



Ministry of District Administration, Tourism and Transport

Cayman Islands Government

Annual Report for the 18- Month Period ended December 31, 2017

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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 July 1st 2016 to 31 December 2017.

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 December 2017 was a positive one for tourism on a number of fronts.

Air Arrivals in 2017 were among the best ever in our recorded history with 418,403 visitors, an increase of 8.55% over 2016. Cruise passenger arrivals were equally impressive, allowing us to welcome 1,728,444 cruise 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. The redevelopment and expansion of the Owen Roberts International Airport has seen the opening of the new Check-in Hall of the facility. 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. A Prequalification Questionnaire was released in May 2017 and proposals were submitted at the end of July 2017. At the end of November 2017, the first phase of the tender process, the Invitation to Submit Outline Solutions, was released to prequalified entities. Submissions are due back by the middle of March 2018.

Cayman Airways is investing in a new fleet of aircraft, the newest in the Caribbean. Its introduction of a second 34 seater Saab 340B+ has 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 2016-2017 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 31 December 2017.

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 commence and make significant progress under the entire process outlined by 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 Centre, Port Authority of the Cayman Islands, and Cayman Islands 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

- \$46 Million Spent
- 5 Departments
- 274 Employees
- 265 Caymanians

Authorities, Boards and Committees

Port Authority
Airports Authority
Cayman Turtle Centre 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

Executive Summary

Summary of the major developments the Ministry, its SAGCs and Departments were involved in 2016-17. They are as follows:

- Cabinet granted approval to move 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. A Prequalification Questionnaire was released in May 2017 and proposals were submitted at the end of July 2017. By the end of November 2017, the first phase of the tender process, the Invitation to Submit Outline Solutions, was released to prequalified entities. Submissions are due back by the middle of March 2018.
- The redevelopment and expansion of the Owen Roberts International Airport has continued, with the opening of the newly constructed Check-in Hall and a new Arrivals area.
- Cayman Airways Ltd. has further enhanced air travel between Grand Cayman and Cayman Brac with the introduction of a second 34 seat Saab 340B+.
- Construction work was commenced for a 25m Competition Swimming Pool, with completion scheduled in 2018. Construction tender was awarded for the interior of the Cayman Brac Emergency Shelter, with completion scheduled in 2018.
- The Jetty dock on the north side of Little Cayman was extended.

Human Resources

HR Mission

The Ministry of DAT&T Human Resources Division supports 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.

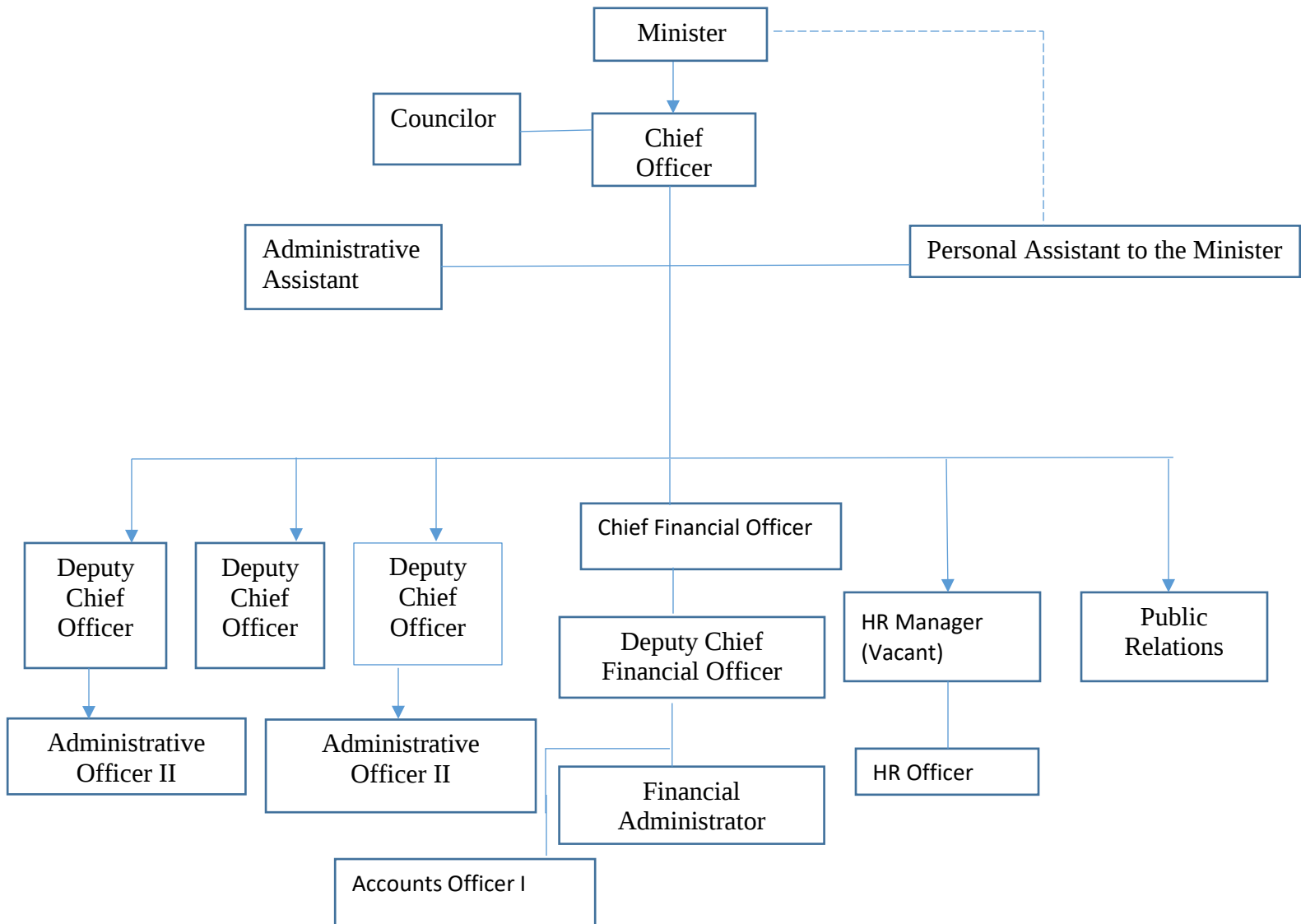
Several staff members have embraced opportunities to further their education and professional development by pursuing degrees at the Associate, Bachelor's and Master's levels, while others are completing accounting certifications.

For the 2016/17 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 4 years

Cost Center	Caymanians	PR Married to Caymanian	Non-Caymanians	Total Staff compliment	Percentage Caymanian
District Administration	180	3	1	184	97%
Ministry Administration	15	0	1	16	93%
Public Transport	11	0	0	11	100%
National Weather Service	13	0	1	14	92%
Department of Tourism	46	0	3	49	93%
Total	265	3	6	274	96%

Organisational Chart

Ministry of District Administration, Tourism & Transport Organizational Chart



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
- Human Resources
- Finance/Budget
- Computer Services
- General Administration
- Public Works
- Facility Management (New)
- Customs
- Immigration
- Treasury
- Day Care Centre
- District Office (Little Cayman)
- Heritage House
- Marketing & Promotions
- Museum
- Vehicle Licensing
-

Scope of Activities

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

- General Administration, Policy Formulation, Coordination and Implementation;
- Customs and Immigration Services and Controls;
- Public Works Implementation and Management;
- Facility Management;
- Disaster Management;
- Treasury Services;
- Vehicle and Licensing Services;
- 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 Services
- 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

- Over 10 houses repaired for Senior Citizens
- Roads repaired with Asphalt in the West End area as Water Authority install water pipeline
- Secondary public roads paved with Asphalt in the West End and Spot Bay area
- 25 Meter Swimming Pool - 75% completed (full completion quarter 2, 2018)
- Sports Complex Multi-Purpose Hall Interior Fit-Out – 25 % completed (full completion quarter 3, 2018)
- Construction of Little Cayman “Mary’s Bay” Public Restroom – 25% completed (full completion quarter 2, 2018)
- Salt Water Pond – water level and pumps maintained/monitored.

Achievements: Little Cayman

- Little Cayman public roads repaired in the Point-of-Sand area
- Construction of Little Cayman “Mary’s Bay” Public Restroom – 25% completed (full completion quarter 2, 2018)
- Little Cayman “Mary’s Bay” Dock Extension completed

Forward looking:

Cayman Brac

- Repair approx. 10 additional houses for Senior Citizens
- Continue Paving with Asphalt, secondary roads, as well as repairs to Main roads due to Water Authority pipeline installation
- Complete the 25 Meter Swimming Pool
- Tender for the Pool Ancillary Structures (Changing Rooms; Bleachers; Canopy; etc.)
- Complete Interior Fit-Out of the Sports Complex Multi-Purpose Hall
- Construct the Parking Lots for the Swimming Pool and the Multi-Purpose Hall
- Prepare Architect Plans and tender for the Renovation of District Admin (inclusive of new Elevator access for the disabled)
- Continue the maintenance/monitoring of Salt Water pond water levels/pumps

Little Cayman

- Continue road repair on the Eastern end of Little Cayman
- Design and replace Public Docks on the Western End of the Island

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 Plan to be implemented in 2018.

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 five (5) new hires between July 2016 - December 2017.
- (67) Employees from all Cayman Islands global offices completed training on Medici that leverage matrix team in order to bring about the “innovation that happens when disciplines and ideas intersect.”
- 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 96% Caymanians.



Department of Tourism

Achievements

- Attracted Southwest Airlines to begin servicing Grand Cayman from Ft. Lauderdale and additional 3,500+ seats
- Introduced Grace & Trai Byers as the new faces to the Cayman Islands Romance Strategy
- Hosted Engage! Luxury Wedding Summit. Propelled weddings and events booked following the event in excess of 400+ rooms nights and an excess of US\$2 million dollars in group business.
- Cayman Islands Seven Mile Beach is a winner on TripAdvisor's Traveler's Choice Awards ranking now at #5 in the World and #4 in the Caribbean
- Cayman Islands Department of Tourism Won (3) IMPACT Awards in 2017 from the Internet Marketing Association (IMA)
 - Content Marketing Strategy Winner - Campaign: Cayman Vows Magazine
 - Social Media Campaign Promotional Strategy Winner - Campaign: Chef'd
 - Video Theme/Creativity Winner - Campaign: Virtually Cayman: A 360° Video Experience

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 2018/2019 fiscal years.

Implementation of the Tourism Law Amendments

- Implement 5 year National Tourism Plan 2018 – 2022
- Advance Aviation as a critical success factor and driver for visitation
 - Deploy and empty seat strategy to maximise seats available Southbound and Northbound
- Modernise Tourism Law and Regulations to reflect the current trends and industry practices to responsibly manage tourism
- Support the development of a highly skilled tourism workforce aligned to the needs of the tourism industry through the School of Hospitality Studies and Tourism Awareness and Careers Educational Programming
- Investigate a Digital Tourism Tax Remittance Solution
- 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.
 - Shape a European Strategy to expand markets beyond the United Kingdom and Ireland through Sales, Advertising and Aviation Relations. Specifically to effectively rebound the Continental Europe visitation levels through marketing strategies and partnerships.

National Weather Service

About us

The Cayman Islands 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

CINWS provides the following services:

- 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)

Our People

The Service operates with a staff of 14 officers, 13 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.

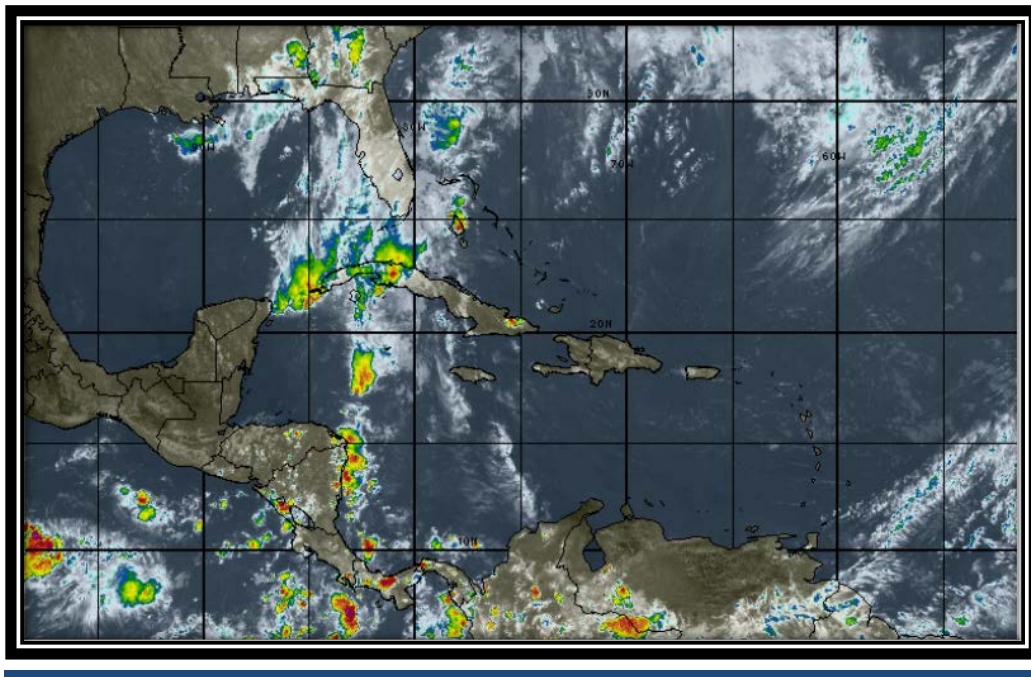
Achievements

- Tendered and Awarded Contract for New GOES-R weather satellite receiving system for enhanced weather forecasting, storm tracking, and meteorological research – completion planned for summer 2018.
- Completed Preliminary Plans for the New National Weather Service Operational Facility
- Increased radar technical support through attendance of a workshop for radar techs in various Caribbean locations every 5 years.
- Continued investment in succession planning through trips of senior staff to international conferences and appropriate training.
- Continued involvement in International Meteorological affairs - Director General trip to Austin Texas for the Executive Council meeting.
- Completion of CINWS Strategic Plan 2018 – 2022.

National Weather Service

Forward looking:

- Completion of the GOES-R weather satellite receiving system – summer 2018
- Completion of Final Architect Plans and Cost Estimate for the New National Weather Service Operational Facility
- Completion of the Business Case for the AWOS (Automatic Weather Observation System) whereby 8 locations are required in Grand Cayman, and 2 in the Sister Islands
- Implementation phases of the CINWS Strategic Plan 2018 – 2022



Public Transport Unit

About us

The Public Transport Unit is vital for the proper functioning, growth and development of the Cayman Islands. The Public Transport Unit ensures efficient and effective bus routes at acceptable levels of modern, urbanized cities.

The Transport Unit together with its stakeholders provide all form of public transportation for residents, national and tourist alike. The provision of best services includes customer service, routes circulation in a timely manner and care for older and handicaps passengers.

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.

Total Number of Person Employed As of 2016/2017

Currently there are 778 person employed in the transportation six categories of service up from 753 in 2016. This is an increase from 2016 of 753. 600 or 77.12% of all persons employed in Transportation are Caymanians down from 636 or 84.46%. 39 or 5% have Permanent Residence up from 24 or 3.19% in 2016. 139 or 17.8% are on Gainful Occupation License.





Ministry of District Administration, Tourism and Transport

Cayman Islands Government

Audited Financial Statements



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

**FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED
31 DECEMBER 2017**

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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 (2017 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 18 month period ended 31 December 2017.

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 18 month period ended 31 December 2017;
- (b) fairly reflect the financial position as at 31 December 2017 and performance for the 18 month period ended 31 December 2017;
- (c) comply with the provisions of the Public Management and Finance law (2017 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.

A handwritten signature in black ink, appearing to read 'Stran Bodden'.

Stran Bodden
Chief Officer

Date- 3 MAY 2018

A handwritten signature in black ink, appearing to read 'Neyka Webster'.

Neyka Webster
Chief Financial Officer

Date- 3 May 2018



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AUDITOR GENERAL'S REPORT

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

Opinion

I have audited the financial statements of the Ministry of District Administration, Tourism & Transport (the "Ministry"), which comprise the statement of financial position as at 31 December 2017 and the statement of financial performance, statement of changes in net worth and statement of cash flows for the 18-month period from 1 July 2016 to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 26.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the "Ministry" as at 31 December 2017 and its financial performance and its cash flows for the 18-month period from 1 July 2016 to 31 December 2017 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Ministry in accordance with the International Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the 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.

In preparing the financial statements, management is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the assets or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a)(ii) of the *Public Management and Finance Law (2017 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

3 May 2018
Cayman Islands

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

30 June 2016 (As Restated)			18 Months to 31 December 2017	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Current Assets					
13,908	Cash and cash equivalents	3	6,839	12,398	12,398	5,559
1,943	Trade receivables	4	9,659	2,315	2,315	(7,344)
106	Other receivables	4	143	83	83	(60)
328	Inventories	5	346	-	-	(346)
908	Prepayments	6	449	538	538	89
17,193	Total Current Assets		17,436	15,334	15,334	(2,102)
10,612	Property, plant and equipment	7	10,082	6,173	6,173	(3,909)
13	Intangible assets	7b	6	19	19	13
10,625	Total Non-Current Assets		10,088	6,192	6,192	(3,896)
27,818	Total Assets		27,524	21,526	21,526	(5,998)
	Current Liabilities					
462	Trade payables	8	534	329	329	(205)
940	Other payables and accruals	8	1,117	339	339	(778)
438	Employee entitlements	9	298	394	394	96
14,951	Repayment of surplus	23	14,469	-	-	(14,469)
16,791	Total Current Liabilities		16,418	1,062	1,062	(15,356)
16,791	Total Liabilities		16,418	1,062	1,062	(15,356)
11,027	Net Assets		11,106	20,464	20,464	9,358
	NET WORTH					
3,632	Contributed capital	25	3,712	26,074	26,074	22,362
7,394	Revaluation reserve		7,394	4,746	4,746	(2,648)
-	Accumulated surpluses		-	(10,356)	(10,356)	(10,356)
11,026	Total Net Worth		11,106	20,464	20,464	9,358

The accounting policies and notes on pages 26-43 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2017
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

30 June 2016 (As Restated)			18 Months to 31 December 2017	Original Budget	Final Budget	Variance (Orig vs actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Revenue					
30,207	Sale of goods and services	10	47,732	47,739	47,739	7
30,207	Total Revenue		47,732	47,739	47,739	7
	Expenses					
14,161	Personnel costs	11	21,939	23,298	23,298	1,359
14,194	Supplies and consumables	12	22,852	23,384	23,384	532
518	Depreciation	7	1,133	967	967	(166)
6	Amortisation of Intangible Assets	7b	7	10	10	3
106	Legal costs	13	142	68	68	(74)
49	Losses on disposal/revaluation of property, plant and equipment	14	-	-	-	-
7	Losses on impairment of property, plant and equipment	14	(4)	-	-	4
-	Other (gains)/losses	14	(39)	-	-	39
4	Losses/(gains) on foreign exchange transactions	14	9	11	11	2
29,045	Total Expenses		46,039	47,738	47,738	1,699
1,162	Surplus for the period		1,693	1	1	(1,692)

The accounting policies and notes on pages 26-43 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 31 DECEMBER 2017
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

	Contributed Capital	Revaluation Reserve	Accumulated (deficits)/surplus	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs. Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2015 (restated)	2,746	4,640	-	7,386	14,813	14,813	7,427
Changes in net worth for 2015/16:							
Increase in revaluation reserve	-	2,754	-	2,754	4,640	4,640	1,886
Equity Investment from Cabinet	886	-	-	886	200	200	(686)
Net revenue / expenses recognised directly in net worth	886	2,754	-	3,640	4,840	4,840	1,200
Surplus for the period 2015/16	-	-	1,162	1,162	711	711	(451)
Repayment of surplus	-	-	(1,162)	(1,162)	-	-	1,162
Total recognized revenues and expenses for the period	886	2,754	-	3,640	5,551	5,551	1,911
Balance as at 30 June 2016 (restated)	3,632	7,394	-	11,026	20,364	20,364	9,338
Changes in net worth for 2016/17:							
Prior Year Adjustments	-	-	-	-	-	-	-
Balance	3,632	7,394	-	11,026	20,364	20,364	9,338
Changes in net worth for 2016/17:							
Equity Investment from/to Other Government Entity	(11)	-	-	(11)	-	-	11
Equity Investment from Cabinet	91	-	-	91	100	100	9
Net revenue / expenses recognised directly in net worth	80	-	-	80	100	100	20
Surplus for the period 2016/17	-	-	1,693	1,693	-	-	(1,693)
Repayment of surplus	-	-	(1,693)	(1,693)	-	-	1,693
Total recognized revenues and expenses for the period	80	-	-	80	100	100	20
Balance as at 31 December 2017	3,712	7,394	-	11,106	20,464	20,464	9,358

The accounting policies and notes on pages 26-43 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2017
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

30 June 2016 (As Restated)			18 Months to 31 December 2017	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS FROM OPERATING ACTIVITIES					
	<i>Receipts</i>					
31,563	Outputs to Cabinet		39,112	47,078	47,078	7,966
213	Outputs to other government agencies		-	-	-	-
539	Sale of goods and services - third party		842	662	662	(180)
-	Other receipts		1,407	-	-	(1,407)
	<i>Payments</i>					
(12,899)	Personnel costs		(14,915)	(23,299)	(23,299)	(8,384)
(15,429)	Supplies and consumables		(31,288)	(23,384)	(23,384)	7,904
-	Other payments		(53)	(80)	(80)	(27)
3,987	Net cash flows from operating activities	15	(4,895)	977	977	5,872
	CASH FLOWS FROM INVESTING ACTIVITIES USED IN					
(674)	Purchase of property, plant and equipment		(159)	(100)	(100)	59
(674)	Net cash flows from investing activities		(159)	(100)	(100)	59
	CASH FLOWS FROM FINANCING ACTIVITIES USED IN					
820	Equity Investment		192	100	100	(92)
-	Repayment of Surplus		(2,207)	-	-	2,207
820	Net cash flows from financing activities		(2,015)	100	100	2,115
4,133	Net (decrease)/increase in cash and cash equivalents		(7,069)	977	977	8,046
9,775	Cash and cash equivalents at beginning of period		13,908	11,421	11,421	(2,487)
13,908	Cash and cash equivalents at end of period	3	6,839	12,398	12,398	5,559

The accounting policies and notes on pages 26-43 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 (2017 Revision) and it is domiciled in the Cayman Islands.

After the General Elections in May 2016, no significant changes were made to the Ministry. The Ministry continued to consist of District Administration, Department of Tourism, Public Transport Unit and the Cayman Islands National Weather Service. The only change was the transfer of the Sister Island Sports section of District Administration to the Ministry of Education, Youth, Sports, Agriculture and Lands.

- 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 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.

The Ministry's financial year end was changed from 30th June to 31st December as a result of an amendment to the Public Management and Finance Law (2017 Revision) that was passed by the Legislative Assembly on 27th March 2017. Accordingly, the financial statements have been prepared for the 18-month period ending 31 December 2017. The comparatives are for the 12-month period ended 30th June 2016 and are not directly comparable to the 31st December 2017 numbers.

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 note, 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 cash flows statement 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.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2.2: Significant Accounting Policies (continued)

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. 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 "2016-17 Annual Budget Statement" and were approved by the Legislative Assembly on June 24th, 2016.

(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 that is affected by those revisions and future years, where applicable.

(d) Changes in accounting estimates

As at 31 December 2017 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.

(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

Inventory shall be measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

Costs are assigned to inventory using the first in first out method.

The write-down from cost to current replacement cost or net realisable 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 31 DECEMBER 2017

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.

(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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2.2: Significant Accounting Policies (continued)

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.

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.

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.

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.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2.2: Significant Accounting Policies (continued)

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.

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), and short term deposits invested with the Cayman Islands Government Treasury Department. As at 31 December 2017 the Ministry held restricted cash balances of \$114 thousand dollars payable to other Government departments. The District Administration Department acts as an intermediary for the other government departments as it is the only department in Cayman Brac with a bank account.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 3: Cash and cash equivalents (continued)

Actual 2015/16	Description	Foreign Currency	Exchange Rate	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
2	Cash on hand	-	-	2	-	-	(2)
10	Cash in transit	-	-	-	-	-	-
13,973	CI\$ operational current account	-	-	1,608	11,811	11,811	10,203
44	US\$ operational current account	208	0.8375	174	23	23	(151)
(47)	Payroll current account	-	-	31	71	71	40
(415)	US\$ bank accounts	(149)	0.8375	(124)	396	396	520
90	CDN\$ bank accounts	(6)	0.6480	(4)	(6)	(6)	(2)
251	GBP bank accounts	104	1.1148	116	103	103	(13)
-	Fixed Deposits		-	5,036	-	-	(5,036)
13,908	TOTAL			6,839	12,398	12,398	5,559

Note 4: Trade receivables and other receivables

As at 31 December 2017 all overdue receivables have been assessed and appropriate provisions made.

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
102	Sale of goods and services	187	103	103	(84)
1,680	Outputs to Cabinet	9,472	2,212	2,212	(7,260)
161	Other trade receivable	-	-	-	-
1,943	Total trade receivables	9,659	2,315	2,315	(7,344)

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
4	Advances (salary, official travel, etc.)	3	6	6	3
2	Dishonoured cheques	2	2	2	-
100	Other receivables	138	75	75	(63)
106	Total other receivables	143	83	83	(60)

Actual 2015/16	Description	Actual 2016/17	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1,850	Current	9,472	-	9,472	-	-	(9,472)
1	Past due 1-30 days	47	-	47	2,315	2,315	2,268
6	Past due 31-60 days	3	-	3	-	-	(3)
1	Past due 61-90 days	1	-	1	-	-	(1)
9	Past due 90 and above	4	-	4	-	-	(4)
4	Non-current	32	-	32	-	-	(32)
72	Past due 1 year and above	100	-	100	-	-	(100)
1,943	Total	9,659	-	9,659	2,315	2,315	(7,344)

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 31 December 2017 trade receivables were not impaired.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 5: Inventory

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
328	Inventory held for use in the provision of goods and services	346	-	-	(346)
328	Total Inventory	346	-	-	(346)

As at 31 December 2017 inventory was held at a net realizable value of \$346k. Management determined that no write down of inventory was required.

Note 6: Prepayments

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
908	Accrued Prepayments	449	538	538	89
908	Total Prepayments	449	538	538	89

As at 31 December 2017, the Ministry made payments in advance for several contracts for the delivery of services relating to the Department of Tourism. At 30 June 2016, the amounts paid in advance were for items of property, plant and equipment and for several 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 31 DECEMBER 2017

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	Total	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	7,991	347	197	10	18	-	5,173	17	-	7	14,516	13,221	13,221	(1,295)
Prior-year adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	56	3	17	53	-	-	19	200	-	36	80	464	200	200	(264)
Revaluations	-	2,754	-	-	-	-	-	-	-	-	-	2,754	-	-	(2,754)
Disposals	-	-	(23)	(33)	(10)	-	-	(949)	-	-	-	(1,015)	-	-	1,015
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	812	10,748	341	217	-	18	19	4,424	17	36	87	16,719	13,421	13,421	(3,298)

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Total	Original Budget 2016/17	Final Budget 2016/17	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	812	10,748	341	217	-	18	19	4,424	17	36	87	16,719	13,421	13,421	(3,298)
Prior-year adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	9	43	26	69	7	6	-	398	144	-	768	1,470	100	100	(1,370)
Revaluations	-	-	-	-	-	-	-	-	-	-	(2)	(2)	-	-	2
Disposals	(9)	-	(14)	(28)	-	-	-	(45)	-	-	(850)	(946)	-	-	946
Transfers	-	-	-	(2)	-	-	-	(44)	-	-	-	(46)	-	-	46
Balance at 31 December 2017	812	10,791	353	256	7	24	19	4,733	161	36	3	17,195	13,521	13,521	(3,674)

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Total	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	273	171	10	14	-	4,862	17	-	-	6,551	5,736	5,736	(814)
Prior-year adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reserve	49	-	-	-	-	-	-	-	-	-	-	49	-	-	(49)
Depreciation expense	55	308	22	19	-	3	-	111	-	-	-	518	645	645	127
Eliminate on disposal	-	-	(21)	(33)	(10)	-	-	(945)	-	-	-	(1,009)	-	-	1,009
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	500	1,115	274	157	-	17	-	4,028	17	-	-	6,108	6,381	6,381	273

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Total	Original Budget 2016/17	Final Budget 2016/17	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	500	1,115	274	157	-	17	-	4,028	17	-	-	6,108	6,381	6,381	273
Prior-year adjustments	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	-	2
Transfers	2	(1)	-	(1)	-	-	-	(33)	-	-	-	(33)	-	-	33
Impairment reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	80	671	31	67	1	-	1	266	14	2	-	1,133	967	967	(166)
Eliminate on disposal	(9)	-	(11)	(28)	-	-	-	(45)	-	-	-	(93)	-	-	93
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017	573	1,783	294	195	1	17	1	4,216	31	2	-	7,113	7,348	7,348	235
Net Book value 30 June 2016	312	9,633	67	59	-	1	19	396	-	37	87	10,611	7,040	7,040	(3,571)
Net Book value 31 December 2017	239	9,008	58	61	6	7	19	517	130	34	3	10,082	6,173	6,173	(3,909)

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 7b: Intangible Assets

Cost	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	26	26	36	36	10
Prior-year adjustments	-	-	-	-	-
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 30 June 2016	26	26	36	36	10

Cost	Computer Software	Total	Original Budget 2016/17	Final Budget 2016/17	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	26	26	36	36	10
Prior-year adjustments	-	-	-	-	-
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 31 December 2017	26	26	36	36	10

Accumulated Depreciation	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	-	-	(7)
Prior-year adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Impairment reserve - movement 2015	-	-	-	-	-
Depreciation expense	6	6	7	7	2
Eliminate on disposal	-	-	-	-	-
Other adjustments	-	-	-	-	-
Balance at 30 June 2016	13	13	7	7	(6)

Accumulated Depreciation	Computer Software	Total	Original Budget 2016/17	Final Budget 2016/17	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	13	13	7	7	(6)
Prior-year adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Impairment reserve - movement 2016	-	-	-	-	-
Depreciation expense	7	7	10	10	3
Eliminate on disposal	-	-	-	-	-
Other adjustments	-	-	-	-	-
Balance at 31 December 2017	20	20	17	17	(3)

Net Book value 30 June 2016	13	13	29	29	16
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Net Book value 31 December 2017	6	6	19	19	13
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MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 8: Trade payables, other payables & Accruals

Actual 2015/16 \$'000	Description	Current \$'000	Non-current \$'000	Actual 2016/17 \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
352	Creditors	189	-	189	132	132	(57)
-	Creditors Ministries/Portfolios	-	-	-	-	-	-
110	Creditors other government agencies	345	-	345	197	197	(148)
91	Payroll deductions	142	-	142	24	24	(118)
670	Accrued expenses	772	-	772	151	151	(621)
179	Other payables	203	-	203	164	164	(39)
1,402	Total trade payables, other payables & accruals	1,651	-	1,651	668	668	(983)

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

Note 9: Employee entitlements

Actual 2015/16 \$'000	Description	Actual 2016/17 \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
Current employee entitlements are represented by:					
93	Comp time	52	112	112	60
282	Annual leave	245	282	282	37
63	Accrued Salaries	1	-	-	(1)
438	Total employee entitlements	298	394	394	96

The Compensatory time in excess of standard time and 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 2015/16 \$'000	Description	Actual 2016/17 \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
29,705	Outputs to Cabinet ¹	46,857	47,078	47,078	221
323	Fees and charges ²	501	410	410	(91)
71	General sales	155	139	139	(16)
40	Rentals	85	60	60	(25)
68	Other	134	52	52	(82)
30,207	Total sales of goods and services	47,732	47,739	47,739	7

¹ Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government in accordance with the Plan and Estimates for the year ended 31 December 2017.

²Fees & charges, general sales, rentals & others include administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue laws and regulations.

No revenue concessions were granted during the financial year ended 31 December 2017.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 11: Personnel costs

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
11,507	Salaries, wages and allowances	17,857	19,055	19,055	1,198
2,076	Health care	3,157	3,246	3,246	89
561	Pension	880	973	973	93
(20)	Leave	(76)	-	-	76
37	Other personnel related costs	121	24	24	(97)
14,161	Total personnel costs	21,939	23,298	23,298	1,359

Note 12: Supplies and consumables

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
334	Supplies and materials	398	602	602	204
10,271	Purchase of services	17,486	17,150	17,150	(336)
234	Maintenance of vehicles and equipment, roads, buildings, etc.	429	340	340	(89)
586	Lease of property and equipment	872	1,000	1,000	128
581	Utilities	871	1,030	1,030	159
198	General insurance	286	433	433	147
115	Interdepartmental expenses	143	183	183	40
682	Travel and subsistence	950	1,076	1,076	126
109	Recruitment and training	233	355	355	122
-	Local promotion / community sponsor	601	460	460	(141)
-	Programme support services	359	349	349	(10)
-	Research and development	200	385	385	185
1,084	Other	24	21	21	(3)
14,194	Total supplies and consumables	22,852	23,384	23,384	532

Note 13: Legal costs

The Attorney General's Office provides litigation services to the Ministry. During the 18 month period ended 31 December 2017 the use of legal services by the Department of Tourism overseas offices was from legal firms outside of the Government for services such as contract reviews and human resources related matters. The costs were \$142 thousand for the 18-month period ended December 31, 2017 (30 June 2016: \$106 thousand).

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 14: Gains / (Losses)

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
49	Losses on asset impairment	-	-	-	-
7	Net losses on disposal of property, plant and equipment	(4)	-	-	4
4	Net losses/(gains) on foreign exchange transactions	9	11	11	2
-	Other (gains)/Losses	(39)	-	-	39
60	Total (gains)/ losses	(34)	11	11	45

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

Actual 2015/16	Description	Actual 2016/17	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
1,162	Surplus from ordinary activities	1,693	-	-	(1,693)
-	Non-cash movements	-	-	-	-
518	Depreciation expense	1,140	978	978	(162)
49	Losses on asset impairment	-	-	-	-
7	Net losses on disposal of property, plant and equipment	(4)	-	-	4
4	Net losses/(gains) on foreign exchange transactions	(38)	-	-	38
	Changes in current assets and liabilities:				
1,945	(Increase)/decrease in receivables - Cabinet	(7,792)	-	-	7,792
(138)	(Increase)/decrease in other current assets	480	-	-	(480)
440	Increase/(decrease) in current liabilities	(374)	-	-	374
3,987	Net cash (used)/from flows from operating activities	(4,895)	978	978	5,873

Note 16: Contingent liabilities and assets

The Ministry has no contingent assets and liabilities as at 31 December 2017. (30 June 2016: NIL).

**MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 \$5.6 million below budget primarily due to the delay in collection of funds related to Cabinet billing.

Trade receivables

The actual year-end trade receivables were \$7.3 million above budget primarily due to the delay in collection of funds related to Cabinet billing.

Inventories

Inventories were not budgeted for in the financial year as the Ministry had not determined its inventory value as at the 2016-17 budget completion.

Property, plant and equipment

Property, plant and equipment were under budgeted by \$3.9 million in the financial year due to the revaluation exercise as at 30 June 2016 which resulted in an increase in the value of buildings.

Current liabilities

Current liabilities were \$15.4 million above budget mainly due to the Ministry recognizing the surplus due to Cabinet of \$14.5 million for the 2016-17 financial year.

Statement of financial performance

Sales of Goods and Services

Sales of goods and services from third parties were \$7 thousand above budget mainly due to higher than expected third party revenue such as immigration related fees.

Personnel Costs

Personnel costs were \$1.4 million below budget due to managed/delayed vacancies during the year.

Supplies and consumables

Supplies and consumables were \$532 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, a decrease in maintenance expenses as a result of the inventory tracking system and a reduction in demand.

Depreciation

Depreciation expense was under budgeted by \$166 thousand in the financial year due to the revaluation exercise as at 30 June 2016 which resulted in an increase in the value of buildings.

Statement of changes in net worth

Net Worth was over budgeted by \$9.4 million due to the revaluation exercise as at 30 June 2016 which resulted in an increase in the value of buildings and due to a restatement in accumulated surpluses.

Statement of cash flows

Net cash flows from operating activities

The decrease in cash from operating activities is \$5.8 million above budget partially due to the untimely collection of Cabinet billing in 2016-17, and personnel costs budgeted for but not incurred as a result of vacancies in the financial year.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 18 month financial period ended 31 December 2017 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;

Actual 2015/16	Description	Actual 2016/17	Number of persons
\$'000		\$'000	
1,125	Salaries & other short-term employee benefits	1,806	11
1,125	Total	1,806	11

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

During the year, the entity had no transactions which are considered a related party to key management personnel.

Note 19: Events occurring after reporting date

No events materially affecting these financial statements occurred after 31 December 2017.

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 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 31 DECEMBER 2017

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	
	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000	2016/17 \$'000	2015/16 \$'000
Revenue																		
Outputs from Cabinet	14,623	9,189	9,362	6,001	2,168	1,443	1,729	1,126	13,769	8,258	1,848	1,139	2,443	1,955	914	594	46,856	29,705
Revenue from External Sources	-	-	34	9	-	-	-	-	790	430	19	12	9	26	24	25	876	502
Total Revenue	14,623	9,189	9,396	6,010	2,168	1,443	1,729	1,126	14,559	8,688	1,867	1,152	2,452	1,981	938	619	47,732	30,207
Expenses																		
Personnel	1,660	1,138	5,243	3,182	391	209	198	51	10,403	6,810	1,414	889	1,959	1,401	671	481	21,939	14,161
Supplies & Consumables	12,949	8,008	3,755	2,371	1,603	830	1,532	831	2,170	1,524	362	247	310	267	171	116	22,852	14,194
Depreciation	-	-	52	24	1	1	-	-	1,051	474	8	4	8	8	20	6	1,141	517
Other expenses	29	28	119	74	(1)	25	(4)	(15)	(39)	53	-	-	3	7	(0)	-	107	172
Total Expenses	14,638	9,174	9,169	5,651	1,994	1,065	1,726	867	13,585	8,861	1,784	1,140	2,280	1,683	863	603	46,039	29,044
Surplus/(Deficit) from Operating Activities	(15)	15	227	359	174	379	3	258	974	(173)	84	11	172	298	75	16	1,693	1,163
Assets																		
Current Assets	(14)	(29)	2,253	119	234	306	17	96	6,838	938	19	35	8,082	15,701	6	27	17,436	17,193
Fixed Assets	-	-	78	97	4	4	-	-	3,900	10,426	12	15	5,954	9	134	60	10,082	10,611
Fixed Assets - Intangible	-	-	11	13	-	-	-	-	2	-	-	-	(7)	-	-	-	6	13
Total Assets	(14)	(29)	2,342	229	238	310	17	96	10,740	11,364	31	50	14,029	15,710	140	87	27,524	27,817
Liabilities																		
Current Liabilities	23	53	726	690	7	5	8	6	532	604	56	71	552	395	45	16	1,949	1,840
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,469	14,951
Total Liabilities	23	53	726	690	7	5	8	6	532	604	56	71	552	395	45	16	16,418	16,791

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 31 DECEMBER 2017

Note 22: Commitments

Future minimum lease commitments under non-cancellable operating leases:

Operating Commitments	One Year or Less	One to Five Years	Over Five Years	Total
	\$'000	\$'000	\$'000	\$'000
Total Operating Commitments	814	1,177	1,753	3,744

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: Surplus repayment

As at 31 December 2017, the Ministry recorded a surplus payable of \$14.5 million (30 June 2016 as restated: \$14.9 million). As per section 39 3 (f) of the Public Management and Finance Law (2017 Revision), the entity shall "retain such part of its net operating surplus as is determined by the Minister of Finance". We confirm that as of year-end, the entity has not been advised that it may retain any operating surplus.

Note 24: Contributed capital

As at 31 December 2017, the Ministry recorded contributed capital of \$91 thousand (30 June 2016: \$3.6 million). 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 25: Revenue from non-exchange transactions

During the 18 month period ended 31 December 2017, 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.

Note 26: Correction of 2015-16 figures

Prior year errors in the 2015-16 financial year were corrected in the corresponding figures of these financial statements and consist of:

- Incoming transfer of two properties classified as buildings with a net book value of \$914 thousand at 30 June 2016 and the related depreciation of \$42 thousand to the Ministry from other Ministries.
- The restatement of prior year accumulated surplus for repayment in the amount of \$12.7 million.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 26: Correction of 2015-16 figures (continued)

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

	Prior Year Per 2015- 16 Audited FS (Original)	Adjustments	Prior Year Actual in current FS (Restated)
Statement of financial position:			
Non-current assets			
Property, plant and equipment	9,739	872	10,611
Liabilities			
Repayment of surplus	2,206	12,745	14,951
Net worth			
Contributed capital	2,718	914	3,632
Accumulated surplus	12,787	(12,787)	-
Statement of financial performance:			
Depreciation	475	43	518
(Deficit)/Surplus for the period	1,205	(43)	1,162