



Government of Bermuda

**Financial Statements
of the
Consolidated Fund
March 31, 2004**

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, 2004, 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, 2004 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. 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 10, 2004

Government of Bermuda
Consolidated Fund
Statement of Responsibility for the Financial Statements
March 31, 2004

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.

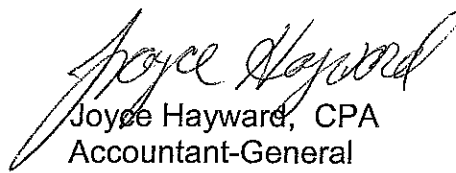
In order to fulfil accounting and reporting responsibilities, the Accountant General maintains systems of financial management and internal control to provide reasonable assurance that transactions are properly authorised by the Legislature, executed in accordance with prescribed regulations and properly 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
September 10, 2004

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

As at March 31		2004	2003
		Actual	Actual
		\$	\$
Assets			
	<u>Schedule</u>		
Current			
Cash and Deposits		13,556,086	63,254,654
Accounts Receivable	1	100,889,593	92,609,029
Insurance Proceeds Receivable (Note 12)		26,000,000	-
Prepaid Supplies	2	10,328,056	11,004,629
Prepaid Expenses		8,809,631	1,722,319
Due from Government Funds and Agencies	3a	41,050,891	29,063,371
		200,634,257	197,654,002
Due from Bermuda Housing Corporation	4	44,500,000	41,500,000
Long-Term Receivables	5	740,020	777,655
Work in Process	13	89,261,941	71,752,991
Tangible Capital Assets	13	270,407,686	265,604,241
		605,543,904	577,288,889
Liabilities			
Current			
Accounts Payable and Accrued Liabilities	6	90,577,137	95,455,041
Deferred Revenue	7	73,827,323	71,035,792
Deferred Insurance Proceeds (Note 12)		20,982,624	-
Insurance Proceeds Due to Government Funds and Agencies (Note 12)		7,341,896	-
Due to Government Funds and Agencies	3b	12,821,975	15,085,263
		205,550,955	181,576,096
Debt - Net of Sinking Fund	8	117,158,993	123,307,363
Pensions and Retirement Benefits (Note 8)		426,235,262	401,087,168
		748,945,210	705,970,627
Accumulated Deficit		143,401,306	128,681,738
		605,543,904	577,288,889

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

For the year ended March 31		2004 Original Estimates	2004 Actual	2003 Actual
		\$	\$	\$
	<u>Schedule</u>			
Revenue	9,11	650,149,000	705,513,046	676,110,509
Expenditure				
Current	10,12	624,869,632	675,699,939	594,613,815
Capital Development (Note 3(f))	14	70,372,944	24,174,072	20,715,044
Capital Acquisition (Note 3(f))	15	28,709,017	16,734,438	16,740,519
		723,951,593	716,608,449	632,069,378
(Deficit) Surplus Before Extraordinary Items			(11,095,403)	44,041,131
Extraordinary Items (Note 12)			(3,624,165)	8,174,379
(Deficit) Surplus after Extraordinary Items and before adjustments			(14,719,568)	52,215,510
Adjustment for Work in Process			-	42,923,453
Adjustment for Tangible Capital Assets			-	31,524,546
(Deficit) Surplus			(14,719,568)	126,663,509
Accumulated Deficit, Beginning of Year			(128,681,738)	(255,345,247)
Accumulated Deficit, End of Year			(143,401,306)	(128,681,738)

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

For the year ended March 31	2004	2003
	Actual	Actual
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
(Deficit) Surplus after Extraordinary Items and before adjustments	(14,719,568)	52,215,510
Items not affecting cash:		
Amortization of Tangible Capital Assets	11,684,160	6,037,143
Increase in Pension Liability	25,148,094	20,384,404
Tangible Capital Assets/Work in Process Adjustment	-	74,447,999
Increase in Non-Cash Working Capital	(36,171,426)	(20,858,000)
Write-off of Accounts Receivable	7,505,097	1,992,952
Write-off of Tangible Capital Asset	2,043,265	-
	(4,510,378)	134,220,008
INVESTING ACTIVITIES		
Advances to Bermuda Housing Corporation	(3,000,000)	-
Purchase of Tangible Capital Assets	(18,530,870)	(39,426,473)
Additions to Work In Process	(17,508,950)	(71,752,991)
	(39,039,820)	(111,179,464)
FINANCING ACTIVITIES		
Increase in Sinking Fund	(6,148,370)	(5,271,098)
	(6,148,370)	(5,271,098)
Net (Decrease) Increase in Cash and Deposits	(49,698,568)	17,769,446
Cash and Deposits, Beginning of Year	63,254,654	45,485,208
Cash and Deposits, End of Year	13,556,086	63,254,654

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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 are the primary source for the disclosed 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 earned and expenditures incurred during the year. Actual results could differ from estimates.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

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 14(c).

(e) Assets

Assets include:

- (i) cash and claims by the Government on outside 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.

(f) Tangible Capital Assets

Land and buildings held by the Bermuda Government are valued at historical cost and have been disclosed in the financial statements beginning of 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

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

to establish reasonable estimates of the historical costs in order to develop opening balances

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 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 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, 2004.

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.

In the current fiscal year, leased photocopiers and fax machines meeting the criteria for capital leases have been added as a new category of capital assets

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

Buildings	40 years
Betterments	
\$ 10,000 to \$49,999	7 years
\$ 50,000 to \$199,999	10 years
\$200,000 and above	40 years
Building Systems	7 years
Vehicles & Heavy Equipment	
\$10,000 to \$99,999	5 years
\$100,000 and above	7 years

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

Light Equipment, Boats & Vessels	
\$10,000 to \$99,999	5 years
\$100,000 and above	10 years
Leased Photocopiers & Fax Machines	3 years

The Ministry of Works and Engineering is primarily responsible for Government's tangible capital assets. Amortization expense is reported under that Ministry except for photocopiers and fax machines under capital lease which have been charged to the department to which the assets belong. Since amortization is a non-cash expenditure, it is removed for appropriation reporting purposes.

(g) Liabilities

Liabilities are recorded for financial obligations to outside 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.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

The Estimates referred to in the financial statement schedules are from the original Approved Estimates of Revenue and Expenditure for the fiscal year 2003/04 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 8. 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) Retirement Pay – Certain Government employees are entitled to retirement leave benefits that are accrued at year-end. For budget purposes, retirement pay is estimated based on anticipated 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.

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.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

6. 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

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 Consolidated Fund to set up the Insurance Fund. The Insurance Fund balance is not segregated from general operating cash and deposits.

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, 2004, no amounts have been paid into the Insurance Fund.

8. 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.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

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 - \$13,221,931 (2003 - \$12,155,066), MMLPF - \$274,456 (2003 - \$294,406). 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. A valuation was performed on the PSSF and MMLPF as at March 31, 2004 and the results are included in these financial statements.

The actuarial valuation performed as at March 31, 2001 included a number of employees which were not active participants as well as incorrect participation dates for several members. This resulted in an overstatement of the liability in the amount of \$27,632,600. The prior year's pension liability and accumulated deficit have been restated to reflect the correct balances, as disclosed in Note 15.

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 2.0% (prior valuation – 3.0%) and the cost of living increase will average 3.25% (prior valuation – 3.0%) per annum. The 1994 Group Annuity Mortality Table was used for the mortality assumption (prior valuation – 1983 Group Annuity Mortality Table).

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 \$289,581,774 as at March 31, 2004 (2003 – \$297,848,651) compared to a real market value of \$273,939,625 (2003 – \$214,538,026). For the MMLPF there is no difference between the market value of plan assets and the market-related value and as at March 31, 2004 the value was \$6,265,803 (2003 - \$5,995,603). The actual return on plan assets during the year was 36.4% (2003 – (15.7) %) for the PSSF and 7.0% (2003 – 7.0%) for the MMLPF.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

As at March 31, 2004, \$36,067,991 (2003 - \$22,285,641) was payable from the PSSF to the Consolidated Fund in respect of net benefits paid in excess of contributions received. The amount is offset against the net fund assets in the schedule included with this note. The net pension liability is shown in the schedule in note 8(e) and as at March 31, 2004 was \$325,944,211 (2003 - \$ 308,655,094)

(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 \$242,704 (2003 - \$234,170) A valuation was performed on the BDTRP as of March 31, 2003 and extrapolated to March 31, 2004 using the same long-term assumptions.

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 wage inflation rate of 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, 2004 the value was \$2,953,824 (2003 – \$1,979,022) The actual return on plan assets during the year was 38.1% (2003 – (26.3) %).

(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.

A net unamortized experience loss of \$190,665,645 (2003 - gain of \$1,142,512) is reported in the Schedule below. The amount comprises a total unamortized experience loss on the pension liability of \$160,050,752 (2003 – gain of \$13,004,481) and a total unamortized experience loss on the asset valuation of \$30,614,892 (2003 - \$11,861,969). The period of amortization is eight years.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

Aggregate information about the PSSF, MMLPF and BDTRP is in the table below.

(e) Funded Status of Plans

For the year ended March 31	2004	2003
	Actual	Actual
	\$	\$
Pension Liability		
Accrued Benefit Obligation		
PSSF	793,553,237	590,513,707
MMLPF	19,100,500	20,465,538
BDTRP	2,757,520	2,356,614
	815,411,257	613,335,859
Net Fund Assets		
PSSF	(289,581,774)	(297,848,651)
MMLPF	(6,265,803)	(5,995,604)
BDTRP	(2,953,824)	(1,979,022)
	(298,801,401)	(305,823,277)
Unamortized Estimation Adjustments		
PSSF/MMLPF/BDTRP	(190,665,645)	1,142,512
Pension Liability		
PSSF	313,305,818	293,807,568
MMLPF	12,834,697	14,469,934
BDTRP	(196,304)	377,592
Carried Forward to Note 8 (h)	325,944,211	308,655,094

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

For the year ended March 31	2004 Actual	2003 Actual
	\$	\$
Pension-Related Expenditure		
Cost of Pension Benefits	23,443,601	22,541,924
Employee Contributions	(12,995,569)	(11,949,472)
Interest on Pension Liability	22,863,466	21,489,861
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	
Valuation Adjustments (Note 8 (b))		
PSSF	-	(27,632,600)
	31,028,208	(1,252,424)

(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.

(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.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

In 2002 the Government adopted accrual accounting for the health care plan

An actuarial valuation of the Government's obligations for retirement benefits other than pensions was performed for accounting purposes at March 31, 2002 using various long-term assumptions and extrapolated to March 31, 2004.

The discount rate used in determining the accumulated post-retirement benefit obligation was 7.0%. The assumed health-care cost trend rate used was 10%, reducing by 0.5% per annum to 5% per annum. The 1983 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.

Accrued benefit obligation at beginning of year	\$92,432,074
Current period benefit cost	3,478,126
Interest accrued	6,517,207
Less: Benefit payments	<u>(2,136,356)</u>
Expected closing balance	<u>100,291,051</u>
Expected accrued benefit obligation at 3/31/04	100,291,051
Actual accrued benefit obligation at 3/31/04	100,291,051
Experience gain(loss)	-
Expected average remaining service life	8
Annual amortization	-

Liability for retirement benefits recorded in the statement of financial position

Closing accrued benefit obligation	\$100,291,051
Unamortized gains(losses)	<u>-</u>
Liability for retirement benefits	<u>100,291,051</u>

Expenditures/expenses recorded in statement of revenues and expenditures

Current period benefit cost	\$3,478,126
Recognition of unamortized gains	-
Amortization of gains / losses	<u>-</u>
Retirement benefit expenditure	3,478,126
Retirement benefit interest expenditure	<u>6,517,207</u>
Total expenditures related to retirement benefits	<u>9,995,333</u>

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

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

(h) Pensions and Retirement Benefits Summary

	2004	2003
	\$	\$
Pensions (Note 8(e))	325,944,211	308,655,094
Retirement Benefits other than		
Pensions – Health Insurance Plan	<u>100,291,051</u>	<u>92,432,074</u>
Total Pensions and Retirement Benefits	<u>426,235,262</u>	<u>401,087,168</u>

9. 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, 2004, \$2,341,969 (2003 - \$2,347,489) 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, 2004 is \$15,247,149 (2003 - \$6,464,075).

The increase from 2003 to 2004 relates to the following: Hardell Multimedia Limited – Prerogative Order 2003: No. 387 estimated at \$3,000,000; Hardell Entertainment Limited and Cable TV Ltd – Judicial Review/Injunction Relief Civil Jurisdiction 2003: No. 21&37 estimated at \$3,000,000 and Hardell Entertainment Limited and Hardell Cable TV – Judicial Review – Mandamus/Ceriorari 2004: No. 135 estimated at \$3,000,000.

(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.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

9. Contingent Liabilities (cont'd)

A liability of \$26,250,000 was accrued in the prior year's financial statements 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 were incurred to clean up the base land sites during the current fiscal year, this amount is still reflected in the March 31, 2004 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.

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 estimations when a determination can be made of them.

10. 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.

11. Lease Commitments

Beginning in the current fiscal year, the leases for photocopiers and fax machines were capitalized. The average period of the leases is 3 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:

	<u>March 31, 2004</u>
Present value of lease cost	\$3,596,349
Less: Accumulated amortization	<u>(2,263,069)</u>
Present value of leases payable	<u>\$1,333,280</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004

11. Lease Commitments (cont'd)

The following is a schedule of future minimum lease payments under leases expiring up to March 31, 2007:

	<u>March 31, 2004</u>
Year ending March 31	
2005	\$851,622
2006	451,844
2007	163,958
Less: Discounted amount	<u>(135,144)</u>
Present value of obligation	<u>\$1,333,280</u>

12. Extraordinary Items

(a) Unauthorized Transfers

As at March 31, 2004, an extraordinary loss of \$1,580,900 is shown in the Statement of Operations and Accumulated Deficit. This extraordinary item is a result of unauthorized on-line transfers from one of the overseas bank accounts. The amount as at March 31, 2004 was \$1,599,900. Nineteen thousand (\$19,000) was received subsequent to year-end. The net amount has been reflected as an extraordinary loss for the current fiscal year. A criminal investigation is currently in progress and it is expected that additional amounts will be recoverable subsequent to the completion of the investigation and legal proceedings.

(b) Hurricane Fabian

On September 5, 2003, a category three hurricane (Fabian) struck the island resulting in major destruction and damages to Government buildings, property and equipment. A supplementary estimate of \$11,244,970 was approved and is included in the current year (see Note 13) related to uninsured and unbudgeted costs incurred by many departments due to the impact of the hurricane. A Supplementary Estimate totalling \$7,956,000 relating to further expenses for repairs resulting from the hurricane, to be performed in fiscal year ending March 31, 2005, is to be presented to Cabinet for approval in October 2004.

The Government Insurance Policy covers much of the property damages that Government Departments and QUANGOs sustained from the hurricane. Insurance monies received for repairs are recorded in the Statement of Financial Position and then drawn down as the expenditures are incurred. The loss adjusters' current assessment of the total insurance claim for damages is approximately \$31,000,000. It is anticipated that the expenditures for damages to buildings and properties will be ongoing over the next two fiscal years. Of the \$5,000,000 received from insurance proceeds prior to year-end, \$2,675,480 had been spent on repairs and is included in the Statement of Financial Position as deferred insurance proceeds as at March 31, 2004. The balance of the insurance claims receivable of \$26,000,000 has been recorded in the Statement of Financial Position as at March 31, 2004, \$5,000,000 of which was received subsequent to year-end. Of the balance of the claims receivable at year-end, \$7,341,896 relates to

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004

12. Extraordinary Items (cont'd)

amounts received on behalf of several QUANGOs for damages to their buildings and properties. This liability is recorded in the Statement of Financial Position as at March 31, 2004.

(c) Write-Off of Tangible Capital Asset

A building which had a net carrying value of \$2,043,265 was written off during the year due to the fact that it sustained permanent physical damage from the hurricane and Government will no longer derive any future economic benefits from this asset.

(d) United States Government Funds Received For Baselands

The Statement of Operations and Accumulated Deficit shows an extraordinary item in the amount of \$8,174,379 for March 31, 2003. This amount reflects the remainder received from the United States Government of the \$11,000,000 payment made to the Government of Bermuda for receivables and effectively released the United States Government from all of its obligations in relation to the baselands.

13. Supplementary Estimates

Supplementary estimates are required by the Bermuda Constitution Order 1968 for expenditures incurred in excess of amounts appropriated. During the year, \$28,062,420 in Supplementary Estimates was approved and spent. Additional expenditures of \$5,095,705 were incurred in excess of amounts appropriated without Supplementary Estimates.

14. Related Party Transactions

(a) Funds

The Fund is related to the Government Employee Health Insurance Fund and several pension funds (Contributory Pension Fund (CPF), 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.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

14. Related Party Transactions (cont'd)

(b) QUANGOs

The Fund is related to entities called quasi-autonomous non-governmental organizations (QUANGOs). The QUANGOs are government businesses which have been established under their respective legislative incorporation acts. The majority are not dependent on appropriations from the Fund and their principal activity and source of revenue is the sale of goods and services to outside parties.

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 expenditures are generated between Government departments and/or Ministries. These revenues and the related expenditures should be eliminated from the Fund's figures. As per Note 3(d), interdepartmental revenues and expenditures are not eliminated, however all interdepartmental revenues and expenses have been identified and are shown in Schedules 11(a) and 12(a), respectively.

(d) Other

Bermuda Government has provided a letter of comfort to the Bank of Butterfield on behalf of the Bermuda Housing Corporation (BHC) dated July 13, 2000 which states that "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." The Bank has indicated that the letter of comfort does not constitute a guarantee wherein the Government would be required to make payments on behalf of BHC in the event of default.

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2004**

15. Correction of an Error

(a) Accounts Receivable – Payroll Tax

Accounts receivable and revenues were understated for the year ended March 31, 2003. The amount of the error was \$5,000,000 and related to payroll tax revenues. The prior year's receivable and revenue figures have been restated to reflect the correct balances.

(b) Pension Liability Restatement

The actuarial valuation performed as at March 31, 2001 included a number of employees who were not active participants, as well as incorrect participation dates for several members. This resulted in an overstatement of the pension liability in the amount of \$27,632,600 for fiscal years 2001, 2002 and 2003. The prior year's pension liability and accumulated deficit have been restated to reflect the correct balances.

16. Comparative Figures

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

Government of Bermuda - Consolidated Fund Schedule 1: Accounts Receivable

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Office of the Tax Commissioner	102,379,004	87,461,752
Judicial Department	4,303,538	2,763,286
Post Office	3,362,814	2,213,927
Works & Engineering	3,330,064	2,485,156
Registrar of Companies	3,139,832	3,680,042
Airport Operations	2,448,115	1,755,958
Customs	2,105,972	3,420,750
Telecommunications	2,032,010	2,671,331
Department of Education	1,969,569	2,000,940
Accountant-General	535,593	822,983
Fire Services	535,489	920,798
Civil Aviation	322,364	248,631
Public Transportation Board	319,060	306,072
Department of Human Resources	296,536	261,537
Tourism	239,069	1,812,066
Marine & Ports	201,688	574,947
Health Department	177,900	196,218
Maritime Administration	134,125	87,024
Conservation Services	102,691	91,650
Financial Assistance	78,600	67,884
Environmental Protection	65,811	59,672
Parks	58,591	58,688
Police	49,918	41,547
Registry General	32,704	62,419
Information Technology Office	16,555	16,555
Office of the Auditor General	5,950	-
Transport Control Department	5,026	-
Youth, Sport & Recreation	4,691	1,733
Libraries	4,644	-
Child & Family Services	3,465	3,497
E-Commerce	2,094	-
Department of Archives	-	619
	128,263,482	114,087,682
Less: Provision for Doubtful Accounts	27,373,889	21,478,653
	100,889,593	92,609,029

Government of Bermuda - Consolidated Fund
Schedule 2: Prepaid Supplies

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Works & Engineering	4,647,659	4,831,137
Public Transportation Board	2,478,227	3,100,480
Police	1,224,266	1,230,391
Marine & Ports	786,231	730,320
Department of Education	597,019	631,194
Defence	572,741	560,561
Department of Corrections	226,329	144,395
Conservation Services	110,397	81,475
Post Office	43,630	53,119
	10,686,499	11,363,072
Less: Provision for Obsolescence	358,443	358,443
	10,328,056	11,004,629

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Public Service Superannuation Fund (PSSF)	36,067,993	22,277,895
Bermuda Monetary Authority	1,657,661	1,224,115
Gov't Employees Health Insurance Fund	976,067	-
Small Business Development Corporation	670,562	640,588
West End Development Corporation	407,764	607,702
Bermuda Housing Corporation	401,920	18,461
Bermuda Land Development Company	294,456	166,034
Golf Courses	264,528	194,353
Hospital Insurance Fund	167,160	417,528
CedarBridge Academy	46,301	24,206
Parish Councils	40,510	-
Stonington Beach Hotel Ltd.	36,316	36,988
Pension Commission	13,796	26,194
National Drug Commission	3,783	2,446
National Sports Centre	2,074	1,680
Bermuda Hospitals Board	-	2,156,028
Contributory Pension Fund	-	1,092,394
Bermuda College	-	176,759
	41,050,891	29,063,371

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Ministers and Members Pensions Fund	6,292,404	6,022,205
Contributory Pension Fund	5,520,699	-
Mutual Reinsurance Fund	618,477	592,744
Tourism North America Retirement Plan	246,193	77,365
Bermuda Hospitals Board	121,281	-
Bermuda College	22,921	-
Gov't Employees Health Insurance Fund	-	8,351,861
Parish Councils	-	41,088
	12,821,975	15,085,263

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Balance, Beginning of Year	41,500,000	41,500,000
Advances	3,000,000	-
Balance, End of Year	44,500,000	41,500,000

The Government has loaned funds to the Bermuda Housing Corporation on the same terms and conditions as the loan facility described in Schedule 8.

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Education Student Loans	1,183,621	1,220,795
Less: Current Portion of Student Loans	443,601	443,140
	740,020	777,655

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Department Trade Accounts	27,766,540	37,045,912
Environmental Liabilities (Note 9)	26,250,000	26,250,000
Employees' Leave Entitlements	13,080,082	11,324,767
Deposits Held	8,650,122	8,101,098
Teachers' Salaries & Leave Entitlements	6,546,801	6,072,105
Employees' Retirement Pay Entitlements	3,412,664	3,116,004
Interest on Debt	2,142,443	2,158,604
Salaries, Wages and Benefits	1,395,205	1,386,551
Leases Payable	1,333,280	-
	90,577,137	95,455,041

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Registrar of Companies	40,480,862	38,787,176
Transport Control Department	15,624,872	15,061,634
Office of the Tax Commissioner	10,420,641	10,131,143
Immigration	4,542,428	4,906,729
Civil Aviation	2,024,690	1,394,085
Post Office	366,670	339,223
Health Department	90,387	123,532
Works & Engineering	81,411	81,816
Environmental Protection	73,058	83,092
Community Affairs	62,282	45,620
Department of Tourism	35,648	38,116
Youth, Sport & Recreation	19,413	23,723
Department of Social Insurance	4,500	2,600
Department of Education	461	243
Airport Operations	-	10,950
Maritime Administration	-	6,110
	73,827,323	71,035,792

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$
Senior Notes Due 2004 - US\$		
Issue Date: June 14, 1994.		
Interest: 7.59% payable semi-annually, June 14 and December 14.		
Notes Due: June 14, 2004	75,000,000	75,000,000
The notes were renegotiated subsequent to year end for similar terms.		
Loan Facility - US\$		
Amount: US \$ 150 million		
Issue Date: June 27, 2000		
Interest: LIBOR + .20% payable on rollover date.		
Facility Fee: .08% per annum payable quarterly.		
Period: 5 years	65,000,000	65,000,000
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
	160,000,000	160,000,000
Less: Sinking Fund (Note 5)	42,841,007	36,692,637
	117,158,993	123,307,363

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

For the year ended March 31	2004 Original Estimates	2004 Actual	2003 Actual
	\$	\$	\$
Taxes & Duties			
Payroll Tax	185,000,000	229,748,675	208,190,909
Customs Duty	185,966,000	193,496,182	184,986,642
Land Tax	40,000,000	41,864,606	40,507,190
Stamp Duty	29,670,000	32,288,549	34,876,976
Passenger Tax	26,050,000	26,802,787	25,858,761
Hotel Occupancy Tax	10,000,000	9,526,388	10,823,723
Foreign Currency Purchase Tax	3,500,000	4,849,018	3,886,545
Non-Bermudian Land Acquisition Tax	7,000,000	4,040,590	5,256,725
Corporate Services Tax	2,000,000	2,466,540	2,077,021
Betting Tax	800,000	1,310,180	1,233,015
Timesharing Tax	225,000	301,720	327,549
	490,211,000	546,695,235	518,025,056
Fees, Permits & Licences			
International Companies	48,870,000	47,923,871	47,689,259
Vehicle Licences & Registration	22,547,000	22,933,640	22,471,025
Air Terminal & Aviation	10,773,000	9,706,132	10,114,335
Postal Services	7,825,000	7,642,730	7,447,557
Immigration	7,368,000	7,340,687	7,456,559
Telecommunications	7,500,000	6,962,688	7,056,536
Bus Transportation	6,400,000	5,880,201	6,204,912
Registration of Aircraft	3,599,000	4,349,699	3,533,288
Companies Licences	3,700,000	4,049,032	3,470,333
Water	3,300,000	3,802,275	3,834,153
Services to Seaborne Shipping	2,850,000	2,811,820	3,232,104
Solid Waste Services	3,130,000	2,607,486	3,304,367
Local Companies	2,200,000	2,403,702	2,064,061
Rentals	1,915,000	1,997,755	1,956,541
Other Customs Fees & Charges	1,618,000	1,745,498	1,667,032
Registration of Shipping	1,360,000	1,687,650	1,733,196
Trade and Service Mark	1,308,000	1,290,448	1,325,300
Wharfage	950,000	1,290,410	1,196,659
Planning Fees and Searches	699,000	774,898	899,655
Ferry Services	1,550,000	733,492	671,620
Plant Production and Marketing Centre	500,000	375,700	520,511
Liquor Licences	300,000	317,085	343,115
Insurance Fees	-	27,136	-
	140,262,000	138,654,035	138,192,118
Other Revenue			
Other	9,650,000	10,120,066	10,831,926
Fines & Forfeitures	5,603,000	4,807,866	4,920,825
Investment Income	3,000,000	3,920,428	3,177,979
Bermuda Monetary Authority	500,000	1,315,416	962,605
Golf Courses	923,000	-	-
	19,676,000	20,163,776	19,893,335
TOTAL REVENUE	650,149,000	705,513,046	676,110,509

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

For the year ended March 31	2004 Original Estimates	2004 Actual	2003 Actual
	\$	\$	\$
Employees			
Salaries	221,459,000	215,845,415	194,710,172
Wages	65,423,000	65,289,795	59,156,197
Employer Overhead	31,638,000	15,242,258	13,817,305
Other Personnel Costs	6,506,000	6,267,872	5,908,703
Training	6,208,000	3,929,486	3,039,866
Retirement Benefit Expenditures	-	41,023,541	35,567,394
	331,234,000	347,598,367	312,199,637
Operations			
Grants & Contributions	148,285,000	146,840,883	139,719,731
Professional Services	40,113,000	50,786,666	39,741,020
Materials & Supplies	24,691,000	27,559,014	24,028,789
Advertising & Promotion	19,127,000	21,207,656	20,494,405
Energy	12,887,000	12,713,886	11,510,974
Repair & Maintenance	14,247,000	11,495,593	9,354,583
Amortization	-	11,684,160	6,037,143
Other	2,917,000	5,935,405	1,881,043
Interest on Debt	9,900,000	9,112,300	8,829,869
Rentals	10,184,000	8,906,919	8,090,315
Bad Debts	-	7,505,097	1,992,952
Insurance	7,088,000	5,707,832	5,196,308
Communications	6,098,000	5,418,067	5,100,580
Transport	5,017,000	5,188,942	5,103,511
Travel	4,703,000	4,117,725	3,680,126
Bank Charges & Commissions	-	218,896	146,828
Hurricane Recovery Expenses	-	2,205,490	-
Clothing & Uniforms	1,797,000	1,481,733	1,524,460
Write-Off of Inventory	-	1,073,580	-
Equipment	668,000	850,858	642,900
Capital Recharges	(1,690,000)	124,263	41
Transfer to Other Funds	3,475,000	-	-
Receipts Credited to Programmes	(15,871,368)	(12,033,393)	(10,661,400)
	293,635,632	328,101,572	282,414,178
TOTAL CURRENT EXPENDITURE	624,869,632	675,699,939	594,613,815

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

For the year ended March 31	2004 Original Estimates	2004 Actual	2003 Actual
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	40,000	56,944	50,310
05 Office Of The Auditor General	467,000	548,400	516,000
63 Parliamentary Registrar	5,000	5,007	4,184
	512,000	610,351	570,494
Cabinet Office Departments			
14 Department of Statistics	2,000	3,514	4,220
19 Department of Archives	7,000	2,615	6,257
51 Dept. of Communication & Information	-	1,441	2,814
	9,000	7,570	13,291
Ministry of Justice			
02 Legislature	10,000	4,098	5,442
03 Judicial Department	10,043,000	12,325,697	14,119,871
04 Attorney-General's Chambers	-	-	-
	10,053,000	12,329,795	14,125,313
Ministry of Finance			
10 Ministry of Finance HQ	-	173	93,668
11 Accountant-General	3,640,000	7,298,564	4,333,758
12 Customs	188,950,000	196,994,447	188,240,991
13 Post Office	7,817,000	7,651,741	7,473,570
28 Social Insurance	5,000	4,650	4,650
38 Office of the Tax Commissioner	293,206,000	342,061,142	319,165,745
39 Registrar of Companies	55,470,000	53,966,563	54,752,428
58 Interest on Debt	890,000	595,974	852,000
	549,978,000	608,573,254	574,916,810
Ministry of Education & Development			
17 Department of Education	150,000	148,300	140,644
	150,000	148,300	140,644
Ministry of Health & Family Services			
22 Health Department	828,000	875,636	784,179
23 Child & Family Services	142,000	158,048	179,605
	970,000	1,033,684	963,784
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	-	68,783	34,128
07 Police	365,000	330,842	304,746
27 Immigration	14,368,000	11,381,276	12,710,284
29 Registry General	1,308,000	1,290,448	1,325,300
44 Ministry of Labour & Home Affairs HQ	-	-	2,809
45 Fire Services	1,178,000	1,151,270	1,575,919
60 Labour & Training	-	4,100	-
	17,219,000	14,226,719	15,953,186

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

For the year ended March 31	2004 Original Estimates	2004 Actual	2003 Actual
	\$	\$	\$
Ministry of the Environment			
32 Department of Planning	734,000	800,787	926,527
49 Land Valuation	-	110	165
50 Ministry of the Environment HQ	10,000	11,120	7,910
68 Parks	150,000	113,651	130,818
69 Conservation Services	1,102,000	793,530	983,329
72 Environmental Protection	364,000	444,087	547,797
	2,360,000	2,163,285	2,596,546
Ministry of Tourism, Telecommunications & E-Commerce			
33 Department of Tourism	94,000	45,744	53,322
46 Telecommunications	7,500,000	6,962,688	7,056,536
	7,594,000	7,008,432	7,109,858
Ministry of Transport			
30 Marine & Ports Services	5,105,000	4,374,447	4,655,873
31 Airport Operations	11,770,000	10,679,826	10,758,895
34 Transport Control Department	22,782,000	22,934,039	22,545,010
35 Public Transportation Board	6,400,000	5,880,201	6,204,736
57 Civil Aviation	3,599,000	4,358,379	3,539,868
73 Maritime Administration	1,360,000	1,687,650	1,733,196
	51,016,000	49,914,542	49,437,578
Ministry of Works & Engineering & Housing			
36 Works & Engineering	8,988,000	8,607,776	9,356,494
42 Rent Commissioner	1,000	297	135
	8,989,000	8,608,073	9,356,629
Ministry of Community Affairs & Sport			
18 Libraries	13,000	19,546	15,448
20 Youth, Sport & Recreation	902,000	579,012	573,486
40 Community Affairs	384,000	289,508	337,012
52 Cultural Affairs	-	975	430
	1,299,000	889,041	926,376
TOTAL REVENUE	650,149,000	705,513,046	676,110,509

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

For the year ended March 31	2004 Interdepartmental Revenue	2004 Gross Revenue Actual	2004 Net Revenue
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	-	56,944	56,944
05 Office Of The Auditor General	-	548,400	548,400
63 Parliamentary Registrar	415	5,007	4,592
	415	610,351	609,936
Cabinet Office Departments			
14 Department of Statistics	-	3,514	3,514
19 Department of Archives	163	2,615	2,452
51 Dept. of Communication & Information	-	1,441	1,441
	163	7,570	7,407
Ministry of Justice			
02 Legislature	-	4,098	4,098
03 Judicial Department	150	12,325,697	12,325,547
	150	12,329,795	12,329,645
Ministry of Finance			
10 Ministry of Finance HQ	-	173	173
11 Accountant-General	-	7,298,564	7,298,564
12 Customs	1,579,667	196,994,447	195,414,780
13 Post Office	60,852	7,651,741	7,590,889
28 Social Insurance	-	4,650	4,650
38 Office of the Tax Commissioner	67,839	342,061,142	341,993,303
39 Registrar of Companies	-	53,966,563	53,966,563
58 Interest on Debt	-	595,974	595,974
	1,708,358	608,573,254	606,864,896
Ministry of Education & Development			
17 Department of Education	-	148,300	148,300
	-	148,300	148,300
Ministry of Health & Family Services			
22 Health Department	1,551	875,636	874,085
23 Child & Family Services	-	158,048	158,048
	1,551	1,033,684	1,032,133
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	-	68,783	68,783
07 Police	132	330,842	330,710
27 Immigration	4,032	11,381,276	11,377,244
29 Registry General	3,376	1,290,448	1,287,072
45 Fire Services	8,506	1,151,270	1,142,764
60 Labour & Training	2,400	4,100	1,700
	18,446	14,226,719	14,208,273

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

For the year ended March 31	2004 Interdepartmental Revenue	2004 Gross Revenue Actual	2004 Net Revenue
	\$	\$	\$
Ministry of the Environment			
32 Department of Planning	218	800,787	800,569
49 Land Valuation	-	110	110
50 Ministry of the Environment HQ	-	11,120	11,120
68 Parks	-	113,651	113,651
69 Conservation Services	1,051	793,530	792,479
72 Environmental Protection	843	444,087	443,244
	2,112	2,163,285	2,161,173
Ministry of Tourism, Telecommunications & E-Commerce			
33 Department of Tourism	-	45,744	45,744
46 Telecommunications	-	6,962,688	6,962,688
	-	7,008,432	7,008,432
Ministry of Transport			
30 Marine & Ports Services	7,415	4,374,447	4,367,032
31 Airport Operations	-	10,679,826	10,679,826
34 Transport Control Department	-	22,934,039	22,934,039
35 Public Transportation Board	79,566	5,880,201	5,800,635
57 Civil Aviation	-	4,358,379	4,358,379
73 Maritime Administration	-	1,687,650	1,687,650
	86,981	49,914,542	49,827,561
Ministry of Works & Engineering & Housing			
36 Works & Engineering	578,321	8,607,776	8,029,455
42 Rent Commissioner	-	297	297
	578,321	8,608,073	8,029,752
Ministry of Community Affairs & Sport			
18 Libraries	15	289,508	289,493
20 Youth, Sport & Recreation	795	19,546	18,751
40 Community Affairs	520	579,012	578,492
52 Cultural Affairs	-	975	975
	1,330	889,041	887,711
TOTAL REVENUE	2,397,827	705,513,046	703,115,219

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

For the year ended March 31	2004 Original Estimates	2004 Actual	2003 Actual
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	1,161,025	1,609,000	961,709
05 Office of the Auditor General	2,236,979	2,116,668	2,062,340
08 Public Service Commission	70,727	57,442	58,604
63 Parliamentary Registrar	1,148,964	928,550	673,154
	4,617,695	4,711,660	3,755,807
Cabinet Office Departments			
09 Cabinet Office	3,153,858	2,908,778	2,282,959
14 Department of Statistics	3,228,741	2,328,585	2,303,489
15 Department of Management Services	988,663	766,054	673,507
19 Department of Archives	813,224	746,340	770,008
26 Department of Human Resources	5,625,596	4,810,535	4,596,876
51 Department of Communication & Information	1,432,412	1,358,341	1,186,030
	15,242,494	12,918,633	11,812,869
Ministry of Justice			
02 Legislature	3,186,454	2,977,978	3,081,606
03 Judicial Department	7,430,388	5,651,395	6,131,282
04 Attorney-General's Chambers	3,688,867	3,689,524	3,487,291
62 Legislative Affairs	66,932	1,576	19,342
75 Dept. of Public Prosecutions	-	(5,814)	-
	14,372,641	12,314,659	12,719,521
Ministry of Finance			
10 Ministry of Finance HQ	3,819,270	6,755,336	3,015,627
11 Accountant-General	36,353,999	20,160,394	17,314,608
Retirement Benefit Expenditures	-	41,023,541	35,567,394
12 Customs	10,609,109	10,721,638	9,970,235
13 Post Office	10,729,560	10,628,180	10,166,112
28 Social Insurance	1,600,226	1,451,905	1,350,241
38 Office of the Tax Commissioner	2,267,581	10,857,779	4,028,210
39 Registrar of Companies	4,545,259	3,408,258	3,354,354
58 Interest on Debt	9,500,000	8,445,230	8,514,780
59 Sinking Fund Contribution	3,000,000	-	-
	82,425,004	113,452,261	93,281,561
Ministry of Education & Development			
17 Department of Education	89,240,027	94,668,827	79,843,057
41 Bermuda College	13,353,526	13,353,526	15,073,917
	102,593,553	108,022,353	94,916,974

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

For the year ended March 31	2004 Original Estimates	2004 Actual	2003 Actual
	\$	\$	\$
Ministry of Health & Family Services			
21 Ministry of Health & Family Services HQ	5,347,813	5,093,111	6,234,661
22 Health Department	20,584,650	19,445,634	18,663,245
23 Child & Family Services	8,357,610	8,888,535	9,955,447
24 Hospitals	78,426,877	79,936,075	73,806,281
55 Financial Assistance	15,510,436	14,019,804	14,104,834
74 Department of Court Services	4,092,705	2,692,532	-
	132,320,091	130,075,691	122,764,468
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	5,815,678	5,453,056	4,371,549
07 Police	42,805,693	45,504,148	41,068,975
25 Department of Corrections	19,147,025	19,121,802	18,969,179
27 Immigration	2,909,780	3,422,405	2,868,830
29 Registry General	1,445,973	1,258,744	1,134,363
44 Ministry of Labour & Home Affairs HQ	818,230	583,710	523,362
45 Fire Services	7,551,957	7,949,256	6,237,662
54 Security Services & Delegated Affairs	185,151	179,272	179,007
60 Labour & Training	4,749,787	4,663,972	3,975,691
	85,429,274	88,136,365	79,328,618
Ministry of the Environment			
32 Department of Planning	2,662,855	2,425,461	2,143,273
49 Land Valuation	978,795	622,237	613,821
50 Ministry of the Environment HQ	590,826	568,728	537,464
68 Parks	8,133,485	8,525,604	6,919,640
69 Conservation Services	4,065,755	3,921,805	3,906,454
72 Environmental Protection	3,289,041	3,370,965	2,919,234
	19,720,757	19,434,800	17,039,886
Ministry of Tourism, Telecommunications & E-Commerce			
33 Department of Tourism	35,920,020	36,830,674	35,630,347
43 Information Technology Office	5,428,456	4,927,237	4,371,686
46 Telecommunications	1,380,536	1,255,385	1,198,983
67 E-Commerce	989,391	879,827	789,761
	43,718,403	43,893,123	41,990,777
Ministry of Transport			
30 Marine & Ports	13,628,192	13,695,720	12,363,413
31 Airport Operations	17,746,349	19,419,673	15,759,061
34 Transport Control Department	2,660,161	2,460,474	2,338,543
35 Public Transportation Board	15,856,225	17,177,120	14,675,403
48 Ministry of Transport HQ	754,469	573,489	483,788
57 Civil Aviation	2,508,899	2,269,320	2,063,846
73 Maritime Administration	1,042,300	1,022,616	845,698
	54,196,595	56,618,412	48,529,752
Ministry of Works, Engineering & Housing			
36 Works & Engineering	51,855,459	58,301,930	46,650,403
Amortization	-	10,778,620	6,037,144
42 Rent Commissioner	491,703	323,871	242,938
53 Bermuda Housing Corporation	3,106,000	3,106,000	3,106,000
	55,453,162	72,510,421	56,036,485
Ministry of Community Affairs & Sport			
18 Libraries	1,794,228	1,773,560	1,586,144
20 Youth, Sport & Recreation	7,878,319	7,414,176	6,605,020
40 Community Affairs	1,388,320	1,209,645	1,287,378
52 Cultural Affairs	1,657,408	1,473,127	1,477,542
56 Human Affairs	2,061,688	1,741,053	1,481,013
	14,779,963	13,611,561	12,437,097
TOTAL CURRENT EXPENDITURE	624,869,632	675,699,939	594,613,815

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

For the year ended March 31	2004 Interdepartmental Expenditure	2004 Actual Gross Expenditure	2004 Net Expenditure
	\$	\$	\$
Non-Ministry Departments			
01 Governor & Staff	4,579	1,609,000	1,604,421
05 Office of the Auditor General	420	2,116,668	2,116,248
08 Public Service Commission	-	57,442	57,442
63 Parliamentary Registrar	65	928,550	928,485
	5,064	4,711,660	4,706,596
Cabinet Office Departments			
09 Cabinet Office	1,018	2,908,778	2,907,760
14 Department of Statistics	1,015	2,328,585	2,327,570
15 Department of Management Services	36	766,054	766,018
19 Department of Archives	906	746,340	745,434
26 Department of Human Resources	2,240	4,810,535	4,808,295
51 Department of Communication & Information	491	1,358,341	1,357,850
	5,706	12,918,633	12,912,927
Ministry of Justice			
02 Legislature	860	2,977,978	2,977,118
03 Judicial Department	4,146	5,651,395	5,647,249
04 Attorney-General's Chambers	1,280	3,689,524	3,688,244
62 Legislative Affairs	14,336	1,576	(12,760)
75 Dept. of Public Prosecutions	-	(5,814)	(5,814)
	20,622	12,314,659	12,294,037
Ministry of Finance			
10 Ministry of Finance HQ	673	6,755,336	6,754,663
11 Accountant-General	20,138	20,160,394	20,140,256
Retirement Benefit Expenditures	-	41,023,541	41,023,541
12 Customs	41,178	10,721,638	10,680,460
13 Post Office	4,855	10,628,180	10,623,325
28 Social Insurance	8,265	1,451,905	1,443,640
38 Office of the Tax Commissioner	101,895	10,857,779	10,755,884
39 Registrar of Companies	-	3,408,258	3,408,258
58 Interest on Debt	-	8,445,230	8,445,230
59 Sinking Fund Contribution	-	-	-
	177,004	113,452,261	113,275,257
Ministry of Education & Development			
17 Department of Education	18,645	94,668,827	94,650,182
41 Bermuda College	-	13,353,526	13,353,526
	18,645	108,022,353	108,003,708

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

For the year ended March 31	2004 Interdepartmental Expenditure	2004 Actual Gross Expenditure	2004 Net Expenditure
	\$	\$	\$
Ministry of Health & Family Services			
21 Ministry of Health & Family Services HQ	75	5,093,111	5,093,036
22 Health Department	95,313	19,445,634	19,350,321
23 Child & Family Services	10,990	8,888,535	8,877,545
24 Hospitals	-	79,936,075	79,936,075
55 Financial Assistance	21,668	14,019,804	13,998,136
74 Department of Court Services	1,377	2,692,532	2,691,155
	129,423	130,075,691	129,946,268
Ministry of Labour, Home Affairs & Public Safety			
06 Defence	130	5,453,056	5,452,926
07 Police	134,186	45,504,148	45,369,962
25 Department of Corrections	271,417	19,121,802	18,850,385
27 Immigration	235	3,422,405	3,422,170
29 Registry General	1,168	1,258,744	1,257,576
44 Ministry of Labour & Home Affairs HQ	-	583,710	583,710
45 Fire Services	6,163	7,949,256	7,943,093
54 Security Services & Delegated Affairs	-	179,272	179,272
60 Labour & Training	14,465	4,663,972	4,649,507
	427,764	88,136,365	87,708,601
Ministry of the Environment			
32 Department of Planning	831	2,425,461	2,424,630
49 Land Valuation	-	622,237	622,237
50 Ministry of the Environment HQ	1,477	568,728	567,251
68 Parks	-	8,525,604	8,525,604
69 Conservation Services	8,421	3,921,805	3,913,384
72 Environmental Protection	1,638	3,370,965	3,369,327
	12,367	19,434,800	19,422,433
Ministry of Tourism, Telecommunications & E-Commerce			
33 Department of Tourism	88,850	36,830,674	36,741,824
43 Information Technology Office	3,151	4,927,237	4,924,086
46 Telecommunications	155	1,255,385	1,255,230
67 E-Commerce	-	879,827	879,827
	92,156	43,893,123	43,800,967
Ministry of Transport			
30 Marine & Ports	48,057	13,695,720	13,647,663
31 Airport Operations	2,833	19,419,673	19,416,840
34 Transport Control Department	614	2,460,474	2,459,860
35 Public Transportation Board	264,766	17,177,120	16,912,354
48 Ministry of Transport HQ	250	573,489	573,239
57 Civil Aviation	6,456	2,269,320	2,262,864
73 Maritime Administration	30	1,022,616	1,022,586
	323,006	56,618,412	56,295,406
Ministry of Works, Engineering & Housing			
36 Works & Engineering	1,112,416	58,301,930	57,189,514
Amortization	-	10,778,620	10,778,620
42 Rent Commissioner	-	323,871	323,871
53 Bermuda Housing Corporation	-	3,106,000	3,106,000
	1,112,416	72,510,421	71,398,005
Ministry of Community Affairs & Sport			
18 Libraries	4,967	1,773,560	1,768,593
20 Youth, Sport & Recreation	56,704	7,414,176	7,357,472
40 Community Affairs	11,573	1,209,645	1,198,072
52 Cultural Affairs	236	1,473,127	1,472,891
56 Human Affairs	176	1,741,053	1,740,877
	73,656	13,611,561	13,537,905
TOTAL CURRENT EXPENDITURE	2,397,829	675,699,939	673,302,110

Government of Bermuda - Consolidated Fund
Schedule 13: Schedule of Tangible Capital Assets

For the year ended March 31	2004					31-Mar-04 Net Book Value	31-Mar-03 Net Book Value
	Estimated Useful Life	Original Cost	Additions/ Disposals	Accumulated Amortization	Current Amortization		
Tangible Capital Assets							
Land	Indefinite	53,383,611	13,472	-	-	53,397,083	53,383,611
Buildings & Betterments	40 years	244,565,481	10,220,798	(49,700,824)	(6,284,249)	198,801,206	193,102,758
*Rolling Stock - Vehicles	Varied	43,792,087	2,205,562	(30,014,632)	(4,329,206)	11,653,811	19,117,872
Vessels		22,010,462	47,055	(16,670,046)	(165,165)	5,222,306	-
Capital Leases		-	3,596,348	(1,357,528)	(905,540)	1,333,280	-
Total Tangible Capital Assets:		363,751,641	16,083,235	(97,743,030)	(11,684,160)	270,407,686	265,604,241
Work In Process		71,752,991	17,508,950	-	-	89,261,941	71,752,991

* Refer to Note 3 (f)- Rolling Stock is comprised of vehicles, heavy equipment, light equipment, boats and vessels
 In the current fiscal year ended March 31, 2004 these items are split out separately

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

For the year ended March 31	2004	2003
	Actual	Actual
	\$	\$
Cabinet Office Departments		
19 Department of Archives	25,032	151,908
	25,032	151,908
Ministry of Education & Development		
17 Department of Education	692,070	1,136,362
	692,070	1,136,362
Ministry of Health & Family Services		
22 Health Department	36,807	78,511
23 Child & Family Services	-	-
24 Hospitals	146,423	109,178
	183,230	187,689
Ministry of Labour, Home Affairs & Public Safety		
07 Police	361,779	21,200
25 Department of Corrections	99,193	45,567
27 Immigration	-	-
54 Security Services & Delegated Affairs	9,584	12,831
	470,556	79,598
Ministry of the Environment		
50 Ministry of the Environment HQ	1,022,036	1,130,634
68 Parks	203,002	193,020
69 Conservation Services	(89)	-
	1,224,949	1,323,654
Ministry of Transport		
31 Airport Operations	4,345,409	4,017,586
30 Marine & Ports	308,494	-
35 Public Transportation Board	77,373	15,712
	4,731,276	4,033,298
Ministry of Works, Engineering & Housing		
36 Works & Engineering	8,736,097	8,702,489
Ministry of Community Affairs & Sport		
20 Youth, Sport & Recreation	8,010,862	5,000,046
52 Cultural Affairs	100,000	100,000
	8,110,862	5,100,046
TOTAL CAPITAL DEVELOPMENT	24,174,072	20,715,044

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

For the year ended March 31	2004	2003
	Actual	Actual
	\$	\$
Non-Ministry Departments		
05 Office of the Auditor General	18,228	30,500
63 Parliamentary Registrar	-	6,117
	18,228	36,617
Cabinet Office Departments		
09 Cabinet Office	-	20,450
14 Department of Statistics	38,564	-
15 Department of Management Services	14,000	-
19 Department of Archives	21,894	20,919
26 Department of Human Resources	-	-
51 Department of Communications & Information	-	24,875
	74,458	66,244
Ministry of Justice		
03 Judicial Department	135,234	52,870
04 Attorney-General's Chambers	13,793	4,140
	149,027	57,010
Ministry of Finance		
10 Ministry of Finance HQ	263,977	529,048
12 Customs	2,584,835	722,009
13 Post Office	80,330	224,981
28 Social Insurance	-	12,995
38 Office of the Tax Commissioner	108,609	336,641
39 Registrar of Companies	1,248	24,455
	3,038,999	1,850,129
Ministry of Education & Development		
17 Department of Education	3,528,372	2,134,102
18 Libraries	-	20,320
	3,528,372	2,154,422
Ministry of Tourism, Telecommunications & E-Commerce		
43 Information Technology Office	2,661,181	2,672,632
46 Telecommunications	10,265	-
67 E-Commerce	1,092,947	-
	3,764,393	2,672,632
Ministry of Health & Family Services		
21 Ministry of Health & Family Services HQ	2,202	64,556
22 Health Department	240,630	205,535
23 Child & Family Services	18,608	64,668
24 Hospitals	-	80,000
74 Department of Court Services	107,000	-
	368,440	414,759
Ministry of Labour, Home Affairs & Public Safety		
07 Police	1,242,926	1,697,325
25 Department of Corrections	353,292	488,040
27 Immigration	140,833	46,116
45 Fire Services	449,147	575,758
	2,186,198	2,807,239

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

For the year ended March 31	2004	2003
	Actual	Actual
	\$	\$
Ministry of the Environment		
32 Department of Planning	105,818	9,042
68 Parks	152,821	38,561
69 Conservation Services	76,666	46,892
72 Environmental Protection	-	15,730
	335,305	110,225
Ministry of Community Affairs & Sport		
20 Youth, Sport & Recreation	122,321	-
40 Community Affairs	-	22,905
	122,321	22,905
Ministry of Transport		
30 Marine & Ports	615,946	1,778,136
31 Airport Operations	46,163	58,340
34 Transport Control Department	200,998	253,010
35 Public Transportation Board	(479,145)	2,284,716
57 Civil Aviation	1,261	-
73 Maritime Administration	5,948	-
	391,171	4,374,202
Ministry of Works & Engineering		
36 Works & Engineering	2,705,594	2,174,135
42 Rent Commissioner	51,932	-
	2,757,526	2,174,135
TOTAL CAPITAL ACQUISITION	16,734,438	16,740,519

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

For the year ended March 31, 2004

	Actual	For Appropriation *	Original Estimates	Under (Over) Spent
	\$	\$	\$	\$
Non-Ministry Departments				
01 Governor & Staff	1,609,000	1,608,468	1,161,025	(447,443)
05 Office of the Auditor General	2,116,668	2,111,024	2,236,979	125,955
08 Public Service Commission	57,442	57,442	70,727	13,285
63 Parliamentary Registrar	928,550	926,614	1,148,964	222,350
	4,711,660	4,703,548	4,617,695	(85,853)
Cabinet Office Departments				
09 Cabinet Office	2,908,778	2,877,566	3,153,858	276,292
14 Department of Statistics	2,328,585	2,328,585	3,228,741	900,156
15 Department of Management Services	766,054	765,280	988,663	223,383
19 Department of Archives	746,340	728,864	813,224	84,360
26 Department of Human Resources	4,810,535	4,796,463	5,625,596	829,133
51 Department of Communication & Information	1,358,341	1,354,662	1,432,412	77,750
	12,918,633	12,851,420	15,242,494	2,391,074
Ministry of Justice				
02 Legislature	2,977,978	2,977,601	3,186,454	208,853
03 Judicial Department	5,651,395	6,130,847	7,430,388	1,299,541
04 Attorney-General's Chambers	3,689,524	3,707,570	3,688,867	(18,703)
62 Legislative Affairs	1,576	1,576	66,932	65,356
75 Dept. of Public Prosecutions	(5,814)	(5,814)	-	5,814.00
	12,314,659	12,811,780	14,372,641	1,560,861
Ministry of Finance				
10 Ministry of Finance HQ	6,755,336	6,749,388	3,819,270	(2,930,118)
11 Accountant-General	20,160,394	36,035,861	36,353,999	318,138
Retirement Benefit Expenditures	41,023,541	-	-	-
12 Customs	10,721,638	10,753,174	10,609,109	(144,065)
13 Post Office	10,628,180	10,567,109	10,729,560	162,451
28 Social Insurance	1,451,905	1,450,092	1,600,226	150,134
38 Office of the Tax Commissioner	10,857,779	2,436,073	2,267,581	(168,492)
39 Registrar of Companies	3,408,258	3,653,978	4,545,259	891,281
58 Interest on Debt	8,445,230	8,445,230	9,500,000	1,054,770
59 Sinking Fund Contribution	-	3,000,120	3,000,000	(120)
	113,452,261	83,091,025	82,425,004	(666,021)
Ministry of Tourism, Telecommunications & E-Commerce				
33 Department of Tourism	36,830,674	4,918,570	35,920,020	31,001,450
43 Information Technology Office	4,927,237	879,827	5,428,456	4,548,629
46 Telecommunications	1,255,385	36,860,120	1,380,536	(35,479,584)
67 E-Commerce	879,827	1,255,385	989,391	(265,994)
	43,893,123	43,913,902	43,718,403	(195,499)
Ministry of Education & Development				
17 Department of Education	94,668,827	94,007,567	89,240,027	(4,767,540)
41 Bermuda College	13,353,526	13,353,526	13,353,526	-
	108,022,353	107,361,093	102,593,553	(4,767,540)

* 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, 2004

	Actual	For Appropriation*	Original Estimates	Under (Over) Spent
	\$	\$	\$	\$
Ministry of Health & Family Services				
21 Ministry of Health & Family Services HQ	5,093,111	5,091,413	5,347,813	256,400
22 Health Department	19,445,634	19,301,820	20,584,650	1,282,830
23 Child & Family Services	8,888,535	8,906,986	8,357,610	(549,376)
24 Hospitals	79,936,075	79,936,075	78,426,877	(1,509,198)
55 Financial Assistance	14,019,804	14,008,386	15,510,436	1,502,050
74 Department of Court Services	2,692,532	2,677,384	4,092,705	1,415,321
	130,075,691	129,922,064	132,320,091	2,398,027
Ministry of Labour, Home Affairs & Public Safety				
06 Defence	5,453,056	5,452,229	5,815,678	363,449
07 Police	45,504,148	45,459,406	42,805,693	(2,653,713)
25 Department of Corrections	19,121,802	19,153,383	19,147,025	(6,358)
27 Immigration	3,422,405	3,421,885	2,909,780	(512,105)
29 Registry General	1,258,744	1,253,376	1,445,973	192,597
44 Ministry of Labour & Home Affairs HQ	583,710	583,710	818,230	234,520
45 Fire Services	7,949,256	7,949,256	7,551,957	(397,299)
54 Security Services & Delegated Affairs	179,272	179,272	185,151	5,879
60 Labour & Training	4,663,972	4,663,972	4,749,787	85,815
	88,136,365	88,116,489	85,429,274	(2,687,215)
Ministry of the Environment				
32 Department of Planning	2,425,461	2,430,945	2,662,855	231,910
49 Land Valuation	622,237	622,237	978,795	356,558
50 Ministry of the Environment HQ	568,728	563,084	590,826	27,742
68 Parks	8,525,604	8,524,674	8,133,485	(391,189)
69 Conservation Services	3,921,805	3,916,364	4,065,755	149,391
72 Environmental Protection	3,370,965	3,370,545	3,289,041	(81,504)
	19,434,800	19,427,849	19,720,757	292,908
Ministry of Transport				
30 Marine & Ports	13,695,720	13,992,619	13,628,192	(364,427)
31 Airport Operations	19,419,673	19,406,172	17,746,349	(1,659,823)
34 Transport Control Department	2,460,474	2,466,393	2,660,161	193,768
35 Public Transportation Board	17,177,120	16,102,569	15,856,225	(246,344)
48 Ministry of Transport HQ	573,489	573,489	754,469	180,980
57 Civil Aviation	2,269,320	2,276,407	2,508,899	232,492
73 Maritime Administration	1,022,616	1,022,616	1,042,300	19,684
	56,618,412	55,840,265	54,196,595	(1,643,670)
Ministry of Works, Engineering & Housing				
36 Works & Engineering	58,301,930	58,148,960	51,855,459	(6,293,501)
Amortization	10,778,620	-	-	-
42 Rent Commissioner	323,871	323,871	491,703	167,832
53 Bermuda Housing Corporation	3,106,000	3,106,000	3,106,000	-
	72,510,421	61,578,831	55,453,162	(6,125,669)
Ministry of Community Affairs & Sport				
18 Libraries	1,773,560	1,761,659	1,794,228	32,569
20 Youth, Sport & Recreation	7,414,176	7,407,597	7,878,319	470,722
40 Community Affairs	1,209,645	1,232,180	1,388,320	156,140
52 Cultural Affairs	1,473,127	1,473,127	1,657,408	184,281
56 Human Affairs	1,741,053	1,741,053	2,061,688	320,635
	13,611,561	13,615,616	14,779,963	1,164,347
TOTAL CURRENT EXPENDITURE	675,699,939	633,233,882	624,869,632	(8,364,250)

* Adjusted for Non-Budgeted, Non-Cash Items

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

As at March 31	2004	2003
	Actual	Actual
	\$	\$

Unspent Capital Appropriations

In accordance with Section 6 of the Appropriations Act 2003, unspent capital appropriations for incomplete capital projects to be carried forward to future years are as follows:

Capital Development	55,610,427	40,366,710
Capital Acquisition	18,062,328	15,837,077
	73,672,755	56,203,787

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	358,954,700	346,883,235
Appropriated Capital Development	(252,173,544)	(199,253,070)
Unappropriated Capital Development	106,781,156	147,630,165

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

As at March 31	2004	2003
	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 \$250 million

Debt (Schedule 8)	160,000,000	160,000,000
National Education Guarantees (Note 9(a))	2,341,969	2,347,489
	162,341,969	162,347,489
Sinking Fund (Schedule 8)	42,841,007	36,692,637
Public Debt	119,500,962	125,654,852
Legislated Limit	250,000,000	250,000,000
Available Limit	130,499,038	124,345,148