



GOVERNMENT OF BERMUDA

Financial Statements

of the

Consolidated Fund

March 31, 2025

Issued by
Ministry of Finance
The Accountant General

**Government of Bermuda – Consolidated Fund
Financial Statements
March 31, 2025**

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**Government of Bermuda – Consolidated Fund
Financial Highlights
March 31, 2025**

**Financial Statement Discussion and Analysis
for the fiscal year ended March 31, 2025**

Introduction to Public Accounts

In accordance with the *Public Treasury (Administration & Payments) Act 1969*, the Ministry of Finance produces the Public Accounts annually to report on the operating results and financial condition of the Government. The Public Accounts include general-purpose financial statements meant to meet the needs of a variety of users. They are not prepared on a consolidated basis, which means that they do not include Quangos, boards, and other entities owned or controlled by the Government but include the financial information of the departments and public service units of government.

These financial statements are prepared in accordance with Canadian public sector accounting standards. For purposes of the Government's financial statements, this refers to the Public Sector Accounting Standards (PSAS) of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (which are promoted by the Chartered Professional Accountants of Bermuda by signed agreement and therefore generally accepted in Bermuda), supplemented where appropriate by other accounting standards of CPA Canada and the International Federation of Accountants.

The 2025 Public Accounts commence with the Financial Statement Discussion and Analysis (FSD&A) section. The FSD&A is prepared by the Ministry of Finance. The information included in the FSD&A is based on the audited financial statements of the Consolidated Fund (CF). The information provided includes narrative explanations and graphical illustrations highlighting the key relationships that exist among the quantitative representations set out in the financial statements, as well as explanations and illustrations of variances and trends. The Government is responsible for the integrity, objectivity, and fair presentation of the information in the FSD&A.

The Consolidated Fund is the level at which the annual estimates are prepared in detail for approval by the government. The purpose of the FSD&A is to provide additional analysis and key indicators of the CF's performance. The CF is comprised of all departments and public service units of the Bermuda Government.

Government of Bermuda – Consolidated Fund

Financial Highlights

March 31, 2025

Summary Financial Information

The following tables and charts illustrate summary financial information for the fiscal year ended March 31, 2025.

Financial Highlights

The highlights section provides a summary of the key events affecting the financial statements based on information taken from the Audited Financial Statements. The Actual figures referred to in the table below reflect Current Account Expenditures. The budget figures are from the book of *Approved Estimates of Revenue and Expenditure for the Year 2024/25*.

Budget and Actual Results 2024/25

(thousands of dollars)¹

	2024-25		2023-24	Variance	
	Budget	Actual	Actual	2024-25 Actual to Budget	2024-25 v 2023-24 Actual
	Revenue				
Payroll Tax	580,459	612,607	537,004	32,148	75,603
Customs Duty	233,864	225,879	227,648	-7,985	-1,769
Other taxes	219,150	220,701	209,069	1,551	11,632
Other revenue (incl. fees, permits and licenses, investment income) ²	198,871	206,424	202,999	7,553	3,425
Total Revenue	1,232,344	1,265,611	1,176,720	33,267	88,891
Expense by Function					
Economic Development	267,950	415,721	343,960	147,771	71,761
Health	203,442	202,477	216,516	-965	-14,039
National Security	173,153	186,318	173,256	13,165	13,062
Education	143,556	142,112	135,193	-1,444	6,919
Social Services & Assistance	118,384	124,036	97,330	5,652	26,706
Other Government Services	85,533	74,884	89,986	-10,649	-15,102
Total Program Expense	992,018	1,145,548	1,056,241	153,530	89,307
Interest on Debt	127,777	126,846	129,236	-931	-2,390
Pensions and Retirement Benefits	-	108,698	95,828	108,698	12,871
Total Expense	1,119,795	1,381,093	1,281,305	261,297	99,788
Annual Current Account Surplus (Deficit)	112,549	-115,482	-104,585	-228,030	-10,897
Net Debt		5,445,187	5,266,398		178,789

¹ Totals may not add due to rounding

² Other revenues are identified in the Statement of Operations and Accumulated Deficit in the Financial Statements.

Government of Bermuda – Consolidated Fund Financial Highlights March 31, 2025

(Deficit) Surplus

Consolidated Statement of Operations and Accumulated Deficit

(thousands of dollars)¹

	2024-25	2023-24	Variance
	Actual	Actual	2024-25 v 2023-24
Total Revenue	1,265,611	1,176,720	88,891
Total Program Expense	1,442,286	1,338,252	104,034
Deficit	-176,675	-161,532	-15,143
Net Debt	-5,445,187	-5,266,398	-178,789

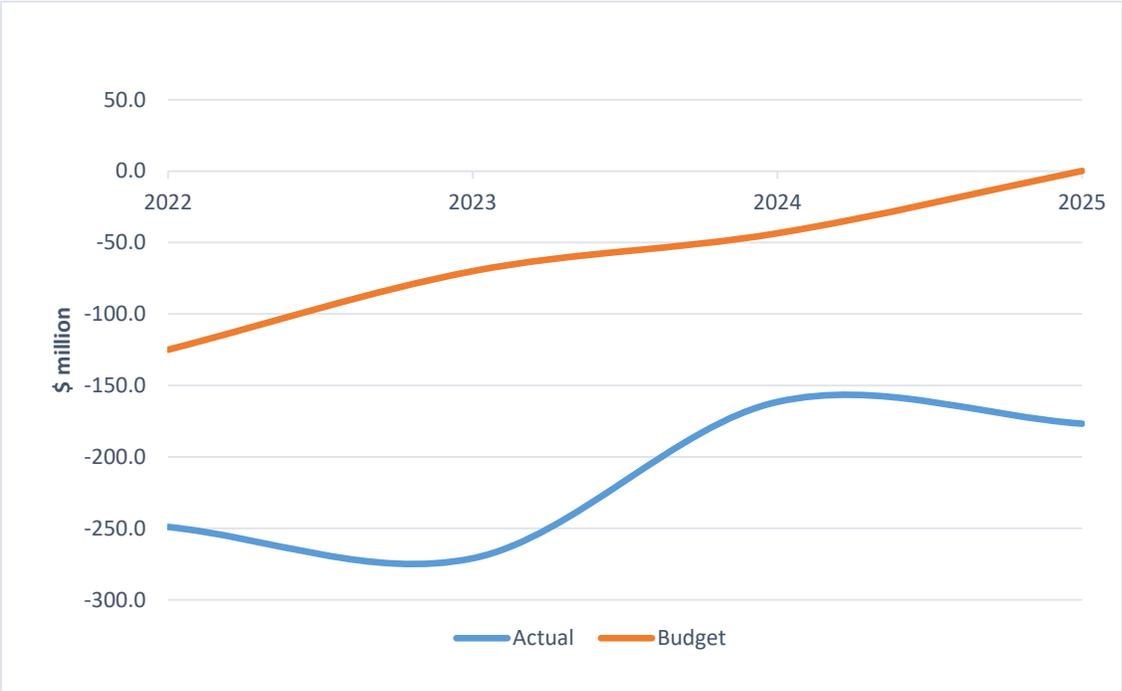
¹ Totals may not add due to rounding

The deficit is the net financial result of the year's operations. For the fiscal year ended March 31, 2025, total revenue was \$1.27 billion (2024 – \$1.18 billion) and total expenses were \$1.44 billion (2024 – \$1.34 billion). The resulting deficit of \$176.68 million was \$176.89 million higher than the budgeted surplus of \$0.2 million and \$15.17 million higher than the prior year's deficit of \$161.50 million. However, the budget surplus is done on a modified cash basis, while the deficit in the financial statements is done on an accrual basis.

The following chart shows the financial results on an accrual basis for the last 4 years against the budget estimates (on a modified cash basis).

**Government of Bermuda – Consolidated Fund
Financial Highlights
March 31, 2025**

(Deficit) Surplus - 4 Year Trend



Net Debt

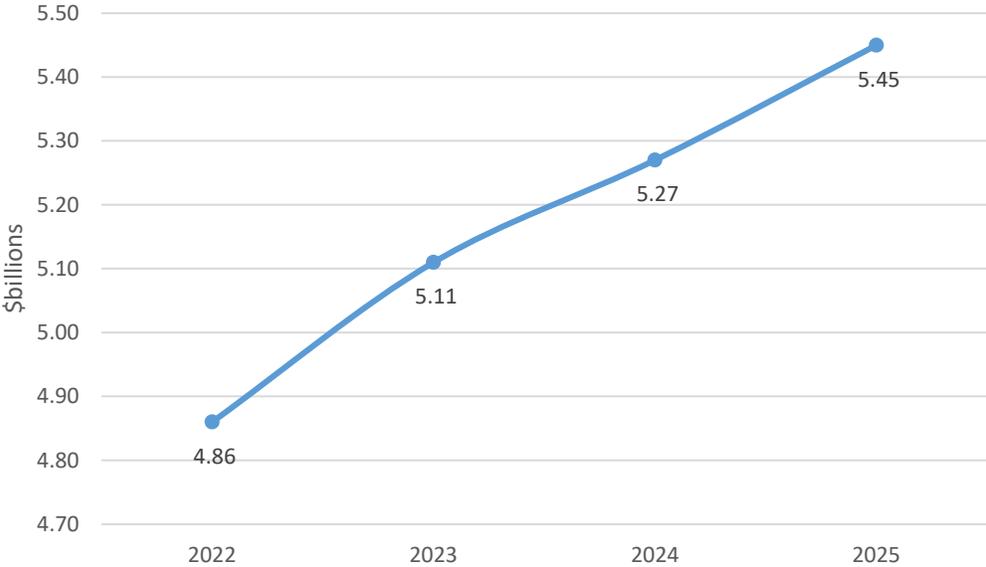
Net debt results when a government’s total liabilities exceed total financial assets. As a key measure of the Government’s financial position, net debt indicates the amount that current and past generations have accumulated through the incurrence of annual deficits and net investments in non-financial assets. Net debt represents the liabilities to be funded by future revenues. These amounts remain as obligations for future generations to fund through annual surpluses or to continue to carry as debt.

Net debt was \$5.45 billion at March 31, 2025, \$178.79 million higher than the prior year due to the \$176.68 million deficit, offset by \$0.80 million net acquisitions of tangible capital assets/assets under construction, \$2.22 million net changes to inventories for consumption, and prepaid expenses, and net remeasurement losses of \$689,441.

**Government of Bermuda – Consolidated Fund
Financial Highlights
March 31, 2025**

The Government has reported net debt in the past four years as follows:

Net Debt - 4 Year Trend

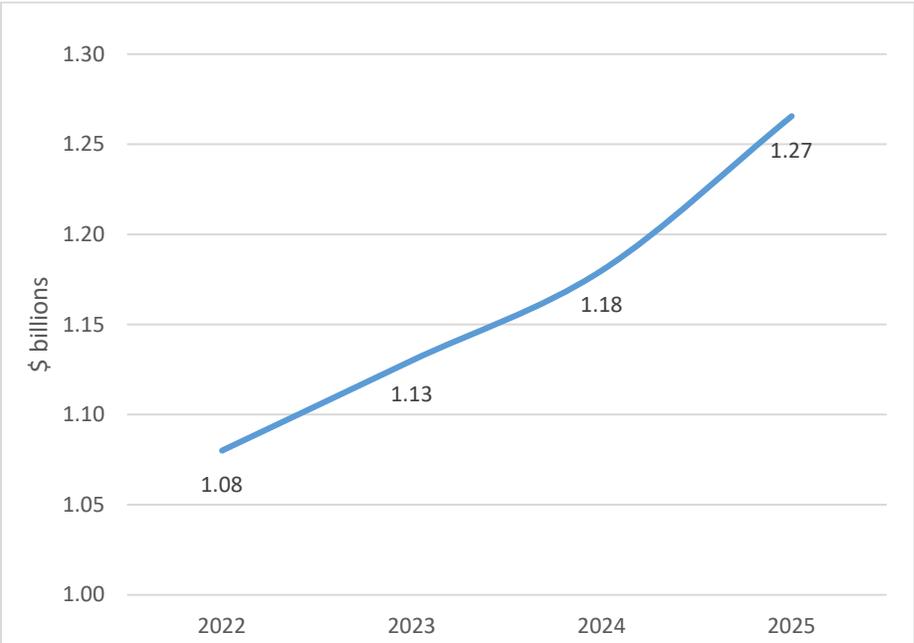


Revenue

Total revenue for the year was \$33.27 million or 2.7 per cent higher than estimates, and \$88.91 million or 7.6 per cent higher than the prior year. The increases from estimates were attributable primarily to payroll tax, changes in fees, permits and licenses rates. The Consolidated Fund earned other revenues from a variety of sources.

**Government of Bermuda – Consolidated Fund
Financial Highlights
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Total Revenue - 4 Year Trend

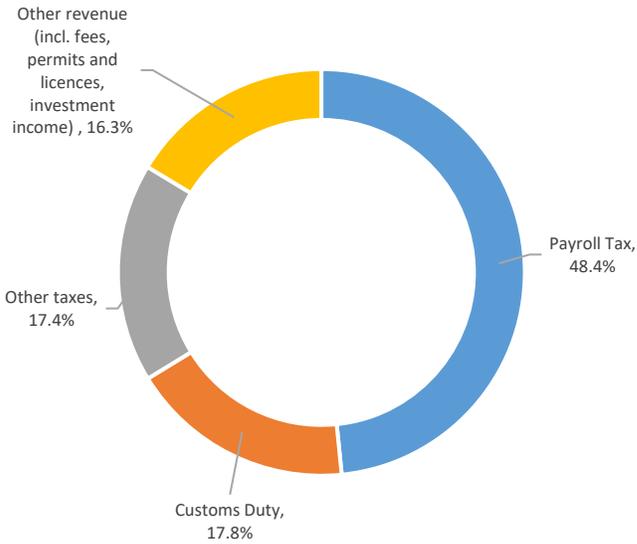


Revenue by Source

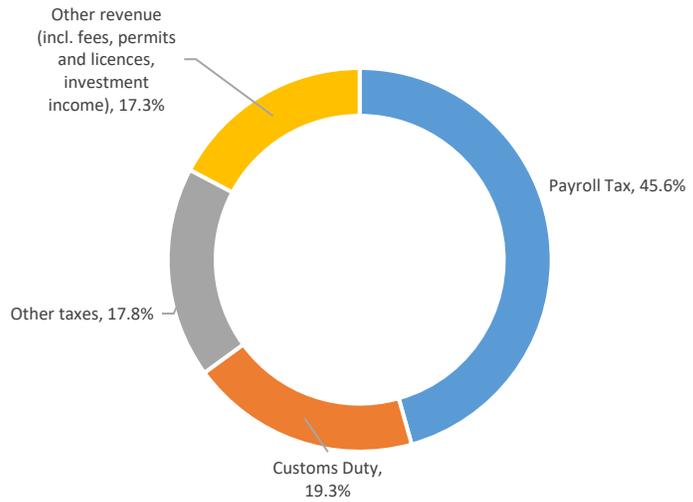
The Consolidated Fund’s revenue by major funding sources remained consistent with the prior year. The related breakdowns for fiscal years 2025 and 2024 were as follows:

Government of Bermuda – Consolidated Fund Financial Highlights March 31, 2025

Revenue Type - 2025



Revenue Type - 2024



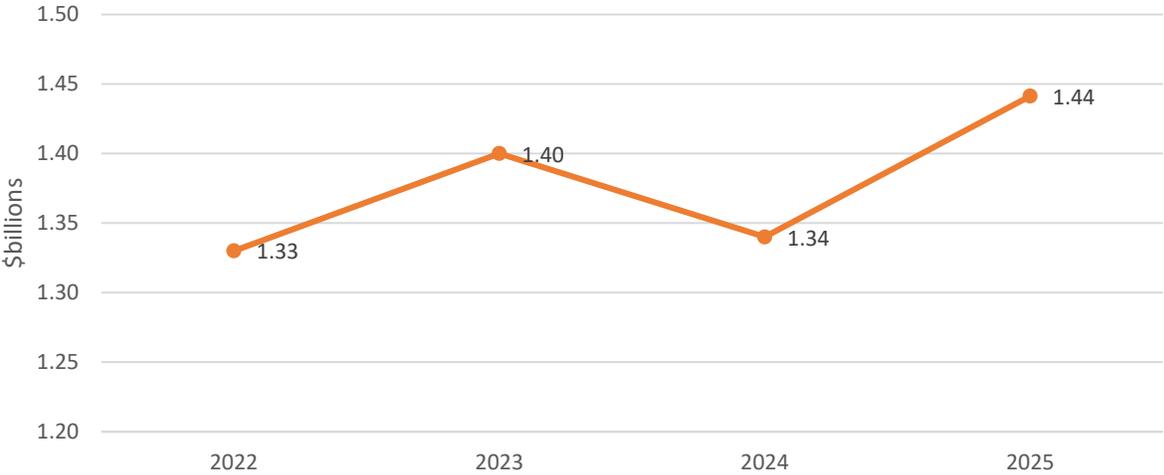
**Government of Bermuda – Consolidated Fund
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Expenses

Total current expenses were \$153.53 million or 15.5 per cent higher than estimates. However, the estimates do not take into account certain pension obligations which accounted for approximately \$108.70 million in expenses. The rise was largely attributable to the increases in Economic Development expenses at \$147.77 million, along with increases in expenditure by the National Security and Social Services & Assistance at \$ 18.82 million.

Similar to 2024, in 2025 the Consolidated Fund paid \$3 million to the Joint Provisional Liquidators (JPL) in relation to the ongoing financial support and redevelopment of Morgan’s Point/Caroline Bay project.

Total Expenses - 4 Year Trend

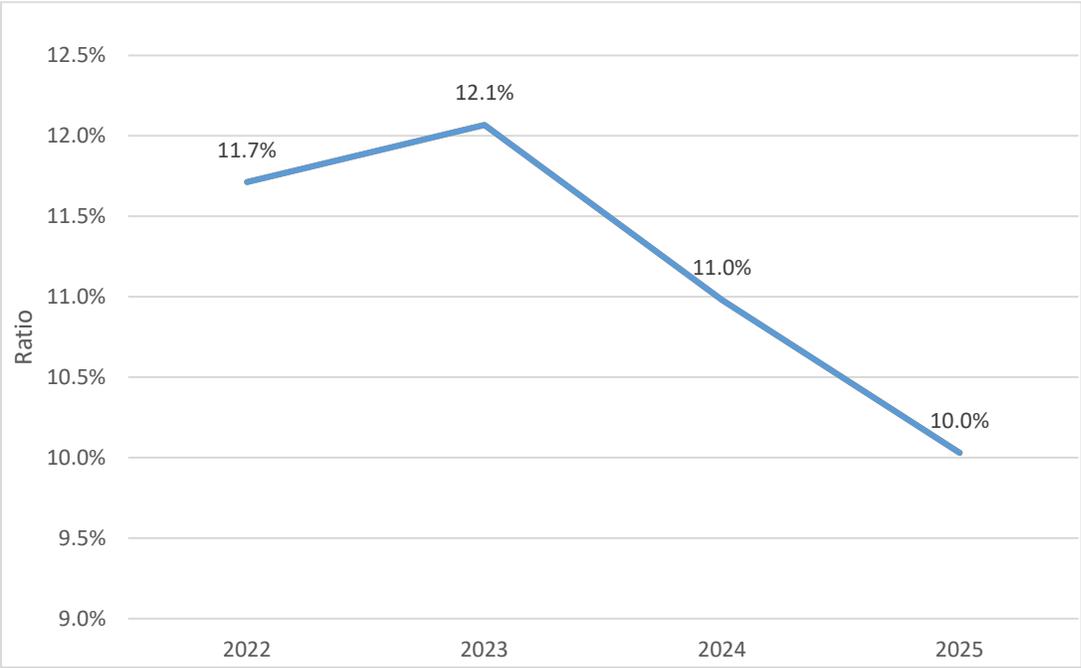


**Government of Bermuda – Consolidated Fund
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Debt Servicing Costs to Total Revenue

Debt servicing costs as a percentage of total revenue shows the proportion of every dollar of revenue that is needed to pay interest and thus is not available to provide program initiatives. A lower ratio means that the Government uses less revenue to meet the interest cost on total debt outstanding, which provides greater flexibility in meeting financial and service commitments in the current year. The ratio of debt servicing costs to total revenue decreased by 1.0 percentage points from the previous year to 10 per cent.

Debt Servicing Costs to Total Revenue - 4 Year Trend



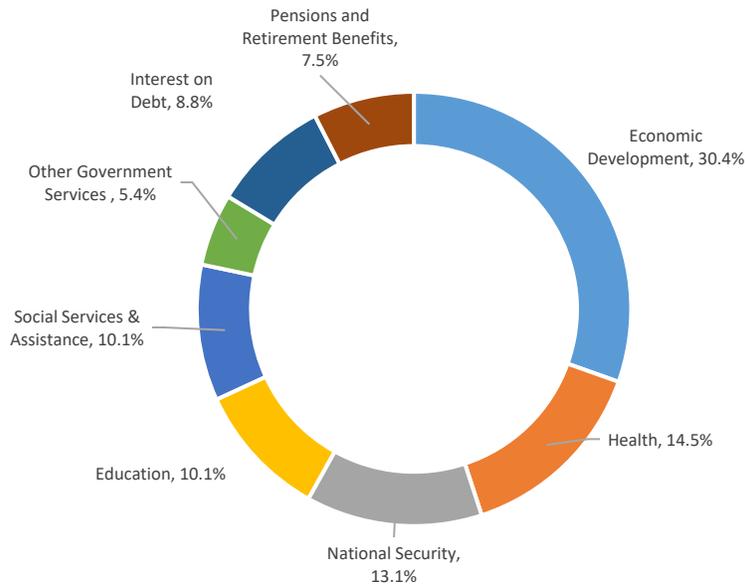
Expenses by Program

Economic Development increased by \$57.44 million to 30.4 per cent of expenses by major function, up from 28.5 per cent in the prior year. The increase was primarily due to increased provision for doubtful accounts for public authorities at \$51.10 million alongside a \$30 million grant to the MRF paid from the Sinking Fund as well as \$6.24 million ARO expense. Estimates do not take into account amortization, which accounted for approximately \$46 million in expenses.

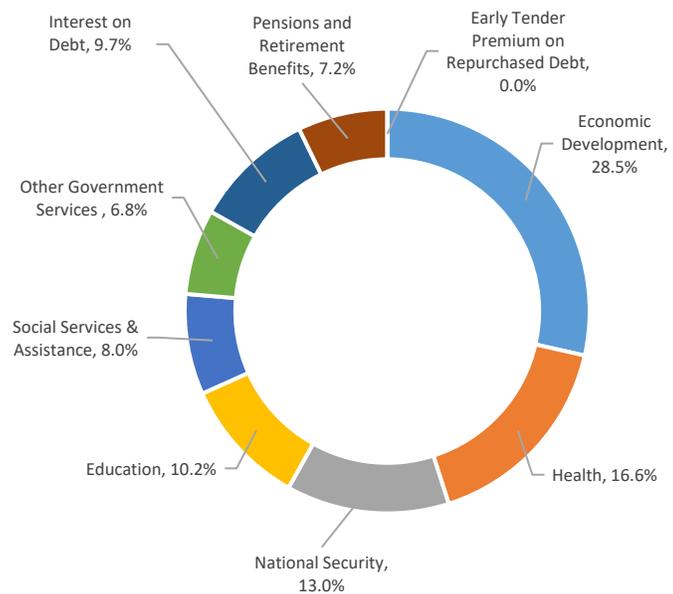
Government of Bermuda – Consolidated Fund Financial Highlights March 31, 2025

The related breakdowns for fiscal years 2025 and 2024 were as follows:

Expenses By Function - 2025



Expenses By Function - 2024



Government of Bermuda – Consolidated Fund

Financial Highlights

March 31, 2025

Summary Statement of Financial Position

(thousands of dollars)¹

	at March 31		Change from 2024	
	2025 Actual	2024 Actual		
Financial Assets	SFP	SFP		
Cash	47,537	35,074	12,463	35.5%
Accounts receivable and long-term receivables	284,346	265,685	18,661	7.0%
Investment in Morgan's Point	1	1	0	0.0%
Investment in BLDC	0	5,000	-5,000	-100.0%
Net due from government funds and agencies	45,829	54,203	-8,375	-15.5%
	377,713	359,964	17,749	4.9%
Liabilities				
Debt	3,275,055	3,204,146	70,909	2.2%
Asset Retirement Obligations	44,475	37,934	6,542	17.2%
Pensions and other employee future benefits	2,268,805	2,160,107	108,698	5.0%
Accounts payable and deferred liabilities	234,565	224,176	10,389	4.6%
	5,822,900	5,626,362	196,538	3.5%
Net Debt	5,445,187	5,266,398	178,789	3.4%
Capital / Other Non-financial Assets	646,559	645,135	1,425	0.2%
Accumulated Deficit	4,798,628	4,621,263	177,365	3.8%

¹ Totals may not add due to rounding

Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to finance future operations. Financial assets increased by \$17.75 million or 4.9 per cent from last year to \$377.71 million at the end of 2025. Cash increased by \$12.46 million as a result of the operating, investing, capital, and financing activities shown in the Statement of Cash Flow. Receivables were \$18.66 million higher than the prior year due to an increase in the accrual of payroll and other taxes.

Effective September 1, 2024, all assets, liabilities and shareholding of BLDC were transferred to BLMC.

Government of Bermuda – Consolidated Fund

Financial Highlights

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The net amount due from government funds and agencies decreased by \$8.38 million or 15.5 per cent from the prior year. The decrease was due to increases in receivables for share of profits from BMA and fees from the Regulatory Authority (RA). These were more than offset by provisions for the BCAA and additional provisions for the BLMC. The movement also includes the reclassification of amounts previously due to the GEHI fund, which have now been reclassified to accounts payable.

Liabilities

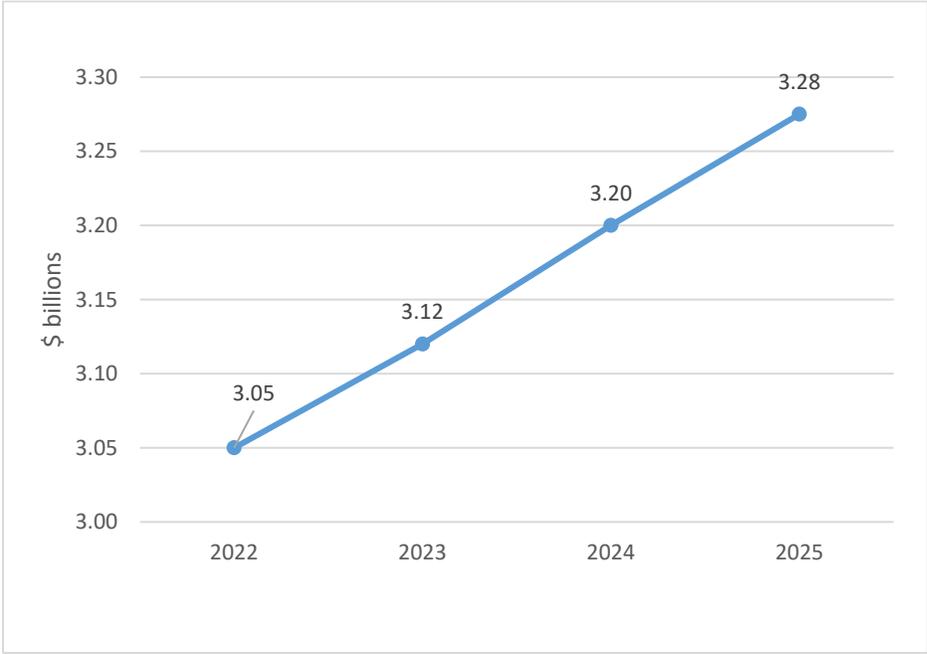
Liabilities, consisting of debts or other monetary obligations owing at year-end and to be settled in the future, increased by \$196.54 million from last year to \$5.82 billion. Pensions and Other Employee Future Benefits increased by \$108.70 million due to current year's Pensions and Retirement Benefits Expense.

Other changes to liabilities included an increase of \$10.39 million in Accounts payable and deferred liabilities mostly attributable to increase in environmental liabilities to \$3.85, the reclassification to accounts payables amounts previously due to the GEHI fund as well as an increase in deposits held.

Interest Bearing Debt- Net of Sinking Fund increased by \$70.91 million from the prior year mainly due to the withdrawal of \$71.18 million from the Sinking Fund.

**Government of Bermuda – Consolidated Fund
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Debt – Net of Sinking Fund- 4 Year Trend



In July 2022, Government raised \$496.74 million through the issuance of 5% Senior Notes due in 2032. The Government utilized the proceeds to finance the early principal payment of the \$354 million 4.138% Senior notes due in January 2023, and \$1,915,658 was utilized for the facility charges and other ancillary fees related to the notes refinancing. The remainder was deposited in the Sinking Fund to be used to pay off the \$140 million 5.73% due in December 2022.

The Government also raised an additional \$405.19 million on August 15, 2022, in an additional issuance of \$390 million 5% Senior Notes due in 2032. The proceeds were inclusive of accrued interest of \$2,004,167 and purchase premium of \$13,185,900 and was used for the early retirement of the \$402 million of 4.854% Senior notes due in 2024. Additionally, the Government fully repaid the \$50 million 4.75% Senior Notes due December 2023.

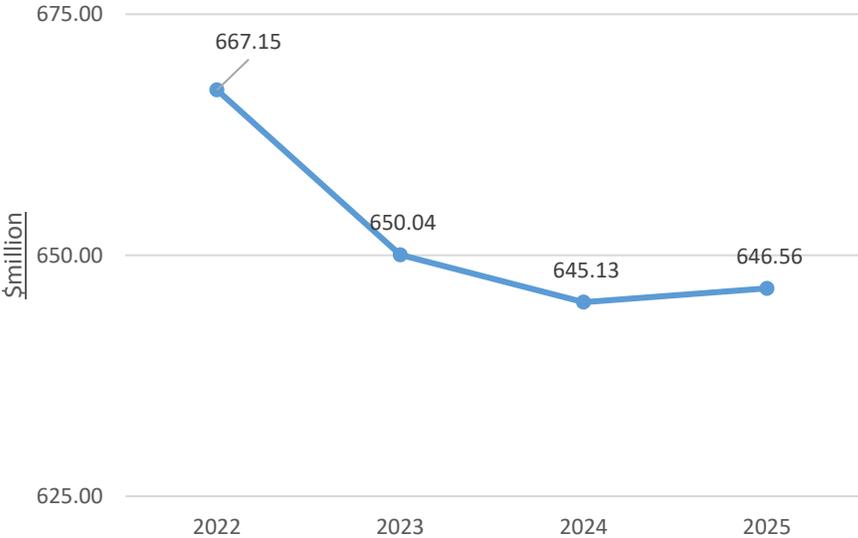
**Government of Bermuda – Consolidated Fund
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Non-Financial Assets

Non-financial assets are a significant component of the CF’s financial position and are assets to be used for the provision of services in the future. Non-financial assets consist primarily of tangible capital assets but also include inventories for consumption and prepaid expenses.

Total non-financial assets decreased by \$1.43 million to \$646.56 million at the end of the fiscal year. Over the past four years, total non-financial assets decreased from \$667.15 million at the end of 2022 to \$646.56 million at the end of 2025, largely due to annual amortization of tangible capital assets exceeding the purchase and construction of new capital assets.

Non-Financial Assets - 4 Year Trend



Tangible Capital Assets

The net book value (acquisition cost less accumulated amortization) of tangible capital assets (TCA) makes up a substantial asset of the CF, totaling \$565.63 million at the end of 2025, a decrease of \$6.91 million from the end of the previous fiscal year. Net TCA 2025 additions of \$39.14 million were offset by \$46.04 million of annual amortization net of adjustments. This has been the trend since 2020.

**Government of Bermuda – Consolidated Fund
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The table and chart below summarize the CF's TCA portfolio by major asset class and show the differences in each class compared to the prior year.

Tangible Capital Assets (Net Book Value)
(thousands of dollars)

	2025	2024	Change from 2024	
Land, Buildings & Betterments	339,588	354,451	-14,863	-4.2%
Infrastructure	126,520	124,161	2,358	1.9%
Plant, Machinery, Vehicles & Vessels	75,933	67,560	8,373	12.4%
Computers, Furniture, Equipment & Capital Leases	23,589	26,365	-2,775	-10.5%
	<u>565,629</u>	<u>572,536</u>	<u>-6,907</u>	<u>-1.2%</u>

Totals may not add due to rounding

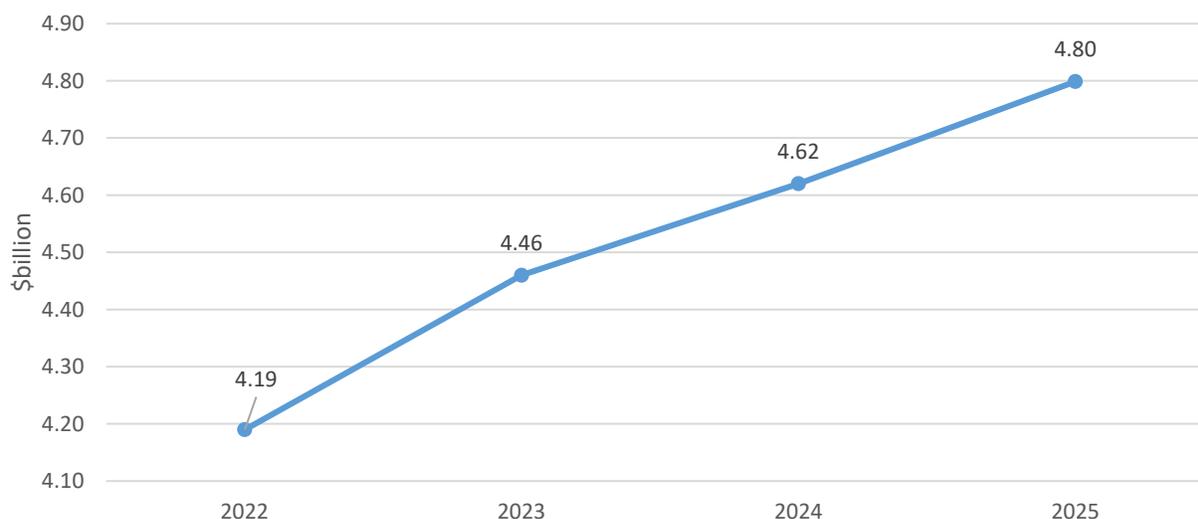
Accumulated Deficits

Accumulated deficits represent the difference between the CF's liabilities and both financial and non-financial assets. Further, they are the sum of all surpluses and deficits incurred to date, calculated according to current accounting policies. Accumulated deficits are a secondary measure of the Government's financial position.

The accumulated deficits were \$4.80 billion at March 31, 2025, \$177.37 million higher than a year ago as a result of the annual deficit. The CF has reported accumulated deficits in the past four years as follows:

Government of Bermuda – Consolidated Fund Financial Highlights March 31, 2025

Accumulated Deficits - 4 Year Trend



Cash Flows

The CF's financial statements are reported on an accrual basis, whereby the timing of transactions may vary from when actual cash is paid or received. The Statement of Cash Flow summarizes the increases and decreases in CF's cash flows in terms of the sources and uses of cash identified within the following activities: operating, capital, and financing.

During 2025, the CF's net cash position increased by \$12.46 million. Cash outflows were used to purchase \$50.57 million in TCA and assets under construction. Cash outflows of \$8.16 million were also used to fund normal operating activities including pensions and retirement benefits liabilities during the year, \$71.18 million in sinking fund withdrawals.

Cash Flows by Activity

(\$ thousands)

	<u>2025</u>	<u>2024</u>	<u>Change from 2024</u>
Operating	-8,155	-46,103	37,948
Capital	-50,566	-43,390	-7,176
Financing	71,184	79,624	-8,440
	<u>12,463</u>	<u>-9,869</u>	<u>22,332</u>

Government of Bermuda – Consolidated Fund Financial Highlights March 31, 2025

Modified Cash Basis of Reporting

The Ministry of Finance prepares annual Budget Estimates on the modified cash basis. The financial statements of the Consolidated Fund are prepared on an accrual basis. Due to the difference in accounting, Schedule 12 of the financial statements restates actual expenses on the modified cash basis for comparative and analytical purposes against the Adjusted Budget Estimates.

The total revenue raised by the Consolidated Fund (CF) for fiscal 2024/25, on a modified cash basis was \$1.27 billion, the same amount recorded in the financial statements. The budgeted figure was \$1.23 billion.

Total current expenditure on a modified cash basis was \$1.13 billion (2023/24 – \$1.11 billion), which was \$15 million more than original budget estimates (2023/24 – \$6.04 million less).

Total capital account modified cash expenditure was \$101.7 million, which was \$6.2 million lower than the original budget estimates.

Total capital and current account cash expenditure for 2024/25 was \$1.24 billion, which was \$4.4 million or 0.34% higher than the original budget estimate of \$1.23 billion.

The all-inclusive result from government operations (both current and capital) on an accounting accrual basis for the year ending March 31, 2025, was a deficit of \$176.68 million, \$15.15 million higher than the prior year's deficit of \$161.53 million.

There are many non-appropriated expenses included in this figure. If we strip those away, the modified cash all-inclusive results from government operations (on the same basis that is shown in the Budget Book) was a surplus of \$29 million. This compares to a surplus of \$213 thousand that was originally budgeted. Therefore, the actual overall surplus was up by \$28.8 million when compared to the original estimate. The increased surplus is primarily a result of higher than budgeted revenues. This surplus is part of the Government's Medium-Term expenditure Framework (MTEF) strategy to achieve future budget surpluses. During this fiscal year the Government has continued to prudently manage discretionary current and capital expenditures, which resulted in the first budget surplus since 2002/03 balanced budget.

Government of Bermuda – Consolidated Fund

Economic Highlights

March 31, 2025

Bermuda Economy Overview

The economy of Bermuda is based primarily on international business and the high-end segment of the tourism sector. Bermuda is regarded as a leading international financial center because of the following factors:

- a long-established and highly developed commercial and social infrastructure;
- geographic proximity to the United States and Canada and ease of access to and from major European cities and the United Kingdom;
- recognized by the Organization for Economic Cooperation and Development (the “OECD”), the International Monetary Fund (the “IMF”) and other multilateral organizations as having internationally acknowledged transparency standards;
- transparent and consistent application of financial services policy towards the financial services sector;
- close international relations in the financial sector, including bilateral relations with the G7 and G20 economies as well as other markets that are of significant economic importance to Bermuda;
- well-established reputation as a domicile of choice for insurance and reinsurance;
- the BSX is one of the world’s largest offshore, fully electronic securities markets recognized by the SEC as a “Designated Offshore Securities Market”;
- modern business infrastructure and facilities;
- high standards of living;
- well-educated population and world-class labor force;
- absence of direct taxation and exchange controls for international business; and
- stable regulatory framework.

Government of Bermuda – Consolidated Fund

Economic Highlights

March 31, 2025

Bermuda's economy continues to exhibit positive signs during a period when the global economy is facing increased trade barriers and significant policy uncertainty. The US economy is predicted to slow down this year and as our largest trading partner, the government will continue to carefully monitor developments. Although the external environment is not ideal, Bermuda has experienced growth across key sectors, such as employment, international business, tourism, construction, and imports. Inflation has averaged below 2.0% over the last 12 months, while increases in employment income bodes well for consumer spending levels this year. Air arrivals and air visitor spending have shown positive results which is welcomed news for the hospitality sector.

The Government will continue to exhibit fiscal discipline and effective economic policy decision making to move the economy forward on a positive and sustained trajectory.

Real GDP was estimated to have grown by 1.1% in the first quarter of 2025. This growth was supported by increases in both Final Consumption and Gross Capital Formation. Household Final Consumption increased by 1.5% due in large part to higher expenditure for personal care services, catering, and air transport services. Government Final Consumption also grew by 1.5% as a result of greater expenditure on wages, salaries, and insurance. Gross Capital Formation rose by 5.2% due in part to higher imports of industrial and agricultural machinery and transportation equipment. Conversely, the External Balance on Goods and Services decreased by 0.5%.

In fiscal year 2024/25, the Government demonstrated strong fiscal management, achieving a more favourable financial outcome than originally anticipated. The primary drivers of this fiscal performance were the Revenue Performance, Current account and Capital account expenditures as well as the Interest and Guarantee management costs. Total revenue achieved was \$1.27 billion, which surpassed the original estimate of \$1.23 billion by \$33.27 million (2.7%). This increase is primarily attributed to higher-than-expected payroll tax receipts, which reflect the positive impact of economic and employment growth in Bermuda. Current Account Expenditures slightly exceeded the original estimate by \$15.05 million (1.3%). This is relatively a minor increase in spite of additional unforeseen expenses during the year, such as funds required to pay adjustments for public officers and teachers as part of union salary negotiations. Spending on capital projects reached \$101.7 million, \$10.6 million below the original budgeted amount of \$112.3 million. Notable allocations include infrastructure and equipment investments: \$9.7 million for new ferries, \$7.8 million in grants to the Bermuda Housing Corporation to address affordable housing needs, and \$5.7 million for education reform classrooms. The Government's costs related to interest and guarantee management were \$126.8 million, aligning closely with the budgeted amount of \$127.8 million.

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Looking ahead, the 2025/26 fiscal projections reflect continued growth in revenues alongside careful management of operational expenditures. Recent adjustments and updates highlight the total revenue for 2025/26 projected to reach \$1.47 billion, an increase of \$38.3 million (2.1%) from the original estimate of \$1.43 billion. This increase is driven by continued economic recovery and an increased provision for global minimum tax receipts. Current Account expenditures are expected to total \$1.13 billion, \$17.3 million (1.8%) above the initial budgeted figure of \$1.11 billion. This increase reflects the \$17.3 million supplemental spending estimate introduced on December 5th in the House of Assembly. Capital Account Expenditures are projected at \$154.9 million, exceeding the initial estimate of \$149.8 million by \$5.1 million. This increase includes allocations for essential infrastructure upgrades, public safety improvements, and the development of community spaces to enhance local environments contained in the supplemental spending estimate introduced on December 5th in the House of Assembly. Interest and Guarantee Management Costs are projected to remain steady at \$127.5 million, consistent with the original budget.

Overall, the 2025/26 budget estimated a \$43.3 million surplus, however, based on the revised estimates and increases in revenue projected, the Government now anticipates a budget surplus of \$59.8 million.

Bermuda's Tax System Reform

The Tax Reform Commission (TRC) was established under the Tax Reform Commission Act 2017 with the aim of advising the Government of any measures to advance Bermuda's system of taxation and revenue collection as well as preparing and submitting its reports and recommendations. The TRC report published by the Minister of Finance on 27 August 2025 contained policy recommendations aimed at reshaping Bermuda's tax system to reduce the cost of living and the cost of doing business, and to promote job creation, economic growth, social equity and healthy public finances. The Government has since implemented a series of tax credits to encourage investment in strategically important areas. Some of the other tax reduction initiatives selected by the Ministry of Finance include Employer Payroll Tax reduction, Bulk Electricity Generation Incentives as well as Adjustment to the Employee Portion of Payroll Tax. The TRC recommends a reduction in the employer portion of payroll tax rates, effectively capping the higher rate bands at 7% for all taxpayers. It is estimated that this measure will reduce Government revenue by approximately \$68 million per annum. The TRC also made two recommendations regarding bulk electricity generation. The first is the elimination of all remaining duty related to the production, supply, and delivery of electricity. The second is the removal of the employer portion of payroll taxes for entities engaged in regulated

Government of Bermuda – Consolidated Fund

Economic Highlights

March 31, 2025

bulk power generation and distribution using fossil fuels. Eliminating these taxes will reduce the overall cost of electricity. These measures are estimated to reduce annual government revenue by \$4.5 million in lost duty and \$3.5 million in payroll taxes. The recommended changes to the employee portion of the tax rates are aimed at increasing the progressiveness of the payroll tax. The main idea related to the adjustments is to lower the rates for employees earning below \$96,000 per year and increase the rates for those earning over that amount.

The primary focus of these recommended adjustments is to lessen the burden on lower and middle-income earners, while maintaining fairness in the tax system. Based on these recommendations, it is estimated that changes to the employee portion of the payroll tax decrease Government's revenues by \$24 million per year.

Corporate Income Tax

The Government of Bermuda enacted a Corporate Income Tax ("CIT") in 2023 which came into effect for fiscal years beginning on or after 1 January 2025 for companies that fall in scope. The legislative provisions have since been updated and amended to reflect developments in international tax at the Organization for Economic Cooperation and Development ("OECD") level, as well as separate enactments to provide for the administrative mechanisms for the assessment, reporting, and collection of tax, and the provision of tax refund reserve fund to manage the flow of funds relating to instalment payments. The first instalments of CIT were made in August 2025, and further payments were made in December 2025, for taxpayers with a calendar fiscal year. The Government of Bermuda has implemented and continues to refine its Corporate Income Tax and related Tax Credit framework to align with global standards while incentivising local economic investment and maintaining a transparent, collaborative approach with stakeholders.

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Debt Reduction

Whilst recognizing the potential volatility of CIT receipts, the Government forecasts that adhering to its fiscal rules and ongoing judicious management of public finances will support a significant reduction or elimination of government debt over the next ten years. A provisional medium-term expenditure framework is being set out for repayment of \$500 million out of the \$605 million due in January 2027. Net debt to GDP is expected to fall from 28.5% in FY 2026/27 to 20.8% in FY 2028/29. Interest payments are projected to reduce from \$128 million in FY 2026/27 to \$105 million in FY2028/29. Following repayment of the bond maturing in January 2027, the Government accepts the TRC's recommendation to allocate funding to the Stability Fund and Debt Sinking Fund of \$100 million and \$200 million respectively, on average, over a rolling three-year period. Allocation to these funds will both reduce the net debt.

The Sinking Fund balance is expected to stand at \$392 million at the end of FY 2028/29, which will provide a sound base to repay debt that will become due in February 2029. During FY 2026/27 the Government will re-empanel a debt management committee to support an effective treasury management strategy as we seek to reduce our net debt, as it may be advantageous for the Government to reduce outstanding debt prior to it coming due.

Credit Ratings

In 2025, Bermuda retained strong ratings from Standard & Poor's (S&P), Moody's Investors Services Inc. ("Moody's"), Kroll Bond Rating Agency (KBRA) and Morningstar DBRS, reflecting the Government's effective fiscal management and economic resilience. S&P reaffirmed Bermuda's A+ rating with a stable outlook, stating that "Steady performance in Bermuda's key insurance industry, along with smooth implementation of the new corporate income tax, will support fiscal consolidation and lower government debt". Moody's upheld an A2 rating with a stable outlook, highlighting Bermuda's high per capita income, stable Government debt ratios, and strong offshore financial services sector as strengths which support the country's capacity to absorb potential shocks. KBRA maintained an A+ rating with a stable outlook, praising Bermuda's strides in fiscal consolidation, high level of wealth, strong institutions, and regulatory environment. They also mention that Bermuda's new corporate income tax is promoting considerable increased fiscal flexibility. Morningstar DBRS upgraded Bermuda's rating to A (high) with a stable outlook. The rating agency stated that credit rating is supported by the country's high GDP per capita, strong fiscal track record, and stable political environment.

Government of Bermuda – Consolidated Fund

Economic Highlights

March 31, 2025

GDP

Bermuda continues to maintain an economy focused on international business, finance, tourism and construction. Twelve out of the 19 reporting industries experienced positive GDP growth in 2024. The following table shows GDP by industry for the years indicated.

Real gross domestic product ⁽¹⁾ by economic sector 2020-2024:

	For the year ended December 31,				
	2020	2021	2022	2023	2024P
	(dollars in thousands)				
Agriculture, Forestry and Fishing	17,517	21,856	16,128	14,332	14,310
Manufacturing	27,602	25,871	26,246	30,627	27,646
Electricity, Water Supply and Waste Management	89,002	99,085	99,538	93,308	92,114
Construction & Quarrying	241,665	234,964	253,291	239,929	261,069
Wholesale and Retail Trade	311,332	308,427	312,446	311,746	301,270
Transportation and Storage	101,874	107,030	106,198	117,490	124,367
Accommodation and Food Service	73,201	81,713	201,491	235,611	236,347
Information and Communication	149,360	151,194	151,016	152,582	177,677
Financial and Insurance Activities ⁽²⁾	828,868	828,504	898,521	946,055	935,936
Real Estate Activities	978,108	1,009,856	1,038,298	1,093,887	1,094,975
Professional, Scientific and Technical Activities	312,598	357,796	366,097	394,983	408,729
Administrative and Support Services	108,373	127,000	131,089	137,283	154,125
Public Administration	311,406	297,863	338,762	315,836	313,869
Education	110,707	116,733	112,565	120,929	117,008
Human Health and Social Work	321,158	341,690	334,920	339,344	360,846
Arts, Entertainment and Recreation	20,579	24,247	23,617	28,930	29,429
Other Service Activities	50,553	63,979	67,865	70,755	73,601
Activities of Households as Employers	11,254	13,036	13,036	12,490	12,809
International Business Activities	1,641,865	1,780,412	1,917,369	2,031,204	2,079,721
GDP at Constant Basic (2013) Prices	5,707,022	5,991,256	6,456,412	6,687,321	6,815,847
Add: Taxes less Subsidies on Products	302,988	296,660	285,581	282,227	285,302
GDP at Constant Purchasers' (2013) Prices	6,010,010	6,287,916	6,741,993	6,969,548	7,101,149
Percentage change from previous year	-6.83%	+4.62%	+7.22%	+4.3%	+1.9%

^P - Provisional figures

Source: Department of Statistics, Bermuda.

- (1) The GDP analysis by the Department of Statistics, Bermuda shifted focus from Nominal GDP to Real GDP as of its fiscal year 2016 report.
(2) Financial and insurance activities refer to domestic insurance and financial services.

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Economic Highlights

March 31, 2025

Gross Domestic Product (GDP) at constant purchasers' prices rose by 1.9 per cent to \$7.1 billion in 2024. Overall, 12 of the 19 industrial groups contributed positive growth to the real GDP. The largest increases to value added in absolute terms were recorded for International Business Activities, Information and Communication and Human Health and Social Work activities which grew by \$48.5 million, \$25.1 million and \$21.5 million, respectively. In contrast, value added in the Wholesale and Retail Trade industry, Financial and Insurance Activities, and Education industry decreased by \$10.5 million, \$10.1 million and \$3.9 million, respectively.

Economy-wide inflation, as measured by the implicit price index, was 4.9 per cent. Including inflation, GDP at current purchasers' prices rose 6.9 per cent compared to 2023. GDP per capita at current prices was measured at \$143,878.

Information and communication services increased 16.4 percent or \$25.1 million in 2024, driven mostly by a growth in telecommunications.

International Business Activities rose 2.4 percent or \$48.5 million in 2024. This industry was the largest contributor to GDP, representing 29.3 percent of total GDP. Businesses engaged in reinsurance, insurance management and portfolio advisory experienced increases in value added. Conversely, businesses related to communication services activities and insurance brokerage services experienced declines in value added.

Value added for Human Health and Social Work increased 6.3 percent or \$21.5 million in 2024. Private health activities rose 17.5 percent while public health activities rose 0.5 percent. Social work activities also increased by 5.9 percent.

In 2025, the Government has sought to build on the GDP growth witnessed over the past three years by continuing to execute its Economic Development Strategy, which has yielded economic benefits. The Bermuda Government's continued implementation of timely and targeted measures geared to increasing direct foreign investment in the economy, stimulating domestic spending, and maintaining employment will continue to drive economic growth and dampen the impact of internal and external risks.

Statement of Responsibility for the Consolidated Fund Financial Statements

The financial statements are prepared under the general direction of the Minister of Finance by the Accountant General in accordance with public sector accounting standards, and include statements of financial position, operations and accumulated deficit, remeasurement gains and losses, change in net debt, cash flow, notes and schedules integral to the statements.

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

The Government, through the Accountant General's Department, is responsible for maintaining systems of financial management and internal control designed to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the Public Treasury (Administration and Payments) Act 1969.

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

These financial statements are tabled in both Houses of the Legislature. They are referred to the Public Accounts Committee, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of Bermuda.



Chidozie Okego, CPFA
Financial Secretary



Dionne Morrison-Shakir, FCCA
Accountant General

Hamilton, Bermuda
December 9, 2025



Office of the Auditor General

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

Tel: (441) 296-3148

Fax: (441) 295-3849

Email: oag@oagbermuda.bm

Website: www.oagbermuda.bm

INDEPENDENT AUDITOR'S REPORT

To the House of Assembly, the Senate and the Governor

Opinion

I have audited the Financial Statements of the Consolidated Fund of the Government of Bermuda (the "Consolidated Fund"), which comprise the Statement of Financial Position as at March 31, 2025, and the Statements of Operations and Accumulated Deficit, Remeasurement Gains and Losses, Change in Net Debt and Cash Flow for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Consolidated Fund as at March 31, 2025, and the results of its operations, its remeasurement gains and losses, changes in its net debt and cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Consolidated Fund for the year ended March 31, 2025. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter	How We Addressed This Matter
<p>Asset Retirement Obligation (“ARO”) is a key audit matter because:</p> <p>In the 2023 fiscal year, the Government of Bermuda was required to adopt the accounting standard PS 3280 Asset Retirement Obligations. I qualified my opinion in 2024 on the basis that the Government had not provided sufficient appropriate audit evidence regarding the completeness and valuation of the amounts recorded and the disclosures required. In the current year, the Government prepared a supported ARO estimate. At March 31, 2025 the Government recorded \$44.4m in ARO . The majority of the liability relates to the removal of asbestos.</p> <p>The ARO are material and require significant judgement. It includes identifying legal requirements and assumptions to estimate the future costs required to complete the necessary remediation sometime in the future.</p> <p>Asset Retirement Obligations (‘ARO’) are disclosed in: Note 3 - Summary of Significant Accounting Policies Note 5 – Approved Estimates of the Government Note 19 - Asset Retirement Obligations</p>	<p>I concluded that liabilities for ARO are fairly stated, in all material respects, and are disclosed appropriately in accordance with the requirements of public sector accounting standards generally accepted in Bermuda and Canada.</p> <p>This matter was addressed by:</p> <ul style="list-style-type: none"> • Assessing management’s policy and methodology for identifying ARO-related assets, including reviewing assessments and relevant legislation and regulations. • Examined the underlying support for all assumptions, and reconciled historical asset information, and departmental listings to management’s ARO records. This also included assessing the qualifications and work of government’s experts engaged to assist in the estimation process. • Testing the reasonableness of estimated retirement costs by examining supporting documentation, comparing to third-party reports, and evaluating key assumptions. • Reviewed all financial related disclosures for accuracy and completeness.

Emphasis of Matter

I draw attention to Note 2 of the financial statements, which states that these financial statements are not summary consolidated financial statements of the Government of Bermuda. My opinion is not modified in respect of this matter.

Other Information

The Government, through the Accountant General’s Department, is responsible for the other information. The other information comprises the Financial Statement Discussion and Analysis information, but does not include the financial statements and my auditor’s report thereon.

My opinion on the financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information appears to be materially misstated.

If, based on the work I have performed on the other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Hamilton, Bermuda
December 9, 2025

A handwritten signature in black ink, appearing to read "Heather T.", written in a cursive style.

Heather Thomas, CPA, CFE, CGMA
Auditor General

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

		2025 Actual ¹	2024 Actual ¹
		\$	\$
Liabilities			
	<u>Schedule</u>		
Accounts Payable and Accrued Liabilities (Note 23)	5	224,177,549	212,774,872
Deferred Revenue (Note 16)	6	9,289,480	9,674,074
Deferred Insurance Proceeds (Note 16(a))		1,097,733	1,727,034
		<u>234,564,762</u>	<u>224,175,980</u>
Interest Bearing Debt - Net of Sinking Fund Asset Retirement Obligations (Note 19)	7	3,275,054,736 44,475,254	3,204,145,679 37,933,502
		<u>3,319,529,990</u>	<u>3,242,079,181</u>
Pensions and Other Employee Future Benefits			
- Pensions and Retirement Benefits (Note 9(g))		2,232,097,945	2,123,350,455
- Compensated Absences (Note 8)		36,707,150	36,756,238
		<u>2,268,805,095</u>	<u>2,160,106,693</u>
Other Liabilities			
Due to Government Funds and Agencies (Note 23)	3(a)	6,619,904	15,625,225
Total Liabilities		5,829,519,751	5,641,987,079
Financial Assets			
Cash		47,537,102	35,074,326
Accounts Receivable	1	284,014,009	265,223,238
Due from Government Funds and Agencies	3	52,448,510	69,828,484
Morgan's Point / Caroline Bay (Note 17)		1,000	1,000
Investment in BLDC (Note 14(b)(iv))		-	5,000,000
Long-Term Receivables	4	331,846	461,948
Total Financial Assets		384,332,467	375,588,996
Net Debt		5,445,187,284	5,266,398,083
Non-Financial Assets			
Tangible Capital Assets	11	565,629,393	572,536,211
Assets under Construction	11	64,359,829	58,251,409
Inventories for Consumption	2	12,323,315	11,141,430
Prepaid Expenses		4,246,935	3,205,857
Total Non-Financial Assets		646,559,473	645,134,907
Accumulated Deficit		4,798,627,811	4,621,263,176
Accumulated Deficit comprised of:			
Accumulated Operating Deficit		4,799,050,304	4,622,375,110
Accumulated Remeasurement Gains		(422,493)	(1,111,934)
		<u>4,798,627,811</u>	<u>4,621,263,176</u>

¹ Totals may not add due to rounding.

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

		2025	2024
		Actual ¹	Actual ¹
		\$	\$
Revenue	<u>Schedule</u> 8, 9		
Taxes & Duties			
Payroll Tax		612,606,771	537,004,313
Customs Duty		225,878,624	227,647,550
Other Taxes and Duties		105,994,895	97,559,634
Land Tax		89,753,958	88,728,988
Passenger Tax		24,952,580	22,780,350
Total Taxes & Duties		1,059,186,828	973,720,835
Fees, Permits & Licenses		164,297,051	167,377,783
Other Revenue		37,541,772	24,479,338
Investment Income		4,585,643	11,141,731
Total Revenue		1,265,611,294	1,176,719,687
Expenses	10		
Economic Development		439,163,704	381,737,728
Health		209,201,597	221,682,566
National Security		189,258,899	174,168,275
Social Services & Assistance		146,027,944	107,617,705
Education		145,417,390	136,719,530
Interest on Debt		126,846,314	129,236,442
Pensions and Retirement Benefits Expense (Note 9(g))		108,698,402	95,827,581
Other Government Services		77,672,241	91,262,166
Total Expenses		1,442,286,491	1,338,251,993
Annual Deficit		(176,675,197)	(161,532,306)
Accumulated Operating Deficit, Beginning of Year		(4,622,375,110)	(4,460,842,804)
Accumulated Operating Deficit, End of Year		(4,799,050,307)	(4,622,375,110)
Accumulated Deficit comprised of:			
Accumulated Operating Deficit		(4,799,050,307)	(4,622,375,110)
Accumulated Remeasurement Gains		422,493	1,111,934
		(4,798,627,814)	(4,621,263,175)

¹ Estimates against these actuals are provided for revenue in Schedules 8 and 9 and for current expenses in Schedules 10(a) and 10(b) for appropriation purposes.

² Totals may not add due to rounding.

**Government of Bermuda - Consolidated Fund
Statement of Remeasurement Gains and Losses
For the year ended March 31**

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Accumulated Remeasurement Gains, Beginning of Year	1,111,934	1,763,983
Unrealized Gains During the Year		
Portfolio Investments in an Active Market	44,565	1,111,934
Realized Gains Reclassified to the Statement of Operations During the Year		
Portfolio Investments in an Active Market	(734,006)	(1,763,983)
Net Remeasurement Gains for the Year	(689,441)	(652,048)
Accumulated Remeasurement Gains, End of Year (Note 3)	422,493	1,111,934

¹Totals may not add due to rounding.

Government of Bermuda - Consolidated Fund
Statement of Change in Net Debt
For the year ended March 31

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Annual Deficit	(176,675,197)	(161,532,306)
Change Due to Tangible Capital Assets:		
Additions to Tangible Capital Assets	(44,457,658)	(23,249,148)
Loss on Disposal or Impairment of Tangible Capital Assets and Adjustments	4,913,448	(31,484)
Net Additions to Assets under Construction	(6,108,421)	(20,141,056)
Amortization of Tangible Capital Assets	46,451,030	47,889,727
Total Change Due to Tangible Capital Assets	798,400	4,468,040
Net Additions to Inventories for Consumption	(1,181,885)	(519,598)
Net (Additions) Reductions to Prepaid Expenses	(1,041,078)	956,316
Total Change Due to Inventories for Consumption and Prepaid Expenses	(2,222,963)	436,718
Net Remeasurement Gains for the Year	(689,441)	(652,048)
Increase in Net Debt	(178,789,202)	(157,279,596)
Net Debt, Beginning of Year	(5,266,398,083)	(5,109,118,487)
Net Debt, End of Year	(5,445,187,285)	(5,266,398,083)

¹ Totals may not add due to rounding.

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

	2025 Actual ²	2024 Actual ²
	\$	\$
Operating Activities		
Annual Deficit ¹	(176,675,197)	(161,532,306)
Non-cash items:		
Amortization of Tangible Capital Assets	46,451,030	47,889,727
Increase in Pension and Retirement Benefits Liability	108,747,490	96,346,114
Decrease in Compensated Absences Liability	(49,088)	(518,533)
Loss (Gain) on Disposal or Impairment of Tangible Capital Assets and Adjustments	4,913,448	(31,484)
Remeasurement of Asset Retirement Obligations	-	-
Net Remeasurement Gains for the Year	(689,441)	(652,048)
Change in unamortized debt-related premium and discount	(274,834)	(262,154)
Change in Non-Cash Working Capital	9,421,555	(27,342,493)
Cash Applied to Operating Activities	(8,155,037)	(46,103,177)
Capital Activities		
Additions to Tangible Capital Assets	(44,457,658)	(23,249,148)
Net Additions to Assets under Construction	(6,108,421)	(20,141,056)
Cash Applied to Capital Activities	(50,566,079)	(43,390,203)
Financing Activities		
Sinking Fund Application of Funds	71,183,891	129,624,372
Repayment of Debt	-	(50,000,000)
Cash Provided by Financing Activities	71,183,891	79,624,372
Net Increase (Decrease) in Cash	12,462,775	(9,869,009)
Cash, Beginning of Year	35,074,326	44,943,335
Cash, End of Year	47,537,101	35,074,326

1 - Interest received during the year was \$3,652,576 (2024 - \$10,489,684). Interest received is made up of interest income from the Statement of Operations and Accumulated Deficit in the amount of \$3,572,482 (2024 - \$10,375,628) plus the change in accrued interest receivable in the amount of \$80,094 (2024 - \$114,056). Interest paid during the year was \$126,498,640 (2024 - \$128,899,871). Interest paid is made up of interest expense from the Statement of Operations and Accumulated Deficit in the amount of \$126,851,770 (2024 - \$129,239,450) plus the change in accrued interest payable in the amount of \$353,130 (2024 - \$339,579).

² Totals may not add due to rounding.

Government of Bermuda – Consolidated Fund

Notes to the Financial Statements

March 31, 2025

1. Authority

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

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

The Legislature provides authority to make payments out of the Fund in annual Appropriation Acts, Supplementary Estimates and other statutes. Unspent current account appropriations lapse at the end of each fiscal year. Unspent capital account appropriations are carried forward to subsequent fiscal years, subject to the approval of the Minister of Finance.

2. Reporting Entity

The Fund’s financial statements report the financial position, results of operations, change in net debt and cash flow resulting from the activities of the Fund only, which comprise the accounts of the Senate, the House of Assembly, all Government departments and offices (including the Public Service Commission) and all courts that are controlled by the Government. Control exists regardless of whether the Government chooses not to exercise its power to govern so long as it has the ability to govern. The Fund is established and defined pursuant to Section 94 of the Bermuda Constitution Order 1968.

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

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

The Government adheres to the general practice of using a Consolidated Fund as its general operating fund. Schedules 8 to 11 provide information concerning the operations, tangible capital assets and capital expenses of individual Government departments and funds comprising the Fund. Accounts of the Government not controlled are excluded from the reporting entity.

3. Summary of Significant Accounting Policies

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

(a) Basis of Accounting

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

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025**

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

(b) Revenues

In accordance with Public Sector Accounting Standards PS 3400, revenues are accounted for in the fiscal year in which the transactions or events occurred that gave rise to the revenues. Revenue from transactions with no performance obligations is recognized when the mandate to claim or retain an economic inflow is in place, and the events giving rise to the revenue have occurred as stipulated in the Government Authorities (Fees) Act 1971. Revenue from transactions with performance obligations is recognized when those performance obligations have been satisfied by providing the promised goods or services to a payor at a point in time or over a period of time depending on the arrangement.

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

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

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

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

The following are typical performance obligations in relation to the Government's revenues:

Key Revenue Stream	Common Performance Obligations	Recognition	Examples
Licences & Registration	Provide rights	Point of sale	Drivers licence/Vehicle licence/Liquor licence/Work permits
Vital statistics	Provide rights	Point of sale	Birth certificates/marriage certificates/Status & naturalisation
Facility & Assistance- Delivery of services	Provide service	Point in time/Point of sale	Waste collection & disposal/Electricity/Tug & Pilotage fees/Boot Moorings
Accommodation/Rental	Access to lodging/space	Over a period of time	Property rentals/PO Boxes/Patient fees

**Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025**

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

(b) Revenues (Cont'd)

Key Revenue Stream	Common Performance Obligations	Recognition	Examples
Transportation	Access to public transportation	Over a period of time	Bus Transportation/Ferry Service
Sale of items	Provide item	Point of sale	Tickets/Water sales/Publications/Licence Plate & Stickers/Medication
Fines & penalties	None	When collectible/Point in time	Parking fines/Moving traffic fines/Penalties
Regulatory fees	None	When collectible/Point in time	Cellular & ICOL fees, Document filing fees

(c) Expenses

Expenses are accounted for in the fiscal year that the event occurs and resources are consumed.

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

Costs arising from obligations under guarantees are recognized as expenses when management determines that Government will likely be called upon to make payment. The expense represents management’s best estimate of future payments less recoveries.

Classification of expenses between current account items and capital account items follows the classification in the Approved Estimates of Revenue and Expenditure for the year 2024/25 (the “Approved Estimates”).

(d) Interdepartmental Revenues and Expenses

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

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

(e) Financial Assets

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

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

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

Investments in QUANGOs are recorded at cost.

(f) Asset Retirement Obligations (ARO)

Public Sector Accounting Standard PS 3280- Asset Retirement Obligations came into effect on 1 April 2022. This accounting standard provides guidance on the reporting of legal obligations associated with the retirement of tangible capital assets. The retirement of a tangible capital asset is the permanent removal of an asset from service. This encompasses the sale, abandonment, or disposal in some other matter but not its temporary idling.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The estimate of a liability would include costs directly attributable to asset retirement activities. Costs would include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset. The estimate would include costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

A liability for the removal of asbestos in several of the buildings owned by the Government, the decommissioning of several underground fuel tanks and lease obligations has been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retroactive method, the assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

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

(f) Asset Retirement Obligations (ARO) (Cont'd)

While the standard suggests using a present value technique, it does not require it for the measurement of the ARO liability. For the assets identified to be within scope, the Government does not have adequate information regarding the anticipated timing of cash flows to settle the ARO, thus a present value technique does not necessarily need to be applied as it could present an increased risk of measurement error.

As a result, management concluded that a discount rate shall not be applied within the ARO liability calculations. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The buildings, leasehold improvements and fuel tanks tangible capital assets affected by the asbestos liability are being amortized following the amortization accounting policies outlined in note 3(h).

The obligation is measured at the best estimate of the expenditure required to settle the present obligation at the financial statement date. Changes in estimates resulting from new information are recognized prospectively in the period of change.

(g) Financial Instruments

The Government recognized all financial assets and liabilities in accordance with PS 3450 on its Consolidated Fund Statement of Financial Position and an accumulated unrealized remeasurement gain on portfolio investments of \$422,493 on its Consolidated Fund Statement of Remeasurement Gains and Losses.

The Government classifies its financial instruments as either fair value or cost. The cost category includes cash, accounts receivable, Due from Government Funds and Agencies and long-term receivables (Note 3(e)), namely, accounts payable and accrued liabilities, Due to Government Funds and Agencies, Financial Instruments recognised at cost (Note 5), and public debt (Note 3(i)).

The fair value category is comprised of the Government of Bermuda Sinking Fund portfolio investments. Financial instruments in the fair value category are recognized at fair value on initial recognition and subsequently carried on a fair value basis. The determination of fair value requires judgment and is based on market information where available and appropriate. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, at which point they are transferred to the statement of operations. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

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

(g) Financial Instruments (Cont'd)

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those using quoted prices in markets that are not active or inputs that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The cash equivalents and debt securities in the sinking fund investments portfolio consist of a combination of level 1 and 2 assets. There are no level 3 financial assets.

(h) Non-Financial Assets

Non-Financial assets are resources that are employed for future services. They include tangible capital assets, assets under construction, inventories for consumption and prepaid expenses. The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized over the estimated useful lives of the assets. Where original acquisition documents were difficult to retrieve, the Book Value Calculator, developed by the Chief Appraiser of Public Works and Government Services Canada (as modified by them to address the Bermuda Government situation), was used to establish reasonable estimates of Net Book Values in order to develop opening balances.

Other tangible capital assets that do not meet the minimum threshold requirements for their respective asset class are charged to capital expenses in the year of purchase, which is consistent with prior years. These expenses are classified as capital development and capital acquisition expenses on Schedule 10, Expenses by Program. Included in the capital development and capital acquisition expenses are other significant items: capital grants, repairs and maintenance, professional fees and other items, which are expensed as they are incurred. Tangible capital assets not disclosed include historical treasures.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
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3. Summary of Significant Accounting Policies (Cont'd)

(h) Non-Financial Assets (Cont'd)

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

Buildings	2 – 40 years
Leasehold Improvements	Remaining life or lease period of the related asset
Betterments	Remaining life or lease period of the related asset
Heavy Equipment	
\$10,000 to \$99,999	5 years
\$100,000 and above	7 years
Vehicles	
2 to 3 Wheeled Vehicles	
\$3,000 to \$99,999	5 years
\$100,000 and above	7 years
4 or More Wheeled Vehicles	
\$0 to \$99,999	5 years
\$100,000 and above	7 years
Boats & Vessels	
\$10,000 to \$99,999	5 years
\$100,000 and above	10 years
Capital Leases	
\$3,000 and above	3 – 20 years
Computer Hardware	
\$3,000 to \$99,999	3 years
\$100,000 and above	7 years
All laptops and desktop computers are capitalized	
Computer Software	
\$20,000 and above	4 –10 years
Furniture & Fixtures	
\$3,000 and above	7 years
Office Equipment	
\$3,000 and above	5 years

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

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

(h) Non-Financial Assets (Cont'd)

Plant, Machinery & Equipment	
\$50,000 and above	10 – 30 years
Infrastructure	
\$50,000 to \$199,999	5 – 10 years
\$200,000 and above	10 – 40 years

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

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

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

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

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

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

(i) Liabilities

Liabilities are recorded for financial obligations to organizations and individuals occurring as a result of transactions and events arising on or before the year-end. They occur as a result of contracts, agreements and legislation in force at the year-end that require the Government to repay borrowings, or to pay for goods and services supplied on or before the year-end. Liabilities also include grant payments due on or before the year-end. Liabilities are recorded at the estimated amount ultimately payable.

(j) Translation of Foreign Currencies

The financial statements are reported in Bermuda dollars. The Bermuda dollar is valued at par with the United States dollar. Financial assets (excluding investments) and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the year-end date. Non-financial assets and investments are translated at historical rates of exchange.

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

(j) Translation of Foreign Currencies (Cont'd)

Revenues and expenses originating in foreign currencies are translated at the exchange rate in effect on the date the specific transactions occurred. Translation gains and losses are included in the Statement of Operations and Accumulated Deficit. At the initial recognition of a financial instrument asset or financial instrument liability arising from a foreign currency transaction, the Government has elected to recognize the exchange gains and losses directly in the Statement of Operations and Accumulated Deficit, including those exchange gains and losses arising prior to settlement or derecognition.

The Government is required to disclose the carrying amounts of financial instrument assets and financial instrument liabilities in which exchange gains and losses, including the exchange gain or loss component of changes in fair value, are recognized directly in the statement of operations.

However, the cost benefit analysis of conducting this exercise is not expected to have a material impact on the readability and understandability of the financial statements.

(k) Measurement Uncertainty

The preparation of financial statements requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses during the reporting period. Uncertainty in the determination of these amounts is known as measurement uncertainty.

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate payroll and land taxes, accruals for pension obligations and retirement benefits, accruals for environmental obligations, allowances for doubtful receivables, estimated useful lives of tangible capital assets, future payments related to contingent liabilities, accruals for liabilities through actuarial valuations, asset retirement obligations and provisions for inventory obsolescence.

The nature of the uncertainty related to the accruals for pension obligations and retirement benefits arise because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on the pension investments, salary increases and the life expectancy of the participants.

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

(k) Measurement Uncertainty (Cont'd)

The uncertainty related to the accrual of environmental obligations is based upon the identification of all sites where environmental damages have occurred that are the Government's responsibilities to mitigate and the extent of contamination may differ significantly from the Government's original assessment of the site and proposed mitigation plans. Uncertainty concerning the allowance for doubtful receivables is based upon actual collectability and changes in economic conditions.

There is measurement uncertainty in estimating the Government's asset retirement obligations, which total \$44,475,254 as at March 31, 2025 (2024 - \$37,933,502). These estimates are subject to uncertainty due to factors such as:

- 1) Limited information regarding the type and extent of designated substances (e.g., asbestos) present in properties,
- 2) Incomplete or imprecise data on the size and scope of affected assets,
- 3) Indeterminate timing of settlement for these obligations,
- 4) Uncertainty regarding the extent of restoration required under lease agreements.

As a result, actual costs incurred to retire these assets may differ materially from the amounts estimated.

While management's best estimates have been used for reporting items subject to information available at the time of preparation of the financial statements, it is possible that changes in future conditions in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements. Actual results could differ from these estimates.

The valuation of the Government's preferred share investment is subject to uncertainty as the shares are unlisted, non-dividend bearing, and acquired with the intention of future resale. As a result, the Government is exposed to the following risks:

- 1) Credit risk associated with the financial condition and performance of the issuing telecommunications entity;
- 2) Liquidity risk, as the shares are not traded in an active market and any resale is contingent on the Government's program design and policy decisions;
- 3) Market and pricing risk due to uncertainty regarding future resale conditions, including the potential for the resale price to differ from cost; and
- 4) Policy and legislative risk, given that the governing legislation does not explicitly address transactions in which the Government acquires investments for future resale.

Management monitors available financial and operational information for the issuing entity in assessing the recoverability of the investment.

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

(I) Risk Management

During the normal course of business, the Government is exposed to a number of financial risks including credit, liquidity, and market risk (including foreign currency exchange risk and interest rate risk). The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost-effective manner.

Funds are borrowed in both domestic and foreign capital markets by issuing Government senior notes and using bank loans and other credit facilities. This borrowing activity is used to fund government capital expenditure programs and other budgeted governmental operations. These transactions result in exposure to four types of risk: interest rate risk, foreign exchange risk, credit risk and liquidity risk.

Interest rate risk is the risk that debt servicing costs will increase due to changes in interest rates and the risk of loss on the investments like fixed income securities associated with adverse fluctuations in interest rates. A rise in interest rates generally means a drop in the fair value of interest-bearing securities held as portfolio investments. This risk is managed by diversifying the investment portfolio and by setting asset mix guidelines which strike a balance between the money market investments/ cash equivalents and fixed income investments / bonds. It is estimated that a one per cent change in interest rates would impact the Government's operating results by \$59,386 due to the loss on the fixed income portfolio. On the Government borrowing, this risk is managed by issuing debt securities at predominately fixed rates of interest rather than floating rates of interest for fixed terms.

The Government is primarily exposed to foreign currency exchange risk on its investments and general debt. Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate unfavourably with a change in the value of the Bermudian dollar and that debt servicing costs will increase due to a decline of the Bermuda dollar relative to other currencies.

Foreign currency exchange risk also arises from fixed income securities that are denominated in currencies other than Bermudian dollars. This risk is managed by maintaining a preference for debt and investments that are issued predominately in United States ("US") dollars. The Bermuda dollar is pegged to the US dollar to eliminate the impact of any fluctuations in the exchange rates between the two.

Credit risk is the risk that a loss might occur from the failure of another party to meet its obligations under a financial instrument contract. The risk is managed by issuing debt securities and making investments that have no derivatives as the underlying securities. The debt instruments are senior notes of the Government and loan facilities with a domestic lender.

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

(I) Risk Management (Cont'd)

The financial instruments that potentially subject the Government to credit risk mainly consist of accounts receivable, due from Government Funds and Agencies, portfolio investments and loan guarantees (Note 10(a)). For all classes of financial instruments held by the Government (including accrued investment income and cash and cash equivalents), the maximum credit risk exposure to the Government is the carrying value as disclosed on the Statement of Financial Position. The Government seeks to limit its credit risk with respect to amounts due from Government Funds and Agencies by stipulating reporting conditions to the relevant Government ministries in order to monitor financial stability of the Government Funds and Agencies and monitoring outstanding receivables from the general public. The Government also reviews balances and aging information to determine if a valuation allowance is necessary.

The Government's maximum exposure to credit risk on accounts receivables and the level of provision for doubtful accounts is disclosed in Schedule 1.

For cash and portfolio investments, the Government manages this risk by dealing solely with reputable financial institutions, and through an investment policy that limits investments to high credit quality as well as limits the maximum exposure with respect to any one issuer. Credit ratings for bonds held by the Government as at March 31, 2025 range from AAA to BBB as set out by Standard & Poor's.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Government is exposed to three types of market risk, namely, foreign currency exchange risk, interest rate risk (discussed above), and refinancing risk. The Government continually monitors its exposure to these risks and uses a variety of strategies to manage these risks.

Refinancing risk refers to the possibility that the Government will not be able to replace an existing debt with new debt due to unfavorable market conditions. The orderly retirement of future debt obligations, without incurring undue refinancing risk, is important in terms of managing both future interest costs and accessing required funding in future years. To this end, the Government utilizes its best efforts to smooth out debt maturities and to refinance existing debt when the low-interest rate regime is prevailing in the market.

The Government also identifies favourable bond buy-back opportunities, whereby the Sinking Fund investments can be utilized to buy back outstanding debt, thus reducing refinancing risk and future liquidity risk.

Liquidity risk is the risk that financial commitments will not be met over the short term. The Government is primarily exposed to liquidity risk on its accounts payable and accrued liabilities, pension liabilities, general debt and other liabilities. The Government manages its overall liquidity risk through its treasury function by managing cash resources which entails monitoring actual and forecasted cash flows from operating, investing and financing activities.

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

(l) Risk Management (Cont'd)

This risk is also managed through prudent financial and debt management, and the establishment of the Government Borrowing Sinking Fund as a separate legal entity for the repayment of government debt and to pay interest charged on long-term public debt under the provisions of the Government Loans Act 1978 as amended. The Government spreads debt maturities over many years, maintaining the sinking fund in which the investment maturities approximate that of the underlying long-term debt issues and maintaining adequate cash reserves and establishing short-term borrowing programs as contingent sources of liquidity. Schedule 7 provides a summary of contractual maturities for interest-bearing debt.

Apart from its interest-bearing debt, the Government expects to settle its liabilities within twelve months of the end of the fiscal year.

(m) Future Changes in Accounting Standards

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

Effective April 1, 2026, the Government will adopt the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation. PS 1202 is also known as the new reporting model. An assessment will be done to determine the impact that these adoptions will have on the Fund and the financial statements.

The Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgement is applied. It will replace the Conceptual aspects of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives. PS 1202 sets out general and specific requirements for the presentation of information in public sector financial statements, based on the concepts within the Conceptual Framework.

4. Approved Estimates of the Government

(a) Budget Process

Annually, the Government presents a Budget (“Estimates”) of expected revenues and expenditures for the following fiscal year. The Government’s spending Estimates for the fiscal year commencing April 1, 2024 were presented to the Members of the Legislature by the Minister of Finance. The Estimates outline the spending plans of each Ministry/Department submitted for approval to the Legislature in the Appropriations Act.

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Notes to the Financial Statements
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4. Approved Estimates of the Government (Cont'd)

(a) Budget Process (Cont'd)

The Estimates referred to in the financial statement Schedules 8, 9, 10(a) and 10(b) are from the original Approved Estimates and do not reflect changes arising from the tabling of Supplementary Estimates, except for the Adjusted Estimates referred to in Schedule 12 which include the original Approved Estimates and any tabled Supplementary Estimates.

(b) Comparison of Expenses to Estimates and Expenditures

The Ministry of Finance prepares annual Estimates on the modified cash basis. These financial statements are prepared on an accrual basis. Schedule 12 restates actual expenses on the modified cash basis for comparative and analytical purposes against the Adjusted Estimates. The primary differences are as follows:

- (i) Bad Debts – For financial statement purposes, a provision is established and expensed for accounts receivable where collection is doubtful. For budget purposes, no such provision is made.
- (ii) Pension – The financial statement pension-related expense is explained in Note 9. For budget purposes, pension expense is equal to its funding requirements.
- (iii) Government Borrowing Sinking Fund (Note 5) – Transfers to the Sinking Fund are recorded as cash transfers against long-term debt. For budget purposes, the Sinking Fund contribution is considered an expenditure.
- (iv) Compensated Absences – Certain Government employees are entitled to paid retirement leave, as explained in Note 8. For budget purposes, retirement pay is estimated based on anticipated salary spending for the current year.
- (v) Amortization – For financial statement purposes, annual amortization of tangible capital assets is expensed based on the respective assets as explained in Note 3(h). For budget purposes, amortization is not considered expenditure.
- (vi) Environmental Liability – As explained in Note 10(d) and Note 20, the Government has recognized a cost of restoration of land and costs related to the disposal of asbestos containers. Changes in the environmental liability are not considered expenditure for budget purposes.
- (vii) Inventory Usage- For budget purposes, inventory usage throughout the year is not considered expenditure.
- (viii) Asset Retirement Obligations – As explained in Note 19, the Government has recognized a cost for its asset retirement obligations associated with buildings, leasehold improvements and fuel tanks. Changes in the liability are not considered expenditure for budget purposes.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

5. Government Borrowing Sinking Fund

Effective March 31, 1993, the Government Borrowing Sinking Fund (the “GBSF”) was established as a separate legal entity for the repayment of Government borrowing under the provisions of the Government Loans Act 1978 as amended. Please see also Note 15(b).

2024		2025			
\$		\$			
Sinking Fund	Withdrawal of Funds	Contributions	Earnings	Payments	Sinking Fund
93,929,675	(34,000,000)	-	3,816,109	(41,000,000)	22,745,784

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

The assets are invested in accordance with the Public Funds Act 1954 and are shown as a reduction of debt issued on the Fund’s Statement of Financial Position. Please see also Note 15(a).

In 2019, an amendment to the Government Loans Act 1978 was tabled and passed in the Legislature. The amendment gives the Minister of Finance flexibility with regard to making a contribution into the GBSF and removes the provision for Government having to pay interest to the GBSF for late payments. This amendment applies to the current fiscal year, and therefore no contribution was made to the GBSF for the financial year 2024/2025.

For the Financial Year ended March 31, 2025, the Fund reported Investment Income and Loss as shown below:

	2025	2024
	\$	\$
Investment Income	4,505,550	8,714,638
Investment Gain (Loss)	279,596	1,775,046
<u>Investment Gain (Loss):</u>		
Unrealized gain (loss) on Sinking Fund Investments	44,565	1,111,934
Realized gain (loss) on Sinking Fund Investments	235,031	663,112

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

5. Government Borrowing Sinking Fund (Cont'd)

The assets of the GBSF are comprised of the following:

	2025	2024
	\$	\$
Cash & Cash Equivalents	10,626,971	28,410,602
Fixed Income Securities	10,051,626	65,363,926
Investment at Cost	2,000,000	-
Securities (Payable) Receivable	-	(624,256)
Interest Receivable	63,891	776,109

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Financial instruments were measured using a commonly used valuation model that includes all factors market participants would consider in pricing a transaction and is consistent with economic methodologies for financial instruments.

The following table presents the fair value hierarchy for financial instruments recorded at fair value in the Statement of Financial Position, classified using the fair value hierarchy described in Note 3 (g):

	Level 1	Level 2	2025 Total
	\$	\$	\$
Cash & Cash Equivalents	10,626,971	-	10,626,971
Fixed Income Securities	2,915,276	7,136,350	10,051,626
	13,542,247	7,136,350	20,678,597

During the year, the Government acquired preferred B-class voting participating shares of a local company for \$2,000,000. The shares are unlisted, non-dividend bearing, and are not traded in an active market. As no reliable fair value measurement is available, the investment is recorded at cost in accordance with Public Sector Accounting Standards. As at March 31, 2025, the carrying amount of the investment remains \$2,000,000, and no indicators of impairment have been identified.

Management continues to monitor information related to the issuing entity and will update as necessary.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
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5. Government Borrowing Sinking Fund (Cont'd)

As at March 31, 2025, the GBSF had a cash balance of \$10,501,905 (2024 - \$145,921), which is included within Cash & Cash Equivalents.

	Cost	2025 Carrying value
	\$	\$
Cash Equivalents	125,066	125,066
Investment at Cost	2,000,000	2,000,000
Fixed Income Securities	10,011,776	10,051,626
	12,136,842	12,176,692

There are separate financial statements for the GBSF to which readers should refer for further information. The amounts disclosed are unaudited. Fiscal year 2017 was the last audit of GBSF.

6. Contingencies Fund

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

The purpose of the Contingencies Fund is to allow the Minister of Finance to authorize urgent and unforeseen expenditures up to \$1 million prior to the approval of the Legislature by supplementary estimate. The Contingencies Fund balance is not segregated from the Fund general operating cash and the accumulated deficit.

7. Unemployment Insurance Fund

The Unemployment Insurance Fund (the “Insurance Fund”) was established March 18, 2002 by amendment to the Public Treasury (Administration and Payments) Act 1969 as amended under the provisions of Section 10B. The Legislature authorized \$1 million to be set aside within the Fund to set up the Insurance Fund.

The Minister of Finance will pay amounts approved by the Legislature as Government’s contribution to the Insurance Fund. Monies paid into the Insurance Fund will be invested in accordance with the Public Funds Act 1954 and the interest earned on such investments will be paid into the Insurance Fund.

On August 10, 2011 the Government amended the Public Treasury (Administration and Payments) Act 1969 in order to make further provisions about the Insurance Fund. The Act was amended to provide for payments out of the Fund to be made at the direction of the Minister of Finance for the purpose of assisting unemployed persons.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

7. Unemployment Insurance Fund (Cont'd)

Between 2020 and 2022, several legislative amendments were made to provide temporary unemployment benefits to individuals directly impacted by COVID-19. The last amendment, effective October 13, 2022, extended the payment of supplemental unemployment benefits to November 30, 2022.

There are separate financial statements for the Insurance Fund to which readers should refer for further information. Fiscal year 2023 was the last audit of the Fund.

8. Compensated Absences

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

An actuarial valuation of the Government’s obligation for retirement leave was performed at March 31, 2023. An extrapolation was performed to March 31, 2025 using similar various long-term assumptions as the Public Service Superannuation Fund (the “PSSF”).

The closing discount rate used for pre-retirement leave benefits calculations was changed to 5.50% (2024 – 5.50%) following a review and validation of the assumptions used for the March 31, 2025 valuation of the Government’s benefits obligation.

This change in discount rate is consistent with the rate of interest for the period committed by the Government on the amounts indebted under these plans. The change in the closing discount rate has resulted in a decrease in the liabilities reported in the Statement of Financial Position for the financial year ended March 31, 2025.

The valuation determined that the liability for compensated absences at March 31, 2025 is \$36,707,150 (2024 - \$36,756,238), as detailed in the table below.

For the year ended March 31	2025	2024
	\$	\$
Liability for Compensated Absences		
Accrued Benefit Obligation	29,161,653	28,319,614
Net Unamortized Experience Gain ^(a)	7,545,497	8,436,624
	36,707,150	36,756,238

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

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

8. Compensated Absences (Cont'd)

For the year ended March 31	2025	2024
	\$	\$
Liability for Compensated Absences, beginning of year	36,756,238	37,274,771
Amortization of experience gain	(891,127)	(1,048,144)
Current period benefit cost	1,528,063	1,490,094
Interest accrued	1,538,428	1,463,456
Benefit payments	(2,224,452)	(2,423,939)
Liability for Compensated Absences, end of year	36,707,150	36,756,238

9. Pensions and Retirement Benefits

(a) Contributory Defined Benefit Pension Plans

The Government administers contributory defined benefit pension plans for substantially all of its employees, all ministers and members of the Legislature, and some QUANGO employees. The Government currently operates the PSSF and the Ministers and Members of the Legislature Pensions Fund (the "MMLPF").

For the PSSF, a service pension is available with a minimum of 8 years credited service. Subject to exceptions as outlined in the Public Service Superannuation Act 1981, it is based on the number of years of service times 1.5% of the salary payable immediately preceding the date of retirement. Additional benefits are provided to special groups such as police, corrections and fire services officers.

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

Effective July 27, 2020, the Ministers and Members of the Legislature (Salaries and Pension) Act 1975 was amended to add a life insurance benefit equal to year's basic salary of the Member at the date of his death. The cost associated with this death benefit provision have been included in the pension liabilities to be disclosed in the March 2025 financial statements.

Employees contribute 8.0% of their basic salary to the PSSF and ministers and members contribute 12.5% of their salary to the MMLPF. The Government matches the participants' contribution in each plan.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

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

Government made contributions to each plan during the year as follows: PSSF - \$31,540,000 (2024 - \$30,816,339), MMLPF - \$462,000 (2024 - \$471,137). The Public Service Superannuation Act 1981 and the Ministers and Members of the Legislature (Salaries and Pensions) Act 1975, as amended, provide that if at any time the funds are insufficient to meet the payments chargeable against them, the deficiency shall be made up out of the Fund.

(b) Pension Liability

The pension liability is calculated on an actuarial basis. Actuarial valuations are performed triennially using the projected benefit method, pro-rated on services. An actuarial valuation was performed for both the PSSF and the MMLPF at March 31, 2023. The results were then extrapolated to March 31, 2025 using the same assumptions to produce the estimates included in the financial statements.

Actuarial valuations are based on a number of assumptions about future events, such as inflation, interest rates, wage and salary increases, employee turnover and mortality. The actuarial assumptions were reviewed for March 2023 valuation, and this review resulted in changes to the closing discount rate for the PSSF and MMLPF. This review also resulted in changes to the assumptions relating to, inflation rate, retirement age, termination rates, salary increase rates and marital status at retirement. A mortality review was conducted which showed that the mortality experience for the PSSF was closer to the CPM2014 aggregate mortality table. Accordingly, the mortality assumptions were changed to reflect the aggregate CPM2014 mortality table.

The discount rate for the MMLPF was changed to 5.5% (2024 - 5.5%) following a review and validation of the assumptions to be used for the March 2024 extrapolation.

All assumptions reflect Government's best estimates of expected long-term rates and short-term forecasts.

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

The market-related value of assets for the PSSF was \$631,396,596 as at March 31, 2025 (2024 - \$614,757,037) compared to a real market value of \$619,779,686 (2024 - \$633,074,791).

For the MMLPF, there is no difference between the market value of plan assets and the market-related value. As at March 31, 2025 the value was \$5,691,000 (2024 - \$7,057,801). The actual return on plan assets during the year was 5.75% (2024 – 13.02%) for the PSSF and 3.35% (2024 - 3.46%) for the MMLPF.

At March 31, 2025, \$48,643 was payable to the PSSF (2024 – receivable of \$6,032,405), reflecting timing differences between benefits paid and contributions received by the Fund (Schedule 3). At March 31, 2025 \$5,785,765 (2024 - \$7,152,444) was due to the MMLPF in respect of contributions received in excess of benefits paid by the Fund (Schedule 3(a)).

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

(b) Pension Liability (Cont'd)

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

For the year ended March 31	2025	2024
	\$	\$
Pension Liability		
Accrued Benefit Obligation		
PSSF	1,740,242,000	1,686,574,000
MMLPF	<u>36,820,000</u>	<u>36,265,000</u>
	<u><u>1,777,062,000</u></u>	<u><u>1,722,839,000</u></u>
Net Fund Assets		
PSSF	(631,397,000)	(614,757,000)
MMLPF	<u>(5,691,000)</u>	<u>(7,058,000)</u>
	<u><u>(637,088,000)</u></u>	<u><u>(621,815,000)</u></u>

For the year ended March 31	2025	2024
	\$	\$
Net Unamortized Experience (Loss) / Gain^a		
PSSF	184,171,000	182,770,000
MMLPF	<u>(1,619,000)</u>	<u>(1,586,000)</u>
	<u><u>182,552,000</u></u>	<u><u>181,184,000</u></u>
Pension Liability		
PSSF	1,293,016,000	1,254,587,000
MMLPF	<u>29,509,000</u>	<u>27,621,000</u>
Carried Forward to Note 9(g)	<u><u>1,322,525,000</u></u>	<u><u>1,282,208,000</u></u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

(b) Pension Liability (Cont'd)

Accrued Benefit Obligation
For the year ended March 31

	2025			2024
	PSSF	MMLPF	Total	Total
	\$	\$	\$	\$
Accrued benefit obligation at beginning of year	1,686,574,000	36,265,000	1,722,839,000	1,668,518,000
Current Period Benefit Cost	47,436,000	1,392,000	48,828,000	47,832,000
Interest Accrued on benefits	109,359,000	1,993,000	111,352,000	107,844,000
Benefit payments	(103,127,000)	(2,830,000)	(105,957,000)	(100,359,000)
Expected accrued benefit obligation at end of year	1,740,242,000	36,820,000	1,777,062,000	1,723,835,000
Actual accrued benefit obligation at end of year	(1,740,242,000)	(36,820,000)	(1,777,062,000)	(1,722,839,000)
Experience Gain /(loss)	-	-	-	996,000

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

(c) Pension-Related Expenses

Pension-related expenses recognized by the Fund comprise the cost of pension benefits earned by employees during the year, interest on the pension benefit liability (net of interest on pension plan assets) and amortization of the Government's share of any experience gains or losses, less contributions made by the employees. The estimated total cost of the Government's share of plan amendments related to past service is expensed in the year the plan is amended. The pension-related expense is disclosed in Schedule 10(a) as a component of pensions and retirement benefits expense.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

(c) Pension-Related Expenses (Cont'd)

For the year ended March 31	2025	2024
	\$	\$
Pension Expense		
Cost of Pension Benefits	48,828,000	47,832,000
Employee Contributions	(32,003,000)	(31,287,000)
Interest on Pension Liability	72,348,000	69,248,000
Amortization of Experience (Gains) & Losses		
2015 Experience Gain	(293,000)	(293,000)
2016 Experience Loss	1,777,000	1,777,000
2017 Experience Gain	(6,337,000)	(6,337,000)
2018 Experience Loss	539,000	539,000
2019 Experience Loss	824,000	824,000
2020 Experience Loss	2,001,000	2,001,000
2021 Experience Gain	(914,000)	(914,000)
2022 Experience Gain	(1,079,000)	(1,079,000)
2023 Experience Gain	(12,619,000)	(12,619,000)
2024 Experience Gain	(660,000)	-
Pensions Expense excluding Employer Contribution	72,412,000	69,692,000

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

The value of the accrued benefit obligation (“ABO”) relating to the pension plans at a given date is determined using the actuarial projections prorated on service, taking into account, among other things, the most probable long-term economic assumptions made by the Government.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

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

Actuarial Assumptions – PSSF

Economic Assumptions		
Investment rate	6.50% per annum	
Inflation Rate	2.75% per annum	
Interest credited on employee contributions	4.00% per annum	
Salary increase rates	Age band	% per annum
	20-25	5.75
	25-30	5.75
	30-35	4.85
	35-40	4.15
	40-45	3.90
	45-50	3.85
	50-55	3.65
	55-60	3.40
60-70	3.20	

Actuarial Assumptions – MMLPF

Economic Assumptions	
Investment rate	5.50% per annum
Inflation Rate	2.75% per annum
Salary increase rate	3.25 % per annum

Changes in these assumptions may lead to a material increase or decrease in the value of the ABO relating to vested benefits. The following tables, which take the main assumptions into account, show the potential impact of a difference of 1.00% in the value of the ABO for the two pension plans, PSSF and MMLPF. The tables also show the impact of a one-year difference in life expectancy, considering that, according to current assumptions, the life expectancy of beneficiaries aged 60 is 27.3 years for men and 29.7 years for women.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

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

Impact of changes on the main assumptions on the value of the ABO relating to PSSF benefits at March 31, 2025:

Assumption	Change	(Reduction) Increase in ABO	
		\$	%
Discount rate	1.0% increase	(178,092,000)	(10.2)
	1.0% decrease	218,167,000	12.5
Salary increase rate	1.0% increase	64,913,000	3.7
	1.0% decrease	(57,323,000)	(3.3)
Life expectancy	1 year increase	29,083,000	1.7
	1 year decrease	(30,011,000)	(1.7)

Impact of changes on the main assumptions on the value of the ABO relating to MMLPF benefits as at March 31, 2025:

Assumption	Change	(Reduction) Increase in ABO	
		\$	%
Discount rate	1.0% increase	(3,682,000)	(10.0)
	1.0% decrease	4,443,000	12.1
Salary increase rate	1.0% increase	969,000	2.6
	1.0% decrease	(896,000)	(2.4)
Life expectancy	1 year increase	1,035,000	2.8
	1 year decrease	(1,052,000)	(2.9)

(e) Contributory Pension Fund

The Contributory Pension Fund (the “CPF”) was established under the Contributory Pensions Act 1970 as amended. The purpose of the CPF is to provide old age pension, disability and death benefits for persons satisfying certain contribution, citizenship and residency requirements.

Contributions to the CPF are compulsory for persons employed in Bermuda, the self-employed and employers. There is no legislative provision for the Fund to provide for any 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, 2025

9. Pensions and Retirement Benefits (Cont'd)

(f) Retirement Benefits Other than Pensions – Employee Health Insurance Scheme

The Government maintains a health insurance scheme, for substantially all of its current and retired employees, some ministers and members of the Legislature and some QUANGO employees. The Government Employees Health Insurance Fund (the “GEHI Fund”) pays for expenses incurred by insured persons and their enrolled dependants. Every insured person contributes to the GEHI Fund, with the Government matching those contributions.

An actuarial calculation of the Government’s ABO for retirement benefits other than pensions was performed for accounting purposes at March 31, 2025, using various long-term assumptions to produce the estimates included in the financial statements.

The closing discount rate used in determining the accumulated post-retirement benefit obligation was revised to 6.25% (2024 - 6%) following a review and validation of the assumptions used for the March 31, 2025 extrapolation of the Government’s benefits obligation. This change in discount rate is consistent with the rate of interest for the period committed by the Government on the amounts indebted under these plans.

The assumed healthcare cost trend rate used was 5.50% (2024 - 5.50%). This trend rate decreases by 0.25% per annum to reach an ultimate rate of 4.0%. Where relevant, the other assumptions used are the same as those used for the PSSF.

Aggregate information about the health insurance scheme is in the following table:

	2025	2024
	\$	\$
Accrued benefit obligation at beginning of year	822,467,125	738,491,792
Current period benefit cost	26,254,224	24,332,012
Interest accrued	49,804,966	42,855,152
Benefit payments	(11,022,948)	(10,701,622)
	<hr/>	<hr/>
Accrued benefit obligation at end of year	887,503,367	794,977,334
	<hr/>	<hr/>
Expected accrued benefit obligation at end of year	887,503,367	794,977,334
Actual accrued benefit obligation at end of year	871,322,985	822,467,125
	<hr/>	<hr/>
Experience gain/(loss)	16,180,382	(27,489,791)
	<hr/> <hr/>	<hr/> <hr/>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

(f) Retirement Benefits Other than Pensions – Employee Health Insurance Scheme (Cont'd)

	2025	2024
Expected average remaining service life	14 years	14 years
Annual (gain) loss amortization	1,155,742	(1,963,557)

Liability for retirement benefits recorded in the statement of financial position

	2025	2024
	\$	\$
Accrued benefit obligation, end of year	871,322,985	822,467,125
Unamortized experience gain	38,249,960	18,675,330
Liability for retirement benefits (Note 9(g))	<u>909,572,945</u>	<u>841,142,455</u>

Expenses recorded in the statement of operations and accumulated deficit

	2025	2024
	\$	\$
Current period benefit cost	26,254,224	24,332,012
Amortization of experience gains	<u>3,394,248</u>	<u>1,898,572</u>
Retirement benefit expense	29,648,472	26,230,584
Retirement benefit interest expense	49,804,966	42,855,152
Total expenses related to retirement benefits	<u>79,453,438</u>	<u>69,085,736</u>

(g) Pensions and Retirement Benefits Liability and Expense Summary

	2025	2024
	\$	\$
Pensions (Note 9(b))	1,322,525,000	1,282,208,000
Retirement Benefits other than Pensions – Health Insurance Scheme (Note 9(f))	909,572,945	841,142,455
Total Pensions and Retirement Benefits Liability	<u>2,232,097,945</u>	<u>2,123,350,455</u>

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

9. Pensions and Retirement Benefits (Cont'd)

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

	2025			2024
	Pension Plans	Other Benefits	Total	Total
	\$	\$	\$	\$
Current period benefit cost	48,828,000	27,782,287	76,610,287	73,654,106
Amortization of experience gains (losses)	(16,467,000)	2,503,121	(13,963,879)	(15,250,572)
Employee contributions	(32,003,000)	-	(32,003,000)	(31,287,000)
Interest on accrued benefits	72,348,000	51,343,394	123,691,394	113,566,608
Employer contributions	(32,389,000)	(13,247,400)	(45,636,400)	(44,855,561)
Pensions and retirement benefits expense	40,317,000	68,381,402	108,698,402	95,827,581

10. Contingent Liabilities

Guarantees by the Government are made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit and other securities. A provision for losses on the guaranteed loans is determined by a review of individual guarantees. A provision for losses on these guarantees is recorded when it is likely that a loss will occur.

(a) Guarantees

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

The Government has a Master Development Agreement (“MDA”) with HBH, a part of the Desarrollos Hotel Co. Group, the developers of the proposed St. Regis Luxury Hotel, Casino, Spa and Golf Resort in St. George’s. On May 12, 2017, the Minister of Finance announced the Government’s willingness to support the financing of this project by committing to provide a guarantee of up to \$25 million for an estimated project cost of \$150 million. The guarantee provides that the Government cannot be legally required to fund more than \$25 million to repay the lender if HBH is unable to meet their obligations to the lender. The financing being guaranteed is provided under a loan facility maturing in fifteen years. The outstanding balance of the loan as at March 31, 2025 amounted to \$25,000,000 (2024 - \$25,000,000).

10. Contingent Liabilities (Cont'd)

(a) Guarantees (Cont'd)

(i) Hotel Bermuda Holdings Ltd. (“HBH”) Guarantee (Cont'd)

The Government made a further commitment to the project, via an amendment to the MDA, to support the development on a number of infrastructure-related matters, including drilling a water well, installing a back-up generator, constructing a new realigned public road and provision of free metered water. The total value of these additional commitments is not to exceed \$2.7 million. Pursuant to the provision of section 3 of the St George’s Resort Act 2015, in June 2017 the Government entered into various land lease agreements with the developer for a period of 262 years.

(ii) Bermudiana Development Company Limited (the “BDCL”)

- \$10 million term loan facility

On June 16, 2021, the Government provided a letter of comfort on behalf of the BDCL supporting a \$10 million term loan facility at a 3.5% interest rate. The loan, which has a final repayment date of June 30, 2024, is to support the transition of the Grand Atlantic to the Bermudiana Beach Resort Development. The balance on the loan at March 31, 2025 was \$10,000,000 (2024 - \$10,000,000).

On August 30, 2024, the \$10 million facility agreement between BDCL and Clarien Bank was amended to adjust the interest rate and to extend the maturity date by 12 months. The Ministry of Finance confirmed its consent to the amendments of the facility agreement and reiterated that the Guarantee shall continue in full force and effect.

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

- \$25 million multi-currency facility

On August 17, 2023, the Government provided a letter of comfort to Clarien Bank supporting an aggregate \$25 million, multi-currency facility agreement between Clarien Bank Limited and BDCL. The facility is split equally into a Bermuda dollar facility of up to BD\$12,500,000 and a United States dollar facility of up to US\$12,500,000. At 31 March 2025, there were balances of BD\$12,264,528 and US \$12,264,528 on the multi-currency facility (2024 – BD\$10,887,803 and US \$10,887,803).

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

10. Contingent Liabilities (Cont'd)

(a) Guarantees (Cont'd)

(iii) Bermuda Commercial Bank

Effective October 12, 2022, the Government partnered with the Bermuda Commercial Bank (BCB) for the rollout of a three-phase pilot program to assist Bermudian citizens with acquiring first time properties and/or necessary renovations. The BCB will offer reduced interest rates and reduced down payment terms to the successful applicants of the program.

The scope of the agreement details that the government guarantee per loan will be up to 25% of the purchase price or transfer amount, but no more than BMD \$250,000 maximum, for which each Government Guarantee will be a separate and independent obligation in respect of each loan. This guarantee shall remain in force until the earliest of:

- i. All sums due under the loan having been repaid; or
- ii. The Government has paid to the BCB the full amount of the guarantee set out in the relevant facility letter in respect of the relevant Government Guarantee; or
- iii. When the loan to value ratio (LTV) of the loan falls below 80%, save that the guarantee shall remain in place for a minimum of five years regardless of the LTV falling below 80% during the first five years of a loan; or ten years.

The maximum term for loans under this Program will be 360 months (30 years) and loan holders will benefit from a discounted interest rate which is a floating interest rate of the BCB base rate plus 2%, and a reduced down payment of 10% of the purchase price in cash.

In addition, on March 7, 2024 the Government signed a Memorandum of Understanding with Bermuda Commercial Bank Limited in relation to a separate initiative providing guarantees against loans to be made to developers meeting the relevant credit and related requirements, who will build affordable housing units within the Economic Empowerment Zones. The government's commitment under this arrangement will be limited to a period of six years after completion of the construction and is intended to achieve lower interest costs for borrowers in the scheme, stimulate economic activity and provide much needed housing units.

The total maximum guarantee under both initiatives is BMD \$50,000,000. As at March 31, 2025 there were 46 loans issued under this Program (2024- 18). The total government guarantee for all the loans for the period from April 2024 to March 2025 was \$7,213,375 (2024- \$4,076,375).

10. Contingent Liabilities (Cont'd)

(b) Non-Binding Heads of Terms Agreement

In September 2022, the Government of Bermuda entered into a Non-Binding Heads of Terms Agreement with Gencom Acquisition LLC (Sponsor) and Westend Properties Limited (Property Owner). This non – binding agreement sets out the proposed terms and conditions for the provision of a US\$75,000,000 Tax Increment Financing loan guarantee to Clarien Bank Ltd.

Fairmont Southampton

1. In September 2024, the Government provided a guarantee for a \$75 million US dollar credit facility which was entered into between Westend Properties Ltd and Clarien Bank Ltd and FirstCaribbean International Bank (Cayman) Limited for the completion of the Fairmont Southampton Princess Hotel. In the letter the Government guarantees repayment of the principal amount under the facility agreement to the security agents on and as limited by the terms of such guarantee. The loan will be disbursed in two tranches as follows:
 - The first tranche of up to \$60 million to be utilised solely to repay existing indebtedness, to fund the construction period reserve account, to fund the government fee account with an amount equal to the Government fee amount, to pay amounts due to the Agent;
 - The second tranche of up to US \$15 million to be utilised solely to pay approved project costs incurred from time to time by the Borrower.

The balance on the loan with Clarien Bank at 31 March 2025 was \$32 million.

2. In accordance with the signed Heads of Terms agreement dated September 10, 2022, the Property Owner will reimburse the Government for reasonable attorneys' fees, incurred in connection with the closing of the Tax Increment Financing (TIF) loan. At 31 March 2025, \$2 million was due to the Government in unreimbursed legal fees (2024- \$3.9 million). The TIF Credit Facility Agreement dated 19 September 2024 further outlined that \$2 million of legal fees remained outstanding to the Government and provided for them to be reimbursed over a period of five years at \$400,000 in each instalment.

10. Contingent Liabilities (Cont'd)

(c) 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, 2025 is \$28,943,868 (2024 - \$26,851,377).

(d) Base Lands Clean Up

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

A liability of \$27,385,136 (2024 - \$27,978,344) has been accrued, which is an estimate of the remaining costs of the clean-up and remediation at Morgan's Point, encompassing the removal of environmental hazards and fuel storage tanks, removal and remediation of asbestos, as well as demolition of derelict buildings.

The Government signed the Morgan's Point Exchange Agreement with Southlands Limited and MPL. The agreement exchanged 12.454 hectares of land owned by Southlands Ltd., located in Warwick, for 66.82 acres of freehold land at Morgan's Point in Southampton.

Furthermore, the agreement provides MPL, as the Developer, the ability to develop an additional 128.46 acres of Leasehold property at Morgan's Point, as further detailed in the Morgan's Point Land Development Agreement, also signed and dated April 8, 2011, amongst the same parties.

Article 6 of the Morgan's Point Land Development Agreement states the Government is still responsible for the remediation of the Morgan's Point property to international standards deemed reasonably acceptable to the Developer.

(e) Hotels Concession Act 2000, Tourism Investment Act 2017, Memorandum of Understanding for Bars and Restaurant and Bermuda Hotel Association Relief

The Hotels Concession Act 2000 allows for the full or partial exemption from or deferral of payroll tax, land tax and hotel occupancy tax for hotels which undergo development deemed to be in the national economic interest of Bermuda if the development is likely, among other considerations:

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

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

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10. Contingent Liabilities (Cont'd)

**(e) Hotels Concession Act 2000, Tourism Investment Act 2017,
Memorandum of Understanding for Bars and Restaurant and Bermuda
Hotel Association Relief (Cont'd)**

The Government is obligated to recognize the effect of the concessions when payroll tax is actually incurred unless they are dismissed by the Minister of Finance. No liability has been admitted and no provision for collectability is included in the financial statements.

Hotel concessions are foregone revenue and reduce taxes otherwise owing by the hotels in the year the taxes are due.

The total of the hotel concessions granted as at March 31, 2025 was \$3,187,694 (2024 - \$4,192,418), which may be applied against any future payroll tax or hotel occupancy tax incurred by the applicable hotels.

In addition to this amount, \$19,302,000 (2024 - \$19,302,000) is available for use but has not yet been granted by the Ministry of Tourism and Transport as per the terms and conditions of the individual orders.

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

The Tourism Investment Act 2017 became operative on November 10, 2017. As a result, the Hotel Concession Act 2000 has been discontinued and several hotel concessions were revoked.

The total of the Tourism Investment Order relief granted as at March 31, 2025 was \$19,805,076 (2024- \$12,339,592).

(f) St. George's Resort Act 2018

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

The total relief applied as at March 31, 2025 was \$6,957,694 (2024 - \$4,476,080).

10. Contingent Liabilities (Cont'd)

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

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

The Tourism Investment (Bermudiana Beach Resort) Order 2018 within the Terms and Conditions section 4 (4) states “Where construction of the hotel development is not complete by the third anniversary of the date of this Order, the relief granted under section 3(1) shall cease to have effect. The operative date of the order is 21st February 2019 and work was not completed by 21st February 2022 and as such no further relief will be granted. Subsequently, Cabinet approval was granted to convert Bermudiana Beach Resort into residential rental units know as Bermuda Beach Residences.

(h) Rosewood Tucker’s Point

In August 2020, with an operative date of August 7, 2020, the Tourism Investment (Rosewood Bermuda) Order 2020 was approved. The Hotels Concession (Tucker’s Point Hotel and Resort) Order 2016 was simultaneously repealed. The total relief applied as at March 31, 2025 was \$7,021,096 (2024 - \$4,819,453).

(i) St. George’s Club

In August 2020, with an operative date of August 7, 2020, the Tourism Investment (St. George’s Club) Order 2020 was approved. The total estimated relief resulting from this order has not been determined.

(j) Nautilus Hotel

In August 2021, with an operative date of August 9, 2021, the Tourism Investment (Nautilus Hotel) Order 2021 was approved. The total estimated relief resulting from this order has not been determined.

(k) The Loren Pink Beach

In January 2022, with an operative date of January 14, 2022, the Tourism Investment (The Loren at Pink Beach) Order 2022 was approved. The total relief applied as at March 31, 2025 was \$3,158,180 (2024 - \$2,031,651).

(l) Cambridge Beaches Resort and Spa

In August 2022, with an operative date of August 11, 2022, the Tourism Investment (Cambridge Beaches Resort and Spa) Order 2022 was approved. The total relief applied as at March 31, 2025 was \$2,102,726 (2024 - \$1,012,408).

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10. Contingent Liabilities (Cont'd)

(m) Ariel Sands

In March 2024 with an operative date of March 14, 2024, the Tourism Investment (Ariel Sands) Order 2023 was approved. The total estimated relief resulting from this order has not been determined.

(n) Hamilton Princess and Beach Club Tourism Investment Order

In May 2024, signed by the Minister of Tourism, Culture and Sport, the Tourism Investment (Hamilton Princess and Beach Club) Order 2024 was approved. The total estimated relief resulting from this order has not been determined. The opening date for this order is April 1, 2025.

(o) Fairmont Southampton

In April 2023, with an operative date of September 2024, the Fairmont Southampton Hotel Act 2023 was approved. The total estimated relief resulting from this order has not been determined. The Act refers to rebate as opposed to concessions. Rebates will be granted to the developer.

(p) Rosedon Hotel Tourism Investment Order

In December 2024, with an operative date of December 13, 2024, the Tourism Investment (Rosedon Hotel) Order 2024 was approved. The total estimated relief resulting from this order has not been determined. The opening date for this order is July 1, 2025.

(q) Azura Bermuda

In March 2024, with an operative date of March 18, 2024, the Tourism Investment (Azura Bermuda) Order 2024 was approved. The opening date for this order is October 1, 2023. The total relief applied as at March 31, 2025 was \$565,380.

11. Non-Contractual Operational Obligations

The Government has ongoing obligations to fund a variety of programs for public welfare including health, education, and social services, protection of persons and properties, and management of natural resources. The following is an analysis of the future, non-contractual operational obligations:

Program	Total Non-Contractual Obligations	2026	2027
	\$	\$	\$
Economic Development	33,926	33,926	-

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12. Contractual Obligations

(a) Capital Leases

The average period of capitalized leased office machines is 3 years. The lease payments period of capitalized leased LED streetlights (luminaires) is over 10 years. The useful life of the capitalized LED streetlights (luminaries) is 20 years. Leases are capitalized based on the discounted rate of 6.04% and amortized on a straight-line basis over the period of the lease. Interest expense for leased capital assets was \$446,746 for the year (2024 - \$435,929).

The following is an analysis of the leases:

	2025	2024
	\$	\$
Present value of lease cost	7,845,519	7,721,096
Less: Accumulated amortization	(5,658,775)	(5,508,636)
Present value of lease obligations	<u>2,186,744</u>	<u>2,212,460</u>

The following is a schedule of discounted future minimum lease payments under leases expiring up to March 21, 2029:

	\$
2026	78,006
2027	47,127
2028	7,778
2029	<u>2,053,833</u>
Present value of lease obligations	<u><u>2,186,744</u></u>

Government of Bermuda – Consolidated Fund
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12. Contractual Obligations (Cont'd)

(b) Contractual Obligations

The nature of Government activity results in some large multi-year contracts and agreements of various sizes and importance. Any financial obligations resulting from these are recorded as a liability when the terms of these contracts and agreements for the acquisition of goods and services or the provision of transfer payments are met.

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

Program	Total Contractual Obligations	2026	2027	2028	2029 and Subsequent
	\$	\$	\$	\$	\$
Economic Development	19,908,398	17,518,889	1,577,622	690,939	120,948
National Security	3,842,810	3,746,184	96,626	-	-
Education	3,097,842	2,882,736	215,106	-	-
Other General Government Services	349,340	278,690	70,650	-	-
Health	311,781	311,781	-	-	-
Total	27,510,171	24,738,280	1,960,004	690,939	120,948

(c) Operating Leases

The Government rents premises under operating leases which expire at certain dates.

The following is an analysis of the future minimum operating lease payments:

	\$
2026	7,208,271
2027	6,467,142
2028	5,967,810
2029	4,520,162
2030	2,473,344
2031 and subsequent	9,082,455
Total Future Minimum Operating Lease Payments	35,719,184

13. Supplementary Estimates and Virements (Transfers)

Section 96(3) of the Bermuda Constitution Order 1968 allows for Supplementary Estimates in respect of any fiscal year if it is found that (a) the amount appropriated by the appropriation law for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by that law; or (b) moneys have been expended for any purpose in excess of the amount appropriated for that purpose by the appropriation law or for a purpose to which no amount has been appropriated by that law, a supplementary estimate, showing the sum required or spent, shall be laid before the House of Assembly. Section 96(4) of the Bermuda Constitution Order 1968 requires that a Supplementary Appropriation Bill be introduced into the Legislature as soon as practical after year end of the year that supplementary estimates have been necessary.

The Public Treasury (Administration and Payments) Amendment Act 2004 allows a Permanent Secretary or a Head of Department to transfer a part of a Department's approved budget to another Department within the same Ministry, subject to the consent of the Minister of Finance.

Virements do not increase the overall appropriation amount but facilitate the redeployment of approved budget resources after the start of a financial year.

During the year, \$25,559,280 (2024 - \$32,922,514) in Supplementary Estimates were approved and spent which consisted of \$17,967,219 (2024 - \$29,962,514) for current expenditure and \$7,592,061 (2024 - \$2,960,000) for capital expenditure.

During the year \$17,315,467 (2024 - \$21,169,679) in virements were approved and transferred which consisted of \$5,361,864 (2024 - \$3,172,303) for current expenditure and \$11,953,603 (2024 - \$17,997,376) for capital expenditure.

Additional expenditures of \$20,446,148 (2024 - \$16,759,803) were incurred in excess of amounts appropriated by the Ministry and will require final approval, which consisted of \$17,022,624 (2024 - \$16,241,638) for current expenditure and \$3,423,524 (2024 - \$460,165) for capital expenditure.

Additional virements of \$15,074,666 (2024 - \$8,632,694) require final approval and transfer, which consisted of \$7,812,564 (2024 - \$3,889,695) for current expenditure and \$7,262,102 (2024 - \$4,742,999) for capital expenditure.

14. Related Party Transactions

(a) Funds

The Fund is related to the GEHI Fund, the CPF, the MMLPF, the PSSF, the Confiscated Assets Fund (CAF), the Insurance Fund, the GBSF, the Health Insurance Fund, the Mutual Re-insurance Fund, the FutureCare Fund and the Government Reserves Fund.

The financial activities of these funds are reported separately in each fund's financial statements. The Fund provides accounting and certain administrative services to these funds. These transactions are in the normal course of operations and are measured at the appropriate exchange amount. The other activities represent the net position of contributions payable to the funds and expenses paid out of the Fund on behalf of the funds. Schedules 3 and 3(a) display details of unpaid balances due from and due to the funds, which have arisen from normal operating activities. The 3.5% per annum rate of interest accruing on the balances is the statutory rate as fixed by the Interest and Credit Charges (Regulation) Act 1975 (2024 – 3.5% per annum). The exceptions to this interest charge allocation are the GEHI and CAF Fund balances, for which no interest is accrued.

(b) QUANGOs and Other Government-Related Organizations

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

The Fund enters into transactions with the QUANGOs and other Government-related organizations in the normal course of business which are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Schedules 3 and 3(a) include details of balances due from and due to these entities, which have arisen from normal operating activities. During the year, no interest was charged and/or incurred from or to the Fund and the various QUANGOs and other Government-related organizations.

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

a) On December 1, 2010, the Minister of Finance provided an irrevocable Guarantee to Paget Health Services Limited (“PHS”) on behalf of the BHB to facilitate the completion of the new acute care wing (the “New Facility”) of the King Edward VII Memorial Hospital in Paget. The Annual Service Payments commenced from June 12, 2014, the Service Commencement date, for a period of approximately thirty years, consisting of principal, interest, lifecycle and hard facilities management. A portion of the Annual Service Payment is indexed over the thirty-year period to allow for changes in the cost of living and other related facility costs. The current year's Annual Service Payment was \$33.1 million (2024 – \$31.3 million).

14. Related Party Transactions (Cont'd)

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

(i) Bermuda Hospitals Board (the “BHB”) Guarantee (Cont'd)

The Guarantee agreement guarantees the payment obligations of the BHB to Paget Health Services Limited by the Government, including principal, interest, life cycle and hard facilities' maintenance expenses, as required by the lenders. The total of BHB's remaining contractual obligation, which is to March 2044, to PHS at March 31, 2025 is \$663.9 million (2024 – \$696.6 million).

b) On February 17, 2021, the Minister of Finance approved for the BHB to enter into a credit facility of up to \$30 million with Clarien Bank for purposes of supporting the BHB's cash flow requirements.

On June 7, 2022, the Government provided a letter of comfort to Clarien Bank, approving the BHB's extension of an overdraft facility of up to \$20 million. The purpose of this extension to the facility is to support BHB in sustaining its cash flow requirements. For fiscal year 2024/2025, the BHB renewed its overdraft facility with Clarien Bank and increased the limit from \$20 million to \$25 million to cover its cash flow requirements. The balance on the facility at March 31 2025 was \$23,942,413 (2024 - \$17,770,795).

The Ministry of Finance acknowledged BHB's obligations in connection with the overdraft facility and the government's intentions to cause BHB to continue operating and be in a financial position to discharge its obligations to Clarien Bank.

On 4 July 2024, the Ministry of Finance approved a request for an extension of the waivers for the employer portion of Payroll Tax and Customs Duties for the importation of Hospital Operating Supplies for the BHB. The extension period covers 12 months from April 1, 2024 to March 31, 2025. Additionally, the approval covered the request for a waiver of Immigration fees. The approval letter affirmed that the waivers have been granted to assist BHB in meeting its savings objectives.

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

The Government provides funding to the BEDC to facilitate the function of the QUANGO as a guarantor on business loans for locally owned businesses in Bermuda. The Government provides funding to fulfill the payment obligations of the BEDC for defaulted loans.

While the Government settles defaulted loans as required, there is no liability recorded and no provision for loans in default is included in the financial statements of the Fund. The total of specific amounts deemed contingent liabilities of the Government, as determined by the BEDC, as at March 31, 2025 is \$981,769 (2024 - \$1,425,581).

14. Related Party Transactions (Cont'd)

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

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

In April 2020, the Government announced it would provide the BEDC with a grant of \$12 million to fund their COVID-19 Business Sustainability & Continuity Funding Programme to provide relief in response to the significant impact of COVID-19 on Bermuda’s small and medium-sized businesses. As of March 31, 2023 BEDC is no longer offering the COVID-19 Business Sustainability & Continuity Funding Programme product; however, the residual balance of \$5,598,232 under the programme has been channeled towards direct funding offered to the beneficiaries through BEDC’s existing financial products. For the year ended March 31, 2025, \$686,000 (2024 - \$384,014) in financial support has been deployed in a combination of grants, loans, and guarantees.

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

In accordance with Section 8(3) of the Bermuda Monetary Authority Act 1969, the BMA pays the remaining portion of its net profit (historically 50%) to the Fund after contributions to the BMA General Reserve and the paid-up capital of the Authority. The BMA reported a net profit as at December 31, 2024, and \$6.85 million was transferred to the Consolidated Fund subsequent to March 31, 2025 (2024 - \$Nil).

iv) Bermuda Land Management Company (the “BLMC”)

Effective September 1, 2024, pursuant to the West End Development Corporation Amendment Act 2024, all assets, liabilities, and functions of BLDC were transferred to and vested in the West End Development Corporation (WEDCO), which was renamed the Bermuda Land Management Corporation (BLMC). The Base Lands Development Act 1996 was repealed, resulting in the dissolution of Bermuda Land Development Company Limited (BLDC).

- Common Shares of BLDC held by Government of Bermuda

On November 12, 1996, the Government purchased 5,000,000 common shares of the Bermuda Land Development Company Limited (BLDC) at a par value of \$1 per share. The shares were held in trust by the Ministers of Finance and Public Works.

On September 12, 2024, the Ministries of Finance and Public Works transferred their respective shareholdings in BLDC to BLMC, free of all liens, charges, and encumbrances, together with all associated rights in accordance with the company’s Memorandum of Association and Bye-Laws.

14. Related Party Transactions (Cont'd)

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

iv) Bermuda Land Management Company (the “BLMC”) (Cont'd)

- Government Guarantee for BLDC loan

On March 18, 2021, the Government issued a letter of comfort to Clarien Bank Limited on behalf of BLDC in support of a \$30 million term loan facility for the development of a water and sewage treatment system in St. George's Parish. The outstanding balance on the facility as at March 31, 2025 was \$28,535,869 (2024 – \$29,532,944). The Ministry of Finance guaranteed to make good any default by BLDC in respect of principal, interest, and related charges until the indebtedness to Clarien has been fully discharged.

Following the statutory reorganization in September 2024, BLMC assumed the borrower obligations under the original facility agreement with Clarien Bank, which was subsequently amended and restated to reflect the reorganization.

A Deed of Amendment and Confirmation was executed to consent to the amendment of the Facility Agreement, to ratify, amend, and confirm the Guarantee, and to affirm that the original Guarantee remains in effect and continues to secure all liabilities of BLMC under the restated Facility Agreement.

- **WEDCO Guarantee**

On August 9, 2022, the Minister of Finance provided a guarantee for WEDCO's term loan facility with Clarien Bank for an amount up to \$60,275,042 for the purpose of re-financing existing indebtedness with BNTB.

The Ministry of Finance guaranteed, up to a maximum liability of \$60,205,042 to make good any default on the part of WEDCO, in the payment of the loan to Clarien Bank and all related interest fees and charges due as a result of default by WEDCO until all indebtedness to Clarien Bank has been fully discharged. The notional amortization period of the loan is 18 years. As at March 31, 2025, WEDCO had a balance of \$54,482,866 on the facility (\$2024 - \$56,224,072).

On May 25, 2020, the Ministry of Finance granted approval for WEDCO to enter into a credit facility of up to \$1,000,000 with Clarien Bank Ltd for purposes of financing the proposed Utility Improvements Project at the Boaz Island Village, Sandy's, and to provide up to \$50,000 for interest capitalization for the first twelve months of the term of the loan.

On July 13 2020, WEDCO secured a term loan of \$1.05 million at 5% with a final repayment date of December 1, 2038. WEDCO is obligated to make monthly payments of \$7,382 which cover both principal and interest for an amortization period of 216 months. As at March 31, 2025, WEDCO had a balance of \$915,850 (2024- \$957,509) on the facility.

On 30 July 2024 (with an operative date of 1 September 2024), the assets, liabilities and functions of the BLDC were transferred to WEDCO and WEDCO was renamed Bermuda Land Management Corporation (BLMC).

14. Related Party Transactions (Cont'd)

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

iv) Bermuda Land Management Company (the “BLMC”) (Cont'd)

Following the statutory reorganization in September 2024, BLMC assumed the borrower obligations under the original facility agreement with Clarien Bank, which was subsequently amended and restated to reflect the reorganization.

A Deed of Amendment and Confirmation was executed to consent to the amendment of the Facility Agreement, to ratify, amend, and confirm the Guarantee, and to affirm that the original Guarantee remains in effect and continues to secure all liabilities of BLMC under the restated Facility Agreement.

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

- Annual Operating Grant

To the extent that the BHC operates programmes which do not break even, the Government appropriates annual grants which enable BHC to comply with its legislation. The annual grant awarded for the year ended March 31, 2025 was \$29,012,271 (2024 - \$17,840,158).

- BHC Guarantee

On July 20, 2021 the Minister of Finance granted his consent for the BHC to enter into a facility agreement with Clarien Bank for an amount up to \$29,300,000 for the purpose of re-financing existing indebtedness with BNTB. The final repayment date of this facility will be July 31, 2036. The balance outstanding as at March 31, 2025 was \$23,672,101 (2024 - \$25,121,194).

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

In June 2024, the Cabinet took note of a proposed investment with Bermuda Commercial Bank in support of a \$10 million revolving credit facility between the Bank and Bermuda Housing Corporation (BHC). Prior to establishing the facility, \$10 million from the Government Borrowing Sinking Fund was invested in a 12-month term deposit at the BCB as collateral for the loan.

The facility will allow the BHC to accelerate the provision of affordable housing and enable a significant expansion of the private sector rental programme. The revolving loan is expected to provide flexibility for BHC to make repayments as and when income is received and allow BHC to borrow the funds as and when they are needed. Interest earned on the Term Deposit is expected to be used to cover BHC's interest expense incurred from the credit facility.

14. Related Party Transactions (Cont'd)

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

(v) Bermuda Housing Corporation (the “BHC”) (Cont'd)

In October 2024, the Government approved the conversion of the Bermudiana Beach Resort Development Project from hotel units into residential rental apartments in line with the most viable option arising from a financial assessment of the development project. A grant of \$5 million was awarded to the Bermuda Housing Corporation (BHC) for the expenses to be incurred to bring the project to completion.

(vi) Regulatory Authority (the “RA”)

In accordance with Section 41 (1) (a) of the Regulatory Authority Act 2011, the RA will pay 50% of its net surplus to the Fund. While the RA did generate a surplus for FY 2025, these amounts were retained by the RA for allocation towards their Litigation Fund and Project Fund, and no residual surplus was available for transfer to the Consolidated Fund (2024 - \$Nil).

(vii) L.F. Wade International Airport Redevelopment

After several assessments commissioned by the Government, it was concluded that the useful life of the existing airport terminal was nearing expiration. The Government agreed to redevelop the airport by using a government-to-government contracting model with the Canadian Commercial Corporation (“CCC”) which is wholly owned by the Government of Canada. Since mid-2014 the Government has engaged with the CCC and its selected project partner Aecon Group Inc. (collectively the “Project Partner” or “Concessionaire”). The model involved an incremental contract development process that began when the parties entered into a Memorandum of Understanding on November 10, 2014, which led to the execution of a series of Letters of Agreement.

A further interim agreement, called the Airport Development Agreement (“ADA”), which was entered into on August 31, 2015, sets out and describes the scope, principles and high-level terms (“Heads of Agreement”) of the Project's final and definitive arrangements.

After detailed negotiations, the Government and the Project Partners reached agreement on all material aspects of the Project, and a set of definitive core project agreements and associated schedules (collectively referred to as “the Agreement”) were prepared and signed by the Minister of Tourism, Transport and Municipalities and the Minister of Finance on March 15, 2017 (“Financial Close”) for the transaction.

14. Related Party Transactions (Cont'd)

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

(vii) L.F. Wade International Airport Redevelopment (Cont'd)

The Agreement stipulates that the Government will enter into a 30-year concession agreement with a Special Purpose Entity, Bermuda Skyport Corporation Limited (“Skyport”). Skyport is owned by Aecon, who will hold at least 35% of the equity, and other third-party shareholders. The Agreement will include both construction of the new airport as well as operations and maintenance of the airport for the concession term, except for operations that Bermuda will retain, being air traffic control operations, meteorological services, airport fire and rescue services and ground electronics (“the Retained Government Services”).

Under the Agreement, Government will provide Skyport with limited financial support and assistance, including:

- the accumulated Airport Improvement Fees revenue;
- guaranteed minimum regulated revenue; and
- the amount in respect of annual energy consumption for the airport.

All airport charges will be deregulated and governed by the terms of the Agreement. Skyport will have the sole right to charge and enforce all airport-related fees.

The Airport Redevelopment Concession Act 2017, effective March 9, 2017, resulted in a number of concessions and exemptions to Skyport and its affiliates, CCC, Aecon and the finance parties. The concessions include relief from certain taxes and environmental exemptions. The value of these concessions is not able to be determined, as they are not capped.

The Government created a QUANGO, the Bermuda Airport Authority (the “BAA”), under the Bermuda Airport Authority Act 2017, to administer the Airport Development Agreement 2015 and provide the Retained Government Services. All airport property, excluding airport lands, and all liabilities and contracts were transferred to the BAA at the vesting date.

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

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

14. Related Party Transactions (Cont'd)

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

(viii) Bermuda Shipping and Maritime Authority

On July 12, 2016, the Bermuda Shipping and Maritime Authority (the “BSMA”) was established by the Bermuda Shipping and Maritime Authority Act 2016 (the “BSMA Act”). At March 31, 2025, the BSMA had a loan of \$1,090,000 (2024 - \$1,090,000) from the Fund and its repayment date was extended to March 31, 2026 by the Ministry of Finance.

In accordance with Section 19(1) (a) of the BSMA Act, the BSMA will transfer a percentage of its net surplus, if any, to the Fund. However, in May 2020, the BSMA received approvals from the Minister of Finance and the Minister of Tourism and Transport for the 2018 surplus to be utilized to recoup anticipated net losses for the 2019 and 2020 years. Although a surplus is projected for FY2025, the Authority must first recover significant prior-year operating losses and replenish the Reserve Fund, which was partially utilized in FY2023. With FY2024 recording a net deficit, surplus payments to the Consolidated Fund are not expected for FY2025.

In August 2023, the Ministry of Finance approved a deferral of an \$850,000 loan repayment to the Bermuda Government by BSMA. The loan was set to be repaid by the end of June 2022 and the repayment date was extended for a further 24 months until the end of June 2024. In August 2024, the Ministry of Finance extended the loan for a further nine months until March 2025.

On August 25, 2023, the Ministry of Finance issued a Letter of Comfort to BSMA to formally show its support for the Quango. The letter noted that BSMA presently has an annual deficit which is forecasted to continue, and the Government is working on progressing the recommendations from a review it conducted on the BSMA and BCAA current structure. The Government stated its commitment to the success of BSMA noting the Quango’s importance to the economic recovery of Bermuda. The Government further noted its support to BSMA both strategically and financially to ensure the Quango meets its financial obligations for a period of at least 12 months from the date of the letter.

14. Related Party Transactions (Cont'd)

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

(ix) Bermuda Civil Aviation Authority

In accordance with Section 18(1)(a) of the Bermuda Civil Aviation Authority Act 2016 (the “BCAA Act”), the Bermuda Civil Aviation Authority (the “BCAA”) will transfer a percentage of its net surplus to the Fund. The BCAA reported a net loss for the year ended March 31, 2025 of approximately \$1.9 million (2024 – a net loss of \$2.6 million). The prior year amounts to be transferred to the Fund are included in Due from Government Funds and Agencies (Schedule 3) at March 31, 2025.

On September 5, 2023, the Ministry of Finance issued a Letter of Comfort to BCAA to formally show its support for the Quango. The letter noted that BCAA currently has an annual deficit which is forecasted to continue until new revenue streams can be found to replace revenue lost from international sanctions on Russian Aircraft Operators. To support BCAA's ongoing work of turning the current deficit into a surplus, the Government is working on progressing the recommendations from a review it conducted on the BCAA and BSMA current structure. The Government stated its commitment to the success of BCAA noting the Quango's importance to the economic recovery of Bermuda.

The Government further noted its support to BCAA both strategically and financially to ensure the Quango meets its financial obligations for a period of at least 12 months from the date of the letter.

On 24 April 2024, the Government provided a letter of comfort to the BCAA as a formal show of support for the Quango. The BCAA currently has an annual deficit which is predicted to continue until new revenue can be found to replace those lost by the international sanctions on Russian Aircraft operators. The BCAA, prior to these sanctions, had an annual surplus, and the Government is cognizant of the ongoing work to return the Quango to this position.

The letter noted that the Government will work with the agency to provide appropriate financial and strategic support so that the Quango can meet its obligations as they fall due in the normal course of business for a period of at least twelve months from the date of the letter.

(x) Bermuda Gaming Commission

On April 4, 2017, the Government authorized the transfer of \$1.6 million from the Fund to the Bermuda Gaming Commission (formerly the Bermuda Casino Gaming Commission) (the “BGC”) in the form of an interest-free loan. In July 2018, the Government transferred a further \$500,000 to the BGC. As at March 31, 2025, \$2.1 million (2024- \$2.1 million) is outstanding from the loan.

14. Related Party Transactions (Cont'd)

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

(xi) Bermuda Tourism Authority

On May 18, 2020, the Minister of Finance consented to the \$2 million increase in borrowing on an existing fixed rate loan facility by the Bermuda Tourism Authority (the "BTA") with BNTB. The maximum principal amount of the 5-year 4.75% fixed interest rate loan is \$9,666,667. The loan was used to facilitate the repayment in full of the outstanding project capital costs and accrued interest on the widening of the North Channel to permit Quantum Class cruise ships passage to Bermuda.

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

The final repayment of the loan was made on March 31, 2024 and all liabilities were fully discharged (2024 – \$Nil).

(xii) National Sports Centre (the "NSC")

On May 26, 2021, the Government provided a letter of comfort to HSBC on behalf of the NSC supporting a \$3.24 million term loan facility. The loan is to support NSC's Solar Initiative to provide a solar energy source for the facilities. As at March 31, 2025 the balance on the loan is \$2,372,484 (2024- \$2,557,500).

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

(c) Provision for Doubtful Accounts – Due from Government Funds & Agencies

A provision for doubtful accounts is recorded when there is no reasonable assurance of collection of the carrying amounts of a loan or receivable balance. Due to this uncertainty, a provision of \$158.96 million (2024 - \$107.16 million) has been made for balances owed to the Fund by various Government Funds and Agencies (see also Schedule 3).

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

15. Debt

(a) Debt issuance and payments

In August 2020, the Government raised \$1.35 billion with the issuance of a \$675 million 2.375% Note due 2030 and a \$675M 3.375% Note due 2050. With the proceeds, the following short-term borrowings were paid off: a \$200 million combined loan facility with HSBC and BNTB, a \$150 million combined loan facility with HSBC and Clarien, and a \$55 million overdraft facility with Clarien. In addition, principal payments were made on the following outstanding Senior Notes: \$121,095,000 on the \$475 million 4.138% Note due 2023, \$147,797,000 on the \$750 million 4.854% Note due 2024, \$60,376,000 on the \$665 million 3.717% Note due 2027, and \$170,732,000 on the \$620 million 4.750% Note due 2029. The remainder deposited in the GBSF is to be used to fund anticipated deficits.

In July 2022, the Government raised \$496,740,000 with a new issuance of \$500 million 5% Senior Notes due in 2032. The proceeds were utilised to finance the early principal payment of the \$354 million 4.138% Senior notes due in January 2023, and \$1,915,658 was utilised for the facility charges and other ancillary fees related to the notes refinancing. The remainder was deposited in the GBSF as per Note 5 and utilised to pay off the \$140 million 5.73 % Senior Notes due in December 2022.

On August 15, 2022, the Government raised an additional \$405,190,066 which represented an additional issuance of \$390 million 5% Senior Notes due in 2032. The proceeds were inclusive of accrued interest of \$2,004,167 and purchase premium of \$13,185,900 and were used to early retire the \$402 million of 4.854% Senior notes due 2024.

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

(b) Discount on Bonds

In November 2018, Government issued debt of \$620 million of 4.750%, 10 year bonds, due February 2029 at an issue price of \$615 million, resulting in a discount of \$4,619,000. The discount has been amortized by \$2,678,498 to date using the effective interest method.

In August 2020, the Government issued debt of two \$675 million bonds of 2.375% and 3.375%, respectively. The 2.375% bond is due August 2030 and was issued at a price of \$673 million, resulting in a discount of \$1,336,500. The discount has been amortized by \$562,212 to date using the effective interest method. The 3.375% bond is due August 2050 and was issued at a price of \$673 million, resulting in a discount of \$1,336,500. The discount has been amortized by \$125,421 to date using the effective interest method.

In July 2022, the Government issued debt of \$500 million of 5%, 10-year bonds at a discount of \$3,260,000. The discount has been amortized by \$668,541 to date using the effective interest method.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

15. Debt (Cont'd)

(c) Premium on Bond

In August 2022, Government issued debt of \$390 million of 5%, 10-year bonds at a premium of \$13,185,900. The premium has been amortized by \$2,760,053 to date using the effective interest method.

(d) Debt Repayment

In December 2023, the Government redeemed in full its outstanding \$50 million 4.75% Senior notes due on December 16, 2023. Additionally, \$1,187,500 and \$1,000 was paid in interest and bank charges, respectively.

(e) Limit on the Public Debt

In August 2020, section 2A (1) of the Government Loans Act 1978 was amended to raise the debt ceiling to \$3.50 billion.

16. Deferred Revenue

(a) Insurance Proceeds

Monies not yet spent for the purpose specified are accounted for as deferred revenue. During the year, the Fund received proceeds from insurance claims to be used to cover financial losses due to specific events. At year end, \$1,097,733 (2024 - \$1,727,033) of these funds remained, and were due to various insurance claims.

(b) Tugboats / NCL Primary Berthing Rights

In December 2019, the Government executed an amendment to an existing berthing and operating agreement with Norwegian Cruise Lines (NCL), whereby that entity provided \$15,000,000 in exchange for primary berthing rights for NCL ships during the cruise season until December 2028. As per the amended agreement, the Government has restricted the use of the funds for the purchase of two new Azimuth Stern Drive tugboats.

The \$15 million dollars has been recorded as deferred revenue, which will be recognised over a period of time to 2028.

The two new tugboats arrived in Bermuda on September 26, 2020 and were officially handed over to the Government on October 16, 2020.

At March 31, 2025, \$1,654,545 (2024 - \$1,663,005) has been recognised as revenue in the Statement of Operations and Accumulated Deficit and the deferred revenue remaining totalled \$6,262,669 (2024 - \$7,920,200). As of that date \$58,244 of the funds remain unspent for staff training and additional tugboat parts.

17. Morgan’s Point / Caroline Bay

(a) Certificate Purchase Agreements

On March 14, 2016, the Minister of Finance provided irrevocable Guarantee Agreements to lenders, replacing a letter of comfort issued August 2013, providing certain credit facilities on behalf of Morgan’s Point Limited (“MPL”) for use in the construction of a new hotel and condominium project at Morgan’s Point to be branded and managed as a member of the Ritz Carlton hotel and residences brands. The guarantees provide that the Government cannot be legally required to fund more than US\$165 million to repay the lenders if the borrowers are unable to perform their obligations. George’s Bay Limited (“GBL”), a subsidiary of MPL, entered into a number of transactions to obtain financing for the project. The financing guaranteed was provided under separate groups of loans – US\$85 million senior secured debt (“Tranche B”) and US\$75 million unsecured debt (“Tranche C”), each maturing in five years with two one-year options to extend.

MPL and GBL were unsuccessful in securing funding to meet the financial obligations to the lenders, resulting in defaults of those obligations. As a result of the defaults, the Tranche B lenders demanded repayment of the outstanding loans in full. In September 2019, the Government proactively exercised its rights under the Intercreditor Agreement, to purchase the lenders’ rights and interests under the Tranche B Loan Agreement, at a cost of US\$88.5 million.

In October 2019, the Government again proactively exercised its rights under the Intercreditor Agreement, purchasing the lenders’ rights under the Tranche C Loan Agreement at a cost of US\$80 million. The Government also purchased an aggregate 1,500 Class B Non-Voting Participating Common Shares, \$0.01 par value of GBL, pursuant to the loan and share purchase agreements between the Government and the Tranche C Lenders. In December 2019, the Government undertook to settle \$11.1 million outstanding contractors’ balances owed by GBL for work performed.

In March 2020, the Government successfully petitioned the Supreme Court to wind up GBL and appoint provisional liquidators to implement a corporate restructuring.

(b) Recognition of Asset

An independent assessment of the value of the assets in respect of its secured and unsecured claims against GBL was done. The Government has a secured claim against the assets of GBL as recourse for the Tranche B debt and an unsecured claim relating to the Tranche C debts. The Government also acquired the various outstanding contractor balances due from GBL. The loans and equity acquired in the Certificate Purchase Agreement totalled \$168,472,958, and the outstanding contractors balance acquired was \$11,051,438. The acquired loans, equity and various contractor balances would normally be considered to meet the definition of an asset, however there are a number of factors that create significant measurement uncertainty in the valuation of the amounts expected to be ultimately recovered by the Government. While it has not been concluded that the asset has nil value, as there a number of GBL tangible assets that have value, the Government deems it appropriate to provide a valuation allowance of \$168,471,958 for the asset, such that its carrying value in the financial statements is \$1,000.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

17. Morgan’s Point / Caroline Bay (Cont’d)

(b) Recognition of Asset (Cont’d)

The contractors balances along with legal advisory and consulting cost totalling \$14,814,279 were added to the valuation allowance presented in the March 31, 2020 Statement of Operations and Accumulated Deficit.

The amount recognised as recoverable could change materially in the future, dependent on the outcome of future events, including the prospective use of the development site, future investment decisions by the Government and others, and future operations of GBL.

(c) Morgan’s Point Guarantee

There is currently no counterparty to whom the Government has any obligation under the guarantee, as the Government acquired the loans for which it acts as guarantor. Although owned by the Government, the Tranche B and Tranche C debts still exist and have the potential to be disposed of at a future date. As a result, the Government’s guarantee has not been formally extinguished.

On June 19, 2020, the Government submitted a claim to GBL’s provisional liquidators in the amount of \$217.5 million. The Government paid \$2,288,067 (2024 - \$2,234,033) for contractor’s balances, joint provisional liquidator, and consulting, advisory and legal services for the year ended March 31, 2025, with \$3,204,885 (2024- \$916,818) included as being due from Morgan’s Point Development Company (MPDC). In addition, Government also paid out interest on the facility used to pay the Caroline Bay/Morgan’s Point amounting to \$3.1 million.

On March 30, 2023, Morgan’s Point Development Company (MPDC) was established as a local company, with Government as its sole shareholder. The aim of the Company is to complete the development project, recover costs and build value for the people of Bermuda. The Board was fully established in April 2024 with the JPL continuing to run the site until the legal transfer of assets takes place. All costs that have been incurred by Government since MPDC was established have been recharged to the Company.

In June and November 2024, \$500,000 and \$2,500,0000 respectively, were paid to the Joint Provisional Liquidators (JPL) in relation to the ongoing financial support and redevelopment of Morgan’s Point/Caroline Bay project.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

18. WEDCO / Moresby House

On August 30, 2016, the Government of Bermuda approved a grant of \$3 million to WEDCO for the redevelopment and refurbishment of Moresby House, located at 26 Pender Road, Sandys, Bermuda. Although initially provided by way of a grant to expedite the refurbishment works, WEDCO was required to repay the Government in full, with specific terms and conditions to be agreed.

In April 2018, WEDCO entered into a lease agreement with the Government, wherein WEDCO would lease Watford House, located at 35 Malabar Road, Sandys, Bermuda, to the Government for 21 years, commencing May 1, 2018 and expiring on April 29, 2039.

The rent amount under the terms of lease is \$nil. At the end of the lease period, the amount owed to the Government is deemed to be zero.

The balance remaining at March 31, 2025 is \$2,023,810 (2024 - \$2,166,667).

19. Asset Retirement Obligations

The Government's asset retirement obligations relate primarily to the remediation of asbestos in buildings, the decommissioning of underground fuel tanks, and, effective this year, the restoration of leasehold improvements. The Government owns and operates numerous buildings that are known or likely to contain asbestos, which must be safely removed upon demolition in accordance with legal requirements. The Government is also responsible for the decommissioning of 23 underground fuel tanks, which require full removal and site remediation. In the current year, the Government identified 83 leases containing put-back clauses that create a legal obligation to restore leased premises to their original condition upon termination, resulting in additional AROs for leasehold improvements.

Change in Estimate – Inclusion of Leasehold Improvements

During the year ended March 31, 2025, management obtained new information regarding the existence and terms of lease agreements, specifically the presence of restoration (put-back) clauses. As a result, leasehold improvements have been included in the scope of asset retirement obligations for the first time. In accordance with PS 3280, this is accounted for as a change in estimate, not as a prior period error. The liability recognized reflects management's best estimate of the costs required to restore leased premises, based on available lease documentation and historical cost data.

Government of Bermuda – Consolidated Fund
Notes to the Financial Statements
March 31, 2025

19. Asset Retirement Obligations (Cont'd)

Changes in Asset Retirement Obligation:

Category	March 31, 2025	March 31, 2024
	\$	\$
Buildings (asbestos)	33,370,242	36,893,502
Underground Fuel Tanks	1,040,000	1,040,000
Leasehold Improvements	10,065,012	-
Total	44,475,254	37,933,502

Roll forward of Asset Retirement Obligation:

Description	FY25	FY24
	\$	\$
Opening Balance	37,933,502	-
Adoption Balance	-	37,933,502
Additions (leases)	10,065,012	-
Change in Estimate	(3,523,260)	-
Accretion Expense	-	-
Closing Balance	44,475,254	37,933,502

20. Environmental Liabilities

At March 31, 2025, an environmental liability of \$3,854,000 (2024 - \$2,400,000) has been recognised for the safe disposal of 350 containers filled with asbestos. This liability arose from past renovation activities on the Island that resulted in asbestos byproducts. The estimated remediation costs is based on management's best estimates of the work required, existing technology, regulations and site-specific conditions.

21. Cyber Incident

In September 2023, the Government of Bermuda experienced a cyber incident that resulted in a significant disruption to Government IT systems. The incident was discovered on September 20, 2023 and the Government took immediate action to fortify the IT infrastructure to reduce the likelihood of similar incidents in the future. The work is multi-faceted and on-going. A total of \$4,632,885 had been expended up to March 31, 2024.

Alongside public awareness campaigns to educate citizens and businesses about cybersecurity best practices and how to recognise potential threats, the Government saw the need to review its existing cybersecurity policies and pursue the exploration of legislative changes to strengthen the protection of public and private sector information in the evolving digital landscape.

21. Cyber Incident (Cont'd)

As part of these efforts, the Cybersecurity Act 2024 was tabled in May 2024 to support the Government's aims through formally establishing a Cybersecurity Advisory Board, designation of Critical National Information Infrastructures and the designation of the Cybersecurity Unit within the Ministry of National Security Headquarters as the National Cybersecurity Incident Response Team. The Computer Misuse Act 2024 was also introduced in May 2024 to update and amend existing legislation, ensuring Bermuda meets the requirements of the Budapest Convention on Cybercrime. Further amendments to other laws are being developed to strengthen Bermuda's laws on cybercrime and to provide the executive arm with the legislative tools needed to effectively investigate and prosecute cybercrimes.

22. Subsequent Events

(a) Overdraft facility with HSBC Bank Bermuda Limited

In July 2025, the Government entered into a US\$50 million unsecured, on-demand 364day facility with HSBC to support working capital requirements. An upfront, non-refundable arrangement fee of US\$250,000 was paid in connection with the facility.

(b) Loans to Morgan's Point Development Company

On 30 May 2025, the Government of Bermuda (lender) granted two secured Bermuda Dollar term loan facilities to Morgan's Point Development Company (MPDC) in the amounts of \$750,000 and \$2,638,000, respectively, both maturing on 31 March 2026. The proceeds of the loans are to be utilized for the strategic review of assets at Morgan's Point currently owned by Georges Bay Limited, as well as for day-to-day operational expenditures following the transfer of these assets to MPDC. Both facilities are non-interest bearing.

(c) BSMA loan deferral

In July 2025, the Ministry of Finance approved a further extension of the \$850,000 loan repayment from BSMA, with the new repayment date set for March 31, 2026.

22. Subsequent Events (Cont'd)

(d) Loan to Corporate Income Tax Agency (CITA)

On 23 September 2025, The Government of Bermuda (lender) granted an unsecured Bermuda Dollar term loan in the amount not exceeding BMD \$15,200,000 to the Corporate Income Tax Agency (CITA) with a repayment date of 31 March 2028. The monies from the loan would be used to support cashflows in relation to operational and capital spend for CITA in the financial year 2025/26. This loan is not interest bearing.

(e) Tourism Investment Orders (TIO)

- **Loren (Pink Beach and Elbow Beach)**

The Tourism Investment (The Loren at Pink Beach) Order 2022 was revoked with an operative date of September 30, 2025. Loren (Pink Beach and Elbow Beach) Act 2025 was approved with an operative date of September 30th, 2025.

- **Grotto Bay Resort and Spa**

In May 2025, with an operative date of June 2, 2025, the Tourism Investment (Grotto Bay Resort and Spa) Order 2025 was approved. The total estimated relief resulting from this order has not been determined.

- **Hillcrest Boutique Hotel**

In May 2025, with an operative date of June 2, 2025, the Tourism Investment (Hillcrest Boutique Hotel) Order 2025 was approved. The total estimated relief resulting from this order has not been determined.

(f) PSSF Reforms

The Government has enacted amendments to the Public Service Superannuation Act 1981 to reform future pension benefits under the PSSF. Effective April 1, 2027, changes to retirement provisions, including retirement age, early retirement rules, and pensionable earnings, will be phased in over an eight-year period. These amendments are expected to reduce the Plan's Accrued Benefit Obligation. The financial impact of the amendments will be incorporated into the actuarial valuation as at March 31, 2026 and reported in the Fiscal 2026 year-end financial statements.

(g) BHB Credit Facilities and Government Guarantee

I. Loan Facility

On October 30, 2025, the BHB entered into a US \$30,000,000 secured credit facility agreement between the BHB, Clarien Bank and RBC Royal Bank (Trinidad & Tobago) Limited to fund forecasted shortfalls and other funding gaps. On October 30, 2025, the Government issued a guarantee to Clarien Bank, providing a deed giving security for the facility agreement.

22. Subsequent Events (Cont'd)

(g) BHB Credit Facilities and Government Guarantee (Cont'd)

II. Overdraft Facility

On November 14, 2025, the BHB entered into a BD\$13,000,000 unsecured overdraft facility agreement with Clarien Bank to repay in full or in part the 2023 Clarien Overdraft and assist the BHB to finance its short-term working capital requirements. On November 14, 2025, the Government issued a guarantee to Clarien Bank for the facility agreement.

(h) BDCL Government Guarantee

On October 1, 2025, the \$25,000,000 multi-currency facility agreement with Clarien Bank was amended to reflect a repayment date of October 30, 2025.

On October 1, 2025, the \$10,000,000 facility agreement with Clarien Bank was amended to reflect a repayment date of October 30, 2025.

On October 13, 2025, the BDCL entered into a BD\$35,000,000 5.99% per annum non-revolving term loan facility from BCB. The facility will be for a period of sixty (60) months commencing on the Drawdown Date and will be on an interest-only basis during the initial period of twelve (12) months immediately following the Drawdown Date. Thereafter, the Facility shall be repayable in monthly instalments based on a twenty-five (25) year amortization schedule. The Government of Bermuda provided a guarantee dated October 17 2025 to guarantee the payment to the Bank of all amounts due and owing to the Bank by the Borrower pursuant to an in accordance with the terms of the Facility Documents within thirty (30) days of the occurrence of an Event of Default or notice from the Bank.

On October 17 2025, the balances under both the \$10,000,000 and \$25,000,000 facility agreements with Clarien Bank were repaid using the proceeds from the new facility agreement that was entered into between BDCL, BHC and Bermuda Commercial Bank. All liabilities and obligations in relation to those facilities were released by Clarien Bank in the Deed of Release dated the same day.

(i) BHC Government Guarantee

On April 4, 2025, the BHC entered into a BD\$2,500,000 non-revolving commercial loan facility with Bermuda Commercial Bank Limited to assist with the development and renovation of local residential properties under the Private Sector Rental Programme (PSRP) initiative. On April 4, 2025, the Government provided a deed giving security to the Bank for the facility.

23. Comparative Figures

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

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Office of the Tax Commissioner	404,202,160	376,081,499
Works & Engineering	21,042,411	17,899,464
Registrar of Companies	18,542,413	26,074,902
Customs	6,814,883	6,435,519
Judicial Department	5,377,169	5,056,123
Accountant General	4,363,121	4,339,108
Public Lands & Buildings	4,243,444	4,712,986
Ministry of Public Works HQ	2,922,570	-
Airport Operations	2,921,565	2,921,565
Department of Health	2,019,133	1,915,899
Ministry of Finance HQ	1,999,879	3,703,421
Environment & Natural Resources	1,334,299	1,308,157
Department of Education	1,200,571	1,203,681
Post Office	1,193,355	1,820,999
Ministry of Transport HQ	778,204	778,204
Public Transportation	748,168	324,783
Financial Assistance	517,241	545,243
Other Departments	344,496	346,772
Energy	195,880	202,741
Office of the Auditor General	165,600	195,632
Immigration	138,625	133,625
Police	136,410	144,022
Defence	129,066	129,066
Ministry of Health HQ	80,083	238,756
Marine & Ports	76,297	985,398
Department of Human Resources	70,018	70,018
Registry General	6,572	6,872
Public Service Commission	985	-
	481,564,618	457,574,455
Less: Provision for Doubtful Accounts	197,550,609	192,351,217
	284,014,009	265,223,238

The age of a receivable is an indicator of its collectability. The aging of these receivables is as follows:

	0-30 days	>30-90 days	> 90 days	Total
Accounts Receivable	211,616,121	61,073,012	208,875,485	481,564,617

¹ Totals may not add due to rounding.

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Ministry of Public Works HQ	4,589,297	3,810,388
Works & Engineering	3,774,801	3,513,654
Marine & Ports	2,719,445	2,671,377
Public Transportation	2,268,816	2,012,602
Police	1,180,345	1,138,422
Department of Corrections	309,269	331,004
Department of Education	212,997	362,956
Post Office	99,040	99,040
Defence	75,298	75,298
Environment & Natural Resources	48,958	78,582
Immigration	9,878	12,936
	15,288,144	14,106,259
Less: Provision for Obsolescence	2,964,829	2,964,829
	12,323,315	11,141,430

¹ Totals may not add due to rounding.

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Government Employees Health Insurance Fund (Note 23)	142,071,081	111,142,250
Bermuda Civil Aviation Authority	18,107,910	18,110,855
Bermuda Monetary Authority	11,283,715	3,537,008
Bermuda Land Management Corporation	10,076,866	5,213,034
Regulatory Authority	9,187,821	8,999,482
Bermuda Hospitals Board	5,486,845	2,947,629
Morgan's Point Development Company	3,204,886	916,818
Contributory Pension Fund	2,824,276	10,234,465
Bermuda Casino Gaming Commission	2,115,344	2,114,528
Bermuda Shipping and Maritime Authority	1,110,386	1,111,524
Bermuda Housing Corporation	983,566	601,149
Golf Courses	969,690	856,522
Confiscated Assets Fund	919,237	970,662
CedarBridge Academy	876,631	406,351
Bermuda College	500,292	516,092
Corporation of Hamilton	398,483	143,876
Bermuda Airport Authority	372,062	264,410
National Sports Centre	353,564	353,149
Whitney Institute	182,990	146,905
Pembroke Parish Council	99,852	99,852
Bermuda Tourism Authority	63,960	102,012
Berkeley Institute	51,419	46,666
Financial Intelligence Agency	32,952	30,419
Bermuda Business Development Agency	32,907	42,741
Bermuda Economic Development Corporation	25,366	30,745
Government Reserves Fund	19,121	19,301
Pension Commission	18,130	22,408
Parish Councils	13,793	12,816
St. George's Preparatory School	9,938	5,188
Bermuda Deposit Insurance Corporation	6,288	-
Bermuda Sport Anti-Doping Agency	4,055	3,910
Sandys Secondary Middle School	2,815	2,733
Bermuda Housing Trust	776	731
Public Service Superannuation Fund (Note 9(b))	-	6,032,405
Bermuda Land Development Company	-	1,916,442
Bermuda Health Council	-	35,508
	211,407,017	176,990,586
Less: Provision for Doubtful Accounts	(158,958,507)	(107,162,102)
	52,448,510	69,828,484

¹ Totals may not add due to rounding.

The age of a receivable from Government Funds and Agencies is an indicator of its collectability. The aging of these receivables is as follows:

	0-30 days	>30-90 days	> 90 days	Total
Due from Government Funds and Agencies	38,661,459	4,577,746	168,167,812	211,407,017

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Ministers and Members of the Legislature		
Pensions Fund (Note 9(b))	5,785,765	7,152,444
Bermuda Housing Corporation	560,178	560,178
Bermuda Hospitals Board	156,284	2,120,528
Public Service Superannuation Fund (Note 9(b))	48,643	-
Corporation of St. George's	30,686	64,033
Unemployment Insurance Fund (Note 7)	20,753	3,340
Bermuda Land Management Corporation	12,123	5,246,745
Bermuda Economic Development Corporation	3,800	3,800
Bermuda College	1,672	1,672
Golf Courses	-	250,000
Bermuda Airport Authority	-	217,343
Bermuda Land Development Company	-	5,142
	6,619,904	15,625,225

¹ Totals may not add due to rounding.

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Student Loans and Teacher Training Awards	327,857	449,982
Customs Duty	3,989	11,966
	331,846	461,948

¹ Totals may not add due to rounding.

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Deposits Held	72,169,841	66,674,333
Trade Accounts Payable (Note 23)	56,308,286	58,015,747
Base Lands Clean Up (Notes 10(c))	27,385,136	27,978,344
Employees' Leave Entitlements	25,799,373	25,520,817
Interest on Debt	20,141,554	20,494,684
Teachers' Salaries & Leave Entitlements	8,656,279	8,551,049
Salaries, Wages and Benefits	6,719,919	449,650
Environmental Liability (Note 20)	3,854,400	2,400,000
Leases Payable	3,142,761	2,690,248
	224,177,549	212,774,872

¹ Totals may not add due to rounding.

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

	2025	2024
	Actual ¹	Actual ¹
	\$	\$
Ministry of Tourism & Transport HQ (Note 16)	6,262,669	7,920,200
Ministry of Public Works HQ	1,068,590	-
Office of the Tax Commissioner	553,350	553,350
Ministry of Finance HQ	316,993	-
Post Office	301,105	301,105
Ministry of Home Affairs HQ	248,430	171,818
Privacy Commissioner's Office	196,303	209,709
Public Lands & Buildings	91,116	91,116
Department of Health	71,100	84,510
Environment & Natural Resources	69,267	1,825
Sport & Recreation	42,564	42,564
Information Commissioner's Office	40,819	59,750
Police	26,339	-
Accountant General	835	835
Ministry of National Security HQ	-	225,525
Fire Services	-	11,767
	9,289,480	9,674,074

¹ Totals may not add due to rounding.

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

	2025 Actual			2024 Actual		
	Face value ¹	Discount / (Premium) ¹	Net Debt ¹	Face value ¹	Discount / (Premium) ¹	Net Debt ¹
	\$	\$	\$	\$	\$	\$
Senior Notes Due 2027 - US\$						
Issue Date: October 19, 2016						
Interest: 3.717% payable semi-annually January 25 and July 25						
Notes Due: January 25, 2027	604,624,000	-	604,624,000	604,624,000	-	604,624,000
Senior Notes Due 2029 - US\$						
Issue Date: November 15, 2018						
Interest: 4.750% payable semi-annually February 15 and August 15						
Notes Due: February 15, 2029	449,268,000	(1,940,502)	447,327,498	449,268,000	(2,370,022)	446,897,978
Senior Notes Due 2030 - US\$						
Issue Date: August 17, 2020						
Interest: 2.375% payable semi-annually February 20 and August 20						
Notes Due: August 17, 2030	675,000,000	(774,288)	674,225,712	675,000,000	(904,485)	674,095,515
Senior Notes Due 2050 - US\$						
Issue Date: August 17, 2020						
Interest: 3.375% payable semi-annually February 20 and August 20						
Notes Due: August 17, 2050	675,000,000	(1,211,079)	673,788,921	675,000,000	(1,240,610)	673,759,390
Senior Notes Due 2032 - US\$						
Issue Dates: July 11, 2022 (\$500m) and August 15, 2022 (\$390m)						
Interest: 5% payable semi-annually January 15 and July 15						
Notes Due: July 15, 2032	890,000,000	7,834,389	897,834,389	890,000,000	8,698,470	898,698,470
	3,293,892,000	3,908,520	3,297,800,520	3,293,892,000	4,183,354	3,298,075,354
Less: Sinking Fund (Note 5)	22,745,784	-	22,745,784	93,929,675	-	93,929,675
	3,271,146,216	3,908,520	3,275,054,736	3,199,962,325	4,183,354	3,204,145,679

¹ Totals may not add due to rounding.

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

	2025	2025	2024
	Original Estimates	Actual ¹	Actual ¹
	\$	\$	\$
Taxes & Duties			
Payroll Tax	580,459,000	612,606,771	537,004,313
Customs Duty	233,864,000	225,878,624	227,647,550
Land Tax	91,250,000	89,753,958	88,728,988
Passenger Tax	26,400,000	24,952,580	22,780,350
	931,973,000	953,191,933	876,161,201
Other Taxes & Duties			
Foreign Currency Purchase Tax	31,108,000	32,373,638	31,352,160
Stamp Duty	27,500,000	31,243,885	24,140,352
Financial Services Tax	14,611,000	14,307,565	13,585,125
Transport Infrastructure Tax	12,000,000	11,421,600	10,648,200
Non-Bermudian Land Acquisition Tax	5,500,000	6,218,354	5,339,904
Corporate Services Tax	5,250,000	5,388,440	5,315,052
Hotel Occupancy Tax	5,500,000	5,011,901	7,146,271
Timesharing Tax	31,000	29,512	32,570
	101,500,000	105,994,895	97,559,634
Total Taxes & Duties	1,033,473,000	1,059,186,828	973,720,835
Fees, Permits & Licences			
International Companies	71,700,000	63,626,090	68,518,568
Vehicle Licences & Registration	31,540,000	30,971,987	30,175,794
Immigration	21,631,000	18,790,997	17,655,274
Telecommunications	17,171,000	18,336,706	18,782,734
Bus Transportation	4,179,000	5,228,947	4,215,148
Solid Waste Services	4,865,000	5,133,472	5,081,240
Rentals	3,596,000	3,445,111	3,254,141
Services to Seaborne Shipping	4,084,000	3,272,170	4,166,097
Local Companies	3,317,000	2,417,645	2,886,023
Trade and Service Marks	1,762,000	2,058,784	1,968,656
Water	4,000,000	2,050,135	1,402,671
Other Customs Fees & Charges	2,320,000	1,932,578	2,167,144
Postal Services	2,914,000	1,806,393	1,928,870
Planning Fees and Searches	1,430,000	1,553,078	1,565,777
Liquor Licences	913,000	999,117	974,865
Wharfage	951,000	960,444	929,391
Companies Licences	958,000	879,236	857,313
Ferry Services	848,000	601,566	637,845
Plant Production and Marketing Centre	216,000	232,595	210,232
	178,395,000	164,297,051	167,377,783
Other Revenue			
Other	15,765,000	34,840,064	22,342,784
Fines & Forfeitures	2,711,000	2,701,708	2,136,554
	18,476,000	37,541,772	24,479,338
Investment Income	2,000,000	4,585,643	11,141,731
	20,476,000	42,127,415	35,621,069
TOTAL REVENUE	1,232,344,000	1,265,611,294	1,176,719,687

¹ Totals may not add due to rounding.

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

	2025	2025	2024
	Original Estimates	Actual ¹	Actual ¹
	\$	\$	\$
Non-Ministry Departments			
05 Office of the Auditor General	581,000	643,942	558,347
63 Parliamentary Registrar	250,000	298,182	274,242
101 Privacy Commissioner's Office	-	-	161,079
92 Internal Audit	-	-	648
85 Ombudsman's Office	-	-	10
	831,000	942,124	994,326
Cabinet Office Departments			
32 Department of Planning	1,691,000	1,992,688	1,942,565
13 Post Office	2,829,000	1,776,565	1,886,930
09 Cabinet Office	50,000	13,230	308,151
61 Department of Employee & Organizational Development	-	24	-
	4,570,000	3,782,507	4,137,646
Ministry of Legal Affairs & Constitutional Reform			
03 Judicial Department	4,329,000	4,528,169	3,492,656
75 Department of Public Prosecutions	-	6,994	3,040
04 Attorney General's Chambers	-	4,368	-
87 Ministry of Legal Affairs HQ	59,000	350	2,813
74 Department of Court Services	-	109	5,786
88 National Drug Control	8,000	-	-
	4,396,000	4,539,990	3,504,295
Ministry of Finance			
38 Office of the Tax Commissioner	792,609,000	825,445,562	739,551,670
12 Customs	238,676,000	230,326,040	232,277,444
39 Registrar of Companies	76,508,000	67,323,912	73,304,581
10 Ministry of Finance HQ	-	9,499,159	2,677,748
11 Accountant General	1,999,000	5,690,116	11,213,691
58 Interest on Debt	-	750,000	-
28 Social Insurance	-	-	22,956
	1,109,792,000	1,139,034,789	1,059,048,090
Ministry of Education			
17 Department of Education	248,000	85,701	101,439
18 Libraries & Archives	14,000	6,753	6,983
16 Ministry of Education HQ	-	5	-
	262,000	92,459	108,422
Ministry of Health			
22 Department of Health	3,633,000	3,811,635	3,661,984
21 Ministry of Health HQ	72,000	93,421	47,959
91 Health Insurance	-	-	7,634
	3,705,000	3,905,056	3,717,577
Ministry of Economy & Labour			
27 Immigration	21,650,000	18,875,813	17,658,454
94 Department of Economic Development	5,800,000	6,694,659	5,641,335
60 Workforce Development	8,000	14,985	8,795
99 Department of Labour	-	3,000	-
44 Ministry of Economy & Labour HQ	-	-	12,258
	27,458,000	25,588,457	23,320,842
Ministry of Transport			
34 Transport Control Department	31,534,000	30,983,215	30,189,957
35 Public Transportation	4,200,000	5,245,284	4,496,014
30 Marine & Ports	6,314,000	4,933,760	6,685,986
48 Ministry of Transport HQ	-	1,655,794	1,953,794
	42,048,000	42,818,053	43,325,751

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

	2025	2025	2024
	Original	Actual ¹	Actual ¹
	Estimates		
	\$	\$	\$
Ministry of Public Works			
82 Works & Engineering	11,425,000	13,401,970	8,860,413
36 Ministry of Public Works HQ	16,000	3,256,331	831,490
81 Public Lands & Buildings	3,243,000	1,892,303	2,724,958
68 Parks	227,000	264,895	216,679
	14,911,000	18,815,499	12,633,540
Ministry of Tourism, Culture & Sport			
20 Sport & Recreation	203,000	318,766	792,006
71 Ministry of Tourism, Culture & Sport	438,000	296,536	180
52 Department of Culture	-	105	530
	641,000	615,407	792,716
Ministry of National Security			
83 Ministry of National Security HQ	913,000	999,117	916,915
07 Police	698,000	629,616	650,395
45 Fire Services	165,000	241,555	103,080
06 Defence	-	-	19,527
	1,776,000	1,870,288	1,689,917
Ministry of Youth, Social Development & Seniors			
86 Ministry of Youth, Social Development & Seniors HQ	634,000	630,256	500
23 Child and Family Services	192,000	219,873	198,716
	826,000	850,129	199,216
Ministry of Home Affairs			
89 Energy	17,349,000	18,513,573	18,890,272
29 Registry General	2,003,000	2,306,650	2,227,944
79 Environment & Natural Resources	1,368,000	1,413,411	1,651,668
97 Land Title & Registration	402,000	522,603	461,085
93 Ministry of Home Affairs HQ	-	300	16,380
49 Land Valuation	6,000	-	-
	21,128,000	22,756,537	23,247,349
TOTAL REVENUE	1,232,344,000	1,265,611,295	1,176,719,687

¹ Totals may not add due to rounding.

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

	2025 Interdepartmental Revenue ¹	2025 Gross Revenue Actual ¹	2025 Net Revenue ¹
	\$	\$	\$
Non-Ministry Departments			
05 Office of the Auditor General	-	643,942	643,942
63 Parliamentary Registrar	-	298,182	298,182
101 Privacy Commissioner's Office	725	-	(725)
	725	942,124	941,399
Cabinet Office Departments			
32 Department of Planning	-	1,992,688	1,992,688
13 Post Office	-	1,776,565	1,776,565
09 Cabinet Office	-	13,230	13,230
61 Department of Employee & Organizational Development	1,294	24	(1,270)
	1,294	3,782,507	3,781,214
Ministry of Legal Affairs & Constitutional Reform			
03 Judicial Department	107,437	4,528,169	4,420,732
75 Department of Public Prosecutions	192	6,994	6,802
04 Attorney General's Chambers	-	4,368	4,368
87 Ministry of Legal Affairs HQ	-	350	350
74 Department of Court Services	-	109	109
	107,629	4,539,990	4,432,361
Ministry of Finance			
38 Office of the Tax Commissioner	6,663	825,445,562	825,438,900
12 Customs	952,407	230,326,040	229,373,633
39 Registrar of Companies	-	67,323,912	67,323,912
10 Ministry of Finance HQ	-	9,499,159	9,499,159
11 Accountant General	420,663	5,690,116	5,269,453
58 Interest on Debt	-	750,000	750,000
	1,379,733	1,139,034,789	1,137,655,056
Ministry of Education			
17 Department of Education	1,460	85,701	84,241
18 Libraries & Archives	-	6,753	6,753
16 Ministry of Education HQ	-	5	5
	1,460	92,459	90,999
Ministry of Health			
22 Department of Health	60,893	3,811,635	3,750,742
21 Ministry of Health HQ	39,996	93,421	53,425
	100,889	3,905,056	3,804,167
Ministry of Economy & Labour			
27 Immigration	3,943	18,875,813	18,871,870
94 Department of Economic Development	-	6,694,659	6,694,659
60 Workforce Development	-	14,985	14,985
99 Department of Labour	-	3,000	3,000
55 Financial Assistance	3,750	-	(3,750)
	7,693	25,588,457	25,580,764
Ministry of Transport			
34 Transport Control Department	-	30,983,215	30,983,215
35 Public Transportation	325	5,245,284	5,244,959
30 Marine & Ports	8,041	4,933,760	4,925,719
48 Ministry of Transport HQ	-	1,655,794	1,655,794
	8,366	42,818,053	42,809,687

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

	2025 Interdepartmental Revenue ¹	2025 Gross Revenue Actual ¹	2025 Net Revenue ¹
	\$	\$	\$
Ministry of Public Works			
82 Works & Engineering	262,717	13,401,970	13,139,253
36 Ministry of Public Works HQ	-	3,256,331	3,256,331
81 Public Lands & Buildings	61,063	1,892,303	1,831,240
68 Parks	1,820	264,895	263,075
	325,601	18,815,499	18,489,898
Ministry of Tourism, Culture & Sport			
20 Sport & Recreation	7,980	318,766	310,786
71 Ministry of Tourism, Culture & Sport	-	296,536	296,536
52 Department of Culture	-	105	105
	7,980	615,407	607,427
Ministry of National Security			
83 Ministry of National Security HQ	-	999,117	999,117
07 Police	30,986	629,616	598,630
45 Fire Services	1,624	241,555	239,931
06 Defence	20,261	-	(20,261)
25 Department of Corrections	2,200	-	(2,200)
	55,070	1,870,288	1,815,218
Ministry of Social Development & Seniors			
86 Ministry of Youth, Social Development & Seniors HQ	-	630,256	630,256
23 Child and Family Services	20,700	219,873	199,173
	20,700	850,129	829,429
Ministry of Home Affairs			
89 Energy	-	18,513,573	18,513,573
29 Registry General	5,095	2,306,650	2,301,555
79 Environment & Natural Resources	5,330	1,413,411	1,408,081
97 Land Title & Registration	-	522,603	522,603
93 Ministry of Home Affairs HQ	-	300	300
	10,425	22,756,537	22,746,112
TOTAL REVENUE	2,027,565	1,265,611,295	1,263,583,730

¹ Totals may not add due to rounding.

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

	2025 Capital Development ¹	2025 Capital Acquisition ¹	2025 Current Expenses ¹	2025 Total Actual ¹	2024 Total Actual ¹
	\$	\$	\$	\$	\$
Economic Development					
11 Accountant General	9,859	1,056,075	164,683,144	165,749,078	112,398,083
82 Works & Engineering	4,778,902	2,094,168	62,869,810	69,742,880	66,764,802
81 Public Lands & Buildings	4,116,576	(9,566)	41,182,032	45,289,042	44,719,536
35 Public Transportation	207,073	(210,112)	25,761,603	25,758,564	26,280,039
30 Marine & Ports	23,509	(855,375)	24,668,535	23,836,669	31,762,601
48 Ministry of Transport HQ	1,623,416	-	16,025,221	17,648,637	17,179,735
36 Ministry of Public Works HQ	5,362,494	(147,859)	11,159,633	16,374,268	14,846,568
43 Department of Information and Digital Technologies	-	5,130,648	9,080,940	14,211,588	13,740,519
10 Ministry of Finance HQ	-	76,556	14,062,719	14,139,275	15,168,647
13 Post Office	-	10,883	9,442,245	9,453,128	9,197,854
94 Department of Economic Development	-	-	7,750,817	7,750,817	7,276,551
39 Registrar of Companies	-	(11,555)	7,188,747	7,177,192	8,817,210
34 Transport Control Department	-	162,146	5,293,834	5,455,980	5,173,545
32 Department of Planning	-	-	3,693,535	3,693,535	3,043,432
38 Office of the Tax Commissioner	-	-	2,660,865	2,660,865	(3,515,580)
58.2 Caroline Bay/Morgan's Point (Note 17)	-	-	2,288,067	2,288,067	2,234,033
29 Registry General	-	-	1,805,007	1,805,007	1,691,703
97 Land Title & Registration	-	-	1,513,857	1,513,857	1,416,018
93 Ministry of Home Affairs HQ	-	10,720	1,232,953	1,243,673	1,072,799
100 Asset Retirement Obligation (Notes 19)	-	-	1,010,680	1,010,680	19,500
80 Project Management & Procurement	-	13,722	900,372	914,094	648,372
49 Land Valuation	-	-	910,409	910,409	852,245
89 Energy	-	-	539,175	539,175	949,516
95 Ministry of Economic Development & Tourism HQ	-	-	(2,776)	(2,776)	-
	16,121,829	7,320,451	415,721,424	439,163,704	381,737,728
Health					
24 Hospitals	6,623,600	-	155,530,291	162,153,891	176,228,814
22 Department of Health	84,482	51,176	31,460,868	31,596,526	29,896,251
21 Ministry of Health HQ	-	-	10,171,162	10,171,162	9,681,459
28 Social Insurance	-	(35,000)	2,753,818	2,718,818	3,020,094
91 Health Insurance	-	-	2,561,200	2,561,200	2,855,948
	6,708,082	16,176	202,477,339	209,201,597	221,682,566
National Security					
07 Police	41,896	8,920	70,288,001	70,338,817	63,972,586
25 Department of Corrections	130,479	1,230	29,369,925	29,501,634	27,695,202
45 Fire Services	-	2,386,746	20,975,056	23,361,802	20,331,608
12 Customs	-	6,475	19,086,287	19,092,762	18,019,469
06 Defence	309,524	(62,454)	9,693,032	9,940,102	8,854,236
03 Judicial Department	-	7,672	9,841,495	9,849,167	8,828,213
27 Immigration	-	26,491	6,188,530	6,215,021	6,347,342
87 Ministry of Legal Affairs HQ	-	74,806	6,072,515	6,147,321	5,998,385
04 Attorney General's Chambers	-	5,783	4,739,963	4,745,746	5,072,474
75 Department of Public Prosecutions	-	-	3,745,123	3,745,123	2,967,594
74 Department of Court Services	-	-	3,539,714	3,539,714	3,668,610
83 Ministry of National Security HQ	-	3,502	2,778,188	2,781,690	2,412,556
	481,899	2,459,171	186,317,829	189,258,899	174,168,275
Education					
17 Department of Education	1,274,561	980,622	120,540,275	122,795,458	116,937,174
41 Bermuda College	1,050,000	-	14,653,901	15,703,901	14,728,901
16 Ministry of Education HQ	-	-	6,918,031	6,918,031	5,053,455
	2,324,561	980,622	142,112,207	145,417,390	136,719,530

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

	2025 Capital Development ¹	2025 Capital Acquisition ¹	2025 Current Expenses ¹	2025 Total Actual ¹	2024 Total Actual ¹
	\$	\$	\$	\$	\$
Public Debt					
58 Interest on Debt	-	-	126,846,314	126,846,314	129,236,442
	-	-	126,846,314	126,846,314	129,236,442
Social Services & Assistance					
55 Financial Assistance	-	-	55,805,535	55,805,535	53,059,470
53 Bermuda Housing Corporation	22,130,032	-	6,640,000	28,770,032	16,650,000
23 Child and Family Services	-	(2,010)	19,685,273	19,683,263	18,773,957
71 Ministry of Tourism, Culture & Sport	-	3,792	18,686,625	18,690,417	946,185
Ministry of Youth, Social Development &					
86 Seniors HQ	(115,173)	(14,992)	11,550,516	11,420,351	6,969,116
88 National Drug Control	-	-	4,733,281	4,733,281	4,356,429
60 Workforce Development	-	-	4,271,584	4,271,584	3,842,246
52 Department of Culture	-	-	1,937,932	1,937,932	1,619,483
44 Ministry of Economy & Labour HQ	-	(9,921)	725,470	715,549	1,400,819
	22,014,859	(23,131)	124,036,216	146,027,944	107,617,705
Other General Government Services					
09 Cabinet Office	-	-	11,981,252	11,981,252	30,265,237
68 Parks	372,608	168,632	9,221,659	9,762,899	8,587,281
79 Environment & Natural Resources	320,651	1,734	8,733,758	9,056,143	8,397,048
20 Sport & Recreation	349,252	168,449	8,427,630	8,945,331	10,387,006
Department of Employee &					
61 Organizational Development	-	2,331	8,134,009	8,136,340	7,442,135
02 Legislature	265,382	-	5,036,145	5,301,527	5,208,507
05 Office of the Auditor General	-	13,877	3,901,802	3,915,679	3,700,142
51 Department of Communications	-	8,516	3,298,352	3,306,868	3,234,437
18 Libraries & Archives	-	(60,855)	3,238,118	3,177,263	3,093,011
01 Governor & Staff	1,187,031	-	1,660,796	2,847,827	2,025,189
14 Department of Statistics	-	-	2,382,110	2,382,110	2,044,557
101 Privacy Commissioner's Office	(9,017)	-	2,075,169	2,066,152	1,962,559
63 Parliamentary Registrar	-	-	1,462,185	1,462,185	703,405
56 Human Rights Commission	-	-	1,418,286	1,418,286	1,288,216
98 Information Commissioner's Office	-	-	1,156,630	1,156,630	1,097,681
85 Ombudsman's Office	-	-	978,443	978,443	984,828
92 Internal Audit	-	-	912,976	912,976	840,927
99 Department of Labour	-	-	864,330	864,330	-
	2,485,907	302,684	74,883,650	77,672,241	91,262,166
Pensions and Other Employee Future Benefits					
Pensions and Retirement Benefits					
11a Expense	-	-	108,698,402	108,698,402	95,827,581
	-	-	108,698,402	108,698,402	95,827,581
TOTAL EXPENSES	50,137,137	11,055,973	1,381,093,381	1,442,286,491	1,338,251,993

¹ Totals may not add due to rounding.

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

	2025 Original Estimates ¹	2025 Actual ²	2024 Actual ²
	\$	\$	\$
Employees			
Salaries	341,286,000	350,005,286	319,834,435
Pensions and Retirement Benefits Expense	-	108,747,490	96,346,114
Wages	74,543,000	89,953,254	81,972,997
Employer Overhead	80,096,000	77,913,803	76,590,724
Other Personnel Costs	5,752,000	6,499,915	7,771,548
Training	4,107,000	2,576,222	2,708,481
Compensated Absences	-	(49,088)	(518,533)
	505,784,000	635,646,882	584,705,766
Operations			
Grants & Contributions	319,769,000	364,296,160	337,911,863
Interest on Debt	127,622,000	126,846,314	129,236,442
Bad Debt Expense (Note 14(c))	-	51,099,556	27,915,821
Professional Services	60,497,000	49,451,535	57,555,429
Amortization (Note 4(b)(v))	-	46,451,030	47,889,727
Repairs & Maintenance	21,816,000	21,117,674	19,328,037
Materials & Supplies	23,915,000	20,035,227	21,980,778
Energy	16,861,000	16,434,213	15,003,876
Rentals	13,345,000	11,371,584	10,729,163
Insurance	9,506,000	9,578,556	8,730,918
Communications	7,281,000	6,947,454	6,686,643
Remeasurement of Asset Retirement Obligations	-	6,239,469	-
Travel	3,362,000	2,952,749	2,988,348
Other	3,504,000	2,771,486	1,312,615
Bank Charges & Commissions	-	2,348,464	2,266,289
Morgan's Point / Caroline Bay (Note 17)	-	2,288,067	2,234,033
Transport	2,179,000	1,638,316	1,613,723
Clothing & Uniforms	1,243,000	1,364,277	1,347,040
Advertising & Promotion	1,945,000	1,248,485	1,175,826
Equipment	1,166,000	965,884	693,010
	614,011,000	745,446,500	696,599,581
TOTAL CURRENT EXPENSES	1,119,795,000	1,381,093,382	1,281,305,347

¹ Does not include Non-Cash, Non-Budget Items

² Totals may not add due to rounding.

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

	2025 Original Estimates	2025 Actual ¹	2024 Actual ¹
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	5,441,000	5,036,145	4,998,724
05 Office of the Auditor General	4,180,000	3,901,802	3,689,167
101 Privacy Commissioner's Office	2,130,000	2,075,169	1,981,469
01 Governor & Staff	1,411,000	1,660,796	1,474,981
63 Parliamentary Registrar	1,279,000	1,462,185	703,405
56 Human Rights Commission	1,380,000	1,418,286	1,288,216
98 Information Commissioner's Office	1,117,000	1,156,630	1,093,821
85 Ombudsman's Office	1,050,000	978,443	984,828
92 Internal Audit	1,055,000	912,976	840,927
	19,043,000	18,602,432	17,055,538
Cabinet Office Departments			
09 Cabinet Office	12,171,000	11,981,252	30,265,237
13 Post Office	9,620,000	9,442,245	9,180,750
43 Department of Information and Digital Technologies	8,505,000	9,080,940	10,541,193
61 Department of Employee & Organizational Development	7,962,000	8,134,009	7,415,479
32 Department of Planning	3,838,000	3,693,535	3,043,432
51 Department of Communications	3,397,000	3,298,352	3,207,035
80 Project Management & Procurement	874,000	900,372	642,612
	46,367,000	46,530,705	64,295,738
Ministry of Legal Affairs			
03 Judicial Department	9,551,000	9,841,495	8,817,635
87 Ministry of Legal Affairs HQ	5,803,000	6,072,515	5,941,541
04 Attorney General's Chambers	5,702,000	4,739,963	5,070,979
88 National Drug Control	4,054,000	4,733,281	4,356,429
75 Department of Public Prosecutions	3,703,000	3,745,123	2,972,979
74 Department of Court Services	4,397,000	3,539,714	3,662,829
	33,210,000	32,672,091	30,822,392
Ministry of Finance			
11 Accountant General	86,407,000	164,683,144	112,265,890
58 Interest on Debt	127,777,000	126,846,314	129,236,442
11a Pensions and Retirement Benefits Expense	-	108,698,402	95,827,581
10 Ministry of Finance HQ	7,179,000	14,062,719	15,108,692
39 Registrar of Companies	12,043,000	7,188,747	8,817,210
28 Social Insurance	3,000,000	2,753,818	3,020,094
38 Office of the Tax Commissioner	4,051,000	2,660,865	(3,866,590)
58.2 Caroline Bay/Morgan's Point (Note 17)	-	2,288,067	2,234,033
	240,457,000	429,182,076	362,643,352
Ministry of Education			
17 Department of Education	117,511,000	120,540,275	115,485,964
41 Bermuda College	14,654,000	14,653,901	14,653,901
16 Ministry of Education HQ	7,177,000	6,918,031	5,053,455
18 Libraries & Archives	3,247,000	3,238,118	3,093,011
	142,589,000	145,350,325	138,286,331
Ministry of Health			
24 Hospitals	155,398,000	155,530,291	171,553,389
22 Department of Health	31,300,000	31,460,868	29,405,400
21 Ministry of Health HQ	10,302,000	10,171,162	9,681,459
91 Health Insurance	3,442,000	2,561,200	2,855,948
	200,442,000	199,723,521	213,496,196
Ministry of Economy & Labour			
94 Department of Economic Development	8,426,000	7,750,817	7,276,551
27 Immigration	6,238,000	6,188,530	5,981,544
60 Workforce Development	4,214,000	4,271,584	3,842,246
14 Department of Statistics	2,542,000	2,382,110	2,044,557
99 Department of Labour	1,272,000	864,330	-
44 Ministry of Economy & Labour HQ	1,201,000	725,470	1,400,819
	23,893,000	22,182,841	20,545,717

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

	2025 Original Estimates	2025 Actual ¹	2024 Actual ¹
	\$	\$	\$
Ministry of Transport			
35 Public Transportation	23,840,000	25,761,603	25,920,631
30 Marine & Ports	22,996,000	24,668,535	23,457,291
48 Ministry of Transport HQ	15,849,000	16,025,221	15,582,633
34 Transport Control Department	5,561,000	5,293,834	4,989,869
	68,246,000	71,749,193	69,950,424
Ministry of Public Works			
82 Works & Engineering	32,436,000	62,869,810	55,034,990
81 Public Lands & Buildings	21,766,000	41,182,032	40,700,218
36 Ministry of Public Works HQ	6,327,000	11,159,633	7,280,723
68 Parks	10,269,000	9,221,659	8,752,714
53 Bermuda Housing Corporation	6,550,000	6,640,000	6,550,000
100 Asset Retirement Obligation	-	1,010,680	19,500
	77,348,000	132,083,814	118,338,145
Ministry of Tourism, Culture & Sport			
71 Ministry of Tourism, Culture & Sport	19,061,000	18,686,625	946,185
20 Sport & Recreation	8,335,000	8,427,630	9,917,711
52 Department of Culture	2,223,000	1,937,932	1,619,483
95 Ministry of Economic Development & Tourism HQ	-	(2,776)	-
	29,619,000	29,049,411	12,483,379
Ministry of National Security			
07 Police	64,838,000	70,288,001	63,952,779
25 Department of Corrections	25,727,000	29,369,925	27,462,200
45 Fire Services	16,825,000	20,975,056	20,430,086
12 Customs	18,372,000	19,086,287	18,020,066
06 Defence	8,827,000	9,693,032	8,534,006
83 Ministry of National Security HQ	3,170,000	2,778,188	2,409,431
	137,759,000	152,190,489	140,808,568
Ministry of Youth, Social Development & Seniors			
55 Financial Assistance	54,121,000	55,805,535	53,030,721
23 Child and Family Services	19,680,000	19,685,273	18,704,667
86 Ministry of Youth, Social Development & Seniors HQ	11,494,000	11,550,516	6,879,716
	85,295,000	87,041,324	78,615,104
Ministry of Home Affairs			
79 Environment & Natural Resources	8,869,000	8,733,758	8,234,729
29 Registry General	1,801,000	1,805,007	1,691,703
97 Land Title & Registration	1,575,000	1,513,857	1,416,018
93 Ministry of Home Affairs HQ	1,856,000	1,232,953	1,072,799
49 Land Valuation	923,000	910,409	850,005
89 Energy	503,000	539,175	699,209
	15,527,000	14,735,159	13,964,463
TOTAL CURRENT EXPENSES	1,119,795,000	1,381,093,381	1,281,305,347

¹ Totals may not add due to rounding.

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

	2025 Interdepartmental Expense ¹	2025 Actual Gross Expense ¹	2025 Net Expense ¹
	\$	\$	\$
Non-Ministry Departments			
02 Legislature	7,192	5,036,145	5,028,953
05 Office of the Auditor General	130	3,901,802	3,901,672
101 Privacy Commissioner's Office	65	2,075,169	2,075,104
01 Governor & Staff	1,820	1,660,796	1,658,976
63 Parliamentary Registrar	2,908	1,462,185	1,459,277
56 Human Rights Commission	925	1,418,286	1,417,361
98 Information Commissioner's Office	65	1,156,630	1,156,565
85 Ombudsman's Office	725	978,443	977,718
92 Internal Audit	-	912,976	912,976
	13,831	18,602,432	18,588,601
Cabinet Office Departments			
09 Cabinet Office	-	11,981,252	11,981,252
13 Post Office	6,799	9,442,245	9,435,446
43 Department of Information and Digital Technologies	-	9,080,940	9,080,940
61 Department of Employee & Organizational Development	-	8,134,009	8,134,009
32 Department of Planning	-	3,693,535	3,693,535
51 Department of Communications	-	3,298,352	3,298,352
80 Project Management & Procurement	-	900,372	900,372
	6,799	46,530,705	46,523,906
Ministry of Legal Affairs & Constitutional Reform			
03 Judicial Department	8,773	9,841,495	9,832,723
87 Ministry of Legal Affairs HQ	-	6,072,515	6,072,515
04 Attorney General's Chambers	257	4,739,963	4,739,706
88 National Drug Control	209	4,733,281	4,733,072
75 Department of Public Prosecutions	14,437	3,745,123	3,730,686
74 Department of Court Services	638	3,539,714	3,539,077
	24,313	32,672,091	32,647,778
Ministry of Finance			
11 Accountant General	-	164,683,144	164,683,144
58 Interest on Debt	-	126,846,314	126,846,314
11a Pensions and Retirement Benefits Expense	-	108,698,402	108,698,402
10 Ministry of Finance HQ	-	14,062,719	14,062,719
39 Registrar of Companies	-	7,188,747	7,188,747
28 Social Insurance	60,000	2,753,818	2,693,818
38 Office of the Tax Commissioner	-	2,660,865	2,660,865
58.2 Caroline Bay/Morgan's Point (Note 17)	-	2,288,067	2,288,067
	60,000	429,182,076	429,122,076
Ministry of Education			
17 Department of Education	24,337	120,540,275	120,515,938
41 Bermuda College	-	14,653,901	14,653,901
16 Ministry of Education HQ	-	6,918,031	6,918,031
18 Libraries & Archives	-	3,238,118	3,238,118
	24,337	145,350,325	145,325,988
Ministry of Health			
24 Hospitals	-	155,530,291	155,530,291
22 Department of Health	108,246	31,460,868	31,352,622
21 Ministry of Health HQ	39,921	10,171,162	10,131,241
91 Health Insurance	-	2,561,200	2,561,200
72 Environmental Protection	180	-	(180)
	148,348	199,723,521	199,575,173
Ministry of Economy & Labour			
94 Department of Economic Development	130	7,750,817	7,750,687
27 Immigration	70	6,188,530	6,188,460
60 Workforce Development	170	4,271,584	4,271,414
14 Department of Statistics	65	2,382,110	2,382,045
99 Department of Labour	-	864,330	864,330
44 Ministry of Economy & Labour HQ	-	725,470	725,470
	435	22,182,841	22,182,406

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

	2025 Interdepartmental Expense ¹	2025 Actual Gross Expense ¹	2025 Net Expense ¹
	\$	\$	\$
Ministry of Transport			
35 Public Transportation	280,927	25,761,603	25,480,676
30 Marine & Ports	637	24,668,535	24,667,898
48 Ministry of Transport HQ	-	16,025,221	16,025,221
34 Transport Control Department	9,911	5,293,834	5,283,923
	291,475	71,749,193	71,457,718
Ministry of Public Works			
82 Works & Engineering	4,230	62,869,810	62,865,580
81 Public Lands & Buildings	-	41,182,032	41,182,032
36 Ministry of Public Works HQ	671,026	11,159,633	10,488,607
68 Parks	2,099	9,221,659	9,219,560
53 Bermuda Housing Corporation	-	6,640,000	6,640,000
	677,355	132,083,814	131,406,459
Ministry of Tourism, Culture & Sport			
71 Ministry of Tourism, Culture & Sport	1,500	18,686,625	18,685,125
20 Sport & Recreation	79,067	8,427,630	8,348,563
52 Department of Culture	18,821	1,937,932	1,919,111
95 Ministry of Economic Development & Tourism HQ	-	(2,776)	(2,776)
	99,387	29,049,411	28,950,024
Ministry of National Security			
07 Police	561,661	70,288,001	69,726,340
25 Department of Corrections	14,099	29,369,925	29,355,826
45 Fire Services	6,582	20,975,056	20,968,474
12 Customs	9,178	19,086,287	19,077,109
06 Defence	-	9,693,032	9,693,032
83 Ministry of National Security HQ	-	2,778,188	2,778,188
	591,520	152,190,489	151,598,969
Ministry of Social Development & Seniors			
55 Financial Assistance	475	55,805,535	55,805,060
23 Child and Family Services	33,054	19,685,273	19,652,219
86 Ministry of Youth, Social Development & Seniors HQ	614	11,550,516	11,549,902
	34,143	87,041,324	87,007,181
Ministry of Home Affairs			
79 Environment & Natural Resources	55,556	8,733,758	8,678,202
29 Registry General	-	1,805,007	1,805,007
97 Land Title & Registration	-	1,513,857	1,513,857
93 Ministry of Home Affairs HQ	-	1,232,953	1,232,953
49 Land Valuation	65	910,409	910,344
89 Energy	-	539,175	539,175
	55,621	14,735,159	14,679,538
TOTAL CURRENT EXPENSES	2,027,565	1,381,093,381	1,379,065,816

¹ Totals may not add due to rounding.

Government of Bermuda - Consolidated Fund
Schedule 11: Schedules of Tangible Capital Assets and Assets Under Construction
As at March 31, 2025

	Estimated Useful Life	COST				ACCUMULATED AMORTIZATION				31-Mar-25 Net Book Value ¹	31-Mar-24 Net Book Value ¹
		Opening Balance ¹	Additions ¹	Disposals & Adjustments ¹	Closing Balance ¹	Opening Balance ¹	Amortization Expense ¹	Disposals & Adjustments ¹	Closing Balance ¹		
		\$	\$	\$	\$	\$	\$	\$	\$		
Tangible Capital Assets											
Land	Indefinite	46,149,928	-	-	46,149,928	-	-	-	-	46,149,928	46,149,928
Buildings & Betterments	2 - 40 years	710,001,694	6,325,612	(2,624,195)	713,703,112	(401,701,006)	(17,672,202)	(891,994)	(420,265,202)	293,437,910	308,300,686
Infrastructure	10 - 40 years	272,941,964	12,094,309	-	285,036,273	(148,780,743)	(9,735,873)	-	(158,516,616)	126,519,657	124,161,221
Vehicles & Heavy Equipment	5 - 7 years	118,722,772	4,213,122	(1,294,869)	121,641,025	(101,908,040)	(4,128,320)	1,294,921	(104,741,440)	16,899,585	16,814,732
Boats & Vessels	5 - 10 years	69,926,477	6,290,003	-	76,216,480	(50,751,874)	(2,868,161)	-	(53,620,035)	22,596,446	19,174,603
Computer Software	10 years	66,373,783	1,592,497	(1,322,905)	66,643,375	(49,599,300)	(2,926,144)	-	(52,525,444)	14,117,931	16,774,483
Office Equipment	5 years	26,765,881	771,025	76,797	27,613,704	(23,369,654)	(1,290,648)	-	(24,660,302)	2,953,402	3,396,228
Computer Hardware	3 - 7 years	33,117,020	1,467,471	(6,802)	34,577,689	(31,820,945)	(1,026,306)	5,312	(32,841,939)	1,735,750	1,296,075
Capital Leases	3 - 20 years	7,760,954	103,860	-	7,864,814	(5,262,591)	(288,667)	-	(5,551,258)	2,313,555	2,498,363
Furniture & Fixtures	7 years	11,065,567	893,584	(149,714)	11,809,438	(8,665,961)	(674,843)	-	(9,340,804)	2,468,634	2,399,606
Plant, Machinery & Equipment	10 - 30 years	152,318,654	10,706,174	-	163,024,827	(120,748,367)	(5,839,866)	-	(126,588,233)	36,436,594	31,570,286
Total Tangible Capital Assets		1,515,144,692	44,457,658	(5,321,687)	1,554,280,665	(942,608,481)	(46,451,030)	408,239	(988,651,271)	565,629,393	572,536,211
Assets Under Construction		58,251,409	21,986,793	(15,878,373)	64,359,829	-	-	-	-	64,359,829	58,251,409

¹ Totals may not add due to rounding.

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure - Estimates Compared to Expenditures
For the year ended March 31, 2025

	Expenses ³	Expenditure ^{1/3}	Adjusted Estimates ^{2/3}	Under (Over) Spent ³	
	\$	\$	\$	\$	
Non-Ministry Departments					
02	Legislature	5,036,145	5,028,017	5,430,551	402,534
05	Office of the Auditor General	3,901,802	3,886,739	4,179,759	293,020
101	Privacy Commissioner's Office	2,075,169	2,062,872	2,129,713	66,841
01	Governor & Staff	1,660,796	1,658,715	1,510,941	(147,774)
63	Parliamentary Registrar	1,462,185	1,459,380	1,758,172	298,792
56	Human Rights Commission	1,418,286	1,412,433	1,389,668	(22,765)
98	Information Commissioner's Office	1,156,630	1,130,607	1,116,901	(13,706)
85	Ombudsman's Office	978,443	968,649	1,049,581	80,932
92	Internal Audit	912,976	908,761	1,055,499	146,738
		18,602,432	18,516,173	19,620,785	1,104,612
Cabinet Office Departments					
09	Cabinet Office	11,981,252	11,990,577	13,746,078	1,755,501
13	Post Office	9,442,245	10,197,609	9,620,156	(577,453)
	Department of Information and Digital Technologies	9,080,940	8,353,503	8,504,687	151,184
43	Department of Employee & Organizational Development	8,134,009	8,132,135	7,961,892	(170,243)
32	Department of Planning	3,693,535	3,574,694	3,837,618	262,924
51	Department of Communications	3,298,352	3,288,000	3,396,807	108,807
80	Project Management & Procurement	900,372	897,949	873,763	(24,186)
		46,530,705	46,434,467	47,941,001	1,506,534
Ministry of Transport					
35	Public Transportation	25,761,603	24,209,726	23,840,390	(369,336)
30	Marine & Ports	24,668,535	21,696,243	22,995,918	1,299,675
48	Ministry of Transport HQ	16,025,221	15,708,888	15,848,761	139,873
34	Transport Control Department	5,293,834	5,285,982	5,560,931	274,949
		71,749,193	66,900,840	68,246,000	1,345,160
Ministry of Legal Affairs					
03	Judicial Department	9,841,495	9,408,489	9,369,706	(38,783)
87	Ministry of Legal Affairs HQ	6,072,515	6,030,495	6,422,881	392,386
04	Attorney General's Chambers	4,739,963	4,742,820	5,684,089	941,269
88	National Drug Control	4,733,281	4,131,958	4,354,115	222,157
75	Department of Public Prosecutions	3,745,123	3,728,685	3,959,094	230,409
74	Department of Court Services	3,539,714	3,527,035	3,720,112	193,077
		32,672,091	31,569,482	33,509,997	1,940,515
Ministry of Finance					
11	Accountant General	164,683,144	81,818,308	86,410,525	4,592,217
58	Interest on Debt	126,846,314	126,846,314	128,676,604	1,830,290
11a	Pension and Retirement Benefits Expense	108,698,402	-	-	-
10	Ministry of Finance HQ	14,062,719	13,909,641	12,229,461	(1,680,180)
39	Registrar of Companies	7,188,747	8,090,433	9,593,000	1,502,567
28	Social Insurance	2,753,818	2,822,038	3,000,000	177,962
38	Office of the Tax Commissioner	2,660,865	2,922,438	4,051,000	1,128,562
58.2	Caroline Bay/Morgan's Point (Note 17)	2,288,067	2,288,067	-	(2,288,067)
		429,182,076	238,697,239	243,960,590	5,263,351

¹ Adjusted for Non-Cash, Non-Budget Items

² Includes all Approved Supplementary amounts during the year

Government of Bermuda - Consolidated Fund
Schedule 12: Current Expenditure - Estimates Compared to Expenditures (cont'd)
For the year ended March 31, 2025

	Expenses ³	Expenditure ^{1/3}	Adjusted Estimates ^{2/3}	Under (Over) Spent ³
	\$	\$	\$	\$
Ministry of Education				
17 Department of Education	120,540,275	119,624,310	118,860,943	(763,367)
41 Bermuda College	14,653,901	14,653,901	14,653,901	-
16 Ministry of Education HQ	6,918,031	6,914,721	7,377,258	462,537
18 Libraries & Archives	3,238,118	3,223,442	3,246,508	23,066
	145,350,325	144,416,374	144,138,610	(277,764)
Ministry of Health				
24 Hospitals	155,530,291	155,530,291	155,750,452	220,161
22 Department of Health	31,460,868	31,224,394	31,633,955	409,561
21 Ministry of Health HQ	10,171,162	10,154,270	11,905,719	1,751,449
91 Health Insurance	2,561,200	2,560,778	3,441,873	881,095
	199,723,521	199,469,733	202,731,999	3,262,266
Ministry of Economy & Labour				
94 Department of Economic Development	7,750,817	7,750,817	8,423,961	673,144
27 Immigration	6,188,530	5,808,280	6,237,838	429,558
60 Workforce Development	4,271,584	4,263,477	4,426,409	162,932
14 Department of Statistics	2,382,110	2,356,756	2,541,502	184,746
99 Department of Labour	864,330	864,330	1,271,908	407,578
44 Ministry of Economy & Labour HQ	725,470	716,524	1,451,382	734,858
	22,182,841	21,760,184	24,353,000	2,592,816
Ministry of Youth, Social Development & Seniors				
55 Financial Assistance	55,805,535	55,734,628	55,032,053	(702,575)
23 Child and Family Services	19,685,273	19,626,733	20,248,119	621,386
86 Ministry of Youth, Social Development & Seniors HQ	11,550,516	11,562,270	13,077,200	1,514,930
	87,041,324	86,923,631	88,357,372	1,433,741
Ministry of Tourism, Culture & Sports				
71 Ministry of Tourism, Culture & Sport	18,686,625	18,686,625	18,781,076	94,451
20 Sport & Recreation	8,427,630	8,401,734	8,614,648	212,914
52 Department of Culture	1,937,932	1,937,932	2,223,277	285,345
95 Ministry of Economic Development & Tourism HQ	(2,776)	(2,776)	-	2,776
	29,049,411	29,023,515	29,619,001	595,486
Ministry of National Security				
07 Police	70,288,001	70,105,111	66,901,876	(3,203,235)
25 Department of Corrections	29,369,925	29,175,764	26,076,952	(3,098,812)
45 Fire Services	20,975,056	20,840,688	17,638,539	(3,202,149)
12 Customs	19,086,287	18,918,731	18,371,986	(546,745)
06 Defence	9,693,032	9,578,687	9,010,572	(568,115)
83 Ministry of National Security HQ	2,778,188	2,366,698	3,809,075	1,442,377
	152,190,489	150,985,679	141,808,999	(9,176,680)
Ministry of Home Affairs				
79 Environment & Natural Resources	8,733,758	8,667,648	8,868,819	201,171
29 Registry General	1,805,007	1,817,257	1,813,821	(3,436)
97 Land Title & Registration	1,513,857	1,475,695	1,574,612	98,917
93 Ministry of Home Affairs HQ	1,232,953	1,230,345	1,795,993	565,648
49 Land Valuation	910,409	902,546	922,508	19,962
89 Energy	539,175	539,175	550,247	11,072
	14,735,159	14,632,666	15,526,000	893,334
Ministry of Public Works				
82 Works & Engineering	62,869,810	38,482,566	32,836,156	(5,646,410)
81 Public Lands & Buildings	41,182,032	23,193,490	21,765,881	(1,427,609)
36 Ministry of Public Works HQ	11,159,633	8,329,874	6,326,534	(2,003,340)
68 Parks	9,221,659	8,869,703	10,468,881	1,599,178
53 Bermuda Housing Corporation	6,640,000	6,640,000	6,550,000	(90,000)
Amortization	1,010,680	-	-	-
	132,083,814	85,515,633	77,947,452	(7,568,181)
TOTAL CURRENT	1,381,093,381	1,134,845,616	1,137,760,806	2,915,190

¹ Adjusted for Non-Cash, Non-Budget Items

² Includes all Approved Supplementary amounts during the year

³ Totals may not add due to rounding.

Government of Bermuda - Consolidated Fund
Schedule 13: Commitments - Legislated
For the year ended March 31, 2025

	2025	2024
	Actual	Actual
	\$	\$

Unspent Capital Appropriations

In accordance with Section 6 of the Appropriations Act 2024, unspent capital appropriations for incomplete capital projects to be carried forward to future years are as follows:

Capital Development	472,910	811,167
Capital Acquisition	1,498,892	2,168,391
	1,971,802	2,979,558

Total Authorized Funding

Total Authorized Funding represents the estimated total cost of capital development projects and is subject to the voting of supply by the Legislature. Estimated future expenditure for continuing capital development projects is as follows:

Total Authorized Funding	1,462,171,775	1,244,517,375
Projects Completed during the year	(30,800,000)	(29,245,000)
Supplementary Estimate	4,932,061	2,960,000
Revised Total Authorized Funding	1,436,303,836	1,218,232,375
Appropriated Capital Development	(651,484,259)	(581,913,293)
Unappropriated Capital Development Commitments	784,819,577	636,319,082

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

	2025	2024
	Actual	Actual
	\$	\$
Debt (Schedule 7)	3,293,892,000	3,293,892,000
Less:		
Sinking Fund (Schedule 7)	22,745,784	93,929,675
Public Debt	3,271,146,216	3,199,962,325
Legislated Limit (Note 15 (e))	3,500,000,000	3,500,000,000
Available Limit	228,853,784	300,037,675