Revenue	2006 Gross Revenue Actual	2006 Net Revenue
	\$	\$	\$
Ministry of the Environment			
32 Department of Planning	358	1,133,189	1,132,831
50 Ministry of the Environment	400	11,425	11,025
68 Parks	-	260,516	260,516
69 Conservation Services	808	857,041	856,233
72 Environmental Protection	1,787	600,408	598,621
	3,353	2,862,579	2,859,226
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	195	3,722	3,527
46 Telecommunications	-	10,763,238	10,763,238
	195	10,766,960	10,766,765
Ministry of Tourism & Transport			
30 Marine & Ports Services	260	5,159,271	5,159,011
31 Airport Operations	3,206	11,730,484	11,727,278
33 Tourism	395	45,137	44,742
34 Transport Control Department	104	24,993,669	24,993,565
35 Public Transportation Board	65,648	7,797,472	7,731,824
48 Ministry of Tourism & Transport	-	4,327	4,327
57 Civil Aviation	356	5,765,865	5,765,509
73 Maritime Administration	-	2,190,429	2,190,429
	69,969	57,686,654	57,616,685
Ministry of Works & Engineering & Housing			
36 Works & Engineering	868,475	9,001,236	8,132,761
42 Rent Commissioner	-	308	308
	868,475	9,001,544	8,133,069
Ministry of Community Affairs & Sport			
18 Libraries	16	16,974	16,958
20 Youth, Sport & Recreation	12,485	688,268	675,783
52 Community and Cultural Affairs	1,160	306,801	305,641
56 Human Affairs	100	6,373	6,273
	13,761	1,018,416	1,004,655
TOTAL REVENUE	3,243,896	814,086,932	810,843,036

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure By Ministry / Department

For the year ended March 31	2006 Original Estimates	2006 Actual	2005 Actual
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	1,345,319	1,064,996	1,260,286
05 Office of the Auditor General	2,279,468	2,219,355	1,959,367
08 Public Service Commission	75,054	72,288	71,925
63 Parliamentary Registrar	600,267	324,930	326,810
85 Ombudsman's Office	376,641	378,278	-
	4,676,749	4,059,847	3,618,388
Cabinet Office Departments			
09 Cabinet Office	3,127,690	3,096,185	2,700,823
14 Department of Statistics	2,802,778	2,147,431	2,105,012
15 Department of Management Services	966,279	888,306	720,429
19 Department of Archives	1,398,754	772,457	788,181
26 Department of Human Resources	4,552,062	3,902,672	5,187,496
51 Department of Communication & Information	1,620,346	1,460,644	1,260,322
	14,467,909	12,267,695	12,762,263
Ministry of Justice			
02 Legislature	4,684,677	3,450,655	3,102,541
03 Judicial Department	8,948,042	7,843,882	7,877,467
04 Attorney-General's Chambers	3,929,065	2,809,050	2,287,496
62 Legislative Affairs	-	10,910	16,673
75 Dept. of Public Prosecutions	2,098,654	2,029,705	1,795,958
	19,660,438	16,144,202	15,080,135
Ministry of Finance			
10 Ministry of Finance HQ	4,831,965	4,543,155	4,184,042
11 Accountant-General	45,055,434	44,458,758	20,488,544
Retirement Benefit Expenditures		135,395,246	95,036,906
12 Customs	12,773,581	12,780,375	11,677,313
13 Post Office	11,884,631	11,846,099	11,087,613
28 Department of Social Insurance	2,062,828	4,925,094	8,343,755
38 Office of the Tax Commissioner	2,645,872	5,628,207	(7,297,210)
39 Registrar of Companies	5,057,918	5,098,038	3,865,136
58 Interest on Debt	10,100,000	10,546,686	8,347,496
59 Sinking Fund Contribution	3,400,000	-	-
	97,812,229	235,221,658	155,733,595
Ministry of Education & Development			
17 Department of Education	105,224,424	109,363,323	105,250,689
41 Bermuda College	14,982,155	14,982,000	13,860,000
	120,206,579	124,345,323	119,110,689

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure By Ministry / Department (cont'd)

For the year ended March 31	2006 Original Estimates	2006 Actual	2005 Actual
	\$	\$	\$
Ministry of Health & Family Services			
21 Ministry of Health & Family Services HQ	7,068,480	6,464,139	5,340,339
22 Health Department	22,695,641	22,406,779	20,241,031
23 Child & Family Services	9,165,663	10,182,012	9,319,848
24 Hospitals	87,920,701	92,369,534	85,736,905
55 Financial Assistance	16,121,721	16,144,294	14,919,203
74 Court Services	4,357,165	3,785,930	3,297,470
	147,329,371	151,352,688	138,854,796
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	5,687,490	5,466,021	5,377,684
07 Police	50,466,727	48,190,048	46,809,161
25 Corrections	21,877,038	24,451,409	21,235,997
27 Immigration	3,480,403	3,613,436	3,145,319
29 Registry General	1,681,606	1,564,280	1,352,307
44 Ministry of Labour & Home Affairs HQ	981,434	972,483	643,041
45 Fire Services	9,081,326	8,249,596	8,197,292
54 Security Services & Delegated Affairs	204,433	87,890	185,884
60 Labour & Training	2,846,771	2,415,109	2,324,855
	96,307,228	95,010,272	89,271,540
Ministry of the Environment			
32 Department of Planning	3,306,303	2,766,100	2,501,752
49 Land Valuation	684,099	511,383	548,559
50 Ministry of the Environment HQ	589,744	550,187	535,753
68 Parks	9,516,690	9,376,655	9,252,747
69 Conservation Services	4,722,998	4,165,762	4,128,054
72 Environmental Protection	3,569,081	3,429,111	3,098,565
	22,388,915	20,799,198	20,065,430
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	5,354,029	5,146,621	5,466,341
46 Telecommunications	1,405,188	1,561,672	1,041,744
67 E-Commerce	1,031,146	627,003	812,158
84 E-Government	625,579	505,521	90,318
	8,415,942	7,840,817	7,410,561
Ministry of Tourism & Transport			
30 Marine & Ports	15,595,073	17,559,092	15,835,677
31 Airport Operations	21,172,132	20,971,907	21,697,531
33 Department of Tourism	36,782,638	38,439,561	34,960,509
34 Transport Control Department	4,187,701	3,331,476	2,956,872
35 Public Transportation Board	17,257,215	18,209,385	16,307,098
48 Ministry of Transport HQ	942,288	619,697	969,889
57 Civil Aviation	3,260,451	2,636,324	2,624,810
73 Maritime Administration	1,179,617	1,095,542	1,023,629
	100,377,115	102,862,984	96,376,015
Ministry of Works & Engineering & Housing			
36 Works & Engineering	59,025,675	63,500,278	65,609,048
Amortization	-	15,229,310	12,510,132
42 Rent Commissioner	550,069	492,047	400,498
53 Bermuda Housing Corporation	3,199,180	3,199,000	3,106,000
	62,774,924	82,420,635	81,625,678
Ministry of Community Affairs & Sport			
18 Libraries	1,907,970	1,856,843	1,815,939
20 Youth, Sport & Recreation	8,850,634	11,179,491	8,560,775
40 Community Affairs	-	-	1,465,078
52 Community & Cultural Affairs	3,467,668	3,214,158	1,530,998
56 Human Affairs	2,507,521	2,390,615	1,994,288
	16,733,793	18,641,107	15,367,078
TOTAL CURRENT EXPENDITURE	711,161,192	870,966,426	755,276,168

Government of Bermuda - Consolidated Fund
Schedule 12(a): Interdepartmental Current Expenditure By Ministry/Department

For the year ended March 31	2006 Interdepartmental Expenditure	2006 Actual Gross Expenditure	2006 Net Expenditure
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	350	1,064,996	1,064,646
05 Office of the Auditor General	3,645	2,219,355	2,215,710
08 Public Service Commission	-	72,288	72,288
63 Parliamentary Registrar	-	324,930	324,930
85 Ombudsman's Office	1,478	378,278	376,800
	5,473	4,059,847	4,054,374
Cabinet Office Departments			
09 Cabinet Office	2,396	3,096,185	3,093,789
14 Department of Statistics	822	2,147,431	2,146,609
15 Department of Management Services	472	888,306	887,834
19 Department of Archives	1,485	772,457	770,972
26 Department of Human Resources	3,599	3,902,672	3,899,073
51 Dept. of Communication & Information	652	1,460,644	1,459,992
	9,426	12,267,695	12,258,269
Ministry of Justice			
02 Legislature	180	3,450,655	3,450,475
03 Judicial Department	2,215	7,843,882	7,841,667
04 Attorney-General's Chambers	351	2,809,050	2,808,699
62 Legislative Affairs	-	10,910	10,910
75 Dept. of Public Prosecutions	28,173	2,029,705	2,001,532
	30,919	16,144,202	16,113,283
Ministry of Finance			
10 Ministry of Finance HQ	46,496	4,543,155	4,496,659
11 Accountant-General	16,233	44,458,758	44,442,525
Retirement Benefit Expenditures	-	135,395,246	135,395,246
12 Customs	73,132	12,780,375	12,707,243
13 Post Office	66,257	11,846,099	11,779,842
28 Department of Social Insurance	5,829	4,925,094	4,919,265
38 Office of the Tax Commissioner	11,554	5,628,207	5,616,653
39 Registrar of Companies	1,331	5,098,038	5,096,707
58 Interest on Debt	-	10,546,686	10,546,686
	220,832	235,221,658	235,000,826
Ministry of Education & Development			
17 Department of Education	135,138	109,363,323	109,228,185
41 Bermuda College	-	14,982,000	14,982,000
	135,138	124,345,323	124,210,185

Government of Bermuda - Consolidated Fund
Schedule 12(a): Interdepartmental Current Expenditure By Ministry/Department (cont'd)

For the year ended March 31	2006 Interdepartmental Expenditure	2006 Actual Gross Expenditure	2006 Net Expenditure
	\$	\$	\$
Ministry of Health & Family Services			
21 Ministry of Health & Family Services	358	6,464,139	6,463,781
22 Health Department	216,098	22,406,779	22,190,681
23 Child & Family Services	34,821	10,182,012	10,147,191
24 Hospitals	-	92,369,534	92,369,534
55 Financial Assistance	182,771	16,144,294	15,961,523
74 Court Services	767	3,785,930	3,785,163
	434,815	151,352,688	150,917,873
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	903	5,466,021	5,465,118
07 Police	157,039	48,190,048	48,033,009
25 Corrections	156,524	24,451,409	24,294,885
27 Immigration	1,122	3,613,436	3,612,314
29 Registry General	1,054	1,564,280	1,563,226
44 Ministry of Labour & Home Affairs	245	972,483	972,238
45 Fire Services	2,013	8,249,596	8,247,583
54 Security Services & Delegated Affairs	-	87,890	87,890
60 Labour & Training	-	2,415,109	2,415,109
	318,900	95,010,272	94,691,372
Ministry of the Environment			
32 Department of Planning	90	2,766,100	2,766,010
49 Land Valuation	208	511,383	511,175
50 Ministry of the Environment HQ	3,105	550,187	547,082
68 Parks	229,907	9,376,655	9,146,748
69 Conservation Services	15,387	4,165,762	4,150,375
72 Environmental Protection	3,120	3,429,111	3,425,991
	251,817	20,799,198	20,547,381
Ministry of Telecommunications & E-Commerce			
43 Information Technology Office	1,372	5,146,621	5,145,249
46 Telecommunications	59,437	1,561,672	1,502,235
67 E-Commerce	26	627,003	626,977
84 E- Government	-	505,521	505,521
	60,835	7,840,817	7,779,982
Ministry of Tourism & Transport			
30 Marine & Ports Services	23,591	17,559,092	17,535,501
31 Airport Operations	11,742	20,971,907	20,960,165
33 Tourism	91,140	38,439,561	38,348,421
34 Transport Control Department	1,131	3,331,476	3,330,345
35 Public Transportation Board	770,161	18,209,385	17,439,224
48 Ministry of Transport HQ	1,950	619,697	617,747
57 Civil Aviation	8,956	2,636,324	2,627,368
73 Maritime Administration	90	1,095,542	1,095,452
	908,761	102,862,984	101,954,223
Ministry of Works, Engineering & Housing			
36 Works & Engineering	691,716	63,500,278	62,808,562
Amortization	-	15,229,310	15,229,310
42 Rent Commissioner	70	492,047	491,977
53 Bermuda Housing Corporation	-	3,199,000	3,199,000
	691,786	82,420,635	81,728,849
Ministry of Community Affairs & Sport			
18 Libraries	1,985	1,856,843	1,854,858
20 Youth, Sport & Recreation	165,961	11,179,491	11,013,530
52 Community and Cultural Affairs	5,767	3,214,158	3,208,391
56 Human Affairs	1,481	2,390,615	2,389,134
	175,194	18,641,107	18,465,913
TOTAL CURRENT EXPENDITURE	3,243,896	870,966,426	867,722,530

Government of Bermuda - Consolidated Fund
Schedule 13: Schedules of Tangible Capital Assets and Work in Process

As at March 31

	Estimated Useful Life	Original Cost	Additions/ (Disposals)	Accumulated Amortization	Current Amortization	31-Mar-06 Net Book Value	31-Mar-05 Net Book Value
Tangible Capital Assets							
Land		41,008,334	2,730,034	-	-	43,738,368	41,008,334
Buildings & Betterments	40 years	284,912,803	9,371,735	(67,713,899)	(7,981,175)	218,589,464	217,198,903
Vehicles & Heavy Equipment	Varied	49,856,702	5,316,085	(36,362,893)	(4,625,716)	14,184,178	13,493,809
Vessels	Varied	28,741,126	58,731	(17,877,870)	(1,756,375)	9,165,612	10,863,256
Capital Leases	3 - 5 years	1,682,126	732,657	(535,905)	(866,044)	1,012,834	1,146,221
Total Tangible Capital Assets		406,201,091	18,209,242	(122,490,567)	(15,229,310)	286,690,456	283,710,523
Work In Process		103,222,053	47,572,552	-	-	150,794,605	103,222,053

Government of Bermuda - Consolidated Fund
Schedule 14: Capital Development Expenditure By Ministry / Department

For the year ended March 31	2006	2005
	Actual	Actual
	\$	\$
Cabinet Office Department		
19 Department of Archives	13,183	-
	13,183	-
Ministry of Education & Development		
17 Department of Education	1,711,239	576,926
	1,711,239	576,926
Ministry of Health & Family Services		
22 Health Department	(41,239)	85,078
23 Child & Family Services	-	400,636
24 Hospitals	762,325	87,255
	721,086	572,969
Ministry of Labour, Home Affairs & Public Safety		
07 Police	(170,116)	91,662
25 Department of Corrections	334,817	150,994
27 Immigration	871	-
54 Security Services & Delegated Affairs	6,417	11,700
	171,989	254,356
Ministry of the Environment		
32 Planning	-	350,047
50 Ministry of the Environment HQ	1,090,693	704,421
68 Parks	602,813	255,366
69 Conservation Services	29,533	25,787
	1,723,039	1,335,621
Ministry of Tourism & Transport		
30 Marine & Ports	25,640	4,279
31 Airport Operations	2,791,108	1,726,699
34 Transport Control Department	-	55,250
35 Public Transportation Board	(18,034)	(77,373)
48 Ministry of Transport HQ	250,559	-
	3,049,273	1,708,855
Ministry of Works & Engineering & Housing		
36 Works & Engineering	12,915,022	18,572,478
	12,915,022	18,572,478
Ministry of Community Affairs & Sport		
20 Youth, Sport & Recreation	7,000,037	591,092
	7,000,037	591,092
TOTAL CAPITAL DEVELOPMENT	27,304,868	23,612,297

Government of Bermuda - Consolidated Fund
Schedule 15: Capital Acquisition Expenditure By Ministry / Department

For the year ended March 31	2006	2005
	Actual	Actual
	\$	\$
Non-Ministry Departments		
01 Governor & Staff	-	36,640
05 Office of the Auditor General	14,172	32,097
63 Parliamentary Registrar	35,105	39,839
85 Ombudsman's Office	48,763	-
	98,040	108,576
Cabinet Office Departments		
09 Cabinet Office	13,704	-
14 Department of Statistics	12,970	1,605
15 Department of Management Services	3,640	8,875
19 Department of Archives	58,008	14,300
51 Department of Communications & Information	40,305	-
	128,627	24,780
Ministry of Justice		
02 Legislature	13,296	18,532
03 Judicial Department	108,384	56,932
04 Attorney-General's Chambers	71,074	8,825
75 Department of Public Prosecutions	57,532	12,322
	250,286	96,611
Ministry of Finance		
10 Ministry of Finance HQ	261,162	160,209
11 Accountant General	37,625	3,970
12 Customs	761,043	989,685
13 Post Office	184,907	295,084
38 Office of the Tax Commissioner	550,236	212,715
	1,794,973	1,661,663
Ministry of Education & Development		
17 Department of Education	8,298,455	3,977,241
	8,298,455	3,977,241
Ministry of Telecommunications & E-Commerce		
43 Information Technology Office	2,663,474	3,510,585
46 Telecommunications	6,440	47,063
67 E-Commerce	92,400	40,000
84 E-Government	1,276,334	2,182,355
	4,038,648	5,780,003
Ministry of Health & Family Services		
21 Ministry of Health & Family Services HQ	82,796	23,198
22 Health Department	817,782	139,606
23 Child & Family Services	34,942	2,549
24 Hospitals	-	67,529
55 Financial Assistance	26,880	82,453
74 Court Services	20,072	106,491
	982,472	421,826
Ministry of Labour, Home Affairs & Public Safety		
07 Police	1,344,029	1,718,831
25 Department of Corrections	167,223	186,535
27 Immigration	216,308	207,731
29 Registry General	370,106	56,045
45 Fire Services	609,477	280,124
	2,707,143	2,449,266

Government of Bermuda - Consolidated Fund
Schedule 15: Capital Acquisition Expenditure By Ministry / Department
(cont'd)

For the year ended March 31	2006	2005
	Actual	Actual
	\$	\$
Ministry of the Environment		
32 Department of Planning	137,063	44,487
49 Land Valuation	10,000	13,800
50 Ministry of the Environment HQ	5,500	-
68 Parks	124,146	2,625
69 Conservation Services	61,368	72,280
72 Environmental Protection	184,028	-
	522,105	133,192
Ministry of Community Affairs & Sport		
18 Libraries	17,712	14,913
20 Youth, Sport & Recreation	24,020	15,002
40 Community Affairs	-	5,060
56 Human Affairs	41,920	1,088
	83,652	36,063
Ministry of Transport		
30 Marine & Ports	278,435	291,336
31 Airport Operations	568,449	1,839,620
34 Transport Control Department	371,664	684,366
35 Public Transportation Board	13,749	166,115
57 Civil Aviation	252,720	9,420
73 Maritime Administration	71,375	3,969
	1,556,392	2,994,826
Ministry of Works & Engineering & Housing		
36 Works & Engineering	1,734,717	3,170,847
42 Rent Commissioner	-	31,660
	1,734,717	3,202,507
TOTAL CAPITAL ACQUISITION	22,195,510	20,886,554

Government of Bermuda - Consolidated Fund
Schedule 16: Current Expenditure - Estimates Compared to Actual

For the year ended March 31

	Actual	For Appropriation *	Original Estimates	Under (Over) Spent
	\$	\$	\$	\$
Non-Ministry Departments				
01 Governor & Staff	1,064,996	1,064,996	1,345,319	280,323
05 Office of the Auditor General	2,219,355	2,219,355	2,279,468	60,113
08 Public Service Commission	72,288	72,288	75,054	2,766
63 Parliamentary Registrar	324,930	324,930	600,267	275,337
85 Ombudsman's Office	378,278	378,278	376,641	(1,637)
	<u>4,059,847</u>	<u>4,059,847</u>	<u>4,676,749</u>	<u>616,902</u>
Cabinet Office Departments				
09 Cabinet Office	3,096,185	3,096,185	3,127,690	31,505
14 Department of Statistics	2,147,431	2,147,431	2,802,778	655,347
15 Department of Management Services	888,306	888,306	966,279	77,973
19 Department of Archives	772,457	772,457	1,398,754	626,297
26 Department of Human Resources	3,902,672	3,902,672	4,552,062	649,390
51 Department of Communication & Information	1,460,644	1,460,644	1,620,346	159,702
	<u>12,267,695</u>	<u>12,267,695</u>	<u>14,467,909</u>	<u>2,200,214</u>
Ministry of Justice				
02 Legislature	3,450,655	3,450,655	4,684,677	1,234,022
03 Judicial Department	7,843,882	8,025,021	8,948,042	923,021
04 Attorney-General's Chambers	2,809,050	2,809,050	3,929,065	1,120,015
62 Legislative Affairs	10,910	10,910	-	(10,910)
75 Dept. of Public Prosecutions	2,029,705	2,029,705	2,098,654	68,949
	<u>16,144,202</u>	<u>16,325,341</u>	<u>19,660,438</u>	<u>3,335,097</u>
Ministry of Finance				
10 Ministry of Finance HQ	4,543,155	4,543,155	4,831,965	288,810
11 Accountant-General	44,458,758	44,458,758	45,055,434	596,676
Retirement Benefit Expenditures	135,395,246	-	-	-
12 Customs	12,780,375	12,779,514	12,773,581	(5,933)
13 Post Office	11,846,099	11,846,099	11,884,631	38,532
28 Social Insurance	4,925,094	4,925,094	2,062,828	(2,862,266)
38 Office of the Tax Commissioner	5,628,207	3,205,631	2,645,872	(559,759)
39 Registrar of Companies	5,098,038	5,117,742	5,057,918	(59,824)
58 Interest on Debt	10,546,686	10,546,686	10,100,000	(446,686)
59 Sinking Fund Contribution	-	3,062,500	3,400,000	337,500
	<u>235,221,658</u>	<u>100,485,179</u>	<u>97,812,229</u>	<u>(2,672,950)</u>
Ministry of Education & Development				
17 Department of Education	109,363,323	110,055,409	105,224,424	(4,830,985)
41 Bermuda College	14,982,000	14,982,000	14,982,155	155
	<u>124,345,323</u>	<u>125,037,409</u>	<u>120,206,579</u>	<u>(4,830,830)</u>
Ministry of Telecommunications & E-Commerce				
43 Information Technology Office	5,146,621	5,146,621	5,354,029	207,408
46 Telecommunications	1,561,672	1,561,672	1,405,188	(156,484)
67 E-Commerce	627,003	627,003	1,031,146	404,143
84 E-Government	505,521	505,521	625,579	120,058
	<u>7,840,817</u>	<u>7,840,817</u>	<u>8,415,942</u>	<u>575,125</u>

* Adjusted for Non-Budgeted, Non-Cash Items

Government of Bermuda - Consolidated Fund
Schedule 16: Current Expenditure - Estimates Compared to Actual (cont'd)

For the year ended March 31

	Actual	For Appropriation*	Original Estimates	Under (Over) Spent
	\$	\$	\$	\$
Ministry of Health & Family Services				
21 Ministry of Health & Family Services HQ	6,464,139	6,464,139	7,068,480	604,341
22 Health Department	22,406,779	22,374,162	22,695,641	321,479
23 Child & Family Services	10,182,012	10,182,012	9,165,663	(1,016,349)
24 Hospitals	92,369,534	92,369,534	87,920,701	(4,448,833)
55 Financial Assistance	16,144,294	16,150,083	16,121,721	(28,362)
74 Court Services	3,785,930	3,785,930	4,357,165	571,235
	151,352,688	151,325,860	147,329,371	(3,996,489)
Ministry of Labour, Home Affairs & Public Safety				
06 Defence	5,466,021	5,466,021	5,687,490	221,469
07 Police	48,190,048	48,190,048	50,466,727	2,276,679
25 Department of Corrections	24,451,409	24,451,409	21,877,038	(2,574,371)
27 Immigration	3,613,436	3,613,436	3,480,403	(133,033)
29 Registry General	1,564,280	1,564,474	1,681,606	117,132
44 Ministry of Labour & Home Affairs HQ	972,483	972,483	981,434	8,951
45 Fire Services	8,249,596	8,249,596	9,081,326	831,730
54 Security Services & Delegated Affairs	87,890	87,890	204,433	116,543
60 Labour & Training	2,415,109	2,415,109	2,846,771	431,662
	95,010,272	95,010,466	96,307,228	1,296,762
Ministry of the Environment				
32 Department of Planning	2,766,100	2,766,100	3,306,303	540,203
49 Land Valuation	511,383	511,383	684,099	172,716
50 Ministry of the Environment HQ	550,187	550,187	589,744	39,557
68 Parks	9,376,655	9,376,655	9,516,690	140,035
69 Conservation Services	4,165,762	4,158,080	4,722,998	564,918
72 Environmental Protection	3,429,111	3,399,010	3,569,081	170,071
	20,799,198	20,761,415	22,388,915	1,627,500
Ministry of Tourism & Transport				
30 Marine & Ports	17,559,092	17,521,692	15,595,073	(1,926,619)
31 Airport Operations	20,971,907	20,788,296	21,172,132	383,836
33 Department of Tourism	38,439,561	38,564,486	36,782,638	(1,781,848)
34 Transport Control Department	3,331,476	3,331,476	4,187,701	856,225
35 Public Transportation Board	18,209,385	18,209,385	17,257,215	(952,170)
48 Ministry of Transport HQ	619,697	619,697	942,288	322,591
57 Civil Aviation	2,636,324	2,631,843	3,260,451	628,608
73 Maritime Administration	1,095,542	1,095,542	1,179,617	84,075
	102,862,984	102,762,417	100,377,115	(2,385,302)
Ministry of Works, Engineering & Housing				
36 Works & Engineering	63,500,278	63,500,278	59,025,675	(4,474,603)
Amortization	15,229,310	-	-	-
42 Rent Commissioner	492,047	492,047	550,069	58,022
53 Bermuda Housing Corporation	3,199,000	3,199,000	3,199,180	180
	82,420,635	67,191,325	62,774,924	(4,416,401)
Ministry of Community Affairs & Sport				
18 Libraries	1,856,843	1,856,843	1,907,970	51,127
20 Youth, Sport & Recreation	11,179,491	11,164,208	8,850,634	(2,313,574)
52 Community & Cultural Affairs	3,214,158	3,214,158	3,467,668	253,510
56 Human Affairs	2,390,615	2,390,615	2,507,521	116,906
	18,641,107	18,625,824	16,733,793	(1,892,031)
TOTAL CURRENT EXPENDITURE	870,966,426	721,693,595	711,151,192	(10,542,403)

* Adjusted for Non-Budgeted, Non-Cash Items

**Government of Bermuda - Consolidated Fund
Schedule 17: Commitments - Legislated**

For the year ended March 31	2006	2005
	Actual	Actual
	\$	\$

Unspent Capital Appropriations

In accordance with Section 6 of the Appropriations Act 2005, unspent capital appropriations for incomplete capital projects to be carried forward to future years are as follows:

Capital Development	53,757,758	56,947,980
Capital Acquisition	17,005,570	19,251,013
	70,763,328	76,198,993

Total Authorized Funding

Total Authorized Funding represents the estimated total cost of continuing 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	623,821,579	551,238,300
Appropriated Capital Development	(362,233,212)	(297,956,259)
Unappropriated Capital Development	261,588,367	253,282,041

**Government of Bermuda - Consolidated Fund
Schedule 18: Public Debt - Legislated Limit**

As at March 31	2006	2005
	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 8)	225,000,000	175,000,000
National Education Guarantees (Note 11(a))	1,797,818	2,170,648
	226,797,818	177,170,648
Sinking Fund (Schedule 8)	51,575,744	46,726,281
Public Debt	175,222,074	130,444,367
Legislated Limit	375,000,000	250,000,000
Available Limit	199,777,926	119,555,633