



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS & AGRICULTURE

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2011

CONTENTS

	Page
1. Statement of Responsibility for the Financial Statements	1-2
2. Auditor General's Report	3-4
3. Statement of Financial Position	5
4. Statement of Financial Performance	6
5. Cash Flow Statement	7
6. Statement of Changes in Net Worth	8
7. Notes to the Financial Statements	9-24



*Government Administration Building
71A Elgin Avenue
Grand Cayman, Cayman Islands*

*Tel: (345) 949-7900 ext. 2437
Fax: (345) 949-2922*

**CAYMAN ISLANDS
GOVERNMENT**

Ministry of District Administration, Works, Lands & Agriculture

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of District Administration, Works, Lands & Agriculture (the "Ministry") in accordance with the provisions of the Public Management and Finance Law (2010 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2010 revision).

As Chief Officer, I am responsible for establishing; and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorized by law, and properly record the financial transactions of the Ministry.

As Chief Officer and Chief Financial Officer, we are responsible for the preparation of the Ministry's financial statements, representations and judgments made in these statements.

However, the Ministry does not make any assertions in regards to the following:

- (a) Valuation of buildings – the Government of the Cayman Islands opted for the valuation model in prior fiscal years but has not carried out a revaluation every five years as required by the Financial Regulations (2008) and IPSAS 17, Property, Plant and Equipment.
- (b) Non-exchange transactions (IPSAS 23) – the Ministry is awaiting costing information from the relevant government departments for services provided.
- (c) Trade Payable, Other Payables and Accruals – the Ministry is unable to give the assurance that the account balances reflected in the financial statements are fairly stated.
- (d) Accounts Receivables – the Ministry is unable to give assurance on the accuracy and completeness of the accounts receivables due to system flaws which do not facilitate the sequential numbering of invoices.
- (e) Net Worth – due to the matters disclosed above, the Ministry is unable to give assurance as to the accuracy of the net worth balance as at 30 June 2011.
- (f) Revenues – the Ministry is unable to give assurance of the completeness of Other Revenues due to system flaws which do not facilitate the sequential numbering of invoices.

- (g) Expenses – as stated above, the values of the Property Plant and Equipment have not been revaluated within the last five years therefore; the Ministry is unable to give assurance on the accuracy of the depreciation charges relating to these assets.

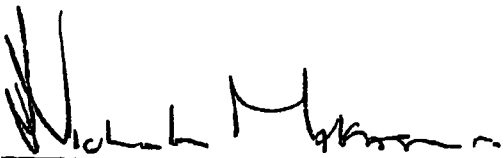
With the exception to the issues raised in the preceding paragraph, the financial statements fairly present the financial position, performance and cash flows of the Ministry for the financial year ended 30 June 2011.


To the best of our knowledge, we represent that these financial statements:

- (a) completely and reliably reflect the financial transactions of the Ministry for the year ended 30 June 2011;
- (b) fairly reflect the financial position as at 30 June 2011 and performance for the year ended 30 June 2011;
- (c) comply with the provisions of the Public Management and Finance law (2010 Revision) and International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with international Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an Independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards of Auditing.

Yours faithfully,


Mr. Alan Jones
Chief Officer


Mrs. Nadisha Walters
Chief Financial Officer

Date: 28.9.12

Date: 28/9/12

AUDITOR GENERAL'S REPORT

TO THE CHIEF OFFICER OF MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LAND & AGRICULTURE AND MEMBERS OF THE LEGISLATIVE ASSEMBLY OF THE CAYMAN ISLANDS

I was engaged to audit the accompanying financial statements of the Ministry of District Administration, Works, Land & Agriculture, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Section 44(3) of the *Public Management and Finance Law (2010 Revision)*.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility for the Financial Statements

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the basis of disclaimer of opinion paragraph below, I do not express an opinion on the financial statements.

Basis for Disclaimer on the Financial Statements:

Scope Limitation - Accounts receivable

I was unable to verify the completeness of the accounts receivable due to the inadequacies of the internal controls over the accounts receivable, which do not facilitate the sequential numbering of invoices and receipts.

Property Plant & Equipment

I was unable to determine the reliability and accuracy of the values of property, plant and equipment due to the absence of a revaluation within five (5) years preceding the year ended June 30 2011, in accordance with The Financial Regulations (2004) (2008 Revision). Consequently, the values for property Plant and Equipment and related depreciation charges reflected in the financial statements may not be fairly stated.

Scope Limitation – Trade Payable, Other Payables and Accruals

I was unable to obtain sufficient and appropriate audit evidence to determine whether the total account balances for trade payable, other payables and accruals disclosed in the financial statements were free of material misstatements. Due to the absence of this information I was unable to satisfy myself that the amount reported in the financial statements was fairly stated.

Revenue

I was unable to give assurance of the completeness of the \$13.7M Other Revenues, due to system flaws which do not facilitate the sequential numbering of invoices.

Depreciation

Based on my inability to determine the accuracy and completeness of property, plant and equipment of \$18.7M as at 30 June 2011, I am also unable to determine whether the related depreciation calculation of \$2.5M reflected in these financial statements is fairly stated.

Scope Limitation - Net Worth

I was unable to determine the accuracy and completeness of the net worth balance of \$38.8M, as at June 30 2011, due to the lack of supporting evidence as well as my inability to opine on other accounts which directly impact the net worth amount.

Disclaimer of Opinion

Because of the significance and effects of the matters discussed in the preceding paragraphs, I do not express an opinion on the financial position of the Ministry of District Administration, Works, Lands & Agriculture as at 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Alastair Swarbrick, MA (Hons), CPFA

Auditor General

Cayman Islands

September 28 2012

Ministry of District Administration, Works, Lands and Agriculture
Statement of Financial Position
As at 30 June 2011

(Expressed in Cayman Islands Dollars)

Prior Year Actual	Description	Notes	In 000s		
			As at 06/30/11	Budget	Variance
	Assets:				
	Current Assets:				
\$ 2,715	Cash and Cash Equivalents.....	3	\$ 1,796	\$ 7,753	\$ 5,957
19,618	Trade Receivable.....	4	13,600	8,941	(4,659)
1,328	Other Receivables.....	4	504	-	(504)
3,126	Inventories.....	5	3,117	1,322	(1,795)
159	Prepayments.....	6	161	-	(161)
-	Other Current Assets		-	789	789
\$ 26,946	Total Current Assets.....		\$ 19,178	\$ 18,805	\$ (373)
	Non-Current Assets:				
\$ -	Trade Receivables.....	4	\$ 7,322	\$ -	(7,322)
-	Other Receivables.....	4	1,263	-	(1,263)
18,821	Property Plant & Equipment.....	21	18,675	35,779	17,104
\$ 18,821	Total Non-Current Assets.....		\$ 27,260	\$ 35,779	\$ 8,519
\$ 45,767	Total Assets.....		\$ 46,438	\$ 54,584	\$ 8,146
	Liabilities & Equity:				
	Liabilities:				
	Current Liabilities:				
\$ 621	Trade Payable.....	7	\$ 783	\$ 1,613	\$ 830
3,901	Other payables and accruals.....	7	5,579	-	(5,579)
3	Unearned Revenue.....	9	47	108	61
998	Employee Entitlements.....	8	803	904	101
-	Other Current Liabilities.....		-	459	459
\$ 5,521	Total Current Liabilities.....		\$ 7,212	\$ 3,084	\$ (4,128)
	Non-Current Liabilities:				
\$ -	Employee Entitlements.....	8	\$ -	\$ 623	\$ 623
-	Other Payables and Accruals.....	7	11	-	(11)
251	Unearned Revenue.....	9	395	-	(395)
281	Total Non-Current Liabilities.....		406	623	217
\$ 5,772	Total Liabilities.....		\$ 7,618	\$ 3,707	\$ (3,911)
\$ 39,995	Net Assets.....		\$ 38,820	\$ 50,877	\$ 12,057
	Equity:				
	(Accumulated Surplus)/Retained Earnings				
\$ 22,614	Contributed Capital		\$ 22,746	\$ 50,721	\$ 27,975
17,361	Accumulated Surpluses/(Deficits).....		16,074	158	(15,918)
39,995	At the end of the period.....		38,820	50,877	12,057
\$ 39,995	Total Net Worth.....		\$ 38,820	\$ 50,877	\$ 12,057

Ministry of District Administration, Works, Lands and Agriculture
Statement of Financial Performance
For 12 month period ended 30 June 2011

(Expressed in Cayman Islands Dollars)

Prior Year Actual	Description	Notes	In 000s		
			Actual 06/30/11	Budget 2010-11	Variance
	Revenues:				
\$ 49,957	Outputs to Cabinet	10	\$ 48,900	\$ 52,170	\$ 3,270
1,144	Outputs to Other Government Agencies	10	56	2,605	2,549
28	Gain on foreign exchange transactions.....	13	37	-	(37)
-	Gain on disposal/revaluation of PP&E.....		-	-	-
14,734	Output to Others.....	10	\$ 13,687	11,104	(2,583)
\$ 65,863	Total Revenues.....		\$ 62,680	\$ 65,879	3,199
	Expenses:				
\$ 41,225	Personnel Costs.....	11	\$ 38,779	\$ 41,560	\$ 2,781
20,610	Supplies and consumables.....	12	22,774	20,660	(2,114)
2,306	Depreciation.....		2,465	3,502	1,037
-	Other Expenses.....		50	-	(50)
34	Extraordinary Items.....		-	-	-
64,175	Total Expenses.....		64,068	65,722	1,654
\$ 1,688	Net (Loss)/Surplus.....		\$ (1,388)	\$ 157	\$ 1,545

Ministry of District Administration, Works, Lands and Agriculture

Cash Flow Statement

For Fiscal Year Ended 30 June 2011

(Expressed in Cayman Islands Dollars)

Prior Year Actual	Description	In 000s		
		Fiscal Year 06/30/11	Budget	Variance Budget vs Actual
	Cash Flows From Operating Activities			
	Receipts:			
\$ 40,484	Outputs to Cabinet.....	\$ 48,014	\$ 52,170	\$ 4,156
1,484	Outputs to Other Government Agencies.....	1,272	2,605	1,333
0	Other receipts.....	45	-	(45)
9,159	Sales of Goods & Services - Third Party.....	12,093	11,104	(989)
\$ 51,127	Total Receipts.....	\$ 61,424	\$ 65,879	\$ 4,455
	Payments:			
\$ (41,535)	Personnel Costs.....	\$ (38,537)	\$ (41,560)	\$ (3,023)
(678)	Other Payments.....	(345)	-	345
(17,733)	Supplies & Consumables.....	(21,355)	(20,670)	685
\$ (8,819)	Net Cash Provided by Operating Activities	\$ 1,187	\$ 3,649	\$ 2,462
	Cash Flows From Investing Activities			
(5,460)	Purchase of Property Plant & Equipment.....	\$ (2,107)	\$ (3,487)	1,380
\$ (5,460)	Net Cash Flows From Investing Activities	\$ (2,107)	\$ (3,487)	1,380
	Cash Flows From Financing Activities			
13,667	Equity Investment.....	\$ -	\$ 3,497	(3,497)
-	Repayment of Surplus.....	-	(3,543)	3,543
\$ 13,667	Net Cash Flows From Financing Activities	\$ -	\$ (46)	46
(612)	Net Increase/(decrease) in Cash and Cash Equivalents	(920)	116	(1,036)
3,327	Cash and Cash Equivalents at Beginning of Period.....	2,715	7,637	(4,922)
\$ 2,715	Cash and Cash Equivalents at End of Period	\$ 1,796	\$ 7,753	(5,958)

Ministry of District Administration, Works, Lands and Agriculture
Statement of Changes in Net Worth
For Fiscal Year Ended 30 June 2011

(Expressed in Cayman Islands Dollars)

	Contributed Capital 000s	Other Reserves 000s	Revaluation Reserve 000s	Accumulated Surplus/ (deficits) 000s	Total 000s
Balance at 30 June 2009.....	12,884	9	-	15,281	28,154
Prior Year Adjustments.....	3,019	(9)	-	432	3,442
Restated balance	<u>15,903</u>	-	-	<u>15,693</u>	<u>31,596</u>
Changes in net worth for 2009/10					
Equity Investment from Cabinet.....	6,711	-	-	-	6,711
Net revenue / expenses recognised directly in net worth.....	6,711	-	-	-	6,711
Surplus/(deficit) for the period 2009/10.....	-	-	-	1,688	1,688
Total recognised revenues and expenses for the period.....	<u>6,711</u>	-	-	<u>1,688</u>	<u>8,399</u>
Balance at 30 June 2010 carried forward.....	<u>22,614</u>	-	-	<u>17,381</u>	<u>39,995</u>
	Contributed Capital 000s	Other Reserves 000s	Revaluation Reserve 000s	Accumulated Surplus/ (deficits) 000s	Total 000s
Balance at 30 June 2010 brought forward.....	22,614	-	-	17,381	39,995
Changes in net worth for 2010/11	-	-	-	-	-
Prior Year Adjustments.....	132	-	-	81	213
Restated balance.....	<u>22,746</u>	-	-	<u>17,462</u>	<u>40,208</u>
Changes in net worth for 2010/11					
Surplus/(deficit) for the period 2010/11.....	-	-	-	(1,388)	(1,388)
Total recognised revenues and expenses for the period.....	-	-	-	(1,388)	(1,388)
Balance at 30 June 2011.....	<u>22,746</u>	-	-	<u>16,074</u>	<u>38,820</u>

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS & AGRICULTURE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Description and principal activities

The Ministry of District Administration, Works, Lands & Agriculture (the "Ministry") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2010 Revision) and it is domiciled in the Cayman Islands.

The Ministry funds, develops and monitors the implementation of policy, legislation and services in the areas of Sister Islands' administration, telecommunications, infrastructure, management of crown estates and public buildings, agriculture, environmental health and petroleum inspection.

During the year ended 30 June 2011, the Ministry comprised the following departments: Ministry Administration, Department of Agriculture, Petroleum Inspectorate, District Administration, Department of Vehicle and Equipment Services, Department of Environmental Health, Department of Lands and Survey, Mosquito Research and Control Unit, Postal Department, Public Works Department, Radio Cayman, Recreation, Parks and Cemeteries Unit and the Department of Vehicle and Drivers Licensing, National Weather Service, Telecommunication Unit and Sister Island Sports.

NOTE 2: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis (Buildings are stated at valuation).

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

The financial statements show comparison of actual amounts with amounts in the original and final budget. Explanations of material differences between original budget and actual amounts are provided as required by IPSAS 24.

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2010/2011 Annual Budget Statement and were approved by the Legislative Assembly on the 24 June 2010. The budget was prepared based on the accrual accounting concept and the going concern basis.

(c) Judgments and Estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

Changes in Accounting Estimates

IPSAS 3 requires disclosure of any changes in accounting estimates and the nature, amount and the financial effect on present, past and/or future period. There were no changes in accounting estimates.

(d) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue).

The Ministry derives a significant percentage of its revenue through the provision of services to Cabinet. A relatively small component of the Ministry's revenue comes from other agencies in government and third parties. Cabinet revenue is recognised at the unit price agreed in the Annual Budget Statement for 2010/2011. Other revenues are recognised at the fair value of services provided.

(e) Expenses

Expenses are recognised in the accounting period in which they are incurred.

(f) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease payments under operating lease, net of lease incentives received, are recognised as expenses on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of acquisition.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as an expense in the Operating Statement.

(h) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and is classified as accounts receivable in these financial statements.

(i) Inventories

inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance in the period when the write-down occurs.

(j) Property, Plant and Equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for buildings which are stated at valuation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognised initially at fair value, where fair value can be reliably determined, and as revenue in the Operating Statement in the year in which the asset is acquired.

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Asset Type

Estimated Useful life

• Buildings	40 – 60 years
• Motor vehicles	4 – 12 years
• Furniture and fittings	3 – 20 years
• Computer equipment and software	3 – 10 years
• Office equipment	3 – 20 years
• Other plant and equipment	5 – 25 years
• Other assets	3 – 25 years

Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Operating Statement.

(k) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Operating Statement when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the fund by the Ministry.

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000 the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Operating Statement as they are earned by employees. Obligations for defined benefit retirement plans are reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Balance Sheet.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial Instruments comprise of accounts payable and accrued expenses.

Recognition

The Ministry recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the Operating Statement.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognised when the Ministry realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(m) Contingent Liabilities and Assets (Including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(n) Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the Operating Statement.

At the end of the reporting period the following exchange rates are used to translate foreign currency balances:

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

Note 3: Cash and cash equivalents

Description	Foreign Currency	Exchange Rate	Actual 2010/11
Cash on hand (IRIS Confirmation Account/Petty Cash)	8,672	1.0000	8,672
Cash in transit (IRIS Remittance Account)	255,521	1.0000	255,521
CI\$ Operational Current Account held at Royal Bank of Canada	1,878,507	1.0000	1,878,507
US\$ Operational Current Account held at Royal Bank of Canada	1,199,888	0.8375	1,004,906
Payroll Current Account held at Royal Bank of Canada	(1,519,216)	1.0000	(1,519,216)
KYD- Executive Bank Ac	167,161	1.0000	167,161
TOTAL			1,795,551

Note 4: Trade and other receivables

Trade Receivables

	Actual 2010/11
Sale of goods and services	9,646,391
Outputs to Cabinet	12,415,045
Less: provision for doubtful debts	(1,139,128)
Total trade receivables	20,922,308

Other Receivables

	Actual 2010/11
Advances (salary, Official Travel, etc)	17,751
Dishonoured cheques	6,671
Other	1,740,827
Loans	1,230
Less: provision for doubtful debts	-
Total other receivables	1,766,479

	Trade Receivables	Other Receivables	Actual 2010/11
Current			
Past due 1-30 days	13,600,424	25,651	13,626,075
Past due 31-60 days	-	478,059	478,059
Past due 61-90 days	-	-	-
Past due 90 and above	-	-	-
Non-Current			
Past due 1 year and above	7,321,884	1,262,769	8,584,653
Total	20,922,308	1,766,479	22,688,787

Changes in the provision of doubtful debts:

Description	Actual 2010/11
Balance at 1 July 2010	(1,139,128)
Additional provisions made during the year	-
Receivables written off during the period	-
Balance at 30 June 2011	(1,139,128)

Note 5: Inventories

Description	Current	Non- Current	Actual 2010/11
Inventory held for use in the provision of goods and services	3,116,953	-	3,116,953
Inventory held for sale	-	-	-
Impairment of inventory	-	-	-
TOTAL INVENTORIES	3,116,953	-	3,116,953

Note 6: Prepayments

Description	Actual 2010/11
Accrued Prepayments	161,004
Prepaid Insurance	-
Total	161,004

Note 7: Trade payables, other payables & Accruals

	Current	Non-Current	Actual 2010/11
Creditors	538,068	-	538,068
Creditors Ministries/Portfolios	173,521	-	173,521
Creditors other government agencies	71,044	-	71,044
Payroll Deductions	287,377	-	287,377
Accrued Expenses	3,78	-	3,78
	5,95	-	5,95
	4	-	4
Accrued Expenses Ministries/Portfolios	995,090	-	995,090
Accrued Expenses other government agencies	15,007	-	15,007
Other payables	493,139	11,036	504,175
Accrued Entity interest	2,067	-	2,067
Total trade payables other payables and accruals	6,361,267	11,036	6,372,303

Note 8: Employee entitlements

	Actual 2010/11
Annual Leave	-
Retirement and long service leave	803,398
Accrued salaries	-
Total current portion	803,398
<i>Non-current employee entitlements are represented by:</i>	
Retirement and long service leave	-
Total employee entitlements	803,398

Note 9: Unearned Revenue

Details	Actual 2010/11
Rentals paid in advance	-
Other unearned revenue	47,448
Total current portion	47,448
<i>Non-Current Unearned Revenue</i>	
Non-current Unearned revenue	395,025
Total unearned revenue	442,473

Note 10: Sales of Goods & Services

Revenue type	Actual 2010/11
Outputs to Cabinet	48,900,203
Outputs to other Ministries and Portfolios	36,188
Outputs to other Statutory Authorities and Government Companies	1,596,536
Outputs to other 3rd Parties	12,090,051
Outputs to Own Ministry	19,632
Total Revenue	62,642,610

Account	Fees and Charges	Actual 2010/11
42001	Agricultural Department Fees	335,983
42002	School Fees	47,520
42003	Disinfection Fees	14,945
42005	Garbage Fees	2,713,175
42007	M. V. inspection Fees	953,272
42009	Land Registry Fees	27,975
42013	Land Survey Fees	165,237
42018	Other immigration Fees	16,565
42019	Vehicle and Equip. Maintenance Fees	79,627
42021	Recycling Fees	20,382
42024	L.I.S. Receipts	14,412
42028	Passport Fees	16,490
42029	Other Fees	585,608
42033	Drivers Examination Fees	129,835
42036	Vehicle Bank Liens	19,440
42037	Duplicate Vehicle Log Books	28,170
42038	Vehicle Change of Ownership	152,284
42039	Customised License Plates	17,800
42040	Vehicle Disposal Fees	507,452
42042	Environmental Service Fees	22,385
42057	Annual Work Permit Application Fees (Entity)	56,890
42058	Temporary Work Permit Application Fees (Entity)	26,260
42059	Caymanian Status Application Fees (Entity)	1,600
42060	Permanent Residence Application Fees (Entity)	500
42074	Radio communications services and maintenance fees	88,252
42075	Tower Licence fees	153,352
42079	Maintenance of Buildings (Labour)	25,778
42090	Valuation Services	150

42092	Mapping Services	100,647
42093	Web Receipts	400,142
42096	Geographical Information Systems (GIS) Applications	4,800
42134	Other Labour Charges - PWD (Cayman Brac)	17,283
42140	Heavy Equipment Application Fees	2,050
42143	Trade & Business Admin Fee	13,040
42147	Sale of Custom Forms	100
42153	CoSponsorship of Overseas and Local Conferences	36,500
42154	Funds Received from RCY Events	884
42161	Express Fee - Work Permits	2,750
42227	Work Under Operation of Law Fees	2,700
42601	Police Clearances	10,320
42605	Key Employee Designation Application Fee (Entity)	6,500
42608	Residency and Employment Rights Certificate by the Dependent of a Permanent Resident Admin Fee (Entity)	600
42609	Residency and Employment Rights Certificate by the Spouse of a Caymanian Admin Fee (Entity)	2,400
42610	Temporary Residency and Employment Rights Certificate to Spouse of Caymanian Admin Fee (Entity)	100
42612	Permanent Residency/Residency & Employment Rights Certificate/Residency Certificate for Persons of Independent Means Variation Fee	500
42615	Residency & Employment Rights Certificate Admin Fee	1,200
	Total Fees & Charges	6,823,855
42101	Mail Terminal Credits	460,288
42102	Motor Vehicle Licence Plates	177,768
42103	Other Postal Business	109,725
42105	Postal Stamps	2,224,306
42111	Sale of Agric. Supplies/Produce	1,267,557
42112	Sale of Advertising Space	611,816
42114	Livestock Sales	325
42117	Philatelic Sales	18,600
42118	Miscellaneous Sales	125
42120	Cemetery	137,862
42123	Customs Special Attendance	1,617
42126	Fuel Sales	463,746
42127	Inventory Spare Parts	182,342
42413	Maintenance of Buildings (Materials)	15,814
42419	GPS Licenses Refund	16,500
	Total General Sales	5,688,391
42301	Postal Box Rental Fees	980,209
42305	Rentals - Government Housing	36,809
42306	Rentals - Other Properties	48,760

42308	Rentals - Craft Market	29,620
42309	Rentals - Town Halls	20,327
42311	Rentals - Glass House	19,584
42314	Equipment Rental - PWD (Cayman Brac)	5,735
	Total Rentals	1,141,044
42404	Miscellaneous Receipts	30,885
42405	Miscellaneous Licensing Receipts	19,262
45003	Settlement of Insurance	1,090
	Total Other Goods & Services	51,237
46001	Sales of Outputs to Cabinet	48,900,203
	Total Sales of Outputs to Cabinet	48,900,203
	Total Other Interdepartmental Revenue	37,880
	Total Goods and Services	62,642,610

Note 11: Personnel costs

Description	Actual 2010/11
Salaries, wages and allowances	31,587,492
Health care	5,566,286
Pension	1,668,733
Leave	(192,121)
Other personnel related costs	148,155
Total Personnel Costs	38,778,545

Note 12: Supplies and consumables

Description	Actual 2010/11
Supplies and Materials	8,842,023
Purchase of services	7,159,362
Lease of Property and Equipment	905,598
Utilities	3,301,198
General Insurance	1,666,855
Interdepartmental expenses	163,344
Travel and Subsistence	292,602
Recruitment and Training	200,406
Other	242,965
Total Supplies & consumables	22,774,353

Note 13: Gains / (losses)

	Actual 2010/11
Net gain / (loss) on disposal of property, plant and equipment	-
Net gain / (loss) on foreign exchange Transactions	36,940
Total gains/ (losses)	36,940

Note 14: Reconciliation of net cash flows from operating activities to surplus/(deficit)

Description	Actual 2010/11
Surplus/(deficit) from ordinary activities	(1,389,133)
Non-cash movements	
Depreciation expense	2,465,450
Changes in current assets and liabilities:	
(Increase)/decrease in receivables - Cabinet	(886,034)
(Increase)/decrease in other current assets	(332,889)
Increase/(decrease) in current liabilities	1,088,228
Increase/(decrease) in provisions relating to employee costs	241,884
Net cash flows from operating activities	1,187,506

Note 15: Explanation of major variances against budget

Explanations for major variances for the Ministry's performance against the original budget are as follows:

Statement of Financial Position

Cash and cash equivalents

The Ministry did not draw down on its approved capital injection as the depreciation was sufficient to fund the asset purchases during the year. However, the cash flow was used for these asset purchases reducing it considerably.

Trade receivables

The increase can majorly be contributed to the fact that the budget expected one month of Cabinet Revenue receivable at year-end whereas there were three months of Cabinet Revenue receivable in 2010-11.

Other receivables

The increase can be explained by the amount owing to the National Weather Service by the Cayman Islands Airport Authority, Postal Union amounts owed to the Postal Department and the fact that a considerable amount was owed to Environmental Health through Inter-Agency Charges that fell away in 2009-10. It will be determined whether this latter will be eliminated from the receivables shortly.

Inventories

The Department of Agriculture, District Administration in Cayman Brac and the Department of Vehicle and Equipment Services did not have their inventory stock accounted for in the Ministry's financial statements until 2010-11.

Trade payables

The amount in Trade payables is registered in these accounts when the invoice is approved. Once the payment is registered, the Trade payable accounts are reduced. In this instance, the reduction in Trade payables is due to the timing between the approval of transactions and its payments.

Other payables and accruals

This amount includes transactions that were not budgeted for such as the 2009-10 insurance owing to the Risk Management Unit, amounts collected in Entity by Department of Vehicle and Drivers Licensing but are executive revenues and need to be paid to Executive, a capital charge and audit fees.

Unearned revenue

There was an increase in the unearned revenue as the GIS section of the Lands and Survey Department received its 2011-12 website subscriptions and payments prior to year-end. These subscriptions have also increased in number which in turn increased the unearned revenue in 2010-11.

Statement of Financial Performance**Outputs to Cabinet**

There were less Outputs to Cabinet than budgeted as all departments worked together to save costs and expenses in order to help in these trying economic times. Therefore, less revenue was required from Cabinet.

Personnel Costs

The variance between actual amounts and the budgeted ones comes from the fact that departments would either postpone the appointment of new personnel whenever possible or did not hire at all in order to reduce expenses.

Supplies and consumables

The increase in Supplies and Consumables can largely be explained by the increase in insurance costs since the Ministry acquired the new Government Building as well as the gas price increases which adversely affected many departments.

Depreciation

The decrease in depreciation is mainly due to a clean-up in the Fixed Asset accounts.

Note 16: Related party and key management personnel disclosures**Related party disclosure**

The Ministry is a wholly owned Entity of the Government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other Government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2011 and were consistent with normal operating relationships between entities under normal terms and conditions for such transactions.

Key Management Personnel

Key management personnel, defined as Ministers of the Government, are also considered to be related parties.

Prior Year Actual	Description	Current Year Actual	Number of Persons
	Salaries & other short-term benefits	498,255	4
	Past employee benefits	-	
	Other long-term benefits	-	
	Termination benefits	-	
	Loans	-	
	Total	498,255	

Note 17: Post reporting date events.

No material events occurred after the reporting date.

Note 18: Financial Instruments risks

At June 30, 2011, the Ministry held various sums in financial instruments represented by cash and cash equivalents at one financial institution in the Cayman Islands. As such, the Ministry is exposed to credit related losses in the event of non-performance by the financial institution. However, given the high credit rating of this financial institution, management does not anticipate any material losses as a result of this concentration.

Credit risk

In the normal course of its business the Ministry is subject to credit risk from debtors other than the Cabinet. The Ministry does not have significant concentrations of credit risk for its other financial instruments.

Currency and interest rate risk

The Ministry has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Ministry maintains target level of available cash to meet liquidity requirements.

All of the Ministry financial liabilities (creditors and payables) will be settled in less than six months from the date of these financial statements.

Note 20: Statement of Appropriation Used

Outputs Groups Appropriation to the Minister/Official Member	Amount Appropriated	Amount Used	Variance
DWG 1 - Advice and Support to the Minister of District Administration, Works & Gender Affairs	2,841,532	2,711,830	129,702
DWG 2 - Collection, Recycling and Disposal of Waste	5,904,003	3,746,412	2,157,591
DWG 3 - Public Health Services	1,389,929	1,238,472	151,457
DWG 4 - Environmental Health Monitoring Services	451,889	438,898	12,993
DWG 5 - Emergency Response Services	425,313	363,072	62,241
DWG 6 - National Mail Service	1,049,556	538,538	511,018
DWG 7 - Management of Public Recreational Facilities and Cemeteries	1,496,931	1,483,176	13,755
DWG 8 - Radio Broadcasts	1,059,580	1,059,580	-
DWG 9 - Services to Farmers	1,911,604	1,888,693	22,911
DWG 10 - Agriculture Regulatory Services	1,716,480	1,683,017	33,463
DWG 11 - Agriculture Development Services	432,472	428,926	3,546
DWG 12 - Garden and Decorative Services	85,907	75,422	10,485
DWG 13 - Collection of Revenue	686,329	477,192	209,137
DWG 14 - Management of Special Projects	1,792,071	1,451,311	340,760
DWG 15 - Regulation of Dangerous Substances	304,704	297,920	6,784
DWG 16 - Management of Land Information	2,553,279	2,552,378	901
DWG 17 - Management of Government Properties	11,468,173	11,990,340	(522,167)
DWG 18 - Mosquito Control Services	4,796,563	4,310,422	486,141
DWG 19 - Government Services in Cayman Brac and Little Cayman	2,955,436	2,775,049	180,387
DWG 20 - Management of Executive Assets in Cayman Brac and Little Cayman	3,893,201	4,405,592	(512,391)
DWG 21 - Weather Forecast Information	297,077	297,077	-
DWG 23 - Licensing of Drivers and Vehicles	541,674	541,674	-
DWG 24 - Procurement and Maintenance of Government Vehicle Fleet	3,255,173	3,255,173	0
DWG 25 - Telecommunication Services	860,673	890,041	(29,368)
TOTAL	52,169,549	48,900,203	3,269,346

Note 21: Property Plant and Equipment

Cost of Property, Plant & Equipment

	Land	Plant and equipment	Buildings	Furniture	Computers	Other assets	Infrastructure	Motor Vehicles / Marine Vessels	Aircraft	Assets under construction or development	Total
Balance as at 1 July 2009	-	1,582	4,913	1,045	1,400	745	51	7,243	19	-	16,978
Additions	-	3,048	9,424	375	684	453	2,910	9,272	-	-	28,697
Disposals	-	-	-	-	-	-	-	-	-	1,931	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2010	-	5,410	14,337	1,420	2,084	1,198	2,961	16,515	19	1,931	46,875

	Land	Plant and equipment	Buildings	Furniture	Computers	Other assets	Infrastructure	Motor Vehicles / Marine Vessels	Aircraft	Assets under construction or development	Total
Balance as at 1 July 2010	-	5,409	14,337	1,420	2,084	1,198	2,982	16,515	19	1,931	46,878
Additions	-	241	81	2	924	139	100	229	-	730	2,448
Disposals	-	(465)	(13)	(31)	(248)	(172)	(7)	(381)	-	-	(1,297)
Transfers	-	808	(3,379)	(425)	(576)	(73)	304	(384)	-	-	(3,724)
Balance as at 30 June 2011	-	5,993	11,026	966	2,185	1,092	3,359	15,999	19	2,661	43,300

Accumulated Depreciation and Impairment losses

	Land	Plant and equipment	Buildings	Furniture	Computers	Other assets	Infrastructure	Motor Vehicles / Marine Vessels	Aircraft	Assets under construction or development	Total
Balance as at 1 July 2009	-	2,801	3,687	758	1,311	746	2,856	12,875	3	-	24,737
Transfers 2009/10	-	(9)	-	-	1	9	-	8	-	-	9
Impairment Reserve 2009/10	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2009/10	-	381	298	82	367	116	67	995	1	-	2,307
Eliminate on Disposal 2009/10	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2010	-	2,973	3,985	840	1,679	871	2,723	13,978	4	-	27,083

	Land	Plant and equipment	Buildings	Furniture	Computers	Other assets	Infrastructure	Motor Vehicles / Marine Vessels	Aircraft	Assets under construction or development	Total
Balance as at 1 July 2010	-	2,973	3,985	840	1,679	871	2,723	13,978	4	-	27,083
Transfers 2010/11	-	(150)	(870)	(271)	(834)	(288)	(1,297)	(1,183)	(0)	-	(4,693)
Impairment Reserve 2010/11	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2010/11	-	364	300	52	478	185	217	878	1	-	2,465
Eliminate on Disposal 2010/11	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2011	-	3,177	3,415	621	1,323	768	1,643	13,673	5	-	24,625

Net Book value 30 June 2010 - 2,437 10,352 580 405 326 238 2,537 15 1,931 18,821

Net Book value 30 June 2011 - 2,816 7,611 345 882 324 1,716 2,326 14 2,661 18,678

Note 22: Summary of Major Assets under Construction

Summary of Major Projects in Assets under Construction or Development

Description	Actuals 2010/11
MRCU Hangar	2,449,014
Airport Office Re-roofing	191,314
Agriculture - Green House	<u>5,187</u>
Total	<u>2,645,515</u>