



GOVERNMENT OF THE CAYMAN ISLANDS

**MINISTRY OF DISTRICT ADMINISTRATION, WORKS,
LANDS & AGRICULTURE**

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th JUNE 2013

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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 Ministry revalued its property, plant and equipment on 30 June 2013, however, there were no adjustments recognized to the carrying amount of assets as a result of this revaluation.
- (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 2013.
- (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 was not adjusted to reflect the carrying amount of revaluation on 30 June 2013; 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 2013.

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 2013;
- (b) fairly reflect the financial position as at 30 June 2013 and performance for the year ended 30 June 2013;
- (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

Date: 13 May 2015

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 2013, 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

The International Public Sector Accounting Standards on Property, Plant and Equipment (IPSAS 17) prescribes that if the entity adopts a revaluation method of its assets and the carrying amount of a class of assets is either increased or decreased as a result of a revaluation, the increase or decrease shall be recognized either to revaluation surplus or in surplus or deficit. The entity revalued its property, plant and equipment on 30 June 2013, however, there were no adjustments recognized to the carrying amount of its assets as a result of this revaluation. As a result, I am unable to ascertain the accuracy and completeness of its property, plant and equipment in the amount of \$35.2M and the related net worth or surplus/deficit accounts in the financial statements.

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 \$15.6M 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 \$35.2M as at 30 June 2013, I am also unable to determine whether the related depreciation calculation of \$1.9M 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 \$56.7M, as at June 30 2013, 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 proceeding paragraphs, I do not express an opinion on the financial position of the Ministry of District Administration, Works, Lands & Agriculture as at 30 June 2013, 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, CFE
Auditor General

Cayman Islands
13 May 2015

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS AND AGRICULTURE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Current Assets					
2,383	Cash and cash equivalents	3	3,700	8,379	8,874	(4,679)
20,716	Trade receivables	4	15,096	8,892	8,892	6,204
1,737	Other receivables	4	3,073	67	67	3,006
2,775	Inventories	5	3,052	1,322	1,322	1,730
201	Pre payments	6	1,369	770	770	599
27,813	Total Current Assets		26,290	19,430	19,925	6,860
	Non-Current Assets					
37,682	Property, plant and equipment	7	35,247	20,301	19,729	14,946
326	Intangible Assets	8	295			295
38,008	Total Non-Current Assets		35,542	20,301	19,729	15,241
65,821	Total Assets		61,832	39,731	39,654	22,101
	Current Liabilities					
1,527	Trade payables	9	1,028	901	825	(127)
6,722	Other payables and accruals	9	2,492	1,091	1,167	(1,401)
1,006	Employee entitlements	10	1,163	1,606	1,606	443
470	Unearned revenue	11	451	108	108	(343)
	Repayment of surplus					
9,725	Total Current Liabilities		5,135	3,706	3,706	(1,429)
	Non-Current Liabilities					
-	Total Non-Current Liabilities		-	-	-	-
9,725	Total Liabilities		5,135	3,706	3,706	(1,429)
56,096	Net Assets		56,697	36,025	35,948	20,672
	NET WORTH					
30,749	Contributed capital		30,877	36,025	35,948	(5,148)
15,984	Revaluation reserve		14,937			14,937
9,363	Accumulated surpluses/(deficits)		10,884			10,884
56,096	Total Net Worth		56,698	36,025	35,948	20,673

The accounting policies and notes on pages 10 – 38 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS AND AGRICULTURE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2013

Prior Year Actual \$'000			Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Revenue					
69,477	Sale of goods and services	12	66,896	71,225	70,225	(4,329)
69,477	Total Revenue		66,896	71,225	70,225	(4,329)
	Expenses					
40,077	Personnel costs	13	39,222	41,794	40,789	2,573
29,609	Supplies and consumables	14	24,199	26,128	25,952	1,929
2,285	Depreciation	7	1,911	2,970	2,970	1,059
66	Amortization of intangible Assets	8	31			(31)
67	impairment of inventory	5				-
(27)	(Gains)/losses on foreign exchange transactions	15	(24)	1	1	25
1	(Gains)/losses on disposal/valuation of property, plant and equipment	15	126			(126)
742	Loss on Revaluation of Asset	15				-
1,448	(Gains)/losses from derecognition of assets	15	(35)			25
57	Other expenses		57	60	60	3
74,325	Total Expenses		65,487	70,953	69,772	5,457
(4,848)	Surplus or (Deficit) for the period		1,408	272	453	1,128

The accounting policies and notes on pages 10 – 38 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS AND AGRICULTURE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

Prior Year Actual \$'000		Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	<i>Receipts</i>				
57,750	Outputs to Cabinet	55,208	56,084	56,084	(876)
322	Outputs to other government agencies	1,451	1,858	1,858	(407)
11,635	Sale of goods and services	12,377	13,283	13,283	(907)
-	Other receipts	308	-	-	308
	<i>Payments</i>				
(40,117)	Personnel costs	(38,608)	(41,794)	(41,794)	3,186
(29,410)	Supplies and consumables	(30,563)	(26,189)	(26,189)	(4,374)
179	Net cash flows from operating activities	172	3,242	3,242	(3,070)
	CASH FLOWS FROM INVESTING ACTIVITIES				
(3,657)	Purchase of property, plant and equipment	(1,378)	(1,100)	(1,100)	(278)
(3,657)	Net cash flows from investing activities	(1,378)	(1,100)	(1,100)	(278)
	CASH FLOWS FROM FINANCING ACTIVITIES				
4,065	Equity investment	2,523	1,100	1,100	1,423
	Repayment of Surplus	-	(272)	(272)	272
4,065	Net cash flows from financing activities	2,523	828	828	1,694
587	Net Increase/(decrease) In cash and cash equivalents	1,317	2,970	2,970	(1,653)
1,796	Cash and cash equivalents at beginning of period	2,383	5,409	5,409	(3,026)
2,383	Cash and cash equivalents at end of period	3,700	8,379	8,379	(4,679)

The accounting policies and notes on pages 10 – 38 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS AND AGRICULTURE
GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2013

	Contributed Capital \$'000	Revaluation Reserve \$'000	Accumulated Surplus/(deficits) \$'000	Total Net worth \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
Balance at 30 June 2011	22,747	-	18,414	41,161	32,004	32,005	(9,157)
Prior Year Adjustments	-	-	(4,203)	(4,203)	-	-	4,203
Restated balance	22,747	-	14,211	36,958	32,004	32,005	(4,954)
Changes in net worth for 2011/12							
Gain/(loss) on property revaluation	-	15,984	-	15,984	-	-	(15,984)
Exchange differences on translating foreign operations	(1,734)	-	-	(1,734)	-	-	1,734
Equity Investment from Cabinet	9,737	-	-	9,737	2,921	2,921	(6,816)
Repayment of surplus to Cabinet	-	-	-	-	(110)	(110)	(110)
Net revenue / expenses recognised directly in net worth	8,003	15,984	-	23,987	2,811	2,811	(21,176)
Surplus/(deficit) for the period 2011/12	-	-	(4,848)	(4,848)	110	110	4,958
Total recognised revenues and expenses for the period	8,003	15,984	(4,848)	19,139	2,921	2,921	(16,218)
Balance at 30 June 2012 carried forward	30,750	15,984	9,363	56,096	34,925	34,926	(21,172)
Balance at 30 June 2012 brought forward	30,750	15,984	9,363	56,096	34,925	34,926	(21,171)
Changes in net worth for 2012/13							
Prior Year Adjustments	(713)	-	146	(567)	-	-	567
Restated balance	30,037	15,984	9,509	55,529	34,925	34,926	(20,604)
Changes in net worth for 2012/13							
Exchange differences on translating foreign operations	-	-	-	-	-	(77)	-
Equity Investment from Cabinet	840	(1,047)	-	(207)	1,100	1,100	1,307
Repayment of surplus/Dividends to Cabinet	-	-	(1,407)	(1,407)	(272)	(454)	1,135
Net revenue / expenses recognised directly in net worth	840	(1,047)	(1,407)	(1,614)	828	569	2,442
Surplus/(deficit) for the period 2012/13	-	-	1,407	1,407	272	454	(1,135)
Total recognised revenues and expenses for the period	840	(1,047)	-	(207)	1,100	1,023	1,307
Balance at 30 June 2013	30,877	14,937	9,509	55,322	36,025	35,949	(19,297)

The accounting policies and notes on pages 10 – 38 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Note 1: Description and principal activities

The Ministry of District Administration, Works, Lands & Agriculture (the “Ministry”) is a Government owned entity as defined by the Public Management and Finance Law (2012 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 30th June 2013, the Ministry comprised the following departments: Ministry Administration (MDA), Department of Agriculture (DOA), Petroleum Inspectorate (CPI), District Administration (DAD), Department of Vehicle and Equipment Services (DVES), Department of Environmental Health (DEH), Department of Lands and Survey (LSU), Mosquito Research and Control Unit (MRCU), Postal Services Department (POS), Public Works Department (PWD), Radio Cayman (RCY), Recreation, Parks and Cemeteries Unit (RPCU), Department of Vehicle and Drivers Licensing (DVDL), National Weather Service (NWS) and Office of Telecommunications (TCO).

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.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

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 2012/2013 Annual Budget Statement and were approved by the Legislative Assembly on the 29th August 2012. 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 recognized 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 recognized in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognized as a liability (unearned revenue).

The Ministry derives a significant percentage, 76%, of its revenue through the provision of services to Cabinet. The remainder of the Ministry's revenue comes from other agencies in government and third parties. Cabinet revenue is recognized at the monthly cost to produce the outputs agreed in the Annual Budget Statement for 2012/2013. Other revenues are recognized at the fair value of services provided.

(e) Expenses

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

(f) Operating leases

Operating lease payments are recognized 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 recognized as expenses on a straight-line basis over the lease term. Lease incentives received are recognized evenly over the term of the lease as a reduction in rental expense.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

(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.

(h) Prepayments

The portion of recognized expenditure paid in advance of receiving services has been recognized as a prepayment.

(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 realizable 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 realizable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

(j) Property, Plant and Equipment

Property, plant and equipment, are 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 recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance 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.

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

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

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 Statement of Financial Performance.

(k) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognized in the Statement of Financial Performance 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 the 1st January 2000, the Board operated a defined benefit scheme. With effect from the 1st 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 recognized in the Statement of Financial Performance 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, trade and accounts receivables and trade and accounts payable, all of which are recognized in the Statement of Financial Position.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognized as an expense in the Statement of Financial Performance

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 unfavorable. Financial liabilities comprise of accounts payable and accrued expenses.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Recognition

The Ministry recognizes 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 recognized in the Statement of Financial Performance.

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 amortized cost, being the amount at which the liability was initially recognized 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-recognized when the Ministry realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized 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 realized.

(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 recognized in the Statement of Financial Performance.

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

- Foreign currency monetary items are 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.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Note 3: Cash and cash equivalents

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
9	Cash on hand			9	9	9	-
188	Cash In transit			161	-	-	161
1,391	CI\$ Operational Current Account			3,166	8,370	8,865	(5,204)
537	US\$ Operational Current Account	258	0.84	216	-	-	216
15	Payroll Current Account			73	-	-	73
243	Bank Accounts held at other financial institutions			75			75
2,383	TOTAL			3,700	8,379	8,874	(4,679)

The Ministry's cash and cash equivalents at the end of the year was \$3.7 million which was significantly lower than the original budget of \$8.4 million. The budget assumed that Trade and other receivables would have fallen from the \$20.7M high recorded in June 2011/12 to just under \$9.0 million resulting in higher cash balances (Refer to **Note 4-Trade and other receivables**). That target was not achieved. In addition, the opening cash balance of \$2.4 million was actually significantly less than was budgeted \$5.4 million (See **Statement of Cash Flow**, page 8).

Year on year, the overall cash balances grew by \$1.3 million. The Ministry also reduced its trade liabilities by \$4.7 million (see **Note 9- Trade payables, payables and accruals**) as at the 30th June 2013 while reducing its operating costs by \$9.1 million. The net result was increased cash balances as at the 30th June 2013.

Note 4: Trade and other receivables

Actual Prior Year		Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Trade Receivables				
9,802	Sale of goods and services	11,194	2,186	2,186	9,008
8,489	Outputs to Cabinet	4,610	3,936	3,936	674
3,135	Outputs to other government agencies	-	2,770	2,770	(2,770)
(710)	Less: provision for doubtful debts	(710)	-	-	(710)
20,716	Total trade receivables	15,095	8,892	8,892	6,202

Trade receivables

The Ministry's budget for Trade receivables did not take into account the garbage fees receivable which came on the books in 2010/2011 resulting in a \$8.2 million variance on Sales of goods and services receivable. A significant portion of the garbage fees receivable balance dates back to 2004/05. The Ministry continues to pursue these sums albeit with minimal success.

Output to Cabinet reflect the balance due for the month of June 2013 and was within the normal billing and receipting cycle. This contrasts with the prior year when the Cabinet billings were delayed for two (2) months.

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Included in amounts due for outputs to other government departments was the National Weather Services with an outstanding receivable for outputs provided to Cayman Islands Airport Authority. In addition, Facilities Management had an outstanding receivable for Ink and Paper Recharge in GOAP while the Department of Environmental Health has a receivable for Vehicle Disposal fees.

Other receivables

Actual Prior Year	Other Receivables	Actual Current Year	Original Budget	Final Budget	Variance (Org vs Actual)
34	Advances (salary, Official Travel, etc)	55	49	49	6
8	Dishonoured cheques	9	18	18	(9)
1,694	Other Receivable	3,010	-	-	3,010
1,736	Total other receivables	3,074	67	67	3,007

The Postal Services Department had outstanding terminal dues of \$1.2 million due to them under international terminal agreements.

Changes in the provision of doubtful debts:

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
(1,139)	Balance at 1 July	(710)	-	-	(710)
	Additional provisions made during the year	-	-	-	-
429	Receivables written off during the period	-	-	-	-
(710)	Balance at 30 June	(710)	-	-	(710)

There was no movement in the provision for doubtful debts during the year under review.

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Waivers & Concessions

The Ministry gave no concessions or waivers during the year ended 30th June 2013.

Note 5: Inventories

Actual Prior Year	Description	CURRENT	NON- CURRENT	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Original vs Actual)
2,259	Inventory held for use in the provision of goods and services	2,547		2,548	1,322	1,322	1,226
583	Inventory held for sale	511		511			511
(67)	Impairment of inventory	(6)		(6)			(6)
2,775	TOTAL INVENTORIES	3,052		3,053	1,322	1,322	1,731

The Ministry's inventory balances surpassed the budget expectations primarily due to a reclassification of some expenditures which had been previously expensed. During the year ended 30th June 2013, Post Office stamps, DVDL License Plates, Facilities Management stores, Agriculture feed and fertilizer stores and the District Administration Garage Stores costs which were previously expensed were determined to be inventory items and are now carried as such. Previously, only MRCU and DVES stock was budgeted for as inventory items.

The reclassification was also made in the comparative period.

Impairment

In accordance with The Public Management and Finance Law and the accompanying regulations as well as generally accepted accounting principles, the Department of Vehicles impaired the carrying value of their inventory by \$6,000 to account for stock that was confirmed to be obsolete. In the prior year DVES also impaired their inventory by \$67,000.

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Note 6: Prepayments

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
201	Accrued Prepayments	1,369	22	22	1,347
(0)	Prepaid Insurance		748	748	(748)
201	Total Prepayments	1,369	770	770	599

The upward swing in prepayments came largely due to the MRCU making a large unexpected insecticide purchase at the end of the year. Due to the onset of the inclement weather, inventory levels had fallen dramatically. Based on the lead time and other inventory management concerns, the MRCU had to make the insecticide purchase immediately rather than wait for the new financial year as was previously planned.

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Note 7: Property, plant & equipment

Cost or Opening Valuation	Plant and equipment	Buildings	Furniture	Computer Hardware	Office Equipment	Other assets	Infrastructure	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	5,993	11,026	966	2,040	787	306	3,359	15,902	98	19	2,853	43,347	45,140	45,140	(1,792)
Additions	442	-	92	395	198	-	104	225	-	-	3,420	4,876	4,121	4,121	756
Revaluations	-	15,984	-	-	-	-	-	-	-	-	-	15,984	-	-	15,984
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	(3,239)	-	-	-	(84)	-	-	-	-	-	(84)	-	-	(84)
Balance as at 30 June 2012	6,435	23,771	1,058	2,435	985	221	3,463	16,127	98	19	6,273	60,884	49,261	49,261	11,624
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	6,435	23,770	1,058	2,435	985	221	3,463	16,127	98	19	6,273	60,884	49,261	49,261	11,623
Additions	11	20	13	24	36	1	6	264	-	1,619	1,477	3,470	1,100	1,100	2,370
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(473)	(191)	(127)	(632)	(156)	(7)	(58)	(470)	(89)	-	-	(2,202)	-	-	(2,202)
Transfers	(1,650)	4,937	(136)	(14)	(16)	1,650	(15)	(81)	-	-	(5,469)	(793)	-	-	(793)
Balance at 30 June 2013	4,323	28,536	808	1,814	850	1,865	3,396	15,840	9	1,638	2,280	61,358	50,361	50,361	10,998
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Depreciation and Impairment Losses															
Balance as at 1 July 2011	3,178	3,415	620	1,267	534	234	1,641	13,631	43	5	-	24,568	24,624	24,624	(56)
Transfers 2011/12	-	(3,626)	-	-	-	-	-	-	-	-	-	(3,626)	-	-	(3,626)
Revaluation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2011/12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2011/12	465	315	57	367	79	2	223	770	8	1	-	2,285	2,465	2,465	(181)
Eliminate on Disposal 2011/12	-	-	-	-	-	-	(25)	-	-	-	-	(25)	-	-	(25)
Balance as at 30 June 2012	3,642	104	677	1,634	613	236	1,838	14,401	51	6	-	23,202	27,090	27,662	(3,888)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	3,642	104	677	1,634	613	236	1,838	14,401	51	6	-	23,202	27,090	27,662	(3,888)
Transfers 2012/13	(98)	-	-	-	-	98	-	-	-	-	-	-	-	-	-
Impairment Reserve 2012/13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2012/13	322	261	23	315	62	97	204	547	1	82	-	1,912	2,970	2,970	(1,058)
Eliminate on Disposal 2012/13	-	1,028	-	(206)	-	-	-	-	(48)	-	-	774	-	-	774
Balance at 30 June 2013	3,866	1,393	700	1,743	674	431	2,042	14,948	3	88	-	25,888	30,060	30,632	(4,172)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Book value 30 June 2012	2,792	23,666	381	802	372	(15)	1,625	1,726	47	13	6,273	37,682	22,171	21,599	15,511
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Book value 30 June 2013	458	27,143	108	72	175	1,433	1,354	892	6	1,550	2,280	35,471	20,301	19,729	15,170

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Summary of major projects in work-in-progress:

<i>Prior year</i>	<i>Description</i>	<i>Current year</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
			<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
4,378	MRCU Hangar	960	500	500	460
429	Cayman Brac PWD Building	692	600	340	92
1,466	Other*	629			629
6,273	Total	2,280	1,100	840	1,180

*Multiple projects and purchases

The Cayman Brac PWD building – work on the project was halted while the MRCU hangar was commissioned in 2012/13.

Asset Revaluation

Property (buildings and structures) were revalued as at the 1st July 2012 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation. Plant and equipment, are stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) Restated proportionately with the change in the gross carrying amount of the asset, so that the carrying amount of the asset after revaluation equals its revalued amount or
- (b) Eliminated against the gross carrying amount of the asset.

Valuation methods

The valuations contained within this report have been prepared in accordance with the aforementioned Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

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Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation) The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where it perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use.

These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$0.5m also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building / building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2001 Asset Register.
- Cayman Islands Government Land Registry Database
- Caymanlandinfo System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

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Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Buildings were revalued as an entire class of asset. The cumulative effect of all revaluations resulted in a gain of \$15.98M on asset revaluation in 2011/12 and \$245K adjusted depreciation expense for 2012/13.

Impairment

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the period end. Assets that are subject to amortization are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service. The Ministry has not tested its assets for impairment in the current year.

Work in Progress

Work in progress items are valued at cost. No depreciation is applied to work in progress items until such time as they are commissioned.

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Note 8: Intangible assets

	Computer Software	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Orig vs Actual)
Cost or Opening Valuation	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	144	144	-	-	144
Additions	304	304	-	-	304
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 30 June 2012	448	448	0	0	448

	Computer Software	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	448	448	-	-	448
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 30 June 2013	448	448	-	-	448

	Computer Software	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Orig vs Actual)
Accumulated Depreciation and Impairment Losses	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	56	56	-	-	56
Transfers 2011/12	-	-	-	-	-
Impairment Reserve 2011/12	-	-	-	-	-
Depreciation Expense	66	66	-	-	66
Eliminate on Disposal	-	-	-	-	-
Balance as at 30 June 2012	122	122	-	-	122

	Computer Software	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	122	122	-	-	122
Transfers 2012/13	-	-	-	-	-
Impairment Reserve 2012/13	-	-	-	-	-
Depreciation Expense 2012/13	31	31	-	-	31
Eliminate on Disposal 2012/13	-	-	-	-	-
Balance at 30 June 2013	153	153	-	-	153
Net Book value 30 June 2012	326	326	0	0	326
Net Book value 30 June 2013	295	295	-	-	295

The reduction in depreciation was generated from the revaluation impact as well as further clean-up of the fixed assets register over the course of the year.

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Note 9: Trade Payables, Other Payables & Accruals

Prior Year Actual	Description	Current	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
1,527	Creditors	856	-	856	901	825	45
-	- Creditors Ministries/Portfolios	95	-	95	-	-	(95)
-	- Creditors other government agencies	78	-	78	-	-	(78)
-	- Payroll Deductions	7	-	7	-	-	(7)
-	- Operating Lease	-	-	-	9	9	9
-	- Accrued Expenses	1,275	-	1,275	703	779	(572)
6,412	Accrued Expenses Ministries/Portfolios	841	-	841	-	-	(841)
-	- Accrued Expenses other government agency	(11)	-	(11)	-	-	11
-	- Other payables	478	-	478	-	-	(478)
317	Payroll Deductions	(98)	-	(98)	-	-	98
-	- Capital Charge	-	-	-	379	379	379
8,256	Total trade payables, other payables & accruals	3,521	-	3,521	1,992	1,992	(1,529)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

The overall year-end trade payables, other payables and accruals (\$3.5 million) were significantly higher than budget (\$2.0 million) primarily due to a higher level of year-end accruals. The year-end results shows an overall 43% reduction in short term payables (2012/13 \$0.9 million: 2011/12 \$1.5 million) and accruals (2012/13 \$2.7 million: 2011/12 \$6.7 million) compared to 2011/12. During the year ended 30th June 2013, the Ministry settled several years of outstanding insurance premiums due to the Portfolio of Finance. This accounted for the \$5.6 million improvement in the Accrued expenses- Ministries /Portfolios between 2011/12 and 2012/13. In addition, the downward swing reflects the removal of direct inter-agency trading. This has eliminated disputes and the delays in bill payments leading to a better payables position.

Other payables of \$0.4 million include stale dated cheques of \$0.36 million. Stale dated cheques are managed by the Treasury Department on behalf of the Ministry.

Note 10: Employee Entitlements

Actual Prior Year	Description	Actual Current Year	Original Budget	Revised Budget	Variance (Orig vs Actual)
<i>Current employee entitlements are represented by:</i>					
1,006	Annual Leave	10	1,527	1,527	1,517
-	- Retirement and long service leave	1,154	-	-	(1,154)
-	- Pension	-	80	80	80
1,006	Total current portion	1,163	1,606	1,606	443
<i>Non-current employee entitlements are represented by:</i>					
-	- Retirement and long service leave	-	-	-	-
1,006	Total employee entitlements	1,163	1,606	1,606	443

The annual leave entitlements are calculated on current salary paid to those employees eligible for this benefit.

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Annual leave entitlements are calculated on current salary, pay scale, and years of service in accordance with the Public Service Management Law and the accompanying Regulations. As part of the ongoing austerity measures, the Ministry continues to defer new hires where possible, as well as have taken steps to keep staff costs at justifiable limits. During the year ended 30th June 2013, the staff complement decreased by 8 persons (109 leavers and 101 starters). This accounts for the employee entitlement savings on budget.

The year on year increase in leave liability resulted primarily from staff shortages leading to staff leave being delayed in order to cover the unfilled posts discussed above.

Note 11: Unearned Revenues

Actual Prior Year \$'000	Details	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Original vs Actual) \$'000
	Current Portion				
-	Immigration deposits	-	3	3	3
419	Web Receipts	379	-	-	(379)
51	Postal Services	71	105	105	34
470	Total current portion	451	108	108	(343)
	Non-current Portion				
-	Non current Unearned revenues	-	-	-	-
470	Total unearned revenue	451	108	108	(343)

The positive variance in unearned revenue was primarily due to a reduction in GIS Website subscriptions. On the other hand, there was an upswing in Postal Services unearned revenues. These (Postal Services unearned revenues) are collections made on behalf of private sector entities, such as utility companies at Post Offices Island-wide.

Note 12: Sales of Goods & Services

Actual Prior Year	Revenue type	Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
53,248	Outputs to Cabinet	51,328	56,084	55,084	(4,756)
(3)	Outputs to other Ministries and Portfolios	460			460
2,735	Outputs to other Statutory Authorities and Government Companies	1,606	1,858	1,858	(252)
13,255	Outputs to other 3rd Parties	13,008	13,283	13,283	(275)
241	Outputs to Own Ministry	494			494
69,477	Total sales of goods and services	66,896	71,225	70,225	(4,329)

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The Ministry budgeted to earn \$71.2 million in 2012/13, a 3% growth over the 2011/12 outturn. This was not achieved. The Ministry instead earned \$66.8 million which was 6% under budget and 4% below the 2011/12 earnings.

The Ministry, on a monthly basis, bills Cabinet for the cost to produce and deliver the agreed outputs. During the year under review, the Ministry's overall expenses were significantly reduced due to fiscal measures implemented. These savings were passed on to Cabinet and were reflected in the reduced Cabinet Billings of \$1.9 million in 2012/13 when compared to 2011/12. There was also a \$1.2 million reduction in the trading revenues from Statutory Authorities and Government companies. This represents a strategic shift in the business model employed by the Ministry where the Ministry for example, directly billed Cabinet for the delivery of weather support services rather than the Cayman Islands Airports Authority.

Cabinet provided 77% (\$51.3 million) of the Ministry's funding while 21% (\$13.0 million) was generated from trading with the public and the remaining 2% from inter-government trading.

The revenues are further categorized as shown in the table below:

Actual Prior Year	Revenue type	Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
53,248	Outputs to Cabinet	51,328	56,084	55,084	(4,756)
732	Other Government Agencies	714	1,858	1,858	(1,144)
9,282	Fees and charges	8,519	7,606	7,606	913
4,661	General Sales	4,653	4,449	4,449	204
1,159	Rentals	1,379	981	981	398
394	Other Goods and Services	303	247	247	56
69,477	Total sales of goods and services	66,896	71,225	70,225	(4,329)

Outputs Sold to Cabinet

Unaudited Actual 2011/12	Sales of Outputs to Cabinet	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Original vs Actual) \$'000
53,248	Sales of Outputs to Cabinet	51,328	56,084	55,084	(4,756)
53,248	Total Sales of Outputs to Cabinet	51,328	56,084	55,084	(4,756)

The Ministry sold \$51.3 million in outputs to Cabinet which was \$1.9 million less than it did in 2011/12 when \$53.2 million was earned. As previously discussed, this reduction represented part of the cost cutting drive undertaken by the Ministry rather than a reduction in deliverables, the results of which are passed onto Cabinet. The table below shows the outputs sold against budget and the comparative data for the same period in 2011/12.

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Prior Year \$'000	Appropriation Description (Including Output number and name)	Current Year \$'000	Original Budget	Revised Budget	Variance
2,817	DWG 1 - Advice and Support to the Minister of District Administration, Works, Lands	2,416	3,103	2,852	687
3,841	DWG 2 - Collection, Recycling and Disposal of Waste	2,538	2,705	2,705	167
1,324	DWG 3 - Public Health Services	1,184	1,223	1,223	39
397	DWG 4 - Environmental Health Monitoring Services	374	384	384	10
231	DWG 5 - Emergency Response Services	318	332	332	14
1,053	DWG 6 - National Mail Service	1,142	1,392	1,142	250
1,580	DWG 7 - Management of Public Recreational Facilities and Cemeteries	1,570	1,628	1,628	58
934	DWG 8 - Radio Broadcasts	1,050	1,050	1,050	-
1,844	DWG 9 - Services to Farmers	1,954	1,954	1,954	-
1,804	DWG 10 - Agriculture Regulatory Services	1,643	1,643	1,643	-
375	DWG 11 - Agriculture Development Services	442	450	450	8
88	DWG 12 - Garden and Decorative Services	116	116	116	-
349	DWG 13 - Collection of Revenue	291	584	430	293
1,113	DWG 14 - Management of Special Projects	933	1,299	1,275	366
243	DWG 15 - Regulation of Dangerous Substances	210	226	226	15
2,500	DWG 16 - Management of Land Information	2,685	2,973	2,685	288
13,272	DWG 17 - Management of Government Properties	13,173	13,465	13,207	292
5,815	DWG 18 - Mosquito Control Services	4,860	5,946	5,946	1,087
2,567	DWG 19 - Government Services in Cayman Brac and Little Cayman	2,890	2,970	2,970	80
4,721	DWG 20 - Management of Executive Assets in Cayman Brac and Little Cayman	4,501	4,953	4,853	452
52	DWG 21 - Weather Forecast Services	491	666	491	175
698	DWG 23 - Licensing of Drivers and Vehicles	334	746	746	412
4,906	DWG 24 - Procurement and Maintenance of Government Fleet	5,688	5,752	5,752	64
724	DWG 25 - Telecommunication Services	523	523	523	-
53,248	MINISTRY of DAW&LA 2012-13 APPROPRIATIONS	51,328	56,084	54,584	4,755

The Ministry was able to pass on budgetary savings to Cabinet of \$4.7 million with the MRCU achieving the greatest level of saving (\$1.1 million). The year on year comparison showed that generally, output costs to Cabinet were reduced. The Output with the greatest cost reduction when compared to the prior year was **DWG2- collection, recycling and disposal of waste** which showed a \$1.3 million savings. On the other hand, DVES and the NWS had the greatest increase in their output cost, moving by \$0.8 million and \$0.4 million respectively.

Other Interdepartmental Revenue

Unaudited Actual 2011/12	Other Interdepartmental Revenue	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Original vs Actual) \$'000
732	Revenue from Ministries/Portfolios & Public Authorities	714	1,858	1,858	(1,144)
732	Total Other Interdepartmental Revenue	714	1,858	1,858	(1,144)

Year on year, the Ministry continued to reduce its direct billing for deliverables to statutory authorities and government companies while inter-ministry trading within core government has been suspended (See outputs to Cabinet above).

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Fees & Charges

Prior Year \$'000	Fees and Charges	Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
259	Agricultural Department Fees	312	277	277	35
56	School Fees	61	51	51	10
12	Disinfection Fees	13	21	21	(8)
3,412	Garbage Fees	3,054	2,472	2,472	582
953	M. V. Inspection Fees	1,227	1,009	1,009	218
194	Land Survey Fees	373	115	115	258
21	Other immigration Fees	22	17	17	5
89	Vehicle and Equip. Maintenance Fees	66			66
540	Recycling Fees	39	22	22	17
4	L.I.S. Receipts	1			1
20	Passport Fees	18		21	(3)
898	Other Fees		919	919	(919)
143	Drivers Examination Fees	159	142	142	17
21	Vehicle Bank Liens	44	21	21	23
29	Duplicate Vehicle Log Books	41	31	31	10
157	Vehicle Change of Ownership	182	150	150	32
19	Customised License Plates	22	24	24	(2)
773	Vehicle Disposal Fees	807	700	700	107
25	Environmental Service Fees	53	20	20	33
55	Annual Work Permit Application Fees (Entity)	52	56	56	(4)
27	Temporary Work Permit Application Fees (Entity)	27	26	26	1
3	Caymanian Status Application Fees (Entity)	4	3	3	1
12	Sales of Services Interdepartmental	135			135
(37)	Radiocommunications services and maintenance fees	134	1	1	133
218	Tower Licence fees	241	223	223	18
38	Telephone Service fees	11			11
38	Maintenance of Buildings (Labour)	10	97	97	(87)
	Valuation Services	(2)			(2)
407	Web Receipts	377	360	360	17
	GIS Applications		(1)	(1)	1
22	Other Labour Charges - PWD (Cayman Brac)	14	31	31	(17)
3	Heavy Equipment Application Fees	3	4	4	(1)
15	Trade & Business Admin Fee	13	17	17	(4)
1	Funds Received from RCY Events	3			3
3	Work Under Operation of Law Fees	2	2	2	
3	Residency and Employment Rights Certificate by the Spouse of a	1	4	4	(3)
2	Permanent Residence/Residency & Employment Rights Certificate/Residency Certificate for Persons of Independent Means	1			1
1	Residency Certificate for Persons of Independent Means Fee	1			1
3	Residency & Employment Rights Certificate Admin Fee	2	2	2	
2	Term Limit Exemption P	1			1
	WEA-Term Limit Exempti	2			2
472	Mail Terminal Credits	520	441	441	79
203	Motor Vehicle Licence Plates	311	187	187	124
111	Vault Sales (Cemetery Fees)	130	140	140	(10)
7	Customs Special Attendance	6	1	1	5
9,282	Total Fees & Charges	8,519	7,606	7,606	913

Fees and charges produced \$0.8 million less than the same period in 2011/12 but \$0.9 million less than budget. The decline was primarily from other fees (Weather service fees) by \$0.9 million. While a few revenue streams such as motor vehicle inspections and motor vehicle license plates returned increases largely due to the new revenue measures which took effect in September 2012, the increases were not significant enough to offset the overall reduced earnings.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

General Sales

Unaudited Actual 2011/12	General Sales	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Original vs Actual) \$'000
122	Other Postal Business	113	120	120	(7)
1,991	Postal Stamps	1,747	2,040	2,040	(293)
1,249	Sale of Agric. Supplies/Produce	1,592	1,235	1,235	357
456	Sale of Advertising Space	465	508	508	(43)
25	Philatelic Sales	38	22	22	16
	Miscellaneous Sales	70			70
529	Fuel Sales	487	500	500	(13)
141	Inventory Spare Parts	76			76
129	Maintenance of Buildings (Materials)	21	3	3	18
4	Key Employee Designation Application Fee	4	6	6	(2)
12	Police Clearances	26	13	13	13
4,661	Total General Sales	4,653	4,449	4,449	204

Year on year there was a 2% decline in general sales, the largest decline coming from the sale in Postal stamps (\$0.2 million) while Sale of agricultural supplies grew by \$0.3 million. The category had a better showing than budget largely due to the recorded increases in agricultural supplies sales. This was negated by the underperformance of postal stamps on budget.

Rentals

Unaudited Actual 2011/12	Rentals	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Original vs Actual) \$'000
944	Postal Box Rental Fees	966	907	907	59
33	Rentals - Government Housing	23	32	32	(9)
90	Rentals - Other Properties	96	1	1	95
59	Rentals - Craft Market	60			60
20	Rentals - Town Halls	15	30	30	(15)
	Rentals - Glass House	9			9
4	Rentals - Other (Formerly Tower Building)	4			4
	Rentals - Marco Giglioili	199			199
9	Equipment Rental - PWD (Cayman Brac)	7	11	11	(4)
1,159	Total Rentals	1,379	981	981	398

The overall intake from rentals continues to be steady year on year. The outturn also surpassed the budget expectations by \$0.4 million.

Other Goods & Services

Unaudited Actual 2011/12	Other Goods & Services	Unaudited Actual 2012/13	Original Budget 2012/13	Revised Budget 2012/13	Variance (Original vs Actual) \$'000
23	Miscellaneous Receipts	11	3	3	8
22	Miscellaneous Licensing Receipts	80	24	24	56
11	Settlement of insurance	1			1
225	GIS Applications	109	103	103	6
21	GPS Licenses Refund	19	17	17	2
92	Mapping Services	83	100	100	(17)
394	Total Other Goods & Services	303	247	247	56

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Waiver or concessions

The Ministry gave no waiver or concessions during the year ended 30th June 2013.

Note 13: Personnel costs

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
31,874	Salaries, wages and allowances	30,467	32,152	31,356	1,685
6,209	Health care	6,939	7,709	7,537	770
1,651	Pension	1,608	1,716	1,694	108
203	Leave	116	23	23	(92)
140	Other personnel related costs	92	194	179	103
40,077	Total Personnel Costs	39,222	41,794	40,789	2,573

Personnel Costs were \$2.5 million less than budget and \$0.9 million less than the comparative period in 2011/12. This was driven by the Ministry's attempt to reduce and contain expenditure during the fiscal year. Departments opted to forgo or delay the filling of vacant posts. At the end of 2012/13, the Ministry's overall staff complement declined by 8 persons. The reduction in the overall staff complement resulted in a 2% reduction in personnel costs between 2011/12 and 2012/13 (refer to *Note 8- Employee entitlements*).

Note 14: Supplies and consumables

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
13,528	Supplies and Materials	9,611	11,633	11,625	2,022
7,941	Purchase of services	7,349	6,878	6,864	(471)
1,078	Lease of Property and Equipment	385	508	408	123
4,070	Utilities	3,835	3,772	3,772	(63)
2,209	General Insurance	2,314	2,347	2,346	32
42	Interdepartmental expenses	127	105	105	(22)
339	Travel and Subsistence	244	343	342	99
225	Recruitment and Training	157	295	292	139
177	Other	177	247	197	70
29,609	Total Supplies & consumables	24,199	26,128	25,952	1,928

The reduction in actual Supplies and Consumables compared to budget resulted from saving across various areas and expenditure categories within the Ministry. The overall \$2.1 million savings on budget comprises a \$0.5 million savings from the insecticide use, \$0.5 million savings in Facilities Management's costs and a \$2.0 million savings in DVES Spare Parts. However, the highlighted savings were off-set by overspending in areas such as fuel consumption.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

The \$5.6 million year on year reduction between 2011/12 and 2012/13 was primarily achieved in the purchase of supplies and materials (\$4.1 million) and leases (\$0.7 million). The Ministry, in 2011/12, had a very active mosquito season. The MRCU was forced to go above its normal levels of activities in order to combat mosquito breeding. Similarly, DVES, in 2011/12, had to procure a large quantity of parts to repair and maintain specialized vehicles in the government's fleet. The government is faced with an aging fleet with most of the specialised vehicles and heavy equipment being over 7 years old. The government is not able to replace these vehicles in the short term and has taken the option to repair these vehicles in order to keep them operational. This has therefore produced positive variance (year on year comparison) of \$1.3 million (MRCU) and \$2.4 million (DVES) in the current year respectively.

The savings generated in the leases category resulted from greater levels of occupancy in the GOAP by Departments across the Ministry.

Note 15: (Gains) /losses

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
1	Net (gain) / loss on disposal of property, plant and equipment	126	-	-	(126)
1,448	(Gain)/Loss on Derecognition of Asset/Liab	(35)	-	-	35
742	Loss on Revaluation of Asset	-	-	-	-
(27)	Net (gain) / loss on foreign exchange Transactions	(24)	1	1	25
2,164	Total (gains)/ losses	68	1	1	(67)

The Ministry returned a positive \$2.1 million in Net (gains)/ losses over 2011/12. In 2011/12, the Ministry followed the directive of the Financial Secretary concerning the write-off of longstanding inter-agency trading balances between core government departments. This produced a loss of \$1.4 million for the Ministry. In addition, the Ministry recognised a net loss on revaluation on some of its buildings and these were recognised in accordance with generally accepted accounting practices. The recorded loss of asset disposal of \$0.1 million arose from the write-off and disposal of a dehumidifier in the Old Glass House building.

Note 16: Reconciliation of net cash flows from operating activities to surplus/ (deficit)

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
(4,849)	Surplus/(deficit) from ordinary activities	1,407	272	454	(1,136)
	Non-cash movements				
2,351	Depreciation expense	1,943	2,970	2,970	1,027
809	Impairment & Revaluations				
1	(Gain)/losses on sale of property plant and equipment	126			(126)
1,448	Gain/Loss on Derocgnition of Asset/Liab	(35)			35
	Changes in current assets and liabilities:				
1,549	(Increase)/decrease in receivables - Cabinet	1,938			(1,938)
22	(Increase)/decrease in other current assets	2,917		(182)	(2,917)
(1,090)	Increase/(decrease) in current liabilities	(8,931)			8,931
(14)	Increase/(decrease) in provisions relating to employee costs	610			(610)
226	Net cash flows from operating activities	(24)	3,242	3,242	3,266

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Note 17: Related party and key management personnel disclosures

The Ministry is a wholly owned Entity of the Government from which it derives its major source of its revenue. The Ministry and its key management personnel transact with other Government entities on a regular basis.

All transactions between government departments and key management personnel are at arm's length and all goods and services supplied at the going rate to the public. While the Ministries and Portfolios do not settle the cost of the services directly with the Ministry, the Cabinet compensates the Ministry for the provision of these services to government departments under the agreed purchase agreements. These transactions are consistent with normal operating relationships between entities under common control are being disclosed in compliance with the requirements of IPSAS.

Key management personnel, for the purposes of this disclosure, is defined as Ministers of the Government, the Chief Officer and Deputies, Chief HR Officer and Chief Financial Officer. The summary of the remuneration paid to the key management personnel is as outlined below.

Actual Prior Year	Description	Actual Current Year	Number of persons
811	Salaries & other short-term employee benefits	747	6
811	Total	747	

There were no loans were granted to key management personnel or their close relatives during the financial year.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

The Ministry's accounting records reflected inter-agency balances and transactions as at 30th June 2013 as shown in the table below.

Transacting Party	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Equity \$'000
Agriculture Investment Dev. Board (Cayman Islands Development Bank)	-	-	(2)	-	-
Airports Authority	1,486	(2)	(20)	102	-
Audit Office	-	5	-	124	-
Cabinet Office	(29)	14	-	2	-
Cayman Airways	-	(52)	(2)	151	-
CINICO	1	7	(2)	3,683	-
Civil Aviation Authority	-	-	(7)	22	-
Director of Public Prosecutions	5	-	(5)	-	-
EXCO	-	(72)	-	-	(6,073)
Executive Planning	4,699	(222)	(51,328)	124	(21,206)
Executive Tourism	-	(2)	-	-	-
Financial Services Sector	(1)	-	-	-	-
Health Authority	254	(3)	(206)	12	-
ICTA Authority	2	-	(1)	36	-
Judicial	11	(2)	(2)	(11)	-
Ministry of Communications, Works & Infrastructure	795	-	(62)	3	857
Ministry of Community Affairs	(2)	-	-	-	-
Ministry of Community Affairs, Gender & Housing	(37)	(2)	(13)	-	-
Ministry of District Administration, Works, & Gender Affairs	(987)	(63)	(4)	(40)	-
Ministry of Education Training & Employment	(19)	(4)	-	4	-
Ministry of Financial Services, Tourism and Development	(2)	47	(1)	(1)	-
Ministry of Health, Environment, Youth, Sports & Culture (formerly Minist	108	(11)	(79)	(8)	-
Monetary Authority	2	-	(283)	-	-
Museum	1	-	(2)	-	-
National Housing Development Trust	-	-	(1)	-	-
National Roads Authority	423	(11)	(508)	(83)	-
Pension Board	122	1,105	(306)	-	4
Port Authority	11	(7)	2	111	-
Portfolio of Finance and Economics	16	(399)	-	122	-
Portfolio of Internal and External Affairs	(36)	-	(3)	4	-
Portfolio of the Civil Service	(3)	-	-	-	-
Shipping Authority	1	-	-	-	-
Tourism Attraction Board	1	-	(3)	-	-
University College of the Cayman Islands (formerly Community College)	1	-	(5)	17	-
Water Authority	6	(19)	(261)	278	-
MARITIME AUTHORITY CAYMAN ISLANDS	(1)	-	-	-	-
The Office of the Premier	(1)	-	-	-	-
	6,827	307	(53,104)	4,652	(26,418)

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

Note 18: Segment Reporting

In keeping with the IPSAS requirement for the disclosure of segment reporting, the Ministry has been segmented along geographical lines.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS AND AGRICULTURE							
STATEMENT OF FINANCIAL POSITION							
AS AT 30 JUNE 2013							
Prior Year Actual \$'000	Grand Cayman \$'000	District Admin \$'000		Note	Current Year Actual \$'000	Grand Cayman \$'000	District Admin \$'000
Current Assets							
2,383	2,381	2	Cash and cash equivalents	3	3,700	3,698	2
20,716	19,035	1,681	Trade receivables	4	15,096	15,044	497
1,737	1,723	14	Other receivables	4	3,073	1,791	37
2,775	2,215	560	Inventories	5	3,052	2,541	455
201	201		Prepayments	6	1,369	1,369	
27,813	25,555	2,258	Total Current Assets		26,290	24,443	991
Non-Current Assets							
37,682	33,441	4,568	Property, plant and equipment	7	35,247	30,965	4,506
326			Intangible Assets	8	295	295	
38,008	33,441	4,568	Total Non-Current Assets		35,542	31,260	4,506
65,821	58,996	6,825	Total Assets		61,832	55,703	5,497
Current Liabilities							
1,527	1,344	183	Trade payables	9	1,028	959	69
6,722	6,066	663	Other payables and accruals	9	2,492	2,298	194
1,006	972	81	Employee entitlements	10	1,163	1,025	92
470	470		Unearned revenue	11	451	451	
9,725	8,852	927	Total Current Liabilities		5,135	4,734	355
Non-Current Liabilities							
-	-	-	Total Non-Current Liabilities		-	-	-
9,725	8,852	927	Total Liabilities		5,135	4,734	355
56,096	50,144	5,898	Net Assets		56,697	50,969	5,142
NET WORTH							
30,749	25,533	5,216	Contributed capital		30,877	28,418	2,459
15,983	12,837	3,143	Revaluation reserve		14,937	12,004	2,933
9,363	11,774	(2,460)	Accumulated surpluses/(deficits)		10,884	10,547	(250)
56,096	50,144	5,898	Total Net Worth		56,698	50,969	5,142

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
Notes to the Financial Statements
For the year ended 30th June 2013

The Net worth of Grand Cayman operations has improved marginally (2%) while the District Admin position has declined by a similar figure. The \$0.7 million decline in the net assets of the Sister Islands stems primarily from a \$1.2 million reduction in their trade receivables.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS, LANDS AND AGRICULTURE								
STATEMENT OF FINANCIAL PERFORMANCE								
FOR THE YEAR ENDED 30 JUNE 2013								
Prior Year	Actual	Grand Cay	District Admin		Current Year			
\$'000	\$'000	\$'000	\$'000		Actual	Grand Cayman	District Admin	
					\$'000	\$'000	\$'000	
Revenue								
69,477	61,697	7,779	Sale of goods and services	12	66,896	58,939	7,957	
69,477	61,697	7,779	Total Revenue		66,896	58,939	7,957	
Expenses								
40,077	34,048	6,071	Personnel costs	13	39,222	33,167	6,009	
29,609	27,439	2,170	Supplies and consumables	14	24,199	22,099	1,911	
2,285	2,142	143	Depreciation	7	1,911	1,789	122	
66	66		Amortization of Intangible Assets	8	31	31		
67	67		Impairment of inventory	5		6		
(27)	(27)		(Gains)/losses on foreign	15	(24)	(24)		
1	1		(Gains)/losses on	15	126	126		
742	742		Loss on Revaluation of Asset	15				
1,448	1,448		(Gains)/losses from derecognition	15	(35)	(35)		
57	57		Other expenses		57	56	1	
74,325	65,983	8,384	Total Expenses		65,487	57,215	8,043	
(4,848)	(4,286)	(605)	Surplus or (Deficit) for the period		1,408	1,723	(86)	

In 2011/12 District Admin returned a net loss on operations of \$0.6 million. In 2012/13, they have improved on this position reducing their loss to \$0.1 million of the total Ministry position. They were able to achieve this through general cost reductions (\$0.3 million) when compared to the prior year. Grand Cayman was able to significantly improve on their operating results returning a surplus of \$0.8 million compared to the deficit of \$4.3 million sustained in the prior year. Like the District Admin, these gains came primarily through austerity measures implemented during the year.

	DOA	DAD	EVH	LSU	MDA	MRCU	NWS	POS	PWD	RCY	RPCU	TCO	DVES	DVDL	Total
Revenue	6,195	7,957	8,373	4,574	8,337	4,982	488	4,570	8,412	1,536	1,584	1,050	6,475	2,363	66,896
Expenses	6,143	8,043	7,543	4,078	8,160	4,973	999	4,560	8,346	1,482	1,584	996	6,076	2,277	65,260
2012/13	52	(86)	830	496	177	9	(511)	10	66	54	0	54	399	86	1,636
Comparative period 2011/12	20	(605)	1,872	(744)	(1,308)	(698)	12	115	(89)	(49)	(12)	(256)	(2,562)	(587)	(4,891)
Change	32	519	(1,042)	1,240	1,485	707	(523)	(105)	155	103	12	310	2,961	673	6,527

The results of 2012/13 shown above are in stark contrast to 2011/12 when only four (4) departments achieved a surplus.

	DOA	DAD	EVH	LSU	MDA	MRCU	NWS	POS	PWD	RCY	RPCU	TCO	DVES	DVDL	Total
Revenue															
<i>Cabinet Funding</i>	4,285	7,571	4,316	3,219	7,585	4,969	491	1,185	8,381	1,050	1,584	523	5,814	357	51,328
<i>Sales of Goods & Services</i>	1,910	386	4,057	1,355	752	13	(3)	3,385	31	486	0	527	661	2,006	15,566
	6,195	7,957	8,373	4,574	8,337	4,982	488	4,570	8,412	1,536	1,584	1,050	6,475	2,363	66,894
Expenses															
<i>Personnel costs</i>	3,014	6,009	5,769	3,253	2,241	2,123	844	3,524	5,921	1,115	1,310	248	1,963	1,840	39,174
<i>Supplies and consumables</i>	3,004	1,911	1,313	372	5,894	2,689	140	916	2,262	319	201	571	4,070	349	24,011
<i>Depreciation</i>	124	122	460	323	54	161	15	59	193	47	73	177	37	69	1,914
<i>Amortization of Intangible Asse</i>	0	0	2	4	0	0	0	0	6	0	0	0	0	19	31
<i>Impairment of inventory</i>	0	0	0	0	0	0	0	0	0	0	0	0	6	0	6
<i>Gains/(losses) on foreign excha.</i>	0	0	0	0	(29)	(1)	0	5	0	1	0	0	0	0	(24)
<i>(Gains)/losses on disposal/reva.</i>	0	0	0	126	0	0	0	0	0	0	0	0	0	0	126
<i>Gain/Loss on Derecognition of A</i>	0	0	0	0	0	0	0	0	(35)	0	0	0	0	0	(35)
<i>Other expenses</i>	0	1	0	0	0	0	0	56	0	0	0	0	0	0	57
	6,142	8,043	7,544	4,078	8,160	4,972	999	4,560	8,347	1,482	1,584	996	6,076	2,277	65,261
Surplus/(deficit)	53	(86)	829	496	177	10	(511)	10	65	54	0	54	399	86	1,633

Revenue															
<i>Cabinet Funding</i>	69%	95%	52%	70%	91%	100%	101%	26%	100%	68%	100%	50%	90%	15%	77%
<i>Sales of Goods & Services</i>	31%	5%	48%	30%	9%	0%	-1%	74%	0%	32%	0%	50%	10%	85%	23%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Expenses															
<i>Personnel costs</i>	49%	75%	76%	80%	27%	43%	84%	77%	71%	75%	83%	25%	32%	81%	60%
<i>Supplies and consumables</i>	49%	24%	17%	9%	72%	54%	14%	20%	27%	22%	13%	57%	67%	15%	37%
<i>Depreciation</i>	2%	2%	6%	8%	1%	3%	2%	1%	2%	3%	5%	18%	1%	3%	3%
<i>Amortization of Intangible Assets</i>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
<i>Impairment of inventory</i>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>Gains/(losses) on foreign exchange</i>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>(Gains)/losses on disposal/revaluation of property,</i>	0%	0%	0%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>Gain/Loss on Derecognition of</i>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>Other expenses</i>	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	2012/13	2011/12	change
Revenue			
<i>Cabinet Funding</i>			
<i>Sales of Goods & Services</i>	77%	77%	0%
	23%	23%	0%
	100%	100%	0%
Expenses			
<i>Personnel costs</i>	60%	54%	6%
<i>Supplies and consumables</i>	37%	40%	-3%
<i>Depreciation</i>	3%	3%	0%
<i>Amortization of Intangible Asse</i>	0%	0%	0%
<i>Impairment of inventory</i>	0%	0%	0%
<i>Gains/(losses) on foreign excha.</i>	0%	0%	0%
<i>(Gains)/losses on disposal/reva.</i>	0%	1%	-1%
<i>Gain/Loss on Derecognition of A</i>	0%	2%	-2%
<i>Other expenses</i>	0%	0%	0%
	100%	100%	0%

There was no major fluctuation in the funding profile from one year to the next. However, while 3% less of the operating expenses were used on supplies and consumables, personnel cost consumed 6% more of the operating expenses one year to the next.

MINISTRY OF DISTRICT ADMINISTRATION, WORKS LANDS AND AGRICULTURE
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Note 19: Subsequent events

No material events occurred after the reporting date.

Note 20: Financial instruments risks

At June 30, 2013, the Ministry held various sums in financial instruments represented by cash and cash equivalents at two financial institutions 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 twelve months from the date of these financial statements.

Note 21: Contingent Liabilities

Contingent liabilities are:

- costs that the Ministry will have to face if a particular event occurs, or
- present liabilities that cannot presently be measured with sufficient reliability to be recorded in the financial statements (unquantifiable liabilities).

Typically, contingent liabilities consist of guarantees and indemnities, legal disputes and claims.

Contingent liabilities relating to the Ministry as at 30th June 2013 are reported in the consolidated accounts of the Cayman Islands Government.

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Contingent assets are:

Possible assets that have arisen from past events but the amount of the asset, or whether it will eventuate, will not be confirmed until a particular event occurs.

As at 30th June 2013, Ministry has no contingent assets.

Guarantees

Guarantees are legally binding promises made by the Ministry to assume responsibility for a debt, or performance of an obligation of another party, should that party default. Guarantees generally relate to the payment of money but may require the performance of services. Indemnities are legally binding promises where the Ministry undertakes to accept the risk of loss or damage that another party may suffer and to hold the other party harmless against loss caused by a specific stated event.

As at 30th June 2013, Ministry had not issued or was a party to any guarantee.

Note 22: Commitments

The Ministry has the following known contractual obligations as at June 2012.

Capital commitments

The Ministry of DAWLA has ongoing commitments relating to the construction of the Cayman Brac PWD Vehicle Maintenance Building on the Bluff. However work on this project has halted and there are now ongoing discussions.

Operating commitments

Non-cancellable accommodation leases – The Ministry pays an average of \$85k per month for the leases of property for office use and accommodation. Most of these are expected to fall away as departments are moved into the GOAP facilities and the MRCU hangar becomes operational in the coming year.

Other non-cancellable contracts

Non-cancellable contracts for the supply of goods and services – The Ministry has engaged the service of several corporate entities for annual contracts for the supply of, janitorial, maintenance and security services at the GOAP.

Other operating commitments

The Ministry enters into short term leases from time to time for the use of equipment and vehicles in order to carry out specialized work where the cost of outright acquisition and maintenance makes it more practical to lease