



**1st SUPPLEMENTARY
ANNUAL PLAN
AND
ESTIMATES**

of

**THE GOVERNMENT
OF THE CAYMAN ISLANDS**

For the financial year ending 30 June 2008

Contents	Page
1. Introduction	5
Purpose	5
Content of the Supplementary Annual Plan and Estimates	5
Part A: Changes to Annual Plan for the 2007/8 Financial Year	7
2. Overview of Key Changes to the 2007/8 Annual Plan	9
Introduction	9
Summary of Changes to Key Policy Actions	9
3. Revised Forecast Financial Results for 2007/8	11
Overview of Results	11
4. Compliance with Principles of Responsible Financial Management	13
5. Changes to Output Groups	15
<i>Output Groups to be Purchased by the Head of the Civil Service</i>	15
Output Supplier: Portfolio of the Civil Service	15
<i>Output Groups to be Purchased by the Minister of Health and Human Services</i>	16
Output Supplier: Ministry of Health and Human Services	16
<i>Output Groups to be Purchased by the Minister of Communications, Works and Infrastructure</i>	18
Output Supplier: Electricity Regulatory Authority	18
6. Changes to Transfer Payments for 2007/8	21
7. Changes to Other Executive Expenses for 2007/8	22
8. Changes to Ownership Actions for 2007/8	23
Changes to Equity Investments	23
Changes to Executive Assets	24
Changes to Loans Made	24
Part B: Revised Estimates of Appropriation for the 2007/8 Financial Year	25
9. Schedule of Supplementary Appropriations Requested for 2007/8	27
Part C: Forecast Financial Statements for the Year Ending 30 June 2008	29

1. Introduction

Purpose

On 27th April, 2007, the Government tabled in the Legislative Assembly the Annual Plan and Estimates for 2007/8 which outlined the Government's planned policy actions for the 2007/8 financial year.

As commonly happens, changes in circumstances since the preparation of the 2007/8 Annual Plan and Estimates have resulted in the need to make changes to the approved Annual Plan and Estimates and the appropriations requested to fund those actions.

This 1st Supplementary Annual Plan and Estimates 2007/8 outlines changes the Government has made to its policy actions for 2007/8 (since April 2007), together with the additional appropriations requested to fund those actions.

Reference to the term "approved"

Throughout this document references to the following terms: "approved Annual Plan and Estimates"; "approved plan"; or "approved Budget", is meant to be the original 2007/8 Budget Annual Plan and Estimates tabled in April, 2007.

Content of the Supplementary Annual Plan and Estimates

The structure and content of the 2007/8 Supplementary Annual Plan and Estimates is similar to that of the main 2007/8 Annual Plan and Estimates. In line with the requirements of the Public Management and Finance Law (2005 Revision) only those items that are additional or changed from the approved Annual Plan and Estimates are included.

Part A contains the *Changes to the Annual Plan for 2007/8* and outlines planned changes from the approved Annual Plan and Estimates to the policy actions (in this case, ownership actions) the Cabinet intends to take. Part A also summarises the revised financial forecasts for 2007/8 that are documented in detail in Part C.

Part B contains *the Estimates of Supplementary Appropriations* for the 2007/8 financial year. The Estimates list the approved, supplementary and total appropriations requested by the Cabinet to support its revised policy actions.

Part C contains the detailed *Revised Forecast Financial Statements* for the 2007/8 financial year. These provide an updated forecast of expected revenue and expenditure for the financial year and take into account the proposed changes in policy actions from Part A.

PART A

CHANGES TO THE ANNUAL PLAN

for the 2007/8 Financial Year

2. Overview of Key Changes to the 2007/8 Annual Plan

Introduction

This section of the Supplementary Annual Plan and Estimates reports the changes that the Government intends to make to the various policy actions contained in the approved Annual Plan and Estimates for the 2007/8 financial year. The changes to appropriations that reflect these changes are contained in Part B.

Changes to Broad and Specific Outcome Goals

There are no changes to the broad and specific outcome goals specified in the approved Annual Plan and Estimates for the 2007/8 financial year.

The approved eleven broad outcome goals defined in the approved 2007/8 Annual Plan and Estimates are:

- 1. Deal with the Aftermath and Lessons from Hurricane Ivan;*
- 2. Address Crime and Improve Policing;*
- 3. Improve Education and Training;*
- 4. Rebuild the Health Services;*
- 5. Address Traffic Congestion;*
- 6. Embrace Cayman Brac and Little Cayman;*
- 7. Conserve the Environment;*
- 8. Strengthen Family and Community;*
- 9. Support the Economy;*
- 10. Open, Transparent, Honest and Efficient Public Administration;*
- 11. Sound Fiscal Management.*

Summary of Changes to Key Policy Actions

Sections 5 through 8 of this Supplementary Annual Plan and Estimates outline the additional or changed specific policy actions that the Government intends to take during the 2007/8 financial year.

The following is an overview of the changes to key policy actions by category.

Output Groups

The requested appropriation changes for this category results in a net overall reduction of \$1.0 million. This is a result of a series there are a range of increases and decreases to existing Output Groups within the Portfolio of Civil Service, Ministry of Health and Human Services and the Electricity Regulatory Authority which reflect changes to quantities and prices.

Transfer Payments

An appropriation change of \$4.6 million is being requested for this category. Of this amount \$4.0 million is for the Cayman Islands National Recovery Fund to assist persons whose homes still require repairs as a result of damages caused by Hurricane Ivan. The amount of \$0.6 million is to cover an increase in poor relief payments from \$450 to \$500 per month. This is offset by a corresponding reduction in Output Group HHS1 Policy Advice and Support for the Minister of Health and Human Services.

Other Executive Expenses

A net increase of \$2.1 million is being requested in this category. Of this amount \$1.1 million is to cover the cost of demolition of the Tower Building; \$0.8 million is to cover costs associated with payment to a former civil servant and the past service pension liability as a result of a judgment made by the Privy Council; and \$0.2 million to cover mold remediation expenses as a result of Hurricane Ivan.

Equity Investments

A net increase of \$4.6 million is being sought in this category. Of this amount \$3.1 is to cover Cayman Turtle Farm (1983) Limited operating loss; \$1.0 million for the restoration and expansion of the Golden Age Home; and \$0.5 million to cover costs associated with the restoration and extension works of the West Bay Health Centre. This is offset by a corresponding reduction in the Output Group HHS1 Policy Advice and Support for the Minister of Health and Human Services. In addition, \$1.0 million is being requested to cover the Cayman Islands National Insurance Company operating loss, but this is offset by a corresponding reduction in the Health Services Authority operating loss.

Executive Assets

A net increase of \$12.6 million is being requested in this appropriation category. Of this amount \$8.6 million is to cover costs relating to the construction of the East/West Arterial Road and the Esterley Tibbetts Highway Extension; and \$4.0 million for construction of a seawall to reduce flooding in the Savannah/Newlands communities during tropical storm and hurricanes. An appropriation of \$1.0 million is also being sought to cover cemetery sites acquisition and development. A corresponding amount from EA 97 Land Purchase and Development - New Bodden Town Cemetery is being used to offset this new expenditure.

Loans Made

An increase of \$0.5 million is being requested in this appropriation category to provide for additional loans for the overseas medical treatment of uninsured and underinsured patients.

3. Revised Forecast Financial Results for 2007/8

Overview of Results

A summary of the 2007/8 revised forecast financial statements is provided in Table 1 below.

Table 1
Summarised 2007/8 Revised Forecast Financial Statements

	Core Government		Entire Public Sector	
	2007/8	2007/8	2007/8	2007/8
	Revised Forecast	Approved Budget	Revised Forecast	Approved Budget
	\$000s	\$000s	\$000s	\$000s
Operating Statement:				
Operating Revenue	530,717	499,103	710,183	678,569
Operating Expenses (exclusive of Net Loss in Public Authorities)	(465,334)	(463,681)	(642,329)	(637,537)
Net Loss in Public Authorities	(11,265)	(8,126)	0	0
Surplus/(Deficit) from Operating Activities	54,118	27,296	67,854	41,032
Financing Expense and Gains/(losses) on foreign exchange transactions	(12,435)	(12,435)	(26,171)	(26,171)
Surplus/(Deficit) before Extraordinary Items	41,683	14,861	41,683	14,861
Extraordinary Items	(4,000)	0	(4,000)	0
Net Surplus/(Deficit) after Extraordinary Items	37,683	14,861	37,683	14,861
Balance Sheet :				
Cash and Cash Equivalents @ 30th June 2008	115,574	87,711	220,233	192,370
Borrowings (Balance Outstanding)	284,747	295,736	519,046	530,035
Net Worth at 30th June 2008	536,071	482,654	536,071	482,654
Cash Flow :				
Net Operating Cash Flows	64,049	38,088	64,828	42,006
Net Investing Cash Flows	(160,816)	(143,112)	(180,060)	(165,495)
Net Financing Cash Flows	110,651	110,651	170,238	170,238
Opening Cash Balance (@ 1st July 2007)	101,690	82,084	165,227	145,621
Net Increase/(Decrease) in Cash	13,884	5,627	55,006	46,749
Closing Cash Balance (@ 30th June 2008)	115,574	87,711	220,233	192,370

The commentary that follows relates to the revised forecast financial results of the Core Government only.

Surplus from Operating Activities

After taking into account the appropriation changes now being requested as part of this supplementary budget, the forecast operating surplus after financing expenses and extraordinary items for 2007/8 is \$37.7 million, which is \$22.8 million more than the approved 2007/8 Budget. This 153% increase in surplus is mainly due to greater operating revenues of \$31.6 million, an increase of 6.3% when compared to the approved budget of \$499.1 million.

Revised Operating Expenses

The revised operating expenses (before Net Loss in Statutory Authorities/ Government Companies) for 2007/8 have increased to \$466.1 million from the forecast operating expenses of \$463.7 million in the approved Budget. Net Loss in Statutory Authorities/ Government Companies has increased by \$3.1 million to \$11.3 million; this increase is due entirely to the revised operations of the Turtle Farm.

Extraordinary Expenses

The revised figure for this item is forecasted to be \$4.0 million. A transfer is to be made to the Cayman Islands National Recovery Fund of \$4.0 million to assist persons whose homes require repairs as a result of damages during Hurricane Ivan.

Revised Cash Flow

The revised forecast 2007/8 Closing Cash Balance is now forecast to be \$115.6 million which is \$27.9 million more than the \$87.7 million forecasted in the approved budget. Opening cash balances were \$19.6 million higher than envisaged in the approved budget. Net cash flows from operating activities have increased by \$25.9 million. The Cash outflow from investing activities is forecasted at \$160.8 million which is \$17.7 million higher than forecasted in the approved budget. The Cash inflow from financing activities remains unchanged from the approved budget of \$110.7 million.

4. Compliance with Principles of Responsible Financial Management

The 2007/8 Revised Forecast Financials indicate that the Government will remain in full compliance with all Principles of Responsible Financial Management. The table below details compliance with those principles as specified in Section 14 of the Public Management and Finance Law (2005 Revision).

Table 2
Compliance with Principles of Responsible Financial Management

Principle	Degree of Compliance	
	Revised Forecasts	Approved Budget
<p>Operating Surplus[1] : should be positive</p> <p>(Operating surplus = core government operating revenue – core government operating expenses)</p>	<p>Complies</p> <p>Surplus = \$41.7 million</p>	<p>Complies</p> <p>Surplus = \$14.9 million</p>
<p>Net Worth: should be positive</p> <p>(Net worth = core government assets – core government liabilities)</p>	<p>Complies</p> <p>Surplus = \$536.07 million</p>	<p>Complies</p> <p>Surplus = \$482.65 million</p>
<p>Borrowing: Debt servicing cost for the year should be no more than 10% of core government revenue</p> <p>(Debt servicing = interest + other debt servicing expenses + principal repayments for core government debt and self financing loans)</p>	<p>Complies</p> <p>Debt servicing = 6.2 %</p>	<p>Complies</p> <p>Debt servicing = 6.6 %</p>
<p>Net Debt: should be no more than 80% of core government revenue</p> <p>(Net debt = outstanding balance of core government debt + outstanding balance of self financing loan balance + weighted outstanding balance of statutory authority/government company guaranteed debt - core government liquid assets)</p>	<p>Complies</p> <p>Net debt = 51 %</p>	<p>Complies</p> <p>Net debt = 61 %</p>
<p>Cash Reserves should be no less than estimated executive expenses for:</p> <p>75 days 2007/8 (Cash reserves = core government cash and other liquid assets)</p>	<p>Complies</p> <p>Cash reserves = 94.1 days</p>	<p>Complies</p> <p>Cash reserves = 72.5 days</p>
<p>Financial risks should be managed prudently so as to minimize risk</p>	<p>Complies</p> <p>Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.</p>	<p>Complies</p> <p>Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.</p>

[\[1\] Operating Surplus is before extraordinary items](#)

5. Changes to Output Groups

Output Groups to be Purchased by the Head of the Civil Service

Output Supplier: Portfolio of the Civil Service

CIV 7	Workforce Development within the Civil Service – Civil Service College	\$853,368	
Description			
Provision of services to support workforce development within the civil service, including the development of leadership and management capability. These services will include: <ul style="list-style-type: none"> Establishment and strategic management of the Civil Service College [including business plan, infrastructure, development of training facility, staffing and resources (to include an on-line training network)] Programme design, development and delivery for the Civil Service College Development of a skill and competencies assessment tool for the civil service Development of a succession planning model for the Civil Service 			
Measures		2007/8 Original Budget	2007/8 Revised Budget
Quantity			
<ul style="list-style-type: none"> Number of skill and competency assessment tools developed Number of succession planning models developed Number of programmes of study and course contents developed and implemented Curriculum for Civil Service College developed 		1 1 1 1-4	1 1 1 1-4
Quality			
<ul style="list-style-type: none"> Implementation of assessment tool and succession planning model subject to approval by the Head of the Civil Service Curriculum and course material to be developed and delivered by suitable qualified and experienced trainers 		100% 100%	100% 100%
Timeliness			
In accordance with timeline agreed with Head of the Civil Service		100%	100%
Location			
Grand Cayman and Cayman Brac		100%	100%
Cost		\$798,368	\$853,368
Related Broad Outcome			
3: Improve Education and Training			
<i>(Group comprises ABS output: PCS 15)</i>			

Original Appropriation \$	Supplementary Requested \$	Revised Appropriation \$
798,368	55,000	853,368

Output Groups to be Purchased by the Minister of Health and Human Services

Output Supplier: Ministry of Health and Human Services

HHS 1	Policy Advice and Support to the Minister of Health and Human Services	\$4,605,648	
Description			
Provision of policy advice and administrative services for the Minister and Cabinet including: <ul style="list-style-type: none"> • Preparation of replies to correspondence, speeches, statements answers to parliamentary questions and any other information requested by the Minister • Preparation of policy advice papers and papers for Cabinet • Preparation of drafting instructions • Investigation of complaints relating to the standard health insurance contract • Monitor and review the delivery of outputs for, Statutory Authorities, Government-Owned Companies and NGOs • Manage public consultation on NALC report, analyse feedback and assess policy priorities • Assess current public health system, restructure public health department and set up district clinics as primary healthcare facilities 			
Measures		2007/8 Original Budget	2007/8 Revised Budget
Quantity			
<ul style="list-style-type: none"> • Number of hours of administrative services • Number Cabinet Papers and Notes produced • Number of hours for research and review on NALC • Number of hours spent on research and review for Public Health 		800-1,000 10-15 1,800-2,200 1,050-1,500	800-1,000 10-15 1,800-2,200 1,050-1,500
Quality			
<ul style="list-style-type: none"> • All information subject to internal peer review • Cabinet Papers and Notes are accurate and meet Cabinet guidelines • Policy options must be timely, well researched, and clearly linked to public need • Effective restructuring of public health department and district clinics 		90-100% 90-100% 95-100% 90-100%	90-100% 90-100% 95-100% 90-100%
Timeliness			
<ul style="list-style-type: none"> • Cabinet Papers and Notes submitted to Cabinet Office by Wednesday to be placed on the agenda of the following week • Replies to correspondence marked "urgent" completed within three working days of receipt. Routine replies to correspondence completed within seven working days • Policy recommendations – January 2008 • Restructure public health department - June 2008 		90-100% 90-100% 95-100% 90-100%	90-100% 90-100% 95-100% 90-100%
Location			
Cayman Islands		100%	100%
Cost		\$5,757,648	\$4,605,648
Related Broad Outcomes			
4: Rebuild Health Services 6: Embrace Cayman Brac and Little Cayman 8: Strengthen Family and Community 10: Open, Transparent, Honest and Efficient Public Administration			
(Group comprises ABS outputs: MHS 1, MHS 2, MHS 3, MHS 7, MHS 12, MHS 13, HIC 1, HPC 1, SOC 11)			

Original Appropriation \$	Supplementary Requested \$	Revised Appropriation \$
5,757,648	(1,152,000)	4,605,648

HHS 8	Supervision of Offenders and Community Development Services	\$2,283,848
Description Support and supervision of offenders doing community service involving: <ul style="list-style-type: none"> Supervision of persons on court mandated probation and community service orders Preparation of social inquiry reports, community service reports, and home background reports Reports to the Court on Courts of custody, adoption, juvenile, youth, means assessments and other reports as requested Aftercare support for prisoners and their families 		
Measures	2007/8 Original Budget	2007/8 Revised Budget
Quantity <ul style="list-style-type: none"> Number of persons supervised on Court Orders Number of reports provided to the Court Number of Task Force and sub-committees meetings Number of Consultancy hours Facilitate quarterly educational training specific to new law Develop of Implementation Plan 	150-200 275-300 N/A N/A N/A	150-200 275-300 2-4 375-400 2 1
Quality <ul style="list-style-type: none"> Initiate and maintain contact with clients at least once per month Reports prepared by a Social Worker and reviewed by Supervisor, Director or Deputy, Director Submit Progress Reports to Ministry as required Review of Legislation Implementation of Alternative Sentence Law Work in accordance and in compliance with the Law Services provided by qualified Senior Management 	N/A 80-100% 90% N/A N/A N/A N/A N/A	80-100% 90% 100% 100% 100% 100% 100%
Timeliness <ul style="list-style-type: none"> Ongoing throughout the period as specified by a Court Order condition or request Custody and adoption reports: 12 weeks after assessment Phase process in accordance with the timeframe specified by Cabinet 	95-100% 90-100% N/A	95-100% 90-100% 100%
Location Cayman Islands	100%	100%
Cost	\$2,208,848	\$2,283,848
Related Broad Outcomes 2: Address Crime and Improve Policing 8: Strengthen Family and Community		
<i>(Group comprises ABS outputs: PRB 1, PRB 2, PRB 3, PRB 6, PRB 7, PRB 8, SOC 6, SOC 20)</i>		

Original Appropriation \$	Supplementary Requested \$	Revised Appropriation \$
2,208,848	75,000	2,283,848

Output Groups to be purchased by the Minister of Communications, Works and Infrastructure

Changes to Statutory Authority/Government Company Output Groups

Output Supplier: Electricity Regulatory Authority

ERA 1	New License Negotiations	\$269,997	
Description			
Co-ordination of negotiations of new Licenses with possible new entrants into the electricity generating industry in the Cayman Islands to encourage competition within the industry			
Measures		2007/8 Approved Budget	2007/8 Revised Budget
Quantity Number of hours negotiating new licenses		1,200-1,300	5,000-5,500
Quality All licenses to comply with the Electricity Regulatory Authority Law 2005 and the Electricity Law		100%	100%
Timeliness In accordance with approved schedules		100%	100%
Location Grand Cayman		100%	100%
Cost		\$64,261	\$269,997
Related Broad Outcome			
9: Support the Economy			
<i>(Group comprises Purchase Agreement outputs: ERA 1)</i>			

Original Appropriation \$	Supplementary Requested \$	Revised Appropriation \$
64,261	205,736	269,997

ERA 4	Management of the Solicitation Process for New Generation	\$0
Description		
Establishment and management of the solicitation process for new generation capacity for 2010, including capacity from renewable resources		
Measures	2007/8 Original Budget	2007/8 Revised Budget
Quantity Number of hours monitoring the soliciting process for new generation	300-350	0
Quality All solicitations for new generation capacity will be processed in accordance with the Electricity Regulatory Authority Law 2005	100%	N/A
Timeliness All solicitations will be conducted in a timely manner	100%	N/A
Location Grand Cayman	100%	N/A
Cost	\$107,353	\$0
Related Broad Outcome		
9: Support the Economy		
<i>(Group comprises Purchase Agreement output: ERA 4)</i>		

Original Appropriation \$	Supplementary Requested \$	Revised Appropriation \$
107,353	(107,353)	0

ERA 5	Advice on the Establishment of a Public Utilities Authority	\$0
Description		
Work associated with the creation of a public utilities authority, to encompass electricity, gasoline, telecommunications and water.		
Measures	2007/8 Approved Budget	2007/8 Revised Budget
Quantity Number of hours spent giving advice on management of the new Public Utility Authority	300-350	0
Quality All work carried out will be in accordance with the instructions from the Minister for Communications, Works and Infrastructure	100%	N/A
Timeliness All work carried in accordance with approved schedules	100%	N/A
Location Grand Cayman	100%	N/A
Cost	\$98,383	\$0
Related Broad Outcome		
9: Support the Economy		
<i>(Group comprises Purchase Agreement output: ERA 5)</i>		

Original Appropriation \$	Supplementary Requested \$	Revised Appropriation \$
98,383	(98,383)	0

6. Changes to Transfer Payments for 2007/8

Cabinet intends to make the following changes to Transfer Payments in 2007/8.

Changes to Planned Transfer Payments

Appropriation Reference Number	Transfer Name and Description	2007/8 Approved Budget \$	Supplementary Requested \$	2007/8 Revised Budget \$
TP 1	Poor Relief Payments <i>Increase in financial assistance payments to the elderly and disabled from \$450 to \$500 per month. Number of persons 2007/8 Approved Budget: 880-900 Number of persons 2007/8 Revised Budget: 880 -900</i>	4,862,000	550,000	5,412,000
TP 17	Cayman Islands National Recovery Fund <i>Assistance to persons whose homes still require repairs as a result of damages from Hurricane Ivan in 2004.</i>	0	4,000,000	4,000,000
TOTAL		4,862,000	4,550,000	9,412,000

7. Changes to Other Executive Expenses for 2007/8

Cabinet intends to make the following changes to Other Executive Expenses in 2007/8.

Changes to Planned Other Executive Expenses

Appropriation Reference Number	Other Executive Expenses Name and Description	2007/8 Approved Budget \$	Supplementary Requested \$	2007/8 Revised Budget \$
OE 25	Settlement of Court Order <i>Payment of settlement to a former civil servant as a result of a judgement made by the Privy Council.</i>	0	766,345	766,345
OE 27	Past Service Pension Liability Payments <i>Payment to the Pension Fund for the past service pension liability of a former civil servant as a result of a judgement made by the Privy Council.</i>	14,500,000	42,527	14,542,527
OE 59	Demolition of Tower Building Payment <i>Costs relating to the demolition of Tower Building</i>	0	1,100,000	1,100,000
OE 60	Remediation Expenses <i>Payment of mold remediation expenses as a result of Hurricane Ivan.</i>	0	216,000	216,000
TOTAL		14,500,000	2,124,872	16,624,872

8. Changes to Ownership Actions for 2007/8

Changes to Equity Investments

Cabinet intends to make the following changes to Equity Investments in 2007/8

Changes to Planned Equity Investments

Appropriation Reference Number	Equity Investment Name and Description	2007/8 Approved Budget \$	Supplementary Requested \$	2007/8 Revised Budget \$
EI 7	Health Services Authority - Operating Loss	11,283,974	(1,000,000)	10,283,974
EI 30	Ministry of Health and Human Services <i>Equity Investment for the restoration and expansion of the Golden Age Home</i>	900,000	950,000	1,850,000
EI 48	Health Services Authority – Renovations to West Bay Health Centre <i>Equity Investment for the restoration and extension works on the West Bay Health Centre</i>	0	527,000	527,000
EI 49	Cayman Turtle Farm (1983) Limited – Operating Loss <i>Equity Investment to fund forecast operating loss</i>	0	3,138,700	3,138,700
EI 50	Cayman Islands National Insurance Company – Operating Loss <i>Equity Investment to fund forecast operating loss</i>	0	1,000,000	1,000,000
TOTAL		12,183,974	4,615,700	16,799,674

Changes to the Purchase or Construction of Executive Assets

Cabinet intends to make the following changes to the Purchase or Construction of Executive Assets in 2007/8.

Changes to Planned Purchase or Construction of Executive Assets

Appropriation Reference Number	Executive Assets Name and Description	2007/8 Approved Budget \$	Supplementary Requested \$	2007/8 Revised Budget \$
EA 10	Esterley Tibbetts Highway - Phase 3 <i>Continued construction of the Esterley Tibbetts Highway – Phase 3</i>	0	2,088,000	2,088,000
EA 77	East/West Arterial Road - Grand Cayman <i>Continued construction of new road from Savannah to Red Bay, Grand Cayman</i>	2,000,000	6,500,000	8,500,000
EA 97	Land Purchase and Development - New Bodden Town Cemetery	1,000,000	(1,000,000)	0
EA 100	Cemetery Sites Acquisition and Development <i>Purchase of site adjacent to the Old Man Bay Cemetery; and acquisition and site preparations of the new Bodden Town Cemetery</i>	0	1,000,000	1,000,000
EA 101	Savannah Seawall <i>Construction of a seawall in Savannah</i>	0	4,000,000	4,000,000
TOTAL		3,000,000	12,588,000	15,588,000

Changes to Planned Loans to be Made

Cabinet intends to make the following loan changes in 2007/8.

Changes to Planned Loans to be Made

Appropriation Reference Number	Loan Name and Description	2007/8 Approved Budget \$	Supplementary Requested \$	2007/8 Revised Budget \$
LM 4	Overseas Medical Advance <i>Loans for Overseas Medical Advances for uninsured</i>	750,000	500,000	1,250,000
TOTAL		750,000	500,000	1,250,000

PART B

REVISED ESTIMATES OF APPROPRIATION

for the 2007/8 Financial Year

9. Schedule of Supplementary Appropriations Requested for 2007/8

The Cabinet requests that the Legislative Assembly make the following executive appropriations which are required to give effect to the Annual Plan for the 2007/8 financial year documented in Part A.

Appropriations to the Head of the Civil Service

Category Number	Appropriation Name	Approved Appropriation \$	Supplementary Appropriation \$	Revised Total Cost \$
Output Group				
CIV 7	Workforce Development within the Civil Service – Civil Service College	798,368	55,000	853,368
Other Executive Expense				
OE 25	Settlement of Court Order	0	766,345	766,345

Appropriations to the Financial Secretary

Category Number	Appropriation Name	Approved Appropriation \$	Supplementary Appropriation \$	Revised Total Cost \$
Transfer Payment				
TP 17	Cayman Islands National Recovery Fund	0	4,000,000	4,000,000
Other Executive Expense				
OE 27	Past Service Pension Liability Payments	14,500,000	42,527	14,542,527
OE 60	Remediation Expenses	0	216,000	216,000
Loans Made				
LM 4	Overseas Medical Advance	750,000	500,000	1,250,000

Appropriations to the Minister of District Administration, Planning, Agriculture and Housing

Category Number	Appropriation Name	Approved Appropriation \$	Supplementary Appropriation \$	Revised Total Cost \$
Other Executive Expense				
OE 59	Demolition of Tower Building	0	1,100,000	1,100,000

Appropriations to the Minister of Health and Human Services

Category Number	Appropriation Name	Approved Appropriation \$	Supplementary Appropriation \$	Revised Total Cost \$
Output Group				
HHS 1	Policy Advice and Support for the Minister of Health and Human Services	5,757,648	(1,152,000)	4,605,648
HHS 8	Supervision of Offenders and Community Development Services	2,208,848	75,000	2,283,848
Transfer Payment				
TP 1	Poor Relief Payments	4,862,000	550,000	5,412,000
Equity Investments				
EI 7	Health Services Authority - Operating Loss	11,283,974	(1,000,000)	10,283,974
EI 30	Ministry of Health and Human Services	900,000	950,000	1,850,000
E1 48	Health Services Authority - Renovations to West Bay Health Centre	0	527,000	527,000
EI 50	Cayman Islands National Insurance Company – Operating Loss	0	1,000,000	1,000,000

Appropriations to the Minister of Communications, Works and Infrastructure

Category Number	Appropriation Name	Approved Appropriation \$	Supplementary Appropriation \$	Revised Total Cost \$
Output Groups				
ERA 1	New License Negotiations	64,261	205,736	269,997
ERA 4	Management of the Solicitation Process for New Generation	107,353	(107,353)	0
ERA 5	Advice on the Establishment of a Public Utilities Authority	98,383	(98,383)	0
Executive Assets				
EA 10	Esterley Tibbetts Highway - Phase 3	0	2,088,000	2,088,000
EA 77	East/West Arterial Road - Grand Cayman	2,000,000	6,500,000	8,500,000
EA 97	Land Purchase and Development - New Bodden Town Cemetery	1,000,000	(1,000,000)	0
EA 100	Cemetery Sites Acquisition and Development	0	1,000,000	1,000,000
EA 101	Savannah Seawall	0	4,000,000	4,000,000

Appropriations to the Minister of Tourism, Environment, Investment and Commerce

Category Number	Appropriation Name	Approved Appropriation \$	Supplementary Appropriation \$	Revised Total Cost \$
Equity Investment				
EI 49	Cayman Turtle Farm (1983) Limited – Operating Loss	0	3,138,700	3,138,700

PART C

REVISED FORECAST FINANCIAL STATEMENTS

for

THE GOVERNMENT OF THE CAYMAN ISLANDS

For the Financial Year
Ending 30 June 2008

**GOVERNMENT OF THE CAYMAN ISLANDS
REVISED FORECAST FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDING 30 JUNE 2008**

**STATEMENT OF RESPONSIBILITY FOR
THE REVISED FORECAST FINANCIAL STATEMENTS**

These revised forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Law (2005 Revision). They report the revised forecast financial transactions for the Core Government and the Entire Public Sector reporting entity for the financial year ending 30 June, 2008.

The revised forecast financial statements were prepared by the Portfolio of Finance and Economics on behalf of the Government. On the basis of the economic and financial information available, that Portfolio has used its best professional judgement in preparing these forecast statements.

The revised forecast financial statements incorporate the fiscal and economic implications of all Government decisions and circumstances as at 22nd November, 2007.

We accept responsibility for the accuracy and integrity of the financial information in these revised forecast financial statements and their compliance with the Public Management and Finance Law (2005 Revision).

To the best of our knowledge the revised forecast financial statements are:

- (a) Complete and reliable;
- (b) Fairly reflect the forecast financial position as at 22nd November, 2007 and performance for the financial year ending 30 June 2008;
- (c) Include all policy decisions and other circumstances that have, or may have, a material effect on the forecast statements; and
- (d) Comply with generally accepted accounting practice.

Hon. Kenneth Jefferson
Financial Secretary
22nd November, 2007

Hon. D. Kurt Tibbetts
Leader of Government Business
22nd November, 2007

**GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR FINANCIAL YEAR ENDING 30 JUNE 2008**

General Accounting Policies

Reporting entity

These forecast financial statements are for the Government of the Cayman Islands. The forecast financial statements encompass the Core Government and the Entire Public Sector as required by the Public Management and Finance Law (2005 Revision). The reporting entity comprises:

- Executive financial transactions and balances;
- Ministries and Portfolios;
- Statutory Authorities;
- Government Companies; and
- The Audit Office and the Office of the Complaints Commissioner.

The Core Government entity accounts for Statutory Authorities and Government Companies on an equity accounting basis while the Entire Public Sector accounts for them on a fully consolidated basis.

Basis of preparation

The forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Reporting Period

The reporting period is the year ending 30 June 2008.

Basis of Consolidation

The consolidated Entire Public Sector financial report includes the transactions and balances of the Government of the Cayman Islands and its controlled entities during and at the end of the financial year. The controlled entities are combined using the purchase method of combination. Corresponding assets, liabilities, revenues and expenses are added together line by line. Transactions and balances between these sub-entities are eliminated on combination.

Specific Accounting Policies

Revenue

Coercive Revenue

Coercive revenue is recognised in accordance with the following recognition points.

<i>Coercive Revenue</i>	<i>Revenue Recognition Point</i>
Levies on International Trade and Transactions	
Import Duties	When goods become liable for duty, generally at declaration, prior to release of goods.
Gasoline and Diesel	
Alcoholic Beverages	
Tobacco Products	
Motor Vehicle Duty	
Food	
Manufactured Goods	
Machinery and Transport	
Equipment	
Cruise Ship Tax	
Environmental Protection Fees	
Domestic Levies on Goods and Services	
Business and Professional Licenses	Upon initial application and, if appropriate, when renewed (renewal dates vary).
Work Permit Fees	
Traders' License	
LCCL	
Company Fees	
Bank and Trust License	
Insurance Licences	
Mutual Fund Administrators	
Partnership Fees	
Trust Registration Fees	
Liquor Licence	
CUC Licence	
Cable and Wireless Licence	
TV Station Licence	
Ship Registration Fees	
Hotel Licence	
Other Licences	
Radio stations (pending)	
Other Levies on Goods and Services	
Motor Vehicle Tax	Upon initial application and due date for annual renewal.
Tourist Accommodation Tax	Recognise when monthly return due.
Misc. Stamp Duty	At the time the goods are delivered (on parcels).
Misc. Immigration Fees	Upon application.
Levies on Property	
Land Transfer Duty	At time of transfer of ownership (set fee).
Infrastructure Fund Fee	For non-refundable fees, upon application for planning approval. For refundable fees, once planning approval is granted.
Other Levies	
Court Fines	When fine imposed.
Other Fines	When fine imposed.

Sale of Goods and Services (including user charges and fees)

Revenue from the sale of goods and services, including revenue resulting from user charges or fees, is recognised when it is earned. This is generally at time of sale or on delivery of service. Revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or in accordance with agreements to provide services. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Investment revenue

Investment revenue is recognised in the period in which it is earned.

Donations

Donations meeting the recognition criteria for revenues are recognised at fair value at time of receipt. Donated services are recognised only when the services would have been purchased if not donated.

Expenses

General

Expenses are recognised when incurred.

Supplies and consumables – Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of the minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Transfer payments

Personal benefits are recognised at time of payment.

Other transfers, including subsidies to government owned organisations are recognised when a legal or constructive liability to make the payment has been created.

Depreciation

Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets

Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, short term deposits at call, investments in short term money market instruments, and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory

Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Investments

Loans and advances are valued at the lower of the balance owed or the amount expected to be recovered.

Investments held as current assets are to be carried at the lower of cost or market value.

Marketable securities that are held for trading purposes are recorded at net current value.

Permanent decreases in the value of non-current assets are recognised as an expense in the operating statement for that reporting period.

Property, Plant and Equipment (including Infrastructure Assets)

Land and buildings are recorded at historical cost (or fair value as at time of first recognition) or valuation.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value as at time of first recognition) less accumulated depreciation.

Physical assets for which an objective estimate of market value is difficult to obtain (parks, for example) are recorded at the best estimate of fair value.

Valuations of tangible non-current assets are assumed to remain constant over the forecast period.

Computer Hardware and Software

Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Liabilities

Accounts Payable

Accounts Payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Employee entitlements

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

Provisions

Provisions are recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Pension liability

The unfunded pension liability represents the present value of the Government's unfunded liability to employees for past services as estimated in relation to the respective pension plans.

Forecasts of the pension liability are based on financial assumptions applied to the latest actuarial value of the liability for pension payments, net of the scheme's assets, adjusted on future years for any projected changes in demographic assumptions.

Borrowings

Borrowings are recognised as liabilities when the obligation is established. Borrowings are measured at their book value (equal to their nominal value).

Currency issued

Currency issued for circulation is measured at face value.

Commitments

Commitments are recorded in the Statement of Commitments at the value of the obligation.

Contingencies

The nature and an estimate of the financial effect of contingent liabilities are disclosed in the Statement of Contingent Liabilities. Contingent liabilities are recognised as liabilities when they are probable.

GOVERNMENT OF THE CAYMAN ISLANDS
REVISED FORECAST FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2008

STATEMENT OF SIGNIFICANT ASSUMPTIONS

General Forecast Assumptions

These revised forecast financial statements were finalised on 22nd November, 2007 and incorporate all government decisions and circumstances communicated up to that date.

These revised forecast financial statements do not include projected revaluations or other unpredictable valuations losses or gains.

**GOVERNMENT OF THE CAYMAN ISLANDS
FORECASTED BUDGET STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

	Note	Core Government		Entire Public Sector	
		2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Coercive Revenue					
Levies on International Trade and Transactions	1	191,117	188,742	191,117	188,742
Domestic Levies on Goods and Services	1	226,505	208,377	226,505	208,377
Levies on Property	1	40,802	41,742	40,802	41,742
Fines	1	540	540	540	540
Other Executive Revenue		12,052	0	12,052	0
Total Coercive Revenue		471,015	439,401	471,015	439,401
Revenue					
Sale of Goods and Services	2	56,195	56,195	225,054	225,054
Investment Revenue	3	3,507	3,507	11,458	11,458
Donations		0	0	2,656	2,656
Total Revenue		59,702	59,702	239,168	239,168
Total Operating Revenue		530,717	499,103	710,183	678,569
Operating Expenses					
Personnel Costs	5	208,290	208,645	336,640	335,995
Supplies and Consumables	6	120,078	119,684	232,217	229,684
Depreciation	7	15,253	15,253	34,924	34,924
Outputs from Public Authorities		83,176	83,176	0	0
Outputs from Non-Governmental Organisations		13,524	13,524	13,524	13,524
Transfer Payments		20,890	20,890	20,890	20,890
Other Operating Expenses		4,123	2,509	4,134	2,520
Net Deficit in Investments in Public Authorities		11,265	8,126	0	0
Total Operating Expenses	4	476,599	471,807	642,329	637,537
Surplus from Operating Activities		54,118	27,296	67,854	41,032
Financing Expense	8	12,435	12,435	24,411	24,411
Loss on Foreign Exchange Transactions	9	0	0	1,158	1,158
Loss on Disposal or Revaluation of Non-Current Assets		0	0	602	602
Total Non-Operating Revenue and Expenses		12,435	12,435	26,171	26,171
Surplus Before Extraordinary Items		41,683	14,861	41,683	14,861
Extraordinary Items	10	4,000	0	4,000	0
Net Surplus		37,683	14,861	37,683	14,861

GOVERNMENT OF THE CAYMAN ISLANDS
 FORECASTED BUDGET STATEMENTS
 FOR THE YEAR ENDED 30th JUNE 2008

BALANCE SHEET AS AT 30th JUNE 2008		Core Government		Entire Public Sector	
		2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
	Note				
Current Assets					
Cash and Cash Equivalents	11	115,574	87,711	220,233	192,370
Marketable Securities and Deposits	12	0	0	86,500	86,500
Accounts Receivable	13	11,696	11,696	39,086	39,086
Inventories	14	2,044	2,044	7,837	7,837
Other Current Assets	15	5,917	5,917	6,022	6,022
Total Current Assets		135,231	107,368	359,678	331,815
Non-Current Assets					
Loans		34,047	33,547	24,156	23,656
Net Worth of Public Authorities		214,229	213,702	0	0
Property, Plant and Equipment	16	630,195	616,657	957,103	943,038
Other Non-Current Assets	17	16,124	16,124	45,701	45,701
Total Non-Current Assets		894,595	880,030	1,026,960	1,012,395
Total Assets		1,029,826	987,398	1,386,638	1,344,210
Current Liabilities					
Accounts Payable	18	23,845	23,845	41,309	41,309
Unearned Revenue	19	335	335	12,271	12,271
Employee Entitlements	20	2,927	2,927	3,059	3,059
Current Borrowings	24	16,806	16,806	21,754	21,754
Other Current Liabilities	21	2,184	2,184	17,698	17,698
Total Current Liabilities		46,097	46,097	96,091	96,091
Non-Current Liabilities					
Employee Entitlements	22	821	821	851	851
Unfunded Pension Liability	23	178,896	178,896	180,171	180,171
Borrowings	24	267,941	278,930	497,292	508,281
Currency Issued		0	0	72,500	72,500
Other Non-Current Liabilities	25	0	0	3,662	3,662
Total Non-Current Liabilities		447,658	458,647	754,476	765,465
Total Liabilities		493,755	504,744	850,567	861,556
TOTAL ASSETS LESS TOTAL LIABILITIES					
		536,071	482,654	536,071	482,654
NET WORTH					
Accumulated Surpluses	26	536,071	482,654	536,071	482,654
Total Net Worth		536,071	482,654	536,071	482,654

**GOVERNMENT OF THE CAYMAN ISLANDS
CASH FLOW STATEMENT
FOR THE YEAR ENDING 30th JUNE 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Coercive Receipts	469,766	438,152	469,768	438,154
Sale of Outputs (Goods and Services) to Others	55,182	55,182	221,174	221,174
Interest Received	3,507	3,507	10,719	10,719
Other Receipts	0	0	2,656	2,656

Payments

Personnel Costs	(208,910)	(209,265)	(338,733)	(338,088)
Supplies and Consumables	(118,339)	(117,945)	(233,989)	(231,456)
Outputs from Public Authorities	(82,183)	(82,183)	0	0
Outputs from Non-Governmental Suppliers	(13,524)	(13,524)	(13,524)	(13,524)
Transfers	(20,890)	(20,890)	(20,487)	(20,487)
Interest Paid	(12,435)	(12,435)	(24,521)	(24,521)
Other Payments	(4,125)	(2,511)	(4,235)	(2,621)
Extraordinary Expenses	(4,000)	0	(4,000)	0

Net Cash Flows from Operating Activities

Note 27

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Non-Current Assets	(140,661)	(127,123)	(180,653)	(166,588)
Purchase of Investments	(583)	(83)	(583)	(83)
Equity Injections in Public Authorities	(20,298)	(16,632)	0	0
Proceeds from Sale of Non-Current Assets	0	0	1,176	1,176
Capital Withdrawals from Public Authorities	726	726	0	0

Net Cash Flows from Investing Activities

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Borrowings	129,800	129,800	197,139	197,139
Repayment of Borrowings	(19,149)	(19,149)	(26,901)	(26,901)

Net Cash Flows from Financing Activities

Net Movement in Cash and Cash Equivalents

Cash and Cash Equivalents at the Beginning of Period	101,690	82,084	165,227	145,621
Cash and Cash Equivalents at the End of Period	115,574	87,711	220,233	192,370

11

**GOVERNMENT OF THE CAYMAN ISLANDS
FORECASTED BUDGET STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDING 30th JUNE 2008**

Opening Balance Net Worth	498,388	467,793
Net Surplus	37,683	14,861
Total Recognised Revenues and Expenses	37,683	14,861
Closing Balance Net Worth	536,071	482,654

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
498,388	467,793	498,388	467,793
37,683	14,861	37,683	14,861
37,683	14,861	37,683	14,861
536,071	482,654	536,071	482,654

**FORECAST STATEMENT OF LOANS-MADE
FOR THE YEAR ENDING 30th JUNE 2008**

Self Financing Loans	9,890	9,890
Self Funding Loans		
Other Loans	1,443	1,443
Civil Service Mortgage Loans	294	294
Farmers/Ranchers Loans	16,984	16,484
Overseas Medical Advances	5,436	5,436
Other Loans to Organisations and Individuals		
Total Loans	34,047	33,547

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
9,890	9,890	0	0
1,443	1,443	1,443	1,443
294	294	294	294
16,984	16,484	16,984	16,484
5,436	5,436	5,436	5,436
34,047	33,547	24,156	23,656

**STATEMENT OF PUBLIC DEBT
FOR THE YEAR ENDING 30th JUNE 2008**

Outstanding Debt		
Local Currency Debt	284,747	295,736
Central Government Loans	0	0
Statutory Bodies – Self Financing Loans	0	0
Statutory Bodies – Direct Borrowing		
Total Local Currency Debt	284,747	295,736
Foreign Currency Debt	0	0
Statutory Bodies – Direct Borrowing		
Total Foreign Currency Debt	0	0
Total Outstanding Debt	284,747	295,736
Less Marketable Securities and Deposits	0	0
Local Currency		
Total Marketable Securities and Deposits	0	0
Net Public Debt	284,747	295,736

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
284,747	295,736	284,747	295,736
0	0	5,516	5,516
0	0	151,746	151,746
284,747	295,736	442,009	452,998
0	0	77,037	77,037
0	0	77,037	77,037
284,747	295,736	519,046	530,035
0	0	86,500	86,500
0	0	86,500	86,500
284,747	295,736	432,546	443,535

GOVERNMENT OF THE CAYMAN ISLANDS
 FORECASTED BUDGET STATEMENTS
 FOR THE YEAR ENDED 30th JUNE 2008

STATEMENT OF ACTUAL COMMITMENTS
 AS AT 30th JUNE 2008

Type

One Year or Less
 One to Five Years
 Over Five Years

Total

Capital Commitments

Land and Buildings
 Other Fixed Assets

Total Capital Commitments

Operating Commitments

Non-Cancellable Accommodation Leases

Total Operating Commitments

Total Commitments

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
59,882	59,882	86,631	86,631
62,786	62,786	155,212	155,212
7,550	7,550	9,185	9,185
130,218	130,218	251,028	251,028
126,540	126,540	247,053	247,053
3,435	3,435	3,732	3,732
129,975	129,975	250,785	250,785
243	243	243	243
243	243	243	243
130,218	130,218	251,028	251,028

GOVERNMENT OF THE CAYMAN ISLANDS
 FORECASTED BUDGET STATEMENTS
 FOR THE YEAR ENDED 30th JUNE 2008

Legal Proceedings & Disputes

Civil/Quasi Civil Matters

Total Legal Proceedings & Disputes

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
4,452	4,452	4,452	4,452
4,452	4,452	4,452	4,452

**STATEMENT OF CONTINGENT LIABILITIES
AS AT 30th JUNE 2008**

Guarantees

Turtle Farm

Turtle Farm

Cayman Airways

Guarantee to the Company's principal bankers for the restructuring of the existing CAL debt, to finance the shortfall in CAL operations, Agency Fees, and to pay deposits on lease of two new aircrafts

Cayman Islands Airport Authority

Cayman Islands Airport Authority

Cayman Island National Insurance Company

Cayman Island National Insurance Company

University of the West Indies

Guarantee of loan for the improvement and expansion of continuing studies and distance education at the University together with interest, commitment charge and other charges

Cayman Islands Development Board

Guarantee of up 100% of student loans from various banks and other licensed financial institution to provide higher education for students locally or overseas

CDB Loan

Small Business Loan Programme

Bond Issue

Government Home Mortgage Guarantee Scheme

Blanket guarantee of between 10% and 35% of the upper layer loan made by banks participating in the scheme. Gov't exposure was limited to \$7.6m at 30th November 1998 but increased to \$14.6m at 31st December 1998

Cayman Islands Farmer's Co-Operative Society Ltd.

Guarantee of loan from a local commercial bank to meet financial need and provide working capital

National Housing Community Development Trust

National Housing Community Development Trust

Total Quantifiable Guarantees

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
	39,245	39,245	39,245	39,245
	31,513	31,513	31,513	31,513
	14,000	14,000	14,000	14,000
	5,000	5,000	5,000	5,000
	42	42	42	42
	420	420	420	420
	2,064	2,064	2,064	2,064
	586	586	586	586
	5,000	5,000	5,000	5,000
	1,141	1,141	1,141	1,141
	120	120	120	120
	7,397	7,397	7,397	7,397
	106,528	106,528	106,528	106,528

**NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 1. COERCIVE REVENUE

Levies on International Trade and Transactions

Import Duties

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Alcoholic Beverages	16,034	16,445	16,034	16,445
Gasoline and Diesel	24,374	26,574	24,374	26,574
Motor Vehicle Duty	11,837	20,063	11,837	20,063
Other Import Duty and Charges	117,814	105,359	117,814	105,359
Tobacco Products	3,167	3,101	3,167	3,101
Cruise Ship Departure Tax	12,222	12,300	12,222	12,300
Environmental Protection Fees	5,669	4,900	5,669	4,900
Total Levies on International Trade and Transactions	191,117	188,742	191,117	188,742

Domestic Levies on Goods and Services

Annual Permanent Resident Work Permit Fees	2,734	1,689	2,734	1,689
Banks And Trust Licenses	23,461	22,846	23,461	22,846
Building Permit Fees	2,147	1,370	2,147	1,370
Cuc - License	800	800	800	800
Debit Transaction Fees	1,360	1,360	1,360	1,360
Health Insurance Fund Fees	2,447	2,160	2,447	2,160
ICTA Licenses	8,091	8,200	8,091	8,200
Immigration Non-Refundable Repatriation Fees	1,352	1,352	1,352	1,352
Insurance Licenses	6,839	6,557	6,839	6,557
Land Registry Fees	1,533	1,654	1,533	1,654
Law Firm Operational Licenses	1,534	1,490	1,534	1,490
Legal Practitioner Fees	940	760	940	760
Local Co & Corp Mgmt Fees	730	730	730	730
Miscellaneous Stamp Duty	16,133	8,700	16,133	8,700
Motor Vehicle Charges	8,146	6,390	8,146	6,390
Mutual Fund Administrators	29,249	24,835	29,249	24,835
Other Company Fees - Exempt	39,113	40,541	39,113	40,541
Other Company Fees - Foreign	1,260	1,087	1,260	1,087
Other Company Fees - Non-Resident	4,347	4,779	4,347	4,779
Other Company Fees - Resident	1,364	1,870	1,364	1,870
Partnership Fees	3,586	2,896	3,586	2,896
Planning Fees	1,141	950	1,141	950
Security Investment Business Licenses	1,980	2,003	1,980	2,003
Tax and Trust Undertakings	5,686	4,500	5,686	4,500
Tourist Accommodation Charges	10,628	10,279	10,628	10,279
Traders' Licenses	4,996	4,524	4,996	4,524
Work Permits Fees	42,050	41,200	42,050	41,200

**NOTES TO THE FORECAST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 1. COERCIVE REVENUE (Cont'd)

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Business Staffing Plan Board Fees	48	48	48	48
Caymanian Status Fees	114	114	114	114
Court Fees	600	600	600	600
Firearms Licenses	1	1	1	1
Fisheries Licenses	3	3	3	3
Hotel Licenses	162	162	162	162
Liquor Licenses	518	518	518	518
Local Vessel Licenses Fees	75	75	75	75
Notary Public Fees	153	153	153	153
Package Charges	339	339	339	339
Patents and Trademarks	219	219	219	219
Public Transport - Drivers Licenses	100	100	100	100
Public Transport - Operator Licenses	3	3	3	3
Royalties and Dredging	100	100	100	100
Ship Registration Fees	90	90	90	90
Spear Gun Licenses	9	9	9	9
Special Marriage Licenses	93	93	93	93
Trust Registration Fees	228	228	228	228
Total Domestic Levies on Goods and Services	226,505	208,377	226,505	208,377
Levies on Property				
Land Transfer Duty				
Infrastructure Fund Fees	1,697	1,439	1,697	1,439
Land Holding Companies Share Transfer Charge	500	500	500	500
Stamp Duty - Land Transfers	37,802	39,000	37,802	39,000
Timeshare Ownership Charges	803	803	803	803
Total Levies on Property	40,802	41,742	40,802	41,742
Fines				
Compounded Penalties	103	103	103	103
Court Fines	400	400	400	400
Customs Fines	16	16	16	16
Procedural Fines	21	21	21	21
Total Fines	540	540	540	540
Total Coercive Revenue	458,963	439,401	458,963	439,401

**NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**NOTE 2. GOODS AND SERVICES
(INCLUDING FEES AND CHARGES)**

Fees and Charges

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Agriculture Fees	166	166	166	166
Annual Ship Tonnage Charges	0	0	915	915
Annual Work Permit Application Fees	1,280	1,280	1,280	1,280
Audit Fees	556	556	0	0
Authentication and Apostille of Documents Fees	740	740	740	740
Births, Deaths and Marriages	123	123	123	123
Business Staffing Plan Application Fees	13	13	13	13
Cabinet/Executive Appeal Fees	75	75	75	75
Caymanian Status Application Fees	2	2	2	2
Customized License Plates Fees	16	16	16	16
Customs Special Attendance	1,109	1,109	1,109	1,109
Disinfection Fees	12	12	12	12
Disposal of Government Fleet	32	32	32	32
Drivers Examination Fees	338	338	338	338
Duplicate Vehicle Log Books	46	46	46	46
Electrical Inspection Fees	1	1	1	1
Electrical License Fees	51	51	51	51
Environmental Service Fees	8	8	8	8
Examination Fees	60	60	60	60
Funds Received from DOT Events	111	111	111	111
Garbage Fees	4,183	4,183	4,183	4,183
GPS Licenses	10	10	10	10
Health Services Fees	0	0	22,870	22,870
Internal Audit Service Fees	15	15	0	0
Land Survey Fees	349	349	185	185
Law School Fees	650	650	650	650
M. V. Inspection Fees	885	885	885	885
Mail Terminal Credits	500	500	500	500
Mapping Services	247	247	230	230
Marine Survey Fees	0	0	3,800	3,800
Motor Vehicle Drivers Licenses	1,656	1,656	1,656	1,656
Motor Vehicle License Plates Fees	334	334	334	334
Naturalisation/Registration Fees	400	400	400	400
Other Company Fees - Exempt	16,262	16,262	16,262	16,262
Other Company Fees - Foreign	654	654	654	654
Other Company Fees - Non-Resident	128	128	128	128
Other Company Fees - Resident	325	325	325	325
Other Fees	142	142	31,095	31,095
Other Immigration Fees	513	513	513	513
Other Labour Charges - PWD (Cayman Brac)	40	40	40	40
Partnership Fees	2,494	2,494	2,494	2,494
Passport Fees	412	412	412	412
Patents and Trademarks	141	141	141	141
Pension Plan Registration Fees	70	70	70	70
Permanent Residence Application Fees	312	312	312	312
Planning Appeal Fees	1	1	1	1

**NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**NOTE 2. GOODS AND SERVICES
(INCLUDING FEES AND CHARGES) Cont'd**

Rentals

Other Rentals	274	274
Post Boxes/ Franking Machine	984	984
Rental - School Books	300	300
Rental - School Canteens	90	90
Rentals - Craft Market	0	0
Rentals - Government Housing	394	394
Rentals - Hell Shops	0	0
Rentals - Town Halls	37	37

Total Rentals

Core Government		Entire Public Sector	
2007/08 Forecast	2007/08 Budget	2007/08 Forecast	2007/08 Budget
\$000	\$000	\$000	\$000
274	274	2,359	2,359
984	984	984	984
300	300	300	300
90	90	90	90
0	0	4	4
394	394	394	394
0	0	20	20
37	37	37	37
2,079	2,079	4,188	4,188

Other Goods and Services Revenue

GIS Applications	68	68
IT Application Sales	38	38
Total Other Goods and Services Revenue	106	106

Total Goods and Services

Core Government		Entire Public Sector	
2007/08 Forecast	2007/08 Budget	2007/08 Forecast	2007/08 Budget
\$000	\$000	\$000	\$000
68	68	0	0
38	38	35	35
106	106	35	35
56,195	56,195	225,054	225,054

NOTE 3. INVESTMENT REVENUE

Interest Marketable Securities, Deposits and Cash	3,455	3,455
Interest on Loans Made	52	52
Total Investment Revenue	3,507	3,507

Core Government		Entire Public Sector	
2007/08 Forecast	2007/08 Budget	2007/08 Forecast	2007/08 Budget
\$000	\$000	\$000	\$000
3,455	3,455	7,792	7,792
52	52	3,666	3,666
3,507	3,507	11,458	11,458

**NOTES TO THE FORECAST FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**NOTE 4. OPERATING EXPENSES BY
FUNCTION**

Operating Expenses

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
General Government Services	229,519	228,082	193,257	191,820
Public Order and Safety	85,833	85,833	78,523	78,523
Education	77,526	77,526	76,266	76,266
Environmental Protection	7,018	6,802	7,020	6,804
Health	57,155	57,155	110,446	110,446
Fuel and Energy	275	275	267	267
Social Security and Welfare	1,691	1,691	23,246	23,246
Housing and Community Amenities	0	0	1,530	1,530
Recreational, Cultural and Religious	3,757	618	24,162	21,023
Transportation and Communication	7,745	7,745	97,477	97,477
Other Economic Affairs	6,080	6,080	30,135	30,135
Operating Expenses	476,599	471,807	642,329	637,537

NOTE 5. PERSONNEL COSTS

Personnel Costs

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Salaries, Wages, Allowances and Employee Pension Contribution	168,295	168,945	286,980	286,630
Employer Pension Expense	12,370	12,370	16,163	16,163
Payment re Unfunded Pension Liability	14,795	14,500	15,795	15,500
Other Personnel Related Expenses	12,830	12,830	17,702	17,702
Total Personnel Costs	208,290	208,645	336,640	335,995

NOTE 6. SUPPLIES AND CONSUMABLES

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Supplies and Consumables	103,035	102,641	205,517	202,984
Operating Lease Rentals	7,679	7,679	13,876	13,876
Other Supplies and Consumables	9,364	9,364	12,824	12,824
Total Supplies and Consumables	120,078	119,684	232,217	229,684

**NOTES TO THE FORECAST FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 7. DEPRECIATION

Aeroplanes	211	211		
Boats	213	213		
Buildings	2,740	2,740		
Computer Hardware and Software	2,323	2,323		
Furniture and Fittings	358	358		
Office Equipment	427	427		
Other Assets	922	922		
Other Infrastructure Assets	224	224		
Plant and Equipment	378	378		
Roads and Sidewalks	5,000	5,000		
Vehicles	2,457	2,457		
Water Reticulation and Sewage	0	0		
Total	15,253	15,253		

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Aeroplanes	211	211	1,359	1,359
Boats	213	213	213	213
Buildings	2,740	2,740	12,782	12,782
Computer Hardware and Software	2,323	2,323	4,117	4,117
Furniture and Fittings	358	358	947	947
Office Equipment	427	427	653	653
Other Assets	922	922	1,094	1,094
Other Infrastructure Assets	224	224	240	240
Plant and Equipment	378	378	2,606	2,606
Roads and Sidewalks	5,000	5,000	5,000	5,000
Vehicles	2,457	2,457	3,308	3,308
Water Reticulation and Sewage	0	0	2,605	2,605
Total	15,253	15,253	34,924	34,924
Assets are depreciated on a straight line basis as follows:				
	Years	Years	Years	Years
Aeroplanes	9-20	9-20	9-20	9-20
Boats	9-20	9-20	9-20	9-20
Buildings	40-60	40-60	40-60	40-60
Computer Hardware and Software	3-10	3-10	3-10	3-10
Furniture and Fittings	3-20	3-20	3-20	3-20
Infrastructure Assets	6-50	6-50	6-50	6-50
Office Equipment	3-20	3-20	3-20	3-20
Other Assets	3-25	3-25	3-25	3-25
Other Plant and Equipment	5-25	5-25	5-25	5-25
Roads and Sidewalks	6-50	6-50	6-50	6-50
Vehicles	4-12	4-12	4-12	4-12
Water Reticulation and Sewage	5-15	5-15	5-15	5-15

**NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 8. FINANCING EXPENSE

Interest on Borrowing
Total Financing Expense

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
12,435	12,435	24,411	24,411
12,435	12,435	24,411	24,411

NOTE 9. GAINS/LOSSES ON FOREIGN EXCHANGE TRANSACTIONS

Gains/Losses on Foreign Exchange Transactions
Total Gains/Losses on Foreign Exchange Transactions

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
0	0	1,158	1,158
0	0	1,158	1,158

NOTE 10. EXTRAORDINARY ITEMS

Cayman Islands National Recovery Fund
Total Extraordinary Items

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
4,000	0	4,000	0
4,000	0	4,000	0

NOTE 11. CASH AND CASH EQUIVALENTS

Cash on Hand (including Petty Cash)
Bank Accounts
Short Term Deposits including Call Accounts (up to 90 Days)
Total Cash and Cash Equivalents

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
377	377	2,736	2,736
114,797	86,934	135,514	107,651
400	400	81,983	81,983
115,574	87,711	220,233	192,370

**NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 12. MARKETABLE SECURITIES AND DEPOSITS

Other Marketable Securities and Deposits
Total Marketable Securities and Deposits

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
0	0	86,500	86,500
0	0	86,500	86,500

NOTE 13. ACCOUNTS RECEIVABLE

Coercive Revenue
Sales of Goods and Services
Prepayments
Other Accounts Receivable
Total Gross
Less Provision for Doubtful Debts
Total Net Accounts Receivable

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
3,588	3,588	4,896	4,896
3,250	3,250	24,220	24,220
585	585	1,585	1,585
4,299	4,299	8,694	8,694
11,722	11,722	39,395	39,395
26	26	309	309
11,696	11,696	39,086	39,086

NOTE 14. INVENTORIES

Consumable Stores
Other Inventories for Use within One Year
Total Inventories

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
1,599	1,599	6,834	6,834
445	445	1,003	1,003
2,044	2,044	7,837	7,837

NOTE 15. OTHER CURRENT ASSETS

Other
Total Other Current Assets

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
5,917	5,917	6,022	6,022
5,917	5,917	6,022	6,022

**NOTES TO THE FORECAST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**NOTE 16. PROPERTY, PLANT AND
EQUIPMENT**

Cost or Opening Valuation

	Core Government		Entire Public Sector	
	2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
Aeroplanes	3,864	3,864	16,488	16,488
Boats	5,763	5,763	5,763	5,763
Buildings	238,087	233,137	444,239	438,762
Computer Hardware and Software	34,671	34,671	44,968	44,968
Furniture and Fittings	12,134	12,134	19,265	19,265
Land	132,755	132,755	168,894	168,894
Office Equipment	5,718	5,718	6,810	6,810
Other Assets	7,344	7,344	32,993	32,993
Other Infrastructure Assets	7,566	7,566	7,792	7,792
Plant and Equipment	12,713	12,713	33,481	33,481
Roads and Sidewalks	261,804	253,216	261,804	253,216
Vehicles	41,325	41,325	56,197	56,197
Water Reticulation and Sewage	0	0	64,526	64,526
Work in Progress	98,685	98,685	129,291	129,291
Total Cost or Valuation	862,429	848,891	1,292,511	1,278,446

Accumulated Depreciation

Aeroplanes	563	563	5,668	5,668
Boats	2,112	2,112	2,112	2,112
Buildings	112,364	112,364	152,305	152,305
Computer Hardware and Software	19,083	19,083	25,594	25,594
Furniture and Fittings	2,811	2,811	7,307	7,307
Office Equipment	3,726	3,726	4,417	4,417
Other Assets	2,980	2,980	13,842	13,842
Other Infrastructure Assets	3,036	3,036	3,076	3,076
Plant and Equipment	3,935	3,935	15,105	15,105
Roads and Sidewalks	58,836	58,836	58,836	58,836
Vehicles	22,788	22,788	29,252	29,252
Water Reticulation and Sewage	0	0	17,894	17,894
Total Depreciation	232,234	232,234	335,408	335,408

Net Book Value

Aeroplanes	3,301	3,301	10,820	10,820
Boats	3,651	3,651	3,651	3,651
Buildings	125,723	120,773	291,934	286,457
Computer Hardware and Software	15,588	15,588	19,374	19,374
Furniture and Fittings	9,323	9,323	11,958	11,958
Land	132,755	132,755	168,894	168,894
Office Equipment	1,992	1,992	2,393	2,393
Other Assets	4,364	4,364	19,151	19,151
Other Infrastructure Assets	4,530	4,530	4,716	4,716
Plant and Equipment	8,778	8,778	18,376	18,376
Roads and Sidewalks	202,968	194,380	202,968	194,380
Vehicles	18,537	18,537	26,945	26,945
Water Reticulation and Sewage	0	0	46,632	46,632
Work in Progress	98,685	98,685	129,291	129,291
Total Net Book Value	630,195	616,657	957,103	943,038

**NOTES TO THE FORECAST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**NOTE 17. OTHER NON-CURRENT
ASSETS**

Accounts Receivable Due after One Year
Other
Total Other Non-Current Assets

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
8,515	8,515	38,048	38,048
7,609	7,609	7,653	7,653
16,124	16,124	45,701	45,701

NOTE 18. ACCOUNTS PAYABLE

Creditors
Operating Lease Rental
Outputs from Public Authorities
Other Accounts Payable
Total Accounts Payable

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
11,924	11,924	23,725	23,725
9	9	9	9
1,258	1,258	0	0
10,654	10,654	17,575	17,575
23,845	23,845	41,309	41,309

NOTE 19. UNEARNED REVENUE

Income Received in Advance
Other Unearned Revenue
Total Unearned Revenue

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
67	67	278	278
268	268	11,993	11,993
335	335	12,271	12,271

**NOTE 20. EMPLOYEE ENTITLEMENTS
(CURRENT)**

Long Service Leave and Other Leave
Entitlements
Other Salary Related Entitlements
Total Employee Entitlements

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
2,917	2,917	3,017	3,017
10	10	42	42
2,927	2,927	3,059	3,059

**NOTES TO THE FORECAST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

**NOTE 21. OTHER CURRENT
LIABILITIES**

Provisions 0 0
Other 2,184 2,184
Total Other Current Liabilities

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
0	0	7,657	7,657
2,184	2,184	10,041	10,041
2,184	2,184	17,698	17,698

**NOTE 22. EMPLOYEE ENTITLEMENTS
(NON-CURRENT)**

Long Service Leave and Other Leave
Entitlements 821 821
Other Salary Related Entitlements 0 0
**Total Non-Current Employee
Entitlements**

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
821	821	821	821
0	0	30	30
821	821	851	851

**NOTE 23. UNFUNDED PENSION
LIABILITY (NON-CURRENT)**

Unfunded Pension Liability 178,896 178,896
Total Unfunded Pension Liability

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
178,896	178,896	180,171	180,171
178,896	178,896	180,171	180,171

**NOTES TO THE FORECAST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 24. BORROWINGS

Maturity profile as at 30th JUNE 2008
at Book Values
Outstanding Debt

Local Currency Debt

Not later than One Year

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
16,806	16,806	21,754	21,754
33,612	33,612	58,741	58,741
50,418	50,418	50,732	50,732
183,911	194,900	310,782	321,771
284,747	295,736	442,009	452,998

Between One and Two Years

Between Two and Five Years

Later than Five Years

Total Local Currency Debt

Foreign Currency Debt (state in \$CI)

Later than Five Years

0	0	77,037	77,037
0	0	77,037	77,037
284,747	295,736	519,046	530,035

Total Foreign Currency Debt

Total Outstanding Debt

**Local Currency Marketable Securities
and Deposits**

Not later than One Year

0	0	86,500	86,500
0	0	86,500	86,500

**Total Local Currency Marketable
Securities and Deposits**

Net Public Debt

**NOTE 25. OTHER NON-CURRENT
LIABILITIES**

Other

0	0	3,662	3,662
0	0	3,662	3,662

Total Other Non-Current Liabilities

**NOTES TO THE FORECAST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2008**

NOTE 26. ACCUMULATED SURPLUS

Housing Guarantee Reserve Fund
Environmental Protection Fund
Retained Earnings held as Special Funds
Accumulated Surplus
Total Accumulated Surplus

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
1,029	1,029	3,753	3,753
21,854	21,854	21,854	21,854
43,036	43,036	73,747	73,747
470,152	416,735	436,717	383,300
536,071	482,654	536,071	482,654

**NOTE 27. RECONCILIATION OF
OPERATING SURPLUS TO CASH
FLOWS FROM OPERATING
ACTIVITIES**

Operating Surplus/(Deficit)

Non-Cash Movements

Depreciation and Asset Revaluations
Increase in Provision for Doubtful Debts
Increase/(Decrease) in Payables and
Accruals
Personnel
Subsidies, Grants and Transfers
Net Gain/Loss from Sale of Fixed Assets
Net Surplus/Deficit in Investments in
Public Authorities
(Increase)/Decrease in Receivables
**Net Cash Flows from Operating
Activities**

Core Government		Entire Public Sector	
2007/08 Forecast \$000	2007/08 Budget \$000	2007/08 Forecast \$000	2007/08 Budget \$000
37,683	14,861	37,683	14,861
15,253	15,253	34,924	34,924
0	0	5	5
7,690	7,690	6,229	6,229
1,426	1,426	(45)	(45)
0	0	403	403
0	0	602	602
11,265	8,126	0	0
(9,268)	(9,268)	(14,973)	(14,973)
64,049	38,088	64,828	42,006