

*Ministry of District Administration,
Tourism and Transport
Annual Report 2016*





Ministry of District Administration, Tourism and Transport

Physical Address

5th Floor, Government Administration Building
133 Elgin Avenue, George Town,
Grand Cayman

Mailing Address

Ministry of District Administration, Tourism & Transport
P.O. Box 106
KY1-9000, Grand Cayman
CAYMAN ISLANDS

Website: <http://www.gov.ky/portal/page/portal/mtehome>



CAYMAN ISLANDS
GOVERNMENT



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Our Leaders



Hon. Moses Kirkconnell, JP, MLA, Minister



Mr. Joseph Hew, MLA, Councillor



Mr. Stran Bodden, JP, Chief Officer



Hon. Moses Kirkconnell, JP Deputy Premier Message for Annual Report

As Minister for District Administration, Tourism and Transport I am pleased to report on the developments and progress of the portfolios under my stewardship for the fiscal period 1st July 2015 to 30th June 2016.

With oversight for one of the Country's key service sectors and economic pillars, the Ministry strives to ensure that the tourism industry positively affects the lives of all who live, work and visit our Islands. Growth in visitor arrivals, visitors spend and indeed all of the key metrics' has ensured the financial year ending in June 2016 was a positive one for tourism on a number of fronts.

Air Arrivals in August and November 2015 were among the best ever in our recorded history and total expenditure was estimated to be KY\$574.1 million. Cruise passenger arrivals were equally impressive, allowing us to welcome 1,781,236 passengers to our shores.

Outstanding results over successive years have brought millions of investment dollars to our economy. New properties are planned, existing ones are being transformed and more jobs and business opportunities have been created. Against this backdrop of positive performance, our focus has remained on infrastructural development at our ports of entry. As sustainable growth is dependent on the infrastructure to support it, I am particularly pleased by the milestones that have been accomplished in this regard. Phase 1 of the redevelopment and expansion of the Owen Roberts International Airport is complete and a \$42.5M contract for phase II has been signed. When complete, the airport will be a tremendous asset to our Islands that will allow us to reap the benefits of a safe, attractive and comfortable experience.

In the meantime, as directed by Cabinet, the Ministry began discussions with cruise lines on the commercial terms regarding the proposed CBF. Plans to re-work the pier designs to achieve the least possible environmental impact are being reviewed and the Foreign and Commonwealth Office (FCO) is being appraised of the progress. In July, a contract was awarded for the civil engineering design works which will assist in determining the cost of the repositioned piers.

Cayman Airways is in its strongest position ever and is investing in a new fleet of aircraft, the newest in the Caribbean. Its introduction in November of the 34 seater Saab 340B+ increased the number of seats between Grand Cayman and Cayman Brac and has grown passenger arrivals by 20%.

I am excited that the eight lane running track at the Bluff Playfield has been installed and look forward to completion of the 25m Competition Swimming Pool. In addition to providing benefit across the community these enhanced facilities will help to attract sports tourism opportunities to the Sister Islands.

As these few examples illustrate, the Ministry, its Statutory Authorities, Companies and Departments maintain a global perspective with a parallel local sensitivity in order to meet our broad and varied objectives. Our achievements could not have been possible without the commitment and dedication of our talented staff and I extend sincere appreciation for their hard work behind our impressive performance.

I also thank the Boards of Directors, for their guidance and acknowledge the cooperation and collaboration of our industry partners. With your ongoing support and confidence we continue to achieve our vision of being the luxury Caribbean destination of choice.

I am proud to have worked alongside you all in keeping our tourism industry vibrant and strong.



Stran Bodden, JP Chief Officer Message for Annual Report

The 2015-2016 Financial Year proved to be a year significant achievement for the Ministry of District Administration, Tourism and Transport. As Chief Officer, I am pleased to present this Annual Report for the year ending 30 June 2016.

Like all other Government agencies, the Ministry was called upon to make more efficient use of available resources and I take this opportunity to thank all of our staff members for rising to the challenge.

Aside from enhanced Marketing and Promotions initiatives, a key area of priority has been strengthening a “culture” of good governance and proper procurement processes. This strengthened “culture” has realized many increased efficiencies and effectiveness in the work of the Ministry.

With stayover air arrivals reaching record breaking highs and cruise passenger visitation maintaining positive growth, the Ministry has remained cognizant of the need for world class infrastructure and facilities to sustain our growing tourism industry well into the future.

As such, we have keenly supported the redevelopment of the Owen Roberts International Airport and have played an integral role in advancing the proposed cruise berthing facility project.

It is therefore gratifying to note that the processes used to secure the contracts and services for both of these major projects have followed the principles of international best practice. I am also pleased that the airport redevelopment project is the first major project to successfully complete the entire process outlined under the Framework for Fiscal Responsibility.

The Ministry’s performance this year is reflective of the contribution and perseverance of staff, who remain committed to ensuring that the mandate of the Cayman Islands Government is achieved. To this end, the Ministry holds in high regard its obligation to invest in the development of all who work within its portfolio, to ensure they are provided with the skills and support required to best serve the public.

I am particularly pleased to confirm that through diligent and effective succession planning, several of these roles were filled internally, and 96% of our staff are Caymanian.

As a Ministry we set very high standards for ourselves that staff meet and exceed; despite inevitable challenges and an often heavy workload. During this fiscal period the rapport between the Ministry, its Statutory Authorities and Government Companies and Departments has been highly productive, and I gratefully acknowledge and commend the respective senior management teams for their mutual cooperation and support.

Finally, I once again extend sincere appreciation to all the staff within the Ministry for their dedication and professionalism throughout the year.

Overview

What we do

The Ministry consists of the core ministry office and has responsibility for District Administration, Tourism, Public Transport Unit, and National Weather Service. In addition the Ministry oversees (on the Minister's behalf) the performance of the following statutory authorities and Government companies (Tourism Attractions Board, Cayman Airways, Cayman Turtle Farm, C.I. Port Authority, C.I. Airports Authority).

Strategic Management

The Ministry of DAT&T administers the authority's operations at the organizational level; developing business plans and corporate policy; setting long-term goals and objectives; evaluating the agency's overall performance and progress towards established targets; managing programs to improve business processes and ensure consistent service delivery; preparing or revising laws and other regulatory instruments that affect the authority's functions and responsibilities; obtaining legal advice from external sources using the laws that regulate the function of government entities.

Statistics

- \$29 Million Spent
- 5 Departments
- 223 Employees
- 216 Caymanians



Overview (cont'd)

Authorities, Boards and Committees

- Port Authority
- Airports Authority
- Cayman Turtle Farm Ltd.
- Cayman Airways Board
- Hotel Licensing Board
- Miss Cayman Committee
- Public Transport Board
- Land & Sea Co-op
- Tourism Advisory Council
- Tourism Attractions Board
- Cayman Islands Tourism Association
- Sister Islands Tourism Association
- Tourism Apprenticeship
- Training Programme Council
- National Tourism
- Management Policy
- Steering Committee
- National Festival Committee & District Committees
- Sister Islands Affordable Housing Development Corporation

Governing Law

- Traffic Law (2012 Revision);
- The Traffic Law (1999 Revision) Regulations;
- The Public Passenger Vehicles Regulations (1999 Revision);
- The Traffic (Public Transport Appeals Tribunal) Regulations, 2012,
- The Public Passenger Vehicles (Amendment) Regulations, 2012;
- The Customs (Temporary Provisions) Regulations, 2005;
- Tourism Law (1995 Revision);
- Tourism Regulations (2002) Revision
- Tourism Accommodation (Taxation) Law (2013 Revision)
- National Archive and Public Records (Regulations) 2007;
- Public Management and Finance Law (2013 Revision)
- Financial Regulations (2013 Revision);
- Public Service and Management Law (2013 Revision);
- Personnel Regulations (2013) Revision
- Freedom of Information Law, (2015 Revision)
- Freedom of Information (General) Regulations, 2008
- National Archive and Public Records Law (2015 Revision)
- National Archive and Public Records Regulations, (2007)

Ministry of DAT&T

Human Resources Management Report & Statistics

HR Mission

The Ministry of DAT&T Human Resources Division is to support the Chief Officer/Head of Department's through the development and administration of quality human resources systems, programs and services designed to enhance the work environment and increase organizational effectiveness

HR Vision

To provide a strategic and operational human resources function that is creative, customer focused (internal and external), quality driven, and highly effective toward the pursuit of an exceptional and diverse workforce.

Human Resources management Reports and Statistics

Human resources initiatives undertaken during the year centered on identifying well-qualified and experienced candidates to fill vacant positions. The Ministry is particularly pleased to confirm that through diligent and effective succession planning, many of these roles were filled internally, and 96% of our staff are Caymanian.

Several staff members have embraced opportunities to further their education and professional development by pursuing degrees at the Associate, Bachelor's and Master's levels, while others are completing accounting certifications.

For the 2015/16 Financial year, the Ministry had Performance Agreements in place for all employees, as part of its overall performance management system to increase accountability and drive performance across all sectors. We have hit all mandated Performance Management targets over the last 3 years

The table of statistics on staff complement per department inclusive of core Ministry

Cost Center	Caymanians	PR Married to Caymanian	Non-Caymanians	Total Staff complement	Percentage Caymanian
District Administration	134	2	1	137	97%
Ministry Administration	13	0	1	14	93%
Public Transport	9	0	0	9	100%
National Weather Service	12	0	1	13	92%
Department of Tourism	48	0	2	50	96%
Total	216	2	5	223	97%

HR HIGHLIGHTS

Chief Officer's Choice for the month of July 2016 was Gary Dominguez, Events Marketing Representative with the Department of Tourism.



The Chief Officers' Choice for the Month of June 2016 was Keino Daley , Nature Tourism Guide {Marketing & Promotions} - District Administration

Through out the year the Ministry worked with its department to recognize employee efforts and show appreciation for their efforts and commitment.



District Admin STAFF Appreciation 2016



MoT STAFF RETREAT 2016



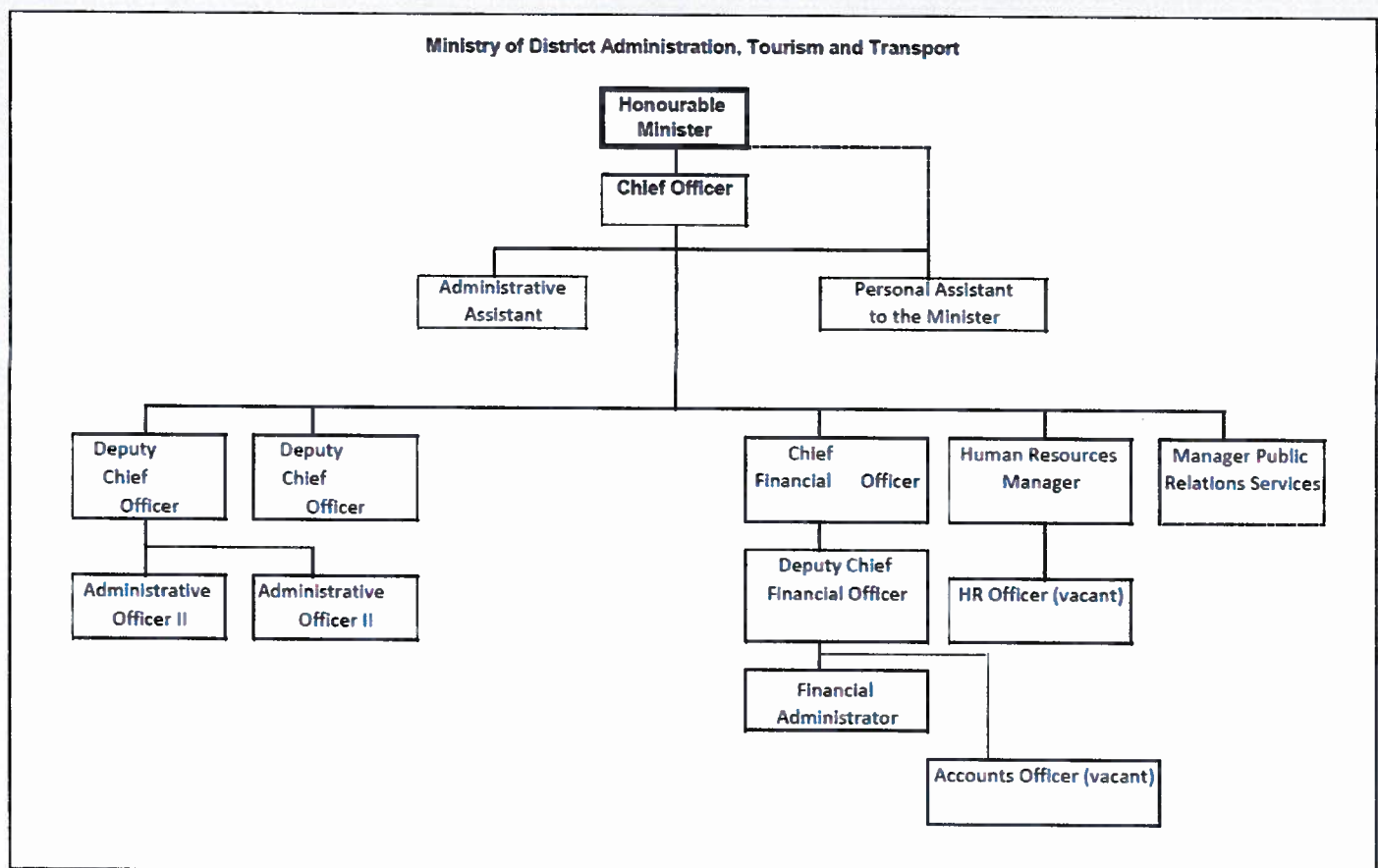
PTU STAFF RETREAT 2016



MoT Mother's day celebrations 2016



Organization



District Administration

About us

District Administration Department is the main Government Office within the Sister Islands. The general nature of activities are to administer and support the business of government in Cayman Brac and Little Cayman, ensuring the timely and efficient implementation of government policies. It is headed by the District Commissioner and the Deputy District Commissioner.

The sections that fall under the remit of District Administration include:

- District Commissioner's Office
- Computer Services
- Customs
- Day Care Centre
- District Office (Little Cayman)
- Heritage House
- Immigration
- Marketing & Promotions
- Museum
- Public Works
- Treasury
- Vehicle Licensing
- Sports Department
- Finance Department



Scope of Activities

To provide the following services in Cayman Brac and Little Cayman:

- General Administration, Policy Formulation, Coordination and Implementation;
- Treasury Services;
- Vehicle, Electrical and Other Inspection and Licensing Services;
- Customs and Immigration Services and Controls;
- Public Works Implementation and Management;
- Disaster Management;
- Coordinate VIP Visits and Host Official Ceremonial and Social Functions;
- Administer Museum/Cultural/Heritage Awareness Services;
- Provide Pre-School and Child Care Services;
- Marketing & Promotions
- IT Services
- Respond to the needs of other government (client) departments and agencies.

District Administration

Customers and Location of Activities

District Administration customers include the general public, resident and non-resident, and, other government departments and agencies. District Administration Department Headquarters is located at 19 Kirkconnell Street, Stake Bay, Cayman Brac with other operational offices at various locations on Cayman Brac and Little Cayman.

Achievements Cayman Brac

- 10 houses repaired for Senior Citizens
- 4.47 miles of public roads paved with Asphalt
- Architect hired to design 25 Meter Swimming Pool
- Architect hired to redesign Sports Complex Multi-Purpose Hall
- Construction of Stake Bay Public Restroom commenced (completed Sept 2016)
- Customs truck and Boat purchased (Truck delivered June 2016; Boat delivered Sept 2016)
- Portion of PWD aging equipment fleet replaced (eg. Pick-up Trucks, Vans, Water Truck, Roller, etc) – equip delivered June – Sept 2016)
- Salt Water Pond – water level and pumps maintained/monitored.
- Implementation of Inventory management system and Satellite Tracking system



Achievements Little Cayman

- 7.58 miles of roads Sand Sealed
- Little Cayman Airfield emergency lights replacements purchased (delivered Aug 2016)

Forward looking

Cayman Brac

- Repair approx. 10 additional houses for Senior Citizens
- Pave approx. 5 miles of roads with Asphalt
- Publicly Tender and construct the 25 Meter Swimming Pool
- Publicly Tender and complete interior fit-out of the Sports Complex Multi-Purpose Hall
- Continue the maintenance/monitoring of Salt Water pond water levels/pumps

Little Cayman

- Sand Seal approx. 3 miles of public roads



Department of Tourism

About us

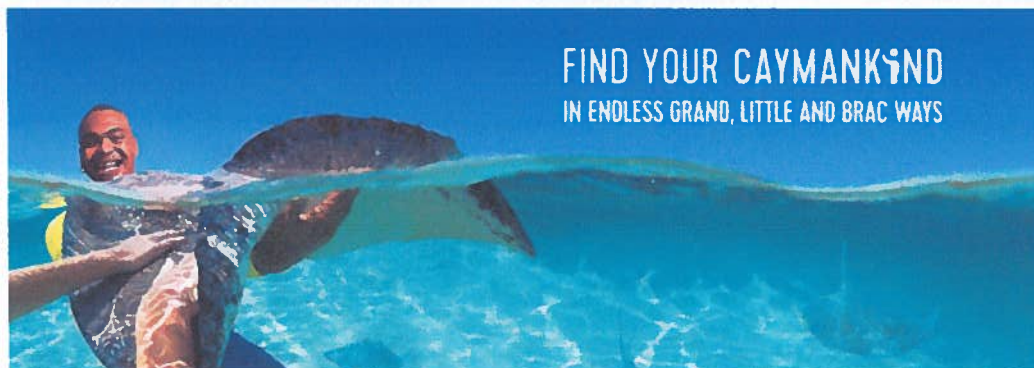
The Cayman Islands Department of Tourism (CIDOT) is a public sector agency charged with short and medium term responsibility for strategic planning and general destination management for the Cayman Islands tourism industry. The Department practices corporate business management acumen in the public sector environment, and involves a close working relationship with a wide range of stakeholders. To be successful, the Department must maintain a global perspective and a parallel local sensitivity in order to meet its broadest objectives as identified in the National Tourism Management Policy (2009-2013).

Scope of Activities

The nature of the activities executed by the Department range from research and policy advice to international marketing and sales, from industry training programmes, to the development of environmentally responsible management of the tourism industry. At all times, the Department seeks to advance the heritage, culture and values of the Cayman Islands and promote the advancement of sustainable tourism policies for the benefit of future generations.

Our People

- There were seven (7) new hires between July 2015 - June 2016.
- Twenty-five (25) employees from all Cayman Islands global offices completed training on David Allen's "Getting Things Done" and an additional seven (7) staff members received training in various subjects that included Leadership, Business Continuity and Disaster Planning and Hospitality Workshops.
- Five (5) staff members advanced in continuing education and are currently pursuing degrees at various levels that include Associate, Bachelor's and Master's levels.
- The Department of Tourism Grand Cayman Head Office is comprised of 92% Caymanians.



Department of Tourism

Achievements

- Caribbean Journal: Caribbean Tourism Minister of the Year 2015- Hon. Moses Kirkconnell
- Cayman Airways as Caribbean Airline of the Year
- Ritz Carlton GC as Caribbean Hotel of the Year
- 2016 Best Dive Resorts:
 - #1 Little Cayman Beach Resort
 - #8 Sunset House
- Family Vacation Critic: Top Rated family hotel in the Caribbean: Caribbean Club
- TripAdvisor: Caribbean Club #3 luxury hotel in the Caribbean
- Business Insider: Top 25 Places in the Caribbean, Cayman Islands is # 8
- Travel Pulse and US News & World Report's US and international breakdown of Best hotels of 2016: RCGC ranked #1 out of 5 in the Caribbean
- Scuba Diving Magazine - 2016 Top 100 Readers Choice Awards Caribbean/Atlantic
- March 25, 2016 Travelers Choice Best Destinations in the Caribbean
- June 27, 2016 U.S. News & World Report: Cayman Islands' individual Best Vacations ranking.



Forward looking

As the Cayman Islands Department of Tourism looks to future expansion of the Cayman Islands Tourism Product and the responsible management of the sector, the following strategic areas will be a priority in the 2016/17 fiscal year.

Implementation of the Tourism Law Amendments

- Deliver draft 5 year National Tourism Plan 2017 – 2021
- Include the Destination Sustainability Assessment action items identified in 2015 and build into the National Tourism Plan
- Deepen the Hotel Licensing Board's role in supporting a growing tourism sector while maintain a quality product offering
- Expand Global Destination Brand Awareness through delivery of increased visitation from the Cayman Islands primary market (USA), secondary markets (Canada & UK/Europe) and new growth markets.



National Weather Service

About us

The National Weather Service (CINWS) provides services to a wide suite of customers including the aviation sector, marine boaters and sea sporting activities, fishermen and General Public. The CINWS also provides warnings to protect life and property from adverse weather conditions including those during the passage of tropical cyclones. The Cayman Islands National Weather Service (CINWS) is involved in a four-fold mission: monitoring; research; service provision and international cooperation.

Scope of Activities

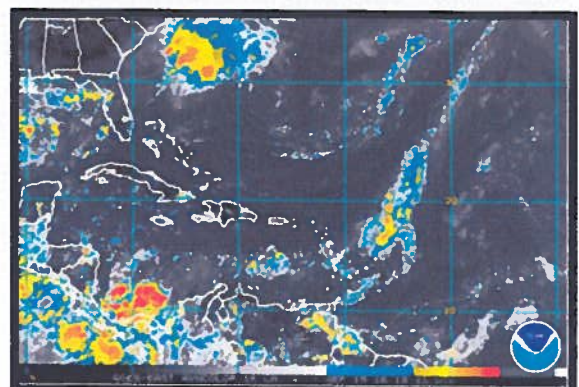
- The meteorological service provides:
- Meteorological and related services (Weather website, weather app and radar images),
- Range of weather information, forecast and warning services,
- Maintenance of systems for the collection and quality control of observational data,
- Maintenance of the national climate archive.

Governance

- Locally the service is supported by the National Weather service Law, 2010, "Section 3 (1) The Cayman Islands National Weather Service shall be recognized as the authority for all weather, climate, seismic and other meteorological matters in the Islands."
- Internationally the service carries out its duties under strict rules and regulations as agreed by international bodies such as the World Meteorological Organization (WMO) and the International Civil Aviation Authority (ICAO).



*Official Weather Source
of the Cayman Islands*



National Weather Service

Our People

The Service operates with a staff of 13 officers, 12 of which are Caymanian. The staff operates on a shift system that covers 17 hours for the day. All staff is qualified through the regional training center in Barbados.

Achievements

- Increased radar technical support through attendance of a workshop for radar techs in Belize.
- Investment in succession planning through trips of senior staff to international conferences and appropriate training.
- Involvement in international Meteorological affairs - Director General trip to Geneva for the Executive Council meeting.
- Preparation for new Goes R satellite system – Significant upgrade in weather satellite technology (Vendors visit and attendance of American Meteorological Society annual meeting in January).
- Building relationship with media – Meetings to discuss how we can work with the media to get the weather messages out (TV Forecasting and Audio recordings).

Statistics

Weather Information, Forecast, & Warning Statistics	
Forecast & Warning Observations (Grand Cayman)	6205
Quality Control Observations (Cayman Brac)	4380
Public Forecast	1095
Aviation Forecast	1825
Warnings	292

Forward looking:

- The National Weather Service currently operates on a 17 hour day shift system with plans in the future to expand to 24 hours. The purpose of the 24 hour system would be for aviation and monitoring purposes.
- Additionally, the service has a significant commitment to succession planning whereby Caymanians will continue to be trained and become fully qualified to operate this service

Public Transport Unit

About us

PTU is a public agency charged with the management and delivery of transportation of the Cayman Islands and the movement of paying customers including residents and tourist. It requires management by the Public sector in tourism and domestic services and involves a close working relationship with a wide range of stake holders. The unit reviews and assists with training of local operators to ensure the Cayman Islands remain competitive both regionally and globally with its tourism transport product.

Scope of Activities

- Assist with the training of all public passenger operators and drivers.
- Conduct general knowledge test and reviews
- Conduct Inspections for customer assurance both on public passenger vehicles and drivers to ensure operators and drivers are compliant with the Laws, Regulations, PTB policies and guidelines.
- Prepare reports as requested for the PTB to assist in their decision making process.
- Prepare agendas, and minutes of the PTB meetings.
- Prepare and issue letters to applicants
- Represent the PTB at the Public Transport Appeals Tribunal meetings
- Investigate complaints
- Queue and dispatch omnibuses from the Bus Depot

Customers and Location of Activities

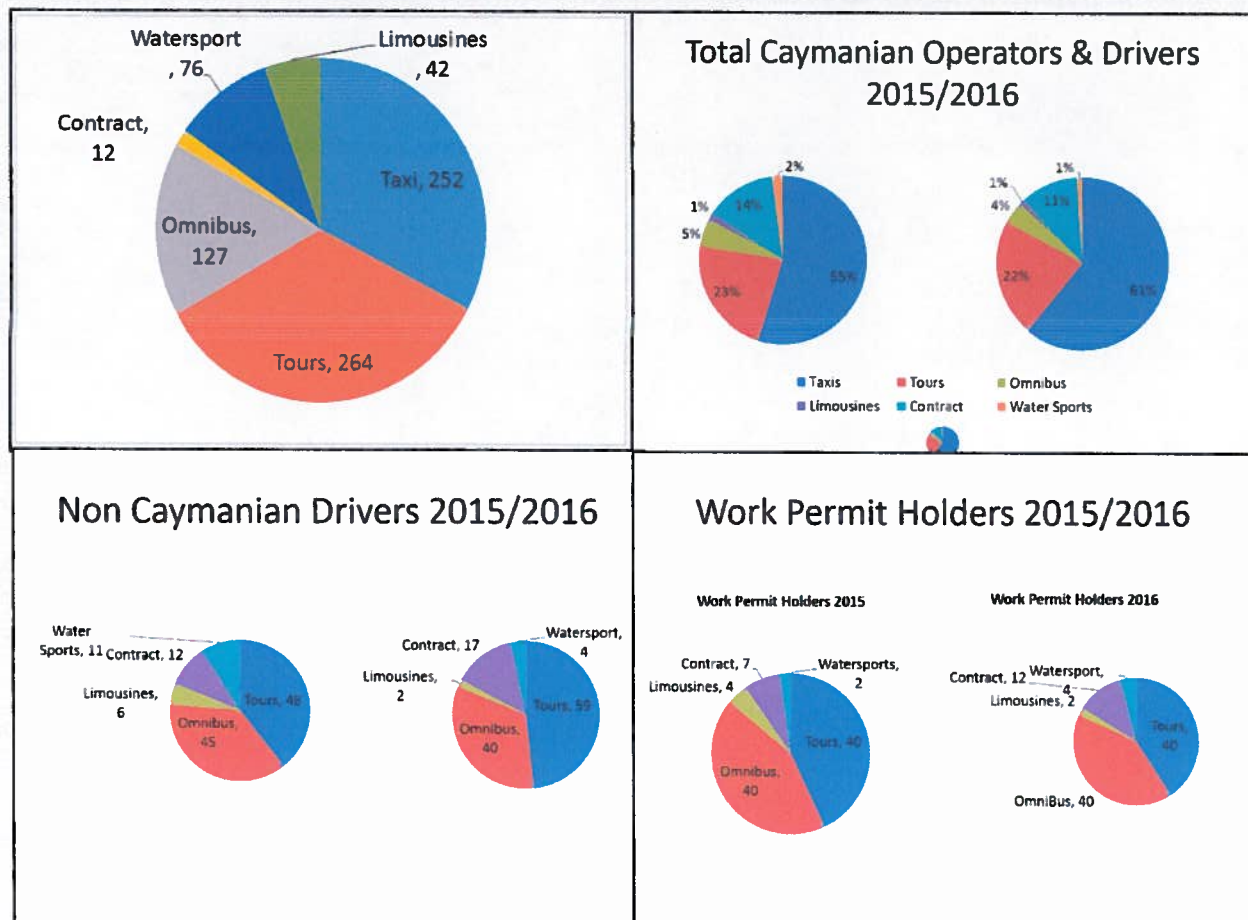
PTU customers include tourist and residents in the Cayman Islands at ports of entry, hotels, restaurants, attractions, and local residence.



Public Transport Unit

Transportation Sector Stats

Currently there are 753 persons employed in the Public Transportation sector in the six categories of service. This is an increase from 2015 which had 748 person employed. With approximately 636 or 84.46% being Caymanian, 24 or 3.19% are Permanent Resident and 93 or 12.35% are on gainful occupation license.



Forward looking:

Public Bus service continues to grow as the service improves. Bus service has improved in the Eastern districts with the placement of a PTU Inspector at the Frank Sound junction.

Executive Highlights

Summary of the major developments the Ministry, its SAGCs and Departments were involved in 2015-16. They are as follows:

- Cabinet granted approval to moving forward with discussions on the strategy with the Foreign and Commonwealth Office (FCO) and engaging the cruise lines on the commercial terms regarding the proposed Cruise Berthing Facility and review plans for the least possible environmental impact of the facility including reposition of the piers. The Ministry issued a request for proposals for firms who wish to conduct civil engineering design works for the proposed cruise berthing facility. The tender was awarded to Royal Haskoning DHV for US\$987,500.
- The Airport Authority completed Phase I of the redevelopment of the Owen Roberts International Airport. Also, the construction contract for Phase II of the redevelopment of the Owen Roberts International Airport was signed with McAlpine Ltd. This contract has a value of approximately \$42.5 million.
- In November 2015, Cayman Airways Ltd. began enhanced air travel between Grand Cayman and Cayman Brac with the introduction of the 34 seat Saab 340B+.
- The eight lane running track at the Bluff Playfield was completed. Design work was completed for a 25m Competition Swimming Pool. Design work was 75% completed for a Multipurpose Hall which includes indoor sports.
- The Jetty dock on the north side of Little Cayman was completed.



Officials including government ministers Wayne Panton, Deputy Premier Moses Kirkconnell, Osbourne Bodden and Premier Alden McLaughlin were at Owen Roberts International Airport on Friday for the arrival of Cayman Airways' newest plane. – Photo: Taneos Ramsay

A decorative graphic at the top of the page consisting of several overlapping, wavy blue lines that create a sense of movement and depth.

Audited Financial Statements



**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND
TRANSPORT**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016**

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Cayman Islands Government
Government Administration Building
Grand Cayman,
Cayman Islands
Tel: 345-949-7900 ext. 2420

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of District Administration, Tourism and Transport in accordance with the provisions of the Public Management and Finance Law (2013 Revision) and International Public Sector Accounting Standards.

We are 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 authorised by law, and properly record the financial transactions of the Ministry of District Administration, Tourism and Transport.

We are responsible for the preparation of the Ministry of District Administration, Tourism and Transport's financial statements and for the judgements made in them. We accept responsibility for their accuracy and integrity.

The financial statements fairly present the statement of financial position, statement of financial performance, statement of cash flows and statement of changes in net worth for the financial year ended 30 June 2016 except for the below.

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

- (a) completely and reliably reflect the financial transactions of Ministry of District Administration, Tourism and Transport for the year ended 30 June 2016;
- (b) fairly reflect the financial position as at 30 June 2016 and performance for the year ended 30 June 2016;
- (c) comply with the provisions of the Public Management and Finance law (2013 Revision) and International Public Sector Accounting Standards.

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.

Stran Bodden
Chief Officer

Date- 18 NOVEMBER 2016

Tiffany Ebanks
Acting Chief Financial Officer

Date- 18 November 2016

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly and the Chief Officer of The Ministry of District Administration, Tourism & Transport

I have audited the accompanying financial statements of The Ministry of District Administration, Tourism & Transport (the "Ministry"), which comprise the statement of financial position as at 30 June 2016 and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 26 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013 Revision)*.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

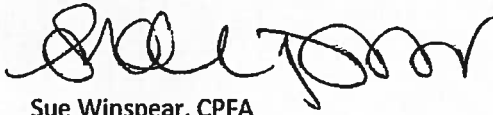
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Ministry of District Administration, Tourism & Transport (the "Ministry") as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

A handwritten signature in black ink, appearing to read 'Sue Winspear', written in a cursive style.

Sue Winspear, CPFA
Auditor General

18 November 2016
Cayman Islands

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016
(EXPRESSED IN CAYMAN ISLANDS DOLLARS)

Restated Prior Year Actual			Current Year Actual	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Current Assets					
9,775	Cash and cash equivalents	3	13,908	10,951	10,951	(2,957)
3,895	Trade receivables	4	1,943	2,066	2,066	123
113	Other receivables	4	106	2	2	(104)
295	Inventories	5/24	328	-	-	(328)
488	Prepayments	6	908	1,010	1,010	102
14,566	Total Current Assets		17,193	14,029	14,029	(3,164)
7,053	Property, plant and equipment	7	9,739	1,570	2,270	(8,169)
19	Intangible assets	7b	13	-	-	(13)
-	Other non-current assets		-	55	55	55
7,072	Total Non-Current Assets		9,752	1,625	2,325	(8,127)
21,638	Total Assets		26,945	15,654	16,354	(11,291)
	Current Liabilities					
329	Trade payables	8	462	398	398	(64)
677	Other payables and accruals	8	940	887	887	(53)
394	Employee entitlements	9	438	308	308	(130)
998	Repayment of surplus	25	2,206	-	-	(2,206)
2,398	Total Current Liabilities		4,046	1,593	1,593	(2,453)
2,398	Total Liabilities		4,046	1,593	1,593	(2,453)
19,240	Net Assets		22,899	14,061	14,761	(8,838)
	NET WORTH					
1,832	Contributed capital	26	2,718	(58)	642	(2,776)
4,640	Revaluation reserve		7,394	-	-	(7,394)
12,768	Accumulated surpluses		12,787	14,119	14,119	1,332
19,240	Total Net Worth		22,899	14,061	14,761	(8,838)

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016
(EXPRESSED IN CAYMAN ISLANDS DOLLARS)

Restated Prior Year Actual			Current Year Actual	Original Budget	Final Budget	Variance (Orig vs actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Revenue					
<u>28,988</u>	Sale of goods and services	10	<u>30,207</u>	<u>30,318</u>	<u>30,318</u>	<u>111</u>
<u>28,988</u>	Total Revenue		<u>30,207</u>	<u>30,318</u>	<u>30,318</u>	<u>111</u>
	Expenses					
13,201	Personnel costs	11	14,161	15,257	15,257	1,096
14,299	Supplies and consumables	12	14,194	14,849	14,849	655
476	Depreciation	7	475	152	152	(323)
2	Amortisation of Intangible Assets	7b	6	8	8	2
33	Legal costs	13	106	44	44	(62)
-	Losses on disposal/revaluation of property, plant and equipment	14	49	-	-	(49)
-	Losses on impairment of property, plant and equipment	14	7	-	-	(7)
(21)	Losses/(gains) on foreign exchange transactions	14	4	8	8	4
<u>27,990</u>	Total Expenses		<u>29,002</u>	<u>30,318</u>	<u>30,318</u>	<u>1,316</u>
<u>998</u>	Surplus for the period		<u>1,205</u>	<u>-</u>	<u>-</u>	<u>(1,205)</u>

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2016
(EXPRESSED IN CAYMAN ISLANDS DOLLARS)

	Contributed Capital (Restated)	Revaluation Reserve	Accumulated (deficits)/surplus (Restated)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs. Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2014 (restated)	1,737	4,640	12,768	19,145	13,914	13,914	(5,231)
Changes in net worth for 2014/15							
Equity Investment from Cabinet	95	-	-	95	95	95	-
Net revenue / expenses recognised directly in net worth	95	-	-	95	95	95	-
Surplus for the period 2014/15	-	-	998	998	-	-	(998)
Repayment of surplus	-	-	(998)	(998)	-	-	998
Total recognized revenues and expenses for the period	95	-	-	95	95	95	-
Balance at 30 June 2015 (restated)	1,832	4,640	12,768	19,240	14,009	14,009	(5,231)
Changes in net worth for 2015/16							
Prior Year Adjustments			19	19	(148)	(148)	(167)
Balance	1,832	4,640	12,787	19,259	13,861	13,861	(5,398)
Changes in net worth for 2015/16							
Increase in Revaluation reserve	-	2,754	-	2,754			(2,754)
Equity Investment from Cabinet	886	-	-	886	200	900	(686)
Net revenue / expenses recognised directly in net worth	886	2,754	-	3,640	200	900	(3,440)
Surplus for the period 2015/16			1,205	1,205			(1,205)
Repayment of surplus	-	-	(1,205)	(1,205)	-	-	1,205
Total recognized revenues and expenses for the period	886	2,754	-	3,640	200	900	(3,440)
Balance at 30 June 2016	2,718	7,394	12,787	22,899	14,061	14,761	(8,838)

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2016
(EXPRESSED IN CAYMAN ISLANDS DOLLARS)

Restated Prior Year Actual			Current Year Actual	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS FROM OPERATING ACTIVITIES					
	<i>Receipts</i>					
32,327	Outputs to Cabinet		31,563	29,820	29,820	(1,743)
-	Outputs to other government agencies		213	-	-	(213)
542	Sale of goods and services - third party		539	498	498	(41)
	<i>Payments</i>					
(12,454)	Personnel costs		(12,899)	(15,257)	(15,257)	(2,358)
(15,269)	Supplies and consumables		(15,429)	(14,849)	(14,849)	580
-	Other payments		-	(51)	(51)	(51)
<u>5,146</u>	Net cash flows from operating activities	15	<u>3,987</u>	<u>161</u>	<u>161</u>	<u>(3,826)</u>
	CASH FLOWS USED IN INVESTING ACTIVITIES					
(95)	Purchase of property, plant and equipment		(674)	(200)	(900)	474
	Proceeds from sale of property, plant and equipment					
<u>(95)</u>	Net cash flows used in investing activities		<u>(674)</u>	<u>(200)</u>	<u>(900)</u>	<u>474</u>
	CASH FLOWS FROM FINANCING ACTIVITIES					
55	Equity Investment		820	200	900	(620)
<u>55</u>	Net cash flows from financing activities		<u>820</u>	<u>200</u>	<u>900</u>	<u>(620)</u>
5,106	Net increase in cash and cash equivalents		4,133	161	161	(3,972)
<u>4,669</u>	Cash and cash equivalents at beginning of period		<u>9,775</u>	<u>10,790</u>	<u>10,790</u>	<u>1,015</u>
<u>9,775</u>	Cash and cash equivalents at end of period	3	<u>13,908</u>	<u>10,951</u>	<u>10,951</u>	<u>(2,957)</u>

The accounting policies and notes on pages 9-28 form an integral part of these financial statements.

**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

Note 1: Description and Principal Activities

The Ministry of District Administration, Tourism and Transport ("the Ministry") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2013 Revision) and it is domiciled in the Cayman Islands.

After the General Election of 22 May 2013, the former Ministry of Finance, Tourism and Development was reorganised to form the current Ministry. Effective 1 July 2013, the Ministry consists of the Ministry Administration, the District Administration department, Department of Tourism, Public Transport Unit and the Cayman Islands National Weather Service.

- The Ministry's principal activities and operations include the activities carried out by the departments as follows: The Department of Tourism seeks to advance the heritage, culture and values of the Cayman Islands and promote the advancement of sustainable tourism policies for the benefit of future generations. The Department is charged with short and medium term responsibility for strategic planning and general destination management for the Cayman Islands tourism industry. The nature of the activities include such areas as research and policy advice, international marketing and sales, industry training programmes, and development of environmentally responsible management of the tourism industry. The Department operates offices in the Cayman Islands, New York and London.
- The District Administration department administers the business of the Cayman Islands Government in Cayman Brac and Little Cayman, ensuring the timely and efficient implementation of Government policies.
- The Cayman Islands National Weather Service became an official entity in June 2010 under the administration of the Ministry of District Administration, Works, Lands and Agriculture. The Service is responsible for monitoring meteorological events and provision of meteorological information. The unit also plays a key role in Cayman's hurricane preparedness and mitigation efforts. The weather service operates from the General Aviation Terminal at the Owen Roberts International Airport.
- The Public Transport Unit is responsible for the public transport network, schedules and fares in the Cayman Islands. The Unit manages the dispatch of buses to all districts from the Bus Depot located in central George Town.

Note 2.1: Statement of Compliance and basis of preparation

The financial statements of the Ministry have been prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Cayman Islands dollars, which is the functional and reporting currency of the Ministry. Except where noted, all values in these financial statements are rounded to the nearest thousand (\$000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flow is prepared using the indirect method.

Note 2.2: Significant Accounting Policies

(a) Changes in accounting policies

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

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget as required by IPSAS 24 including explanations of material difference between original budget and actual amounts.

The details and presentation of the statement of changes in net worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

(b) Budget amounts

The original and final budget amounts for the financial year are presented in the "2015-16 Annual Budget Statement" and were approved by the Legislative Assembly.

**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

Note 2.2: Significant Accounting Policies (continued)

(c) Judgments and estimates

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

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

(d) Changes in Accounting Estimates

As at 30 June 2016 there were no material changes to accounting estimates as defined by IPSAS 3.

(e) Revenue

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

The Ministry derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(f) Expenses

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

(g) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as an operating expense on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash in-transit and cash at bank with an original maturity of three months or less from the date of acquisition. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as a loss in the statement of financial performance.

(i) Prepayments

The portion of recognised expenditure paid in advance of receiving goods or/and services has been recognised as a prepayment in these financial statements.

(j) Inventory

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)

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 2.2: Significant Accounting Policies (continued)

(k) Property, Plant and Equipment

Plant and equipment, is stated at historical cost less accumulated depreciation and impairment losses. Items of plant and equipment are initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Property is stated at the revaluation model, after initial recognition, the asset is carried at fair value being recognised in the statement of changes in net worth in accumulated net worth under the heading **revaluation reserve**. Any increases in the fair value are only recognised in the statement of financial performance to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Ministry recognizes such parts as individual assets with specific useful lives and depreciated them accordingly. All other repairs and maintenance costs are recognized in the statement of financial performance as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the assets (with the exception of land). Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life; rates are stipulated in table below.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of the Improvement
• Computer equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Telecommunications	5 – 50 years
• Other equipment	5 – 20 years

Disposals

The Ministry derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit at the time the asset is derecognized.

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.

(l) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

An intangible asset with a finite life is amortized over its useful life:

Software 4 – 10 years

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 2.2: Significant Accounting Policies (continued)

An intangible asset with an indefinite useful life should not be amortised. Its useful life should be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

(m) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised 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 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees.

Obligations for contributions to defined contribution retirement plans are recognised in the statement of financial performance as they are earned by employees. Obligations for defined benefit retirement plans are centralized in the Government and therefore, reported in the consolidated financial statements for the entire public sector of the Cayman Islands Government.

(n) Financial instruments

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

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 receivables.

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

Recognition

The Ministry recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the 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 amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

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

(o) Contingent liabilities and assets (including guarantees)

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

(p) Foreign currency

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 2.2: Significant Accounting Policies (continued)

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year end date;
- 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.

(q) Revenue from Non-Exchange Transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department, human resources management by the Portfolio of the Civil Service and office space from the Cayman Islands Airport Authority.

The Ministry has designated these non-exchange transactions as services in-kind as defined under IPSAS 23 – Revenue from non-exchange transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognised in the cost of the fixed asset.

Note 3: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry of District Administration, Tourism and Transport maintained at Royal Bank of Canada, Cayman National Bank, Barclays Bank (UK) and Bank of America (NY). As at 30 June 2016, the Ministry held restricted cash balances of \$102 thousand payable to other Government departments. This Department of District Administration acts as an intermediary for the other government departments as it is the only department in Cayman Brac with a bank account.

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
2	Cash on hand	-	-	2	100	100	98
-	Cash in transit	-	-	10	-	-	(10)
8,914	CI\$ operational current account	-	-	13,973	10,851	10,851	(3,122)
14	US\$ operational current account	53	0.8375	44	-	-	(44)
426	Payroll current account	-	-	(47)	-	-	47
75	US\$ bank accounts	(496)	0.8375	(415)	-	-	415
104	CDN\$ bank accounts	139	0.6480	90	-	-	(90)
240	GBP bank accounts	225	1.1148	251	-	-	(251)
9,775	TOTAL			13,908	10,951	10,951	(2,957)

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 4: Trade receivables and other receivables

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
270	Sale of goods and services	102	300	300	198
3,625	Outputs to Cabinet	1,680	1,766	1,766	86
-	Other trade receivable	161	-	-	(161)
3,895	Total trade receivables	1,943	2,066	2,066	123

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
6	Advances (salary, official travel, etc.)	4	-	-	(4)
2	Dishonoured cheques	2	2	2	-
105	Other receivables	100	-	-	(100)
113	Total other receivables	106	2	2	(104)

As at 30 June 2016, all overdue receivables have been assessed and appropriate provisions made.

Actual Prior Year	Description	Current	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3,641	Current	1,850	-	1,850	-	-	(1,850)
-	Past due 1-30 days	1	-	1	2,066	2,066	2,065
5	Past due 31-60 days	6	-	6	-	-	(6)
2	Past due 61-90 days	1	-	1	-	-	(1)
247	Past due 90 and above	9	-	9	-	-	(9)
-	Non-current	4	-	4	-	-	(4)
-	Past due 1 year and above	72	-	72	-	-	(72)
3,895	Total	1,943	-	1,943	2,066	2,066	123

The provision for doubtful debts has been calculated based on expected losses from a review of specific debtors, an analysis of the Ministry losses in previous periods. As at 30 June 2016, trade receivables were not impaired.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 5: Inventory

Restated Actual Prior Year ¹	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
295	Inventory held for use in the provision of <i>goods and services</i>	327	-	-	(327)
295	Total Inventory	327	-	-	(327)

¹Inventory was restated for prior year from nil to \$295K per management's estimate of the net realizable value as at 30 June 2015.

As at 30 June 2016 inventory was held at a net realizable value of \$327K. Management determined that no write down of inventory was required.

Note 6: Prepayments

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
488	Prepayments	908	1,010	1,010	102
488	Total Prepayments	908	1,010	1,010	102

As at 30 June 2016 the Ministry made payments in advance for items of property plant and equipment and for several contracts for the delivery of services relating to the Department of Tourism. In the prior year (2015/15) the amounts paid in advance were for contracts entered into for the provision of services also relating to the Department of Tourism.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 7: Property, plant and equipment

Cost	Plant and equipment	Buildings (Restated)	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Actual Current Year (Restated)	Original Budget 2014/15	Final Budget 2014/15	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	756	6,932	346	178	10	18	-	5,173	17	-	-	13,430	6,624	6,624	(6,806)
Prior-year adjustments ²	-	145	-	-	-	-	-	-	-	-	-	145	-	-	(145)
Additions	-	-	1	19	-	-	-	-	-	-	7	27	121	121	94
Balance at 30 June 2015	756	7,077	347	197	10	18	-	5,173	17	-	7	13,602	6,745	6,745	(6,857)

Cost	Plant and equipment	Buildings (Restated)	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Actual Current Year	Original Budget 2015/16	Final Budget 2015/16	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2015	756	7,077	347	197	10	18	-	5,173	17	-	7	13,602	6,624	6,624	(6,978)
Additions	56	2	17	53	-	-	19	200	-	36	80	463	200	900	(263)
Revaluations	-	2,753	-	-	-	-	-	-	-	-	-	2,753	-	-	(2,753)
Disposals	-	-	(23)	(33)	(10)	-	-	(949)	-	-	-	(1,015)	-	-	1,015
Balance at 30 June 2016	812	9,832	341	217	-	18	19	4,424	17	36	87	15,803	6,824	7,524	(6,979)

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 7: Property, plant and equipment (continued)

Accumulated Depreciation	Plant and equipment	Buildings (Restated)	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Actual Current Year (Restated)	Original Budget 2014/15	Final Budget 2014/15	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	335	529	247	160	10	11	-	4,750	17	-	-	6,059	4,936	4,936	(1,123)
Prior-year adjustments	-	22	-	-	-	-	-	-	-	-	-	22	-	-	(22)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)	(9)
Depreciation Expense	61	256	24	12	-	3	-	112	-	-	-	468	174	174	(294)
Balance at 30 June 2015	396	807	271	172	10	14	-	4,862	17	-	-	6,549	5,101	5,101	(1,448)

Accumulated Depreciation	Plant and equipment	Buildings (Restated)	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Actual Current Year	Original Budget 2015/16	Final Budget 2015/16	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2015	396	807	271	172	10	14	-	4,862	17	-	-	6,549	5,101	5,101	(1,448)
Impairment Reserve	49	-	-	-	-	-	-	-	-	-	-	49	-	-	(49)
Depreciation Expense	55	265	22	19	-	3	-	111	-	-	-	475	152	152	(323)
Eliminate on Disposal	-	-	(21)	(33)	(10)	-	-	(945)	-	-	-	(1,009)	-	-	1,009
Balance at 30 June 2016	500	1,072	272	158	-	17	-	4,028	17	-	-	6,064	5,253	5,253	(811)
Net Book value 30 June 2015	360	6,270	76	25	-	4	-	311	-	-	7	2,053	1,643	1,643	(5,009)
Net Book value 30 June 2016	312	8,760	69	59	-	1	19	396	-	36	87	8,739	1,570	2,270	(8,160)

² Prior-year adjustments consist of two properties that were not previously carried under the Ministry of District Administration, Tourism and Transport. These two properties were transferred from other Ministries at fair market value per the 2012 valuation report and depreciation calculated from the date of transfer.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 7b: Intangible Assets

Cost	Computer Software	Total	Original Budget 2014/15	Final Budget 2014/15	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	6	6	55	55	49
Prior-year adjustments	-	-	-	-	-
Additions	20	20	-	-	(20)
Balance at 30 June 2015	26	26	55	55	29

Cost	Computer Software	Total	Original Budget 2015/16	Final Budget 2014/15	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2015	26	26	55	55	29
Prior-year adjustments	-	-	6	6	6
Additions	-	-	-	-	-
Balance at 30 June 2016	26	26	61	61	35

Amortisation and Impairment	Computer Software	Total	Original Budget 2014/15	Final Budget 2014/15	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	5	5	53	53	48
Depreciation Expense	2	2	-	-	(2)
Balance at 30 June 2015	7	7	53	53	46

Amortisation and Impairment	Computer Software	Total	Original Budget 2015/16	Final Budget 2015/16	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2015	7	7	53	53	46
Depreciation Expense	6	6	8	8	2
Balance at 30 June 2016	13	13	61	61	48

Net book value 30 June 2015	19	19	2	2	(17)
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Net book value 30 June 2016	13	13	-	-	(13)
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**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

Note 7: Property, Plant and Equipment (cont'd)

Asset Revaluation

Property (buildings and structures) were revalued as at the 30th June 2016 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:

- 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
- 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."

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.

**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

Note 7: Property, Plant and Equipment (cont'd)

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 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.

Valuation assumptions

- 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.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 8: Trade payables, other payables & Accruals

Actual Prior Year	Description	Current	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
176	Creditors	352	-	352	399	399	47
133	Creditors Ministries/Portfolios	-	-	-	-	-	-
21	Creditors other government agencies	110	-	110	-	-	(110)
73	Payroll deductions	91	-	91	-	-	(91)
382	Accrued expenses	670	-	670	886	886	216
221	Other payables	179	-	179	-	-	(179)
1,006	Total trade payables, other payables & accruals	1,402	-	1,402	1,285	1,285	(117)

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

Note 9: Employee entitlements

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
Current employee entitlements are represented by:					
112	Comp time	93	83	83	(10)
282	Annual leave	282	225	225	(57)
-	Accrued Salaries	63	-	-	(63)
394	Total employee entitlements	438	308	308	(130)

The comp time is time worked in excess of standard time. Long-service leave entitlements as per the individual employment contract is calculated based on current salary paid to those employees who are eligible for this benefit.

Note 10: Sales of Goods & Services

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
28,419	Outputs to Cabinet ³	29,705	29,820	29,820	115
353	Fees and charges ⁴	323	323	323	-
95	General Sales ⁴	71	109	109	38
44	Rentals ⁴	40	38	38	(2)
77	Other ⁴	68	28	28	(40)
28,988	Total sales of goods and services	30,207	30,318	30,318	111

³Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government in accordance with the Annual Plan and Estimates for the year ended 30 June 2016.

⁴Fees & charges, general sales, rentals & others include administrative fees and user charges levied on the public for the delivery of government services.

No revenue concessions were granted during the financial year ended 30 June 2016.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 11: Personnel costs

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
10,400	Salaries, wages and allowances	11,507	12,108	12,108	601
2,146	Health care	2,076	2,522	2,522	446
531	Pension	561	620	620	59
62	Leave	(20)	-	-	20
62	Other personnel related costs	37	7	7	(30)
13,201	Total personnel costs	14,161	15,257	15,257	1,096

Note 12: Supplies and consumables

Restated Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
143	Supplies and materials	334	428	428	94
10,457	Purchase of services	10,271	10,691	10,691	420
250	Maintenance of vehicles and equipment, roads, buildings, etc.	234	333	333	99
616	Lease of property and equipment	586	684	684	98
668	Utilities	581	600	600	19
207	General insurance	198	269	269	71
110	Interdepartmental expenses	115	150	150	35
542	Travel and subsistence	682	640	640	(42)
194	Recruitment and training	109	186	186	77
1,112	Other	1,084	868	868	(216)
14,299	Total supplies and consumables	14,194	14,849	14,849	655

Note 13: Legal costs

The Attorney General's Office provides litigation services to the Ministry. During the year ended 30 June 2016, the use of legal services by the Department of Tourism overseas offices in the amount of \$106K (\$33K in 2014/15) was from legal firms outside of the Government for services such as contract reviews and human resources related matters.

Note 14: Gains / (Losses)

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
-	Losses on asset impairment	49	-	-	(49)
-	Net losses on disposal of property, plant and equipment	7	-	-	(7)
(21)	Net losses/(gains) on foreign exchange transactions	4	8	8	4
(21)	Total losses	60	8	8	(52)

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 15: Reconciliation of net cash flows from operating activities to surplus

Restated Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
998	Surplus from ordinary activities	1,205	-	-	(1,205)
744	Non-cash movements		-	-	-
476	Depreciation expense	475	161	161	(314)
-	Losses on asset impairment	49	-	-	(49)
-	Net losses on disposal of property, plant and equipment	7	-	-	(7)
-	Net losses/(gains) on foreign exchange transactions	4	-	-	(4)
	Changes in current assets and liabilities:				
3,587	Decrease in receivables - Cabinet	1,945	-	-	(1,945)
(229)	Increase in other current assets	(138)	-	-	138
(430)	Increase/(decrease) in current liabilities	440	-	-	(440)
5,146	Net cash flows from operating activities	3,987	161	161	(3,826)

Note 16: Contingent liabilities and assets

The Ministry has no contingent liabilities and assets as at 30 June 2016. (NIL as at 30 June 2015)

Note 17: Explanation of major variances against budget

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

Statement of financial position

Cash and cash equivalents

The actual year-end cash balance was \$3.0 million in excess of budget primarily due to the \$1.9 million surplus recognized in the financial year this along with managed and/or delayed vacancies that occurred throughout the period.

Property, plant and Equipment

Property, plant, and equipment were significantly under-budgeted by \$8.2 million in the financial year due to the revaluation exercise as at June 30, 2016 which provided a net increase in fair values on buildings of \$2.8 million. The net book value (excluding the revaluation surplus) is in line with 2014/15 values.

Current Liabilities

Current liabilities were \$2.5 million above budget mainly due to the Ministry recognizing the surplus due to Cabinet of \$2.2 million for the years 2014-15 and 2015-16.

Statement of financial performance

Sales of goods and services

Revenue from cabinet was \$111 thousand below budget, \$115 thousand of this due to not delivering all budgeted cabinet outputs during the year.

Personnel Costs

Personnel costs were \$1.1 million below budget due to managed/delayed vacancies during the year.

**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

Note 17: Explanation of major variances against budget (continued)

Supplies and consumables

Supplies and consumables were \$655 thousand below budget due to savings attributed to the change of advertising and public relations agencies, closure of the Canada Office, reduction of fuel due to the implementation of fuel tracking system, and a decrease in maintenance as a result of the inventory tracking system and a reduction in demand.

Depreciation

Depreciation expense was over budget by \$323 thousand in the financial year. However, the actual year-end balance of \$475 thousand is in line with the prior year balance of \$476 thousand.

Statement of changes in net worth

Equity Investment from Cabinet

Equity Investment from Cabinet was \$686 thousand above budget due to reallocation of funding to purchase property, plant and equipment. The original budget of \$200 thousand was increased to \$900 thousand via approval from Cabinet to adjust the appropriations in accordance with Section 11 (5) of the Public Management and Finance Law (2013 Revision). The amounts approved by section 11(5) have been presented in an appropriation bill to the Legislative Assembly, but the bill has not been passed into law as at the date of these financial statements.

Statement of cash flows

Net cash flows from operating activities

The increase in cash from operating activities is \$3.8 million above budget partially due to the timely collection of Cabinet billing in 2015-16, and personnel costs budgeted for but not incurred as a result of vacancies in the financial year.

Note 18: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry transacts with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2016 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel of the Ministry received the following remuneration;

Number of persons	Actual Prior Year	Description	Actual Current Year	Number of persons
	\$'000		\$'000	
9	1,064	Salaries & other short-term employee benefits	1,125	10
9	1,064	Total	1,125	10

No loans were granted to key management personnel and or their close relatives.

During the year, the entity had no related party transactions with key management personnel.

Note 19: Events occurring after reporting date

No events materially affecting these financial statements occurred after 30 June 2016.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 20: Financial instrument risks

The Ministry is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, accounts receivable, debtor-Cabinet and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

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 a target level of available cash to meet liquidity requirements.

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 21: Segment Reporting

	Department of Tourism - New York		Department of Tourism - Grand Cayman		Department of Tourism - London		Department of Tourism - Toronto		District Administration		National Weather Services		Ministry Administration		Public Transport Unit		Consolidated	
	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000	2015/16 \$'000	2014/15 \$'000
Revenue																		
Outputs from Cabinet	9,189	9,272	6,001	5,605	1,443	1,444	1,126	1,128	8,258	7,929	1,139	1,125	1,955	1,325	594	592	29,705	28,420
Revenue from External Sources	-	-	9	52	-	-	-	-	430	484	12	4	26	3	25	25	502	568
Total Revenue	9,189	9,272	6,010	5,657	1,443	1,444	1,126	1,128	8,688	8,413	1,151	1,129	1,981	1,328	619	617	30,207	28,988
Expenses																		
Personnel	1,138	1,026	3,182	2,873	209	290	51	193	6,810	6,532	889	813	1,401	1,099	481	375	14,161	13,201
Supplies & Consumables	8,008	8,144	2,371	2,165	830	962	831	869	1,524	1,722	247	208	267	131	116	119	14,194	14,320
Depreciation	-	-	24	19	1	1	-	1	432	432	4	5	8	5	6	6	475	469
Other expenses	28	-	74	-	25	-	(15)	-	53	-	-	-	7	-	-	-	172	-
Total Expenses	9,174	9,170	5,651	5,057	1,065	1,253	867	1,063	8,819	8,686	1,140	1,026	1,683	1,235	603	500	29,002	27,990
Surplus/(Deficit) from Operating Activities	15	102	359	600	378	191	259	65	(131)	(273)	11	103	298	98	16	117	1,205	998
Assets																		
Current Assets	(29)	402	119	77	306	330	96	111	938	659	35	5	15,701	12,982	27	-	17,193	14,566
Fixed Assets- Tangible	-	-	97	64	4	4	-	3	9,554	6,943	15	13	9	8	60	18	9,739	7,053
Fixed Assets- Intangible	-	-	13	19	-	-	-	-	-	-	-	-	-	-	-	-	13	19
Total Assets	(29)	402	229	160	310	334	96	114	10,492	7,602	50	18	15,710	12,990	87	18	26,945	21,638
Liabilities																		
Current Liabilities	53	56	690	434	5	34	6	34	604	383	71	41	2,601	1,398	16	18	4,046	2,398
Total Liabilities	53	56	690	434	5	34	6	34	604	383	71	41	2,601	1,398	16	18	4,046	2,398

The Ministry of District Administration, Tourism and Transport's segment report is prepared on the basis of four major sections: District Administration, Tourism, Public Transport and National Weather Service. Activities that cannot be allocated to any other segment are reported under Ministry Administration. The District Administration department administers the business of the Cayman Islands Government in Cayman Brac and Little Cayman. The Department of Tourism seeks to advance the heritage, culture and values of the Cayman Islands and promote the advancement of sustainable tourism policies for the benefit of future generations. The Public Transport Unit is responsible for the public transport network, schedules and fares in the Cayman Islands. The National Weather Service is responsible for monitoring meteorological events and provision of meteorological information.

The Ministry uses segment reporting to identify allocated resources to the operating segments and assesses their performance. The reportable segments are identified, and the disclosures selected, in line with the internal financial reporting system and based on the group accounting policies.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

Note 22: Commitments

The Ministry, through the Department of Tourism has operating leases with its various overseas offices. Future minimum lease commitments under non-cancellable operating leases are as follows:

Actual Prior Year	Operating Commitments	One Year or Less	One to Five Years	Over Five Years	Total
\$'000		\$'000	\$'000	\$'000	\$'000
572	Total Operating Commitments	454	986	1,468	2,907

The London Office in the Department of Tourism leases from the Cayman Islands London Office. The current lease will expire in the year 2021.

The New York Office in the Department of Tourism leases from the Empire State Building Company L.L.C. On 29 April, 2016 the lease was renewed for another 10 years, expiring in the year 2026.

The amounts disclosed above as future commitments are based on the rental rates as stated in the lease contracts.

Note 23: Comparative Figures

The Ministry has presented prior year comparative information in the financial statements in accordance with IPSAS 1, Presentation of Financial Statements. Comparative figures are restated to ensure consistency with the current period unless impracticable to do so.

Prior period adjustments of \$18 thousand in the Statement of Changes in Net Worth are mainly due a credit memo issued by CINICO for overbilling of health insurance in the 2012-13 financial year.

Note 24: Correction of 2014-15 figures

Prior year errors in the 2014-15 financial year were corrected in the corresponding figures of these financial statements and consist of:

- Inventory items previously expensed and included in Supplies and consumables (expenses) with net realizable value of \$295 thousand at 30 June 2014 as shown in Note 5 and 12 and
- Incoming transfer of two properties classified as buildings with net book value \$130 thousand at 30 June 2014 and the related 2014-15 depreciation of \$7 thousand to the Ministry from other Ministries as shown in Note 7.
-

See details of effects in several line items in the financial statements and in the notes in the table below:

	As per 2015 audited financial statements \$'000	Restatements \$'000	Restated Prior Year Actual \$'000
Statement of Financial Position:			
Current Assets			
Inventory	-	295	295
Non current assets			
Property, plant and equipment (Net)	6,930	123	7,053
Current Liabilities			
Repayment of surplus	711	287	998
Net Worth			
Contributed capital	1,687	145	1,832
Statement of Financial Performance:			
Supplies and consumables	14,594	(295)	14,299
Depreciation	468	8	476
Total expenses	28,277	(287)	27,990
Surplus	711	287	998
Statement of Changes in Net Worth:			
1 July 2014 balance forwarded (Capital Contribution)	1,592	145	1,737
30 June 2015 balance forwarded (Capital Contribution)	1,687	145	1,832
Surplus for the period 2014/15	711	287	998
Repayment of surplus	(711)	(287)	(998)

**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

Note 25: Repayment of Surplus

As at 30 June 2016, the Ministry recorded a surplus payable of \$2.2 million (\$998 thousand; 30 June 2015). As per section 39 3 (f) of the Public Management and Finance Law (2013 Revision), the entity shall "retain such part of its net operating surplus as determined by the Minister of Finance".

Note 26: Contributed capital

As at 30 June 2016, the Ministry recorded contributed capital of \$2.7 million (\$1.8 million, 30 June 2015). Contributed capital is the contribution made from Cabinet at the inception of the Ministry and any additional funding requirements such as purchasing of assets.

Note 27: Revenue from Non-Exchange Transactions

During the year ended 30 June 2016, the Ministry received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be reliably determined and therefore no expense has been recognised in these financial statements.