BDIC

BERMUDA DEPOSIT
INSURANCE CORPORATION

2023 ANNUAL REPORT

Enhancing Bermuda's Financial Safety Net

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CEO, The Bermuda Hotel Association /
Hotel Employers of Bermuda

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CEO, Bermuda Deposit
Insurance Corporation

The Hon Maxwell Burgess, JP,
Retired

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Acting Financial Secretary,
Government of Bermuda

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Partner, Appleby

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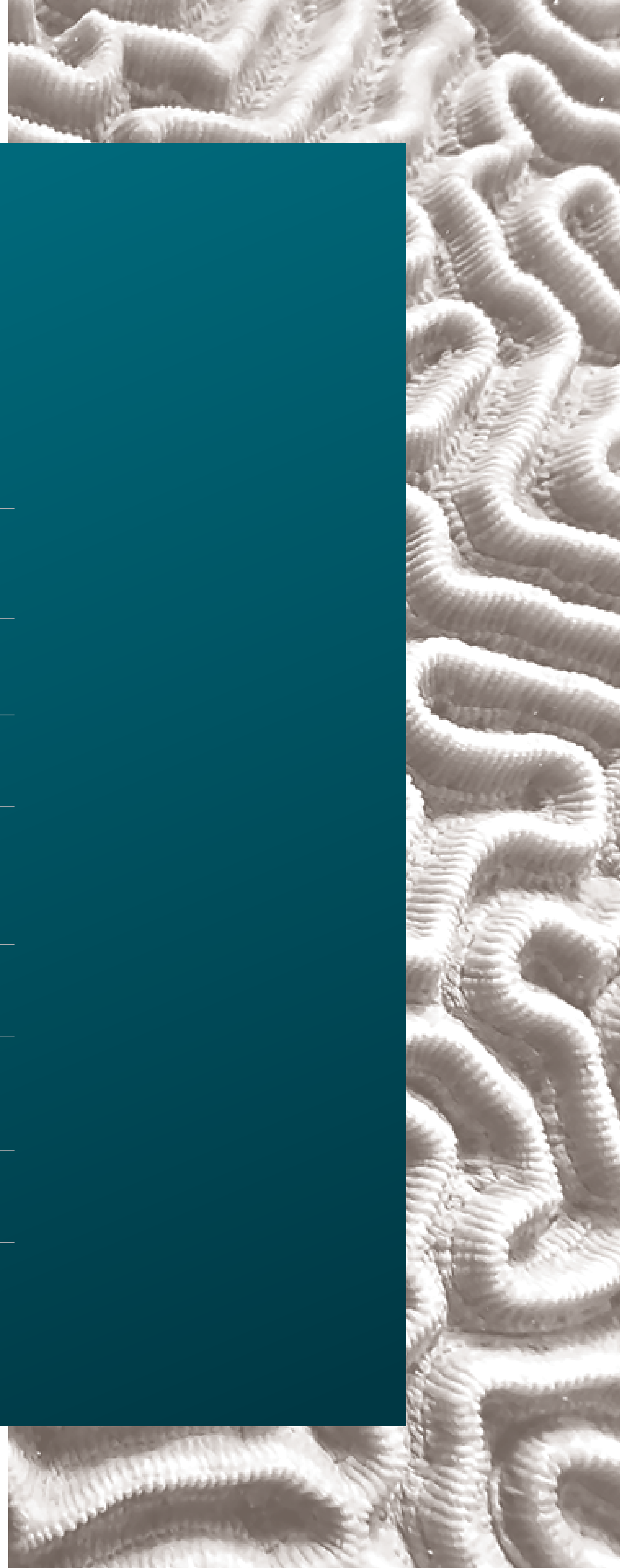
Monetary Authority



CHAIRMAN'S AND CEO'S REPORT

On behalf of the Board, we are pleased to present the seventh Annual Report on the operations and activities of the Bermuda Deposit Insurance Corporation (BDIC) for the year ended March 31, 2023.

The BDIC continues to play a strategic role alongside the Bermuda Monetary Authority (BMA) in providing an enhanced financial safety net for depositors of qualifying Scheme members in Bermuda while participating directly in the educational and policy making activities of the International Association of Deposit Insurers (IADI), as well as its Regional North America Committee where the BDIC CEO has recently been appointed to its Executive Committee.

Globally, and in response to economic and political developments, the role of deposit insurers in banking resolution continues to evolve depending on their mandates and the prevailing legislative and resolution frameworks in place. The recent banking crises in the US and Europe sharply brought these issues into focus, and in that regard the BDIC after consultation with the BMA and its safety net partners has resolved to evolve its current mandate as a PayBox provider to PayBox Plus. This will entail an expanded role in the resolution process, supported by continued compliance with IADI Core Principles as well as with appropriately designed legislative powers and the resources to fulfill this new mandate.

During the year, we welcomed Jewel Bank as a new member in the Scheme as a result of their being granted a full bank license as well as a digital asset business license by the BMA on June 6, 2022.

With effect from March 31, 2022, the BDIC formally established a Deposit Insurance Fund for the protection of qualifying deposits under the Scheme up to a prescribed limit. In establishing the Fund, the BDIC also set a minimum target fund level of 5% of covered deposits and a long-term fund target level of approximately 15% of covered deposits, having taken into consideration the distribution of covered deposits of its Scheme members, while also relying on the advice of duly qualified professionals.

Life doesn't get easier or more forgiving, we get stronger and more resilient.

Dr. Steve Maraboli

While the impacts on global economies and the financial markets as a result of the pandemic have continued to affect Bermuda's local economy, we have continued to experience a measure of resilience in our operations, and as a result, the Deposit Insurance Fund (the Fund) stood at $42.23 million as at March 31, 2023 (2022 - $35.15 million) and it continues to be principally invested in a ladder-style structure of US Government Treasury Notes with the investments spread across maturities ranging from 1 to 5 year time rungs.

Total premiums received from scheme members aggregated approximately $7.06 million (2022 - $7.03 million), with premiums earned on individual and joint accounts contributing $6.43 million or 91% of the total (2022 - $6.42 million (91%)). Premium income continues to be based on a premium rate of .25% per annum and charged on average quarterly declared insured deposits, which aggregated approximately $2.82 billion for the year (2022 - $2.81 billion). Total comprehensive income earned for the year was $7.08 million (2022 - $6.76 million) after incurring total operating expenses of approximately $543,000 (2022 - $610,000). This resulted in approximately 93 cents (2022 - 92 cents) on every dollar of total revenue earned accruing to the bottom line and into the Fund.

The Board remains consistently committed and focused on its statutory obligations, and to fulfilling its mandate to manage the DIS with prudent and sound management and operating practices while employing a conservative investment strategy in the management of the Fund.

Stephen W. G. Todd, JP
Chairman

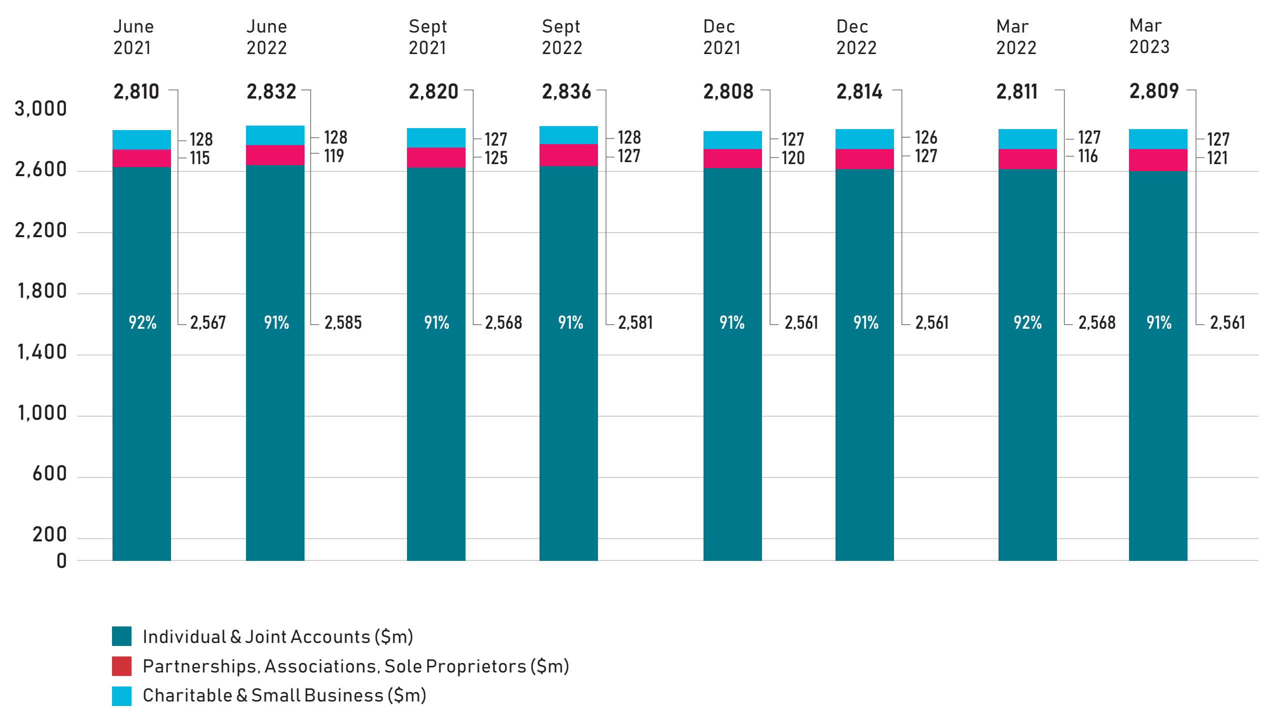
Alan Richardson, CPA, CA
CEO

2023
DATA & ANALYSIS

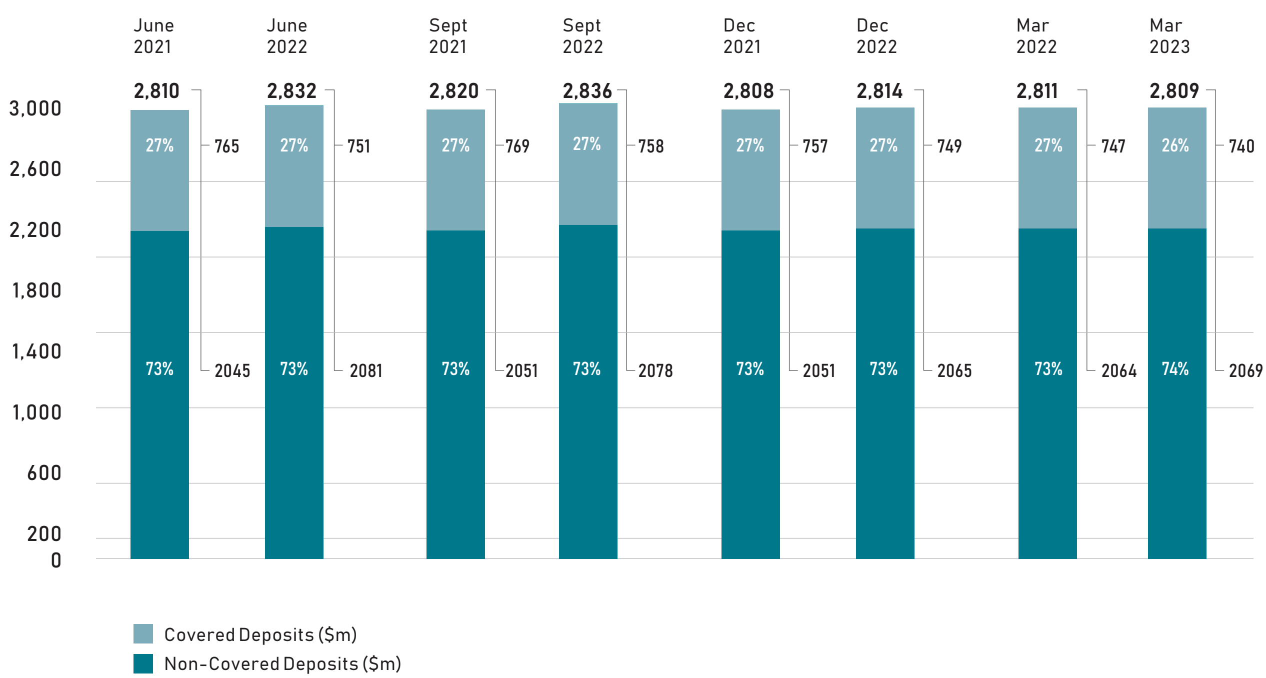
BDIC
BERMUDA DEPOSIT
INSURANCE CORPORATION

DATA & ANALYSIS

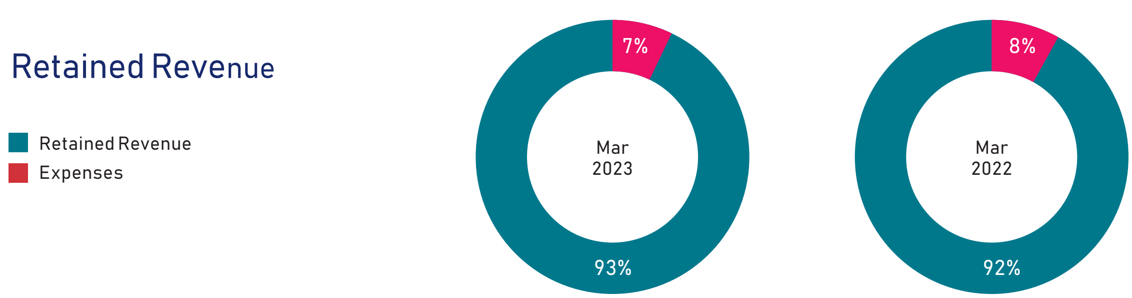
Insurable Deposits by Category ($m)



Covered Deposits and Insurable Deposits ($m)



Retained Revenue



BDIC
BERMUDA DEPOSIT
INSURANCE CORPORATION

Swan Building
26 Victoria Street
Hamilton HM 12
Bermuda

tel: 441-292-2342
www.bdic.bm

The Hon E. David Burt, JP, MP
Minister of Finance
Ministry of Finance
Hamilton

July 27, 2023

Dear Minister,

In accordance with section 35(1) of the Deposit Insurance Act 2011, I have the privilege to submit to you a report of the operations of the Bermuda Deposit Insurance Corporation for the year ended March 31, 2023 together with the statement of accounts and the opinion of the Auditor General.

Stephen W. G. Todd, JP
Chairman

2023 FINANCIAL STATEMENTS

For the year ended March 31, 2023

> No one would have crossed the ocean if he could have gotten off the ship in the storm.
>
> Charles Kettering.

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Management's Responsibility for the Financial Statements

July 20, 2023

These financial statements have been prepared by management, who are responsible for the reliability, integrity and objectivity of the information provided. The preparation of financial statements necessarily involves using management's best estimates and judgments, where appropriate.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and reliable financial information is available on a timely basis.

The Bermuda Deposit Insurance Corporation's Board of Directors are responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Board of Directors meet periodically with management to discuss matters relating to financial reporting, internal control and audits. The Board of Directors also review the financial statements before their approval. The financial statements have been approved by the Board of Directors and have been examined by the Office of the Auditor General.

The accompanying Independent Auditor's Report is presented herein.

Stephen W. G. Todd, JP
Chairman

Alan Richardson, CPA, CA
CEO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Bermuda Deposit Insurance Corporation

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Bermuda Deposit Insurance Corporation, which comprise the statement of financial position as at March 31, 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bermuda Deposit Insurance Corporation as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 Bermuda Deposit Insurance Corporation 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.

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 International Financial Reporting 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 Bermuda Deposit Insurance Corporation'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 Bermuda Deposit Insurance Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bermuda Deposit Insurance Corporation'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 incudes 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 Bermuda Deposit Insurance Corporation'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 Bermuda Deposit Insurance Corporation'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 Bermuda Deposit Insurance Corporation 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.

Report on Other Legal and Regulatory Requirements

As required by Schedule 2 of the Deposit Insurance Act 2011, I also report that, in my opinion, the financial statements show fairly the financial transactions and the state of affairs of the Bermuda Deposit Insurance Corporation, proper accounting and other records have been kept, including records of all assets of the Bermuda Deposit Insurance Corporation, and the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Bermuda Deposit Insurance Corporation during the year ended March 31, 2023, were in accordance with the provisions of the Deposit Insurance Act 2011.

Heather M.

Hamilton, Bermuda
July 20, 2023

Heather Thomas, CPA, CFE, CGMA
Auditor General

Statement of Financial Position

As at March 31, 2023
(Expressed in Bermuda Dollars)

		2023		2022
Assets				
Current assets				
Cash and cash equivalents (Note 4)	$	323,713	$	280,036
Accrued interest (Note 9)		168,347		83,574
Investments, amortised cost (Note 9)		7,414,306		6,111,107
Accrued income (Note 9)		1,749,869		1,853,616
Prepayments		5,134		4,536
Total current assets		9,661,369		8,332,869
Non-current assets				
Investments, amortised cost (Note 9)		32,654,176		26,961,058
Property and equipment (Note 5)		146,180		172,192
Total non-current assets		32,800,356		27,133,250
Total assets	$	**42,461,725**	$	**35,466,119**
Liabilities and equity				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	$	78,212	$	133,330
Lease liabilities (Note 7)		33,697		33,697
Total current liabilities		111,909		167,027
Non-current liabilities				
Lease liabilities (Note 7)		117,951		148,416
Total non-current liabilities		117,951		148,416
Equity and fund balance				
Deposit Insurance Fund (Note 10)		42,231,865		35,150,676
Total equity and fund balance		42,231,865		35,150,676
Total liabilities, equity and fund balance	$	**42,461,725**	$	**35,466,119**

Commitments (Note 6)

Signed on behalf of Bermuda Deposit Insurance Corporation:

__________________ Director   __________________ Director

The accompanying notes are an integral part of the financial statements

Statement of Comprehensive Income

For the year ended March 31, 2023
(Expressed in Bermuda Dollars)

	2023	2022
Revenue		
Premiums (Note 8)	$ 7,057,356	$ 7,030,329
Interest income (Note 9)	515,796	324,635
Accretion of discounts on investments (Note 9)	50,567	18,357
Total revenue	7,623,719	7,373,321
Expenses		
Professional fees	234,186	239,196
Payroll costs (Note 12)	164,159	164,587
Administrative	105,058	54,888
Depreciation (Note 5)	41,931	38,612
Occupancy	18,707	14,232
Finance costs (note 7)	9,480	11,852
Change in allowances for expected credit losses (Note 9)	(30,991)	86,360
Total expenses	542,530	609,727
Total comprehensive income for the year	$ 7,081,189	$ 6,763,594

The accompanying notes are an integral part of the financial statements

Statement of Changes in Equity and Fund Balance

For the year ended March 31, 2023
(Expressed in Bermuda Dollars)

	2023	2022
Retained earnings		
Balance, beginning of year	$ –	$ 28,387,082
Total comprehensive income for the year	7,081,189	6,763,594
Transfer to Deposit Insurance Fund (Note 10)	(7,081,189)	(35,150,676)
Balance, end of year	$ –	$ –
Deposit Insurance Fund		
Balance, beginning of year	$ 35,150,676	$ –
Transfer from retained earnings (Note 10)	7,081,189	35,150,676
Balance, end of year	$ 42,231,865	$ 35,150,676

The accompanying notes are an integral part of the financial statements

Statement of Cash Flows

For the year ended March 31, 2023
(Expressed in Bermuda Dollars)

	2023	2022
Cash flows provided by operating activities		
Total comprehensive income for the year	$ 7,081,189	$ 6,763,594
Adjustments for:		
Depreciation	41,931	38,612
Finance costs	9,480	11,852
Lease payment	(47,148)	(45,548)
Accretion of discounts on investments, amortised cost	(50,567)	(18,357)
Change in allowances for expected credit losses	(30,991)	86,360
Changes in working capital:		
Decrease (increase) in accrued income	140,310	(91,061)
(Decrease) increase in accounts payable and accrued liabilities	(55,118)	4,865
Increase in prepayments	(598)	(383)
(Increase) decrease in accrued interest	(85,112)	19,322
Net cash provided by operating activities	7,003,376	6,769,256
Cash flows used in investing activities		
Proceeds from maturity of investments	6,162,000	6,368,000
Purchase of investments	(13,113,016)	(13,274,281)
Purchase of property and equipment	(8,716)	–
Net cash used in investing activities	(6,959,732)	(6,906,281)
Net increase (decrease) in cash and cash equivalents	43,644	(137,025)
Cash and cash equivalents, beginning of year	280,036	417,311
Effect of loss allowance for expected credit losses	33	(250)
Cash and cash equivalents, end of year	$ 323,713	$ 280,036
Interest received	$ $430,685	$ $343,957

The accompanying notes are an integral part of the financial statements

1. General

The Bermuda Deposit Insurance Corporation (the "Corporation") was incorporated in Bermuda in 2011 as an independent body to administer and enforce the Deposit Insurance Scheme ("DIS" or "Scheme") in Bermuda, as well as to manage the Deposit Insurance Fund (the "Fund"). These financial statements reflect the financial position, results of operations, changes in equity and fund balance and cash flows of the Corporation. The address of its registered and business office is 26 Victoria Street, Hamilton HM 12, Bermuda.

The functions, powers and operational practices of the Corporation are set out in Section 5 of the Bermuda Deposit Insurance Act 2011 (the "Act") and the Bermuda Deposit Insurance Rules 2016 and its amendments (the "Rules"). The primary functions of the Corporation are to collect premiums from all members of the DIS, that is Bermuda's licensed banks and credit unions, and investing them, issuing the prompt payment of compensation to insured depositors from the Fund, up to a current maximum limit of $25,000, educating the public on the DIS and its purpose and ensuring institutions adhere to the DIS.

2. Basis of preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the period presented, unless otherwise stated.

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board.

These financial statements were authorised for issue by the Board of Directors on July 20, 2023**.**

(b) Frequency of reporting

These financial statements were prepared for the year ended March 31, 2023 to comply with the reporting requirements of the Act.

(c) Basis of measurement

These financial statements have been prepared under the historical cost basis. Historical cost is generally based on fair value of the consideration given in exchange for assets or liabilities.

(d) Functional and presentation currency

These financial statements are presented in Bermuda dollars, which is the Corporation's functional and presentation currency.

(e) Going concern basis of accounting

The Corporation has prepared the financial statements for the financial year ended March 31, 2023 on a going concern basis which assumes continuity of current business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

2. Basis of preparation and significant accounting policies (continued)

(f) Use of estimates and judgements

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates and assumptions include accrued expenses, evaluating the useful lives of property and equipment and estimating the expected credit loss for accrued income, accrued interest, cash and cash equivalents and investments. Actual results could differ from those estimates.

(g) Revenue from premium contributions

The Corporation collects premium contributions from the Scheme members in line with the DIS rules. Revenue from premium contributions is recognised at a point in time when premiums calculated are issued. Premiums are determined at the end of each premium period ending in March, June, September and December, based on the amount of insured deposits held by the Scheme members. Premium rates are fixed annually.

(h) Expenses

Expenses are recorded on the accruals basis in the year in which the goods or services are acquired or a liability is incurred.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments. Cash and cash equivalents are measured at amortised cost, which approximates fair value, on the statement of financial position.

(j) Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The following useful lives are used in the calculation of depreciation:

Assets	Useful life
Furniture and equipment	3 years
Computer hardware	3 years
Right-of-use assets	7 - 7.5 years

Depreciation expense is included in expenses on the Statement of Comprehensive Income. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

2. Basis of preparation and significant accounting policies (continued)

(j) Property and equipment (continued)

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Income. The reversal of an impairment loss is recognised in the Statement of Comprehensive Income to the extent that an impairment loss was previously recognised.

(k) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accrued interest, investments in US Government Treasury Notes, accrued income, accounts payable and accrued liabilities, and lease liabilities.

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial assets were acquired.

(i) Financial assets

Classification of financial assets

The Corporation classifies its financial assets at amortised cost. The Corporation's financial assets classified at amortised cost consist of cash and cash equivalents, accrued interest, accrued income and investments. The Corporation determines the classification at initial recognition and re-evaluates this designation at every reporting date. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss, or fair value through other comprehensive income:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Corporation makes an assessment of the objective of the business model in which the financial asset is held at a portfolio level because this best reflects how the Corporation is managed and the information is provided to management. The information considered includes the stated policies and objectives of the portfolio and the operation of those policies in practice.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

2. Basis of preparation and significant accounting policies (continued)

(k) Financial instruments (continued)

(i) Financial assets

In assessing whether the contractual cash flows are solely payments of principal and interest, the Corporation considers the contractual terms of the instrument. These include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Corporation considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Corporation's claim to cash flows.

A prepayment feature is consistent with solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest in the principal amount outstanding.

Financial assets – Subsequent measurement and gains and losses
The Corporation's financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(ii) Financial liabilities

The Corporation classifies accounts payable and accrued liabilities and lease liabilities as financial liabilities. These are initially classified and subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; and
- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows and either:

  (i) the Corporation has transferred substantially all the risks and rewards of the asset; or
  (ii) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of comprehensive income, if any.

2. Basis of preparation and significant accounting policies (continued)

(l) Impairment of financial assets

The Corporation recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost. The Corporation measures loss allowances at an amount equal to 12-month ECLs for all investments and cash and cash equivalents that are determined to have a low credit risk at the reporting date and for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment and including forward-looking information.

The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and is in default when the financial asset is more than 90 days past due.

The Corporation considers an investment to have a low credit risk when the credit risk rating is equivalent to the globally understood definition of "investment grade". The Corporation considers this to be BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from possible default events over the expected life of a financial asset. 12-month ECLs are the portion of the ECLs that result from default events that are possible within the 12 months after the report date (or shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial assets.

Credit-impaired financial assets

At each reporting date, the Corporation assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Premium has not been received 90 days after the statutory due date;
- Evidence of impairment on accrued income include that the insured entity is experiencing significant financial difficulty, there is a probability that they will liquidate or deregister or there has been a long-term delinquency in payments;
- Significant financial difficulty of the issuer or obligor;
- The disappearance of an active market for that financial asset;
- It becomes probable that the issuer or obligor will enter bankruptcy or other financial reorganisation.

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

2. Basis of preparation and significant accounting policies (continued)

(l) Impairment of financial assets (continued)

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of the assets. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating or an improvement in the ECLs), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Financial assets, other than accrued interest and accrued income, are only derecognised when contractual rights to cash flow expire. For accrued income, the gross carrying amount is written off when the Corporation has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(m) Provision for losses and Deposit Insurance Fund

A provision for losses is recognised if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Given no claim has been made on the Corporation to date, management has determined that a provision for losses is not required.

Effective March 31, 2022, the Corporation has established a Deposit Insurance Fund (Note 10) in order to meet its obligation to provide the prompt payment of compensation to insured depositors from the Fund, up to a current maximum limit of $25,000 per depositor, in the event that a Scheme member becomes insolvent.

(n) Leases

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract has an identifiable asset from which the Corporation obtains substantially all the economic benefits and conveys to the Corporation the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation uses the definition of a lease in IFRS 16.

As a lessee

At commencement of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. Basis of preparation and significant accounting policies (continued)

(n) Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Corporation by the end of the lease term or the cost of the right-of-use asset reflects that the Corporation will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. The Corporation has used its incremental borrowing rate of 4.75% as the discount rate.

The Corporation determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- The exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payments in an optional renewal period if the Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Corporation is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation presents right-of-use assets in property and equipment and lease liabilities separately in the statement of financial position.

During the year ended March 31, 2023, the Corporation did not enter into any contract as a lessor.

Short-term leases and leases of low-value assets

The Corporation has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including cancellable leases. The Corporation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

3. New and amended standards adopted by the Corporation and forthcoming standards

a) There were a number of amendments to standards that were effective for periods beginning on or after April 1, 2022 but they do not have a material effect on the Corporation's financial statements. These have been listed below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

b) A number of new or amended standards are effective for annual periods beginning after April 1, 2023 and early adoption is permitted; however, the Corporation has not early-adopted the following new or amended standards in preparing its financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Corporation's financial statements in future periods.

- IFRS 17 Insurance Contracts Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes
- Classification of Labilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback Amendments to IFRS 16
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (Early adoption is not permitted).

4. Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

	2023	2022
Short term investments	$ 197,161	$ 130,401
Cash at bank	126,552	149,635
	$ 323,713	$ 280,036

The effective interest rate earned on the Corporation's cash and cash equivalents is 5.02% at March 31, 2023 (2022 - 0.06%).

(Expressed in Bermuda Dollars)

5. Property and equipment

As at March 31, 2023		Office building and car park space		Computer hardware		Furniture and equipment		Total
Opening cost at March 31, 2022	$	280,720	$	8,469	$	4,521	$	293,710
Additions		7,203		8,716		–		15,919
Closing cost at March 31, 2023		287,923		17,185		4,521		309,629
Opening accumulated depreciation at March 31, 2022		111,816		7,318		2,384		121,518
Depreciation expense		40,868		1,063		–		41,931
Closing accumulated depreciation at March 31, 2023		152,684		8,381		2,384		163,449
Net book value at end of year	**$**	**135,239**	**$**	**8,804**	**$**	**2,137**	**$**	**146,180**

Property and equipment includes right-of use assets of $135,239 (2022 - $168,904) related to leased properties that do not meet the definition of investment property (see Note 7).

As at March 31, 2022		Office building and car park space		Computer hardware		Furniture and equipment		Total
Opening cost at March 31, 2021	$	280,720	$	8,469	$	4,521	$	293,710
Additions		–		–		–		–
Closing cost at March 31, 2022		280,720		8,469		4,521		293,710
Opening accumulated depreciation at March 31, 2021		74,268		6,254		2,384		82,906
Depreciation expense		37,548		1,064		–		38,612
Closing accumulated depreciation at March 31, 2022		111,816		7,318		2,384		121,518
Net book value at end of year	**$**	**168,904**	**$**	**1,151**	**$**	**2,137**	**$**	**172,192**

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

6. Commitments

The Corporation has a long-term contract with an outside service provider. Any financial obligation resulting from this is recorded as a liability when the term of this contract and agreement for the acquisition of goods and services or the provision of transfer payments are met.

Annual contractual commitments are as follows:	**2023**	**2022**
Less than one year	$ -	$ 6,800
Between one and five years	-	–
	$ -	**$ 6,800**

7. Leases

The Corporation leases office space and parking space. The office space lease was entered into on October 1, 2016. The lease expired on September 30, 2021 with an option to renew for a further term of 5 years. The parking space lease was entered into on July 29, 2019 without a term limit and it can be cancelled by either party by giving one month's notice. The Corporation has recognised a right-of-use asset and lease liability for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

Balance at April 1, 2021	$ 206,452
Additions to right-of-use assets	–
Depreciation charge for the year (Note 5)	(37,548)
Balance at March 31, 2022	$ 168,904
Adjustments to right-of-use assets	7,203
Depreciation charge for the year (Note 5)	(40,868)
Balance at March 31, 2023	**$ 135,239**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period.

Balance at April 1, 2021	$ 215,809
Additions to lease liabilities	–
Accretion of interest	11,852
Payment of lease liabilities	(45,548)
Balance at March 31, 2022	$ 182,113
Adjustments to lease liabilities	7,203
Accretion of interest	9,480
Payment of lease liabilities	(47,148)
Balance at March 31, 2023	**$ 151,648**

	2023	**2022**
Lease liabilities, current	$ 33,697	$ 33,697
Lease liabilities, non-current	117,951	148,416
Balance at March 31	$ 151,648	$ 182,113

(Expressed in Bermuda Dollars)

7. Leases (continued)

The following are the amounts recognised in the Statement of Comprehensive Income:

	2023	2022
Depreciation expense on right-of-use assets	$ 40,868	$ 37,548
Interest on lease liabilities	9,480	11,852
Total amount recognised in the statement of comprehensive income	**$ 50,348**	**$ 49,400**

The following are the amounts recognised in the statement of cash flows:

	2023	2022
Total cash outflow for leases	**$ 47,148**	**$ 45,548**

Maturity analysis of lease liability on an undiscounted basis:

	2023	2022
Less than one year	$ 47,842	$ 45,548
One to four years	118,705	159,418
Five to ten years	–	–
Total undiscounted leases liabilities as at March 31, 2023	**$ 166,547**	**$ 204,966**

8. Premium revenue

	2023	2022
Individuals and joint accounts	$ 6,430,328	$ 6,415,122
Partnerships and other organizations	308,638	297,254
Charitable organizations	318,390	317,953
Total premiums	$ 7,057,356	$ 7,030,329

Jewel Bank (Jewel) became a participating member in the Scheme by virtue of their being granted a full bank license and digital asset business license by the Bermuda Monetary Authority on June 6, 2022. Jewel has not commenced its retail operations and accordingly no premium revenue is reflected in the financial statements.

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

9. Financial instruments

(a) Carrying amount and fair value of financial instruments

	2023		2022	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Financial assets				
Cash and cash equivalents	$ 323,713	$ 323,713	$ 280,036	$ 280,036
Accrued income	1,749,869	1,749,869	1,853,616	1,853,616
Investments, amortised cost	40,068,482	40,068,482	33,072,165	33,072,165
Accrued interest	168,347	168,347	83,574	83,574
	$ 42,310,411	$ 42,310,411	$ 35,289,391	$ 35,289,391

	2023		2022	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Financial liabilities				
Accounts payable and accrued liabilities	$ 78,212	$ 78,212	$ 133,330	$ 133,330
Lease liabilities	151,648	151,648	182,113	182,113
	$ 229,860	$ 229,860	$ 315,443	$ 315,443

The fair values of cash and cash equivalents, accrued income, accrued interest and accounts payable and accrued liabilities approximate their carrying values as they are short-term in nature.

The fair value of investments, at amortised cost are classified using a fair-value hierarchy that reflects the significance of the inputs disclosed in making the measurements:

Level 1 – quoted prices in active markets
Level 2 – inputs are observable either directly or derived from quoted prices
Level 3 – no observable inputs

The fair-value hierarchy requires the use of observable market inputs wherever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

	Level 1	**Level 2**	**Level 3**	**Total**
Financial instruments at fair value as at March 31, 2023				
Investments, current	$ 7,414,306	$ –	$ –	$ 7,414,306
Investments, non-current	32,654,176	–	–	32,654,176
Total financial instruments	$ 40,068,482	$ –	$ –	$ 40,068,482

(Expressed in Bermuda Dollars)

9. Financial instruments (continued)

(a) Carrying amount and fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
Financial instruments at fair value as at March 31, 2022				
Investments, current	$ 6,111,107	$ –	$ –	$ 6,111,107
Investments, non-current	26,961,058	–	–	26,961,058
Total financial instruments	$ 33,072,165	$ –	$ –	$ 33,072,165

(b) Other risks

The Corporation is exposed to credit risk, liquidity risk, market risk and operational risk as a result of holding financial instruments. The following is a description of those risks and how the Corporation manages its exposure to them.

(i) Credit risk

Credit risk is the risk of loss of principal or interest due to uncertainty in counterparty's ability to meet its obligations. The maximum exposure to credit risk is represented by the carrying values of these financial assets on the statement of financial position. Cash and cash equivalents are held by two reputable financial institutions. Accrued income is due from Bermuda's banks which are regulated by the Bermuda Monetary Authority. Management actively monitors accrued income and the credit performance of the banks.

The credit quality of financial assets can be assessed by reference to the external credit rating and default rates published by Standard and Poor's:

	2023	2022
Investments		
AA+ **	$ 40,068,482	$ 33,072,165
**Moody's equivalent grade is Aa1		
Cash		
Cash at bank and in-hand		
BBB+ (2021 BBB)	$ 126,552	$ 149,411
AA-	197,161	130,625
	$ 323,713	$ 280,036

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

9. Financial instruments (continued)

Impairment on cash and cash equivalents and investments held at amortised cost were measured on a 12-month ECL basis. This conclusion was based on the fact that:

- the Corporation considers that its cash and cash equivalents and investments have a low credit risk based on the external credit ratings of the counterparties;
- there was no significant change in the credit rating of any of the counterparties over the last 12 months.

The Corporation held cash and cash equivalents of $323,713 at March 31, 2023 (2022 - $280,036). The cash is held with two financial institutions, which are rated BBB+ and AA- (2022 - BBB+ and AA-) respectively, based on Standard and Poor's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Corporation considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Corporation uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for investments.

The following table presents an analysis of the credit quality of the investments at amortised cost. It indicates whether assets measured at amortised cost were subject to a lifetime ECL allowance:

		2023		2022
Investments				
AA+	$	40,117,174	$	33,115,591
Gross carrying amount		40,117,174		33,115,591
Less: loss allowance for ECL's		(48,692)		(43,426)
	$	40,068,482	$	33,072,165

The movement in the loss allowance for ECL's for investments at amortised cost was as follows:

		2023 12-month ECL credit impaired		2022 12-month ECL credit impaired
Balance at April 1	$	43,426	$	–
Adjustment on loss allowance for ECL's		5,266		43,426
Balance at March 31	$	48,692	$	43,426

The ECL for cash and cash equivalents as at March 31, 2023 was $217 (2022 - $250).

Impairment on accrued income was measured on an ECL basis. There exists a scope exception from the general ECL model for trade receivables that do not contain a significant financing component. The Corporation's accrued income satisfies this criterion and hence the standard allows for a provision matrix to be used for recognizing ECL.

(Expressed in Bermuda Dollars)

9. Financial instruments (continued)

Accrued income and accrued interest consist of:

		2023		2022
Accrued income – gross	$	1,755,991	$	1,896,300
Less: loss allowance for ECL's		(6,122)		(42,684)
Accrued income – net		1,749,869		1,853,616
Accrued interest – net		168,347		83,574
Total	**$**	**1,918,216**	**$**	**1,937,190**

Amortisation or accretion of the premiums/discounts on investments is included in "accretion of discounts on investments, net" in the statement of comprehensive income.

The ECL for accrued interest as at March 31, 2023 was $339 (2022 - $nil).

The movement in the loss allowance for ECL's for accrued income was as follows:

		2023		2022
Balance at April 1	$	42,684	$	–
Adjustment on loss allowance for ECL's		(36,562)		42,684
Balance at March 31	**$**	**6,122**	**$**	**42,684**

The aging of accrued income and accrued interest at the reporting date was:

	March 31, 2023		March 31, 2022	
	Current to past 30 days	Past 60 days	Current to past 30 days	Past 60 days
Accrued income	$ 1,749,869	$ –	$ 1,853,616	$ –
Accrued interest	168,347	–	83,574	–
	$ 1,918,216	$ –	$ 1,937,190	$ –

Notes to the Financial Statements

March 31, 2023
(Expressed in Bermuda Dollars)

9. Financial instruments (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulties meeting its financial obligations as they become due. Balances due within twelve months are met within the Corporation's normal 30-day cycle of disbursements.

		March 31, 2023		
	Total	0 - 3 months	4 - 12 months	Greater than 1 year
As at March 31, 2023				
Accounts payable and accrued liabilities	$ 78,212	$ 78,212	$ –	$ –
Lease liabilities	151,648	8,425	25,272	117,951
Total financial liabilities	$ 229,860	$ 86,637	$ 25,272	$ 117,951

		March 31, 2022		
	Total	0 - 3 months	4 - 12 months	Greater than 1 year
As at March 31, 2022				
Accounts payable and accrued liabilities	$ 133,330	$ 133,330	$ –	$ –
Lease liabilities	182,113	8,425	25,272	148,416
Total financial liabilities	$ 315,443	$ 141,755	$ 25,272	$ 148,416

The Corporation receives sufficient revenue from premiums to meet its funding requirements for at least the next 12 months.

(iii) Market risk

Price risk

Price risk is the risk that the future changes in the market prices may render financial instruments less valuable or increase the liability associated with such instruments. The Corporation is not exposed to significant price risk.

Interest rate risk

Interest rate risk arises from changes in prevailing levels of market interest rates. The Corporation is not exposed to significant interest rate risk.

9. Financial instruments (continued)

(iv) Operational risk

The Corporation's main exposure is to the potential loss from the non-viability or insolvency of the members of the DIS that is considered to be a loss event. The Corporation's objective is to hold a Deposit Insurance Fund (Note 10) which is sufficient to withstand such a scenario. As at the year end, the Fund may not be sufficient to cover the Corporation's current exposure to a loss event and it is likely that the Fund will remain underfunded for the foreseeable future. The Fund is funded through the accumulation and transfer of retained earnings. In relation to its insurance obligations, the Corporation's main exposure is to unexpected loss from the non-viability or insolvency of a Scheme member that is not readily estimated due to the unavailability of data on specific loss experience. The key mechanisms used to manage the level of capital are premium assessments. If a Scheme member's future viability or solvency is deemed to be at risk by the Bermuda Monetary Authority, or the Scheme member becomes insolvent and the Corporation is required to resolve by providing financial assistance or pay out depositors in accordance with the Act, and the Fund is insufficient to meet the obligation, the Corporation has the power to borrow, as well as, with the approval of the Ministry of Finance, prescribe the levying of additional premiums payable by Scheme members.

10. Deposit Insurance Fund

Effective from March 31, 2022, the Corporation has established a Deposit Insurance Fund for the protection of deposits up to a prescribed limit, and for the payment of expenses incurred by the Corporation in the exercise of its functions under the Act. The cumulative balance on the Corporation's retained earnings of $42,231,865 as at March 31, 2023 (2022 - $35,150,676) has been transferred to the Deposit Insurance Fund.

The Corporation's principal objective is to establish and manage a scheme for the insurance of deposits, or part thereof, held by Scheme member financial institutions against the risk of loss of deposits up to a maximum of $25,000 per depositor per Scheme member. The Corporation will review the size of its Deposit Insurance Fund at least annually having regard to its liabilities and potential liabilities and taking into account the advice of duly qualified professionals. The Corporation actively monitors the distribution of covered deposits of its Scheme members to determine the estimated covered deposits of the Bermuda banking system as at a point in time, the level of deposit insurance coverage and the potential coverage under various scenarios. Effective March 31, 2022, the Corporation has used this data as a basis for determining the adequacy of the Fund with regards to the Corporation's potential liabilities.

As at March 31, 2023, there were six (6) Scheme member institutions with total covered deposits estimated at $739.7 million (2022 - $749.9 million), of which the DIF covers 5.7% (2022 – 4.7%). The adequacy of the DIF will be based primarily on the assessed risk posed by Scheme members.

Proposals are being developed for the Special Resolution Regime ("SRR") in Bermuda to enhance the current framework for the resolution of non-viable or insolvent financial institutions that may also be members of the DIS. The Corporation is taking an active position in the formation of these proposals. As these proposals are in progress, the Corporation will continue to assess the target level of the Fund that is required to achieve the Corporation's objective. The Corporation has established a minimum target fund level of 5% and has set a long-term target fund level of approximately 15% of covered deposits, which currently represents a target fund level of approximately $110 million.

11. Capital management

The Corporation's capital consists of equity and fund balance, which comprises retained earnings and the Deposit Insurance Fund (Note 10). The Corporation is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

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(Expressed in Bermuda Dollars)

12. Related party transactions

The Corporation is related to all Government of Bermuda (the "Government") departments, ministries, agencies, funds and quasi-autonomous non-governmental organisations under the common control of the Government. Also, the Corporation is related to organisations that the Government jointly controls or significantly influences. Additionally, the Minister appoints all members of the Corporation's Board of Directors and approves the Corporation's annual expenditure Budget.

The Corporation maintains a position of financial and operational autonomy from the Government through its ability to fund its own operations with government assistance and through its management and corporate governance structures.

In the ordinary course of business, the Corporation has transactions with the Government which are settled at the prevailing market prices and consist of the following:

	2023	2022
Staff expenses:		
Payroll tax	$ 1,146	$ 1,644
Health insurance	3,181	3,076
Social insurance	1,832	1,868
Premises expense – land tax	2,850	2,850
Professional fees	38,700	28,000

Board and key management compensation

The Directors of the Board of the Corporation are appointed by the Minister to serve for fixed periods of time. The Board oversees the appointment, performance and compensation of the Chief Executive Officer ("CEO"). The CEO was appointed with effect from April 1, 2020 and is paid an annual salary of $158,000 (2022 - $158,000).

Board members are paid an annual fee of $10,000 (2022 - $10,000) and the Board Chairman and Deputy Chairman receive an annual fee of $20,000 (2022 - $20,000) and $14,000 (2022 - $nil) respectively. Board members are paid an additional amount of $150 (2022 - $150) per meeting for sub-committee work performed on behalf of the Corporation, with the Board Chairman paid $250 (2022 - $250) per additional meeting.

The compensation paid or payable to members of the Board and key management is shown below:

	2023	2022
Directors' fees	$ 76,400	$ 71,250
Executive management salaries, and other short-term employee benefits	164,159	164,587

BOARD COMMITTEES

	Audit, Risk and Renumeration	Investment	Premiums	Claims
Stephen Todd	●			
Alan Richardson	●	●	●	●
Maxwell Burgess			●	●
Mark Crockwell		●		
Ashley Kibblewhite			●	
Nathan Kowalski	●	●		
Cheryl-Ann Lister				●
Tammy Richardson-Augustus	●			
Craig Swan	●			

> To find the pearls in life’s ocean, you have to venture out far past the shore.

Unknown.

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