

FINANCIAL STATEMENTS

FOR

THE GOVERNMENT

OF

THE CAYMAN ISLANDS

FOR THE YEAR ENDED

30TH JUNE 2015

Contents

Contents 2

Statement of Responsibility 4

Management's Discussion and Analysis 5

Report of the Auditor General 19

Financial Statements 23

Statement of Financial Position 24

Statement of Financial Performance 25

Statement of Cash Flows 26

Statement of Changes in Net Worth 27

Statement of Comparison of Budget and Actual Amounts 28

Notes to the Financial Statements 32

- Note 1: Summary of Accounting Policies 32
- Note 2: Cash and Cash Equivalents 48
- Note 3: Trade Receivables 49
- Note 4: Other Receivables 50
- Note 5: Inventories 51
- Note 6: Loans Made 52
- Note 7: Investments 54
- Note 8: Prepayments 57
- Note 9: Biological Assets 58
- Note 10: Property, Plant and Equipment 60
- Note 11: Intangible Assets 64
- Note 12: Investment Property 65
- Note 13: Trade Payables, Other Payables & Accruals 66
- Note 14: Unearned Revenue 67
- Note 15: Employee Entitlements 68
- Note 16: Retirement Benefits 69
- Note 17: Borrowing /Public Debt 73
- Note 18: Provisions 74
- Note 19: Currency Issued 76
- Note 20: Reserves 77
- Note 21: Coercive Revenue 81

Note 22: Sales of Goods and Services 83
Note 23: Investment Revenue 84
Note 24: Donations 85
Note 25: Personnel Costs 86
Note 26: Supplies and Consumables 88
Note 27: Depreciation and Amortisation Expense 89
Note 28: Outputs from Non-Government Organizations 90
Note 29: Transfer Payments 92
Note 30: Other Executive Expenses 93
Note 31: Financing Costs 94
Note 32: Reconciliation of Surplus to Net Operating Cash Flow 95
Note 33: Explanation of Major Variances to Budget 96
Note 34: Commitments 97
Note 35: Contingent Liabilities 98
Note 36: Financial Risk Management 103
Note 37: Fair Value Estimation 108
Note 38: Related Parties 109
Note 39: Segment Reporting 110
Report of the Auditor General 113
Statements of Appropriations 114
Annual Statement of Appropriations 115
Statement of Un-Appropriated Financial Transactions 123
Statement of Expenses or Capital Expenditure Incurred in Emergencies 124
Supplementary Statements 125
Note 40: Outputs from Statutory Authorities & Government Companies 126
Note 41: Investment in Statutory Authorities & Government Companies 127
Note 42: Details of Borrowings 128
Note 45: Statement of Trust Holdings 135
Note 46: Government Reporting Entities as at 30th June 2015 136

MINISTRY OF
FINANCE & ECONOMIC DEVELOPMENT
CAYMAN ISLANDS GOVERNMENT

Statement of Responsibility

These financial statements have been prepared in accordance with the provisions of Sections 29 of the Public Management and Finance Law (2013 Revision), as amended. They report the financial results and position for Central Government and the Entire Public Sector for the financial year ended 30th June 2015.

The financial statements were prepared by the Ministry of Finance & Economic Development on behalf of the Government. On the basis of the financial information available, the Ministry has used its best professional judgment in preparing these statements.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2013 Revision), as amended.

To the best of our knowledge, the financial statements comply with generally accepted accounting practices as defined by International Public Sector Accounting Standards (IPSAS), except for IPSAS 25, Employee Benefits, as it relates to the accounting for post-retirement benefits and IPSAS 6, Consolidated and Separate Financial Statements, as it relates to the non-consolidation of the Public Service Pensions Board.

Hon. Marco Archer, JP
Minister for Finance & Economic Development
Government of the Cayman Islands

Dated: 23/11/2016

Hon. Alden McLaughlin, MBE, JP
Premier
Government of the Cayman Islands

Dated: 24/11/16

Management's Discussion and Analysis

Introduction

These financial statements contain the financial results and position for the year ended 30th June 2015 with comparative results of:

- The original budget for the year as published in the 2014/15 Annual Plan & Estimates,
- The audited actuals for the prior year, 2013/14.

This commentary should be read in conjunction with the financial statements and disclosure notes on pages 23 to 136.

Government Structure

The Cayman Islands is an Overseas Territory of the United Kingdom, a foreign sovereign territory. Her Majesty the Queen of England ("Her Majesty"), as the British queen regnant, is the head of state of the Cayman Islands. Her Majesty appoints a representative (the "Governor") to administer the Government of the Cayman Islands on her behalf. As the Cayman Islands is not part of the United Kingdom, the Cayman Islands has its own Constitution and is governed by a local parliamentary democracy comprised of executive, legislative and judicial branches. The Governor administers the Cayman Islands on behalf of Her Majesty and is constitutionally bound to promote the good governance and act in the best interest of the Cayman Islands, so long as it is consistent with the United Kingdom's interests. The United Kingdom provides for the defense of the Cayman Islands, and the Royal Cayman Islands Police Service provides police services in the Cayman Islands.

While all of the Cayman Islands' financing decisions are made by the Legislative Assembly and Cabinet, and the United Kingdom does not provide direct financial support to the Cayman Islands, the United Kingdom closely monitors borrowings incurred by the Cayman Islands.

The Cabinet is responsible for creating Government policy. The Cabinet currently consists of seven Cabinet members, headed by the Governor. The seven members consist of the Premier, four ministers (the "Ministers") who are appointed by and from within the elected members of the Legislative Assembly, and two members (the "Members") consisting of the Deputy Governor and the Attorney General.

Various statutory boards and authorities have been established for specific purposes, including, but not limited to, Cayman Airways Limited, the Cayman Islands Airport Authority, Cayman Islands Development Bank, Cayman Islands National Insurance Company, Cayman Islands Health Services Authority, The Water Authority of the Cayman Islands, Cayman Turtle Farm (1983) Limited and the Cayman Islands Stock Exchange.

Summary and Highlights of Financial and Economic Performance

The key financial results for the fiscal year ended 30th June 2015 are as follows;

- The net assets (total assets less total liabilities) of the Government were $1,610.8 million;
- Cash balances of $406.4 million were recorded, $127.0 million of which were restricted funds and reserves;
- Public debt stood at $629.7 million;
- Central Government financial performance was a $124.9 million surplus while the Statutory Authorities and Government Companies made a net surplus of $21.8 million which resulted in an Entire Public Sector surplus of $146.7 million.

Executive Summary

Restated Prior Year Actual 1 JUL 2013 - 30 JUN 2014 2013/14 $000		Current Year Actual 1 JUL 2014 - 30 JUN 2015 2014/15 $000	Current Year Budget 1 JUL 2014 - 30 JUN 2015 2014/15 $000
	FINANCIAL PERFORMANCE		
647,255	Operating Revenue	659,639	657,773
547,288	Operating Expenses, Financing Costs and Non-Operating Costs	534,781	536,838
99,967	**Operating Surplus/ (Deficit) of Central Government**	124,858	120,935
4,847	Profit/(Loss) on Investments in Public Entities	21,831	7,095
104,814	**(Deficit) of the Entire Public Sector**	146,689	128,030

Current Year Actual As at 30 JUN 2014 2013/14 $000		Current Year Actual 1 JUL 2014 - 30 JUN 2015 2014/15 $000	Current Year Budget 1 JUL 2014 - 30 JUN 2015 2014/15 $000
	FINANCIAL POSITION		
671,247	Debt Balance at Period-End	629,672	632,562
1,452,760	Net Assets	1,610,838	1,594,165

Current Year Actual As at 30 JUN 2014 2013/14 $000		Current Year Actual 1 JUL 2014 - 30 JUN 2015 2014/15 $000	Current Year Budget 1 JUL 2014 - 30 JUN 2015 2014/15 $000
	CASH FLOW		
158,017	Net Cash Flow from Operating Activities	201,028	186,992
(35,295)	Net Cash flow (used) in Investment Activities	(34,037)	(43,260)
(37,552)	Net Cash Flow (used) by Financing Activities	(41,738)	(40,516)
85,169	**Net Movement in Cash from Period Activities**	125,253	103,216
196,013	Cash and Cash Equivalents at 1 July (start of year)	281,182	254,040
281,182	**Cash and Cash Equivalents at the End of the Period**	406,435	357,256

Public Debt

The Cayman Islands public sector debt consists of U.S. dollar-denominated debt and a small amount of Euro-denominated debt. The Legislative Assembly must appropriate any incurrence of liabilities. The 2009 Constitution, which came into effect on 6th November 2009, limits Government borrowing to 10% of Government revenue, as determined by a United Kingdom Secretary of State. The Legislative Assembly may provide for a higher percentage for urgent or extremely important matters.

Article 113 of the 2009 Constitution requires that:

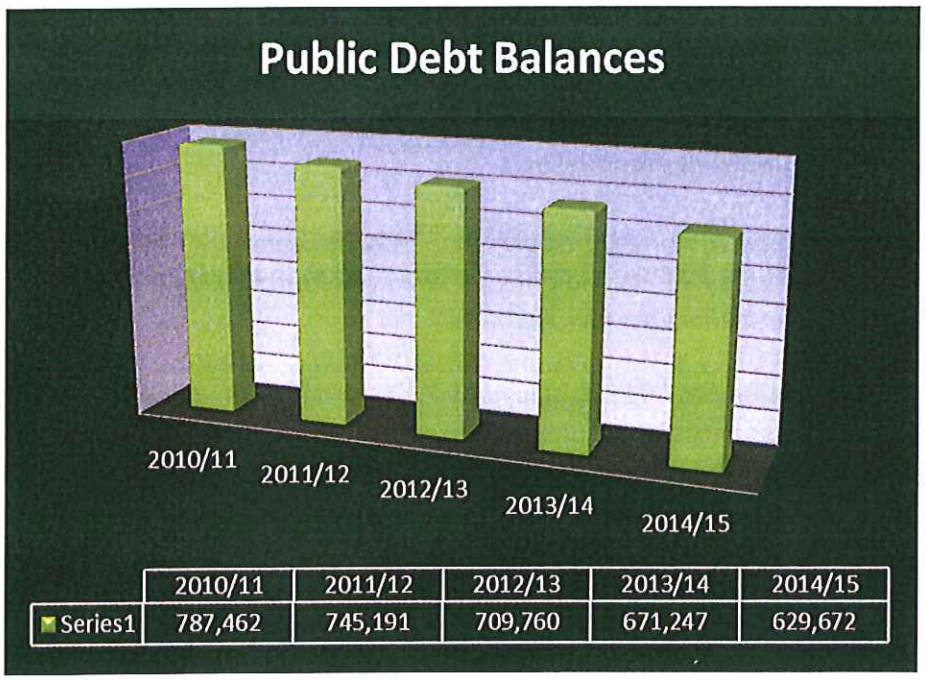
Total Government borrowing may not exceed an amount for which the sum of:

(a) Total interest payments;

(b) Total other debt servicing expenses, including arrangement fees and sinking fund expenses; and,

(c) Total principal or amortised debt repayments, for a fiscal year is more than the percentage of Government revenue set out in the law and agreed with the Secretary of State for that fiscal year. The relevant percentage for the current fiscal year pursuant to the PMFL is 10%.

As part of the agreement between the Government and the Foreign & Commonwealth Office, Central Government was not allowed to engage any new debt.



	2010/11	2011/12	2012/13	2013/14	2014/15
Series1	787,462	745,191	709,760	671,247	629,672

Economic Overview

According to the *2014 Annual Economic Report* published by the Economic and Statistics Office:

- Gross domestic product (GDP) grew at an estimated rate of 2.1% an improvement of the 1.4% growth a year ago. This performance was underpinned by a demand expansion from population growth and strong tourist arrivals.

- Nominal per capita income (GDP per person) increased to $48,095, an improvement over the $47,170 in 2013.

- Growth was broad-based on the production side, led by tourism-related service sectors (hotels and restaurants; wholesale and retail; and transport, storage and communication). However, financing and insurance, and government services declined.

- The average inflation rate in 2014 was 1.3%, lower than the 2.2% a year which is supported by a downtrend in global oil prices.

- Total employment was estimated at 37,723, 4.5 % higher than a year ago. Consequently the unemployment rate fell to 4.7 % compared to 6.3 % in 2013.

- Unemployment rate among Caymanians declined from 9.4% in 2013 to 7.9 % in 2014, the non-Caymanians' from 3.1% to 1.5%.

- The financial services industry continued to exhibit a mixed performance. New company and partnership registrations grew while declines were recorded for mutual funds registration including master funds, insurance licences, stock exchange listing, and banks and trusts.

- Total visitors to the Cayman Islands grew by 15.8% to total 1.99 million in 2014. Air arrivals increased by 10.8% and cruise visitors rebounded with a 17.0% growth following the contraction a year ago by 8.7%.

- GDP growth projection for 2015 is placed at 2.1% in view of expected sustained growth in tourism services and construction which will positively impact other sectors, as well as a modest recovery in financial services. The inflation rate in 2015 is expected at 1.5% arising from growth in domestic demand.

Outcomes for 2014/15

As outlined in the 2014/15 Annual Plan & Estimates, the Government has established the following 12 broad outcomes to guide its policy actions:

1. A strong, thriving and increasingly diverse economy;

2. A work-ready and globally competitive workforce;

3. A more secure community;

4. A more efficient, accessible and affordable public service;

5. Modern, smart infrastructure;

6. A fit and healthy population;

7. A centre of excellence in education;

8. A culture of good governance;

9. Sustainable development in Cayman Brac and Little Cayman with sensitivity to the islands' unique characteristics;

10. Conservation of our biological diversity and ecologically sustainable development;

11. A robust agriculture sector suited to the needs and resources of the country; and

12. Equity and justice in a society that values the contribution of all.

Public Sector Borrowings Requirements

An alternative (economist's) view of the financial position of Central Government is provided by the Public Sector Borrowing Requirement (PSBR) below. As at 30th June 2015 Central Government earned $157.6 million from operating activities, $25.3 million was used to settle debt obligations while another $38.7 million was used for capital expenditure. The Government also received $3.9 million from repayment of loans and dividends from subsidiaries. This resulted in a net increase of $97.5 million in the overall bank balances during the 2014/15 financial year.

Public Sector Financing Requirements
2014/15 Fiscal Year

	Actual CI$ Million	Full Year Budget CI$ Million
Total Operating Revenue	**659.6**	**657.8**
Operating Costs:		
Personnel Costs	237.1	241.8
Other Operating Costs	271.9	268.4
Total Operating Costs	**509.0**	**510.2**
Financing Costs	28.5	28.5
Other Non-Operating Costs	(2.8)	(1.9)
Total Costs charged to Statement of Financial Performance	**534.7**	**536.8**
Surplus/ (Deficit) from Operating Activities - for Core Govt	**124.9**	**120.9**
Surplus from Operating Activities for Statutory Authorities and Government Owned Companies	21.8	7.1
Surplus from Operating Activities - for Entire Public Sector	**146.7**	**128.0**
Calculation of Central/ Core Government's Public Sector Borrowing Requirement:		
Cash arising from Operating Activities (from revenues less operating costs and financing cost)	157.6	152.2
Less: Cash Required to Meet Loan Principal Repayments	(25.3)	(25.4)
Add: Cash Received from Investing activities (from repayments to Gov't of loans made by Gov't and dividends received from Public Entities)	3.9	3.5
Remaining Cash to assist in Financing of Capital Expenditures	**136.2**	**130.3**
Less: Cash Payments Req'd to Finance Capital Transactions (ie Equity Investments and Executive Assets)	**(38.7)**	**(47.8)**
Increase in Bank Balances during period	**97.5**	**82.5**
Public Sector Borrowing Requirement (PSBR)	-	-
PSBR, Borrowings and Bank Balances:		
Public Sector Borrowing Requirement (PSBR)	-	-
Net increase in Bank Balances During the Period (from section above)	97.5	82.5
Bank Balances at start of Fiscal Year: 1st July 2014	173.9	173.6
Bank Balances at end of period : 30th June 2015	**271.4**	**256.1**

Principles of Responsible Financial Management

The Government of the Cayman Islands manages its day-to-day operation without direct intervention by the Foreign Commonwealth Office (FCO) provided that the policies implemented are in keeping with the agreed direction/guidelines of the FCO. These guidelines are referred to under the Public Management and Finance Law as Principles of Responsible Financial Management. Per section 34 of the PMFL, failure to comply with the borrowing, net debt and cash reserve principles as outlined below requires that any additional borrowing must first receive the approval of the Foreign Commonwealth Office.

Principle	2014/2015 Original Budget	Unaudited Actuals 2014/2015	Actuals 2013/2014
	CI$000s	CI$000s	CI$000s
Operating Surplus: Should be positive (Operating surplus = Central Government operating revenue - Central Government operating expenses)	Complies Surplus = $128.03 million	Complies Surplus = $124.9 million	Complies Surplus = $104.8 million
Net Worth: should be positive (Net worth = Central Government assets – Central Government liabilities)	Complies Net Worth = $1,594 million	Complies Net Worth = $1,610.8 million	Complies Net Worth = $1,452.8 million
Borrowing: Debt servicing cost for the year should be no more than 10% of Central Government revenue (Debt servicing = interest + other debt servicing expenses + principal repayments for Central Government debt, public authorities debt and self-financing loans and contributions to debt repayment sinking fund)	Does not comply Debt servicing = 11.3%	Does not comply Debt servicing = 18.6%	Does not comply Debt servicing = 11.48%
Net Debt: should be no more than 80% of Central Government revenue (Net debt = outstanding balance of Central Government debt + outstanding balance of self financing loan balance + weighted outstanding balance of statutory authority/Government company guaranteed debt - Central Government Unrestricted Cash + General Reserves)	Complies Net Debt = 61.2%	Complies Net Debt = 60.6%	Complies Net Debt = 78.7%
Cash Reserves should be no less than estimated executive expenses for 90 days: (Cash reserves = Central Government Unrestricted Cash at lowest point during FY + General Reserves)	Does not comply Cash reserves = 43.3 days	Does not comply Cash reserves = 61.7days	Does not comply Cash reserves = 30.2 days
Financial risks should be managed prudently so as to minimize risk	Complies Minimal currency risk due to fixed exchange rate. Does not engage in trade in commodities. Liquidity risks by strict cash management routines and limited credit. As far as possible credit backed by customer deposits Insurance cover exists for key assets and major potential liabilities. Hurricane Preparedness & Response Strategy in place.	Complies Minimal currency risk due to fixed exchange rate. Does not engage in trade in commodities. Liquidity risks by strict cash management routines and limited credit. As far as possible credit backed by customer deposits Insurance cover exists for all Government buildings, vehicles and major potential liabilities. Hurricane Preparedness & Response Strategy in place.	Complies Minimal currency risk due to fixed exchange rate. Does not engage in trade in commodities. Liquidity risks by strict cash management routines and limited credit. As far as possible credit backed by customer deposits Insurance cover exists for all Government buildings, vehicles and major potential liabilities. Hurricane Preparedness & Response Strategy in place.

Responsible financial management as defined by section 14(3) of the PMFL is as below;

(a) Total core government revenue less total core government expenses (measured using generally accepted accounting practice) should be positive;

(b) Total core government assets less total core government liabilities (measured using generally accepted accounting practice) should be positive;

(c) borrowing should not exceed an amount for which the sum of interest, other debt servicing expenses, and principal repayments for a financial year are more than ten percent of core government revenue (calculated using generally accepted accounting practice) for that financial year, where, for the purposes of this principle, borrowing is defined as all borrowing that is in the name of the Government regardless of whether it is serviced directly by the core government, a statutory authority or government company;

(d) Net debt should be no more than eighty percent of core government revenue, where, for the purposes of this principle, net debt is defined as

  (i) Central government borrowing less core government liquid assets

  (ii) Borrowing that is serviced directly by a statutory authority or government company but is in the name of the Government; and

  (iii) The percentage of statutory authority and government company debt guaranteed by the Government that regulations made under this Law specify is to be included in the net debt calculation;

(e) Cash reserves should be maintained at a level no less than the estimated executive expenses (measured using generally accepted accounting practice) for the following ninety days where, for the purpose of this principle, cash reserves are defined as core government cash and cash equivalents, marketable securities and deposits, and other liquid assets, including any amounts held for restricted funds and reserves purposes; and

(f) The financial risks, including contingent liabilities, facing the core government should be managed prudently so as to minimize the likelihood of any such risk resulting in an expense or liability.

Section 14(d) of the PMFL states that the Governor in Cabinet decisions may depart from the principles of responsible financial management for a limited period if the Governor in Cabinet specifies in a paper laid before the Legislative Assembly for its information-

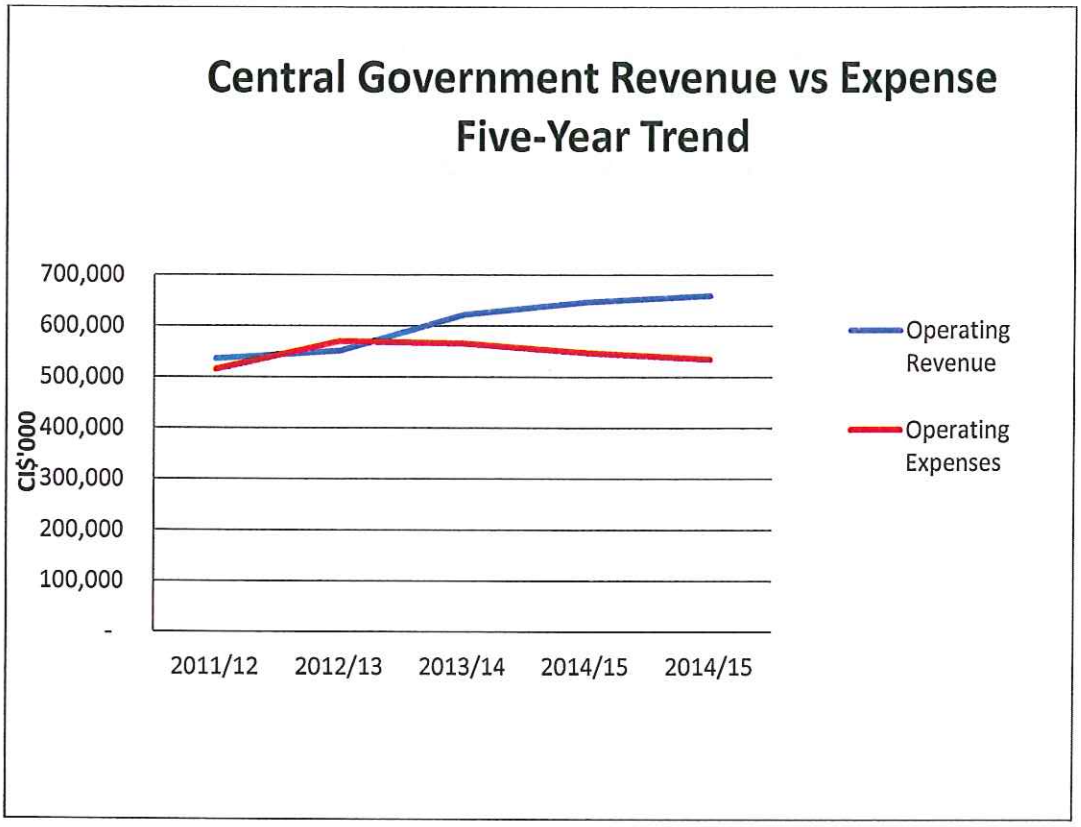
(a) The reasons for the departure;

(b) The approach that the Governor in Cabinet intends to take in order to return to those principles; and

(c) The period of time that the Governor in Cabinet expects to take to return to those principles.

Operating Results

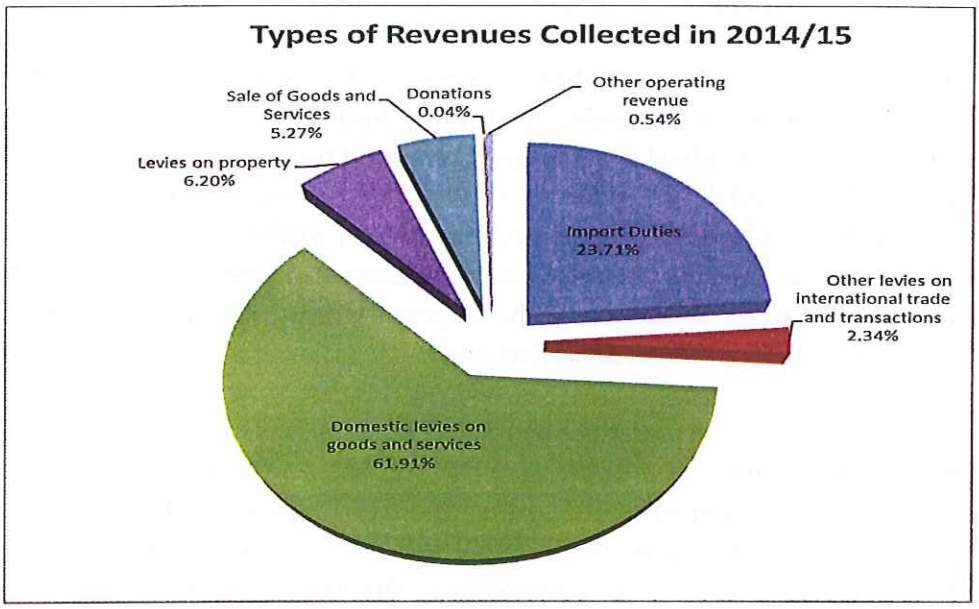
Operating revenues have grown steadily over the past five years, outpacing operating expenditure in the last three consecutive fiscal years.



Revenue

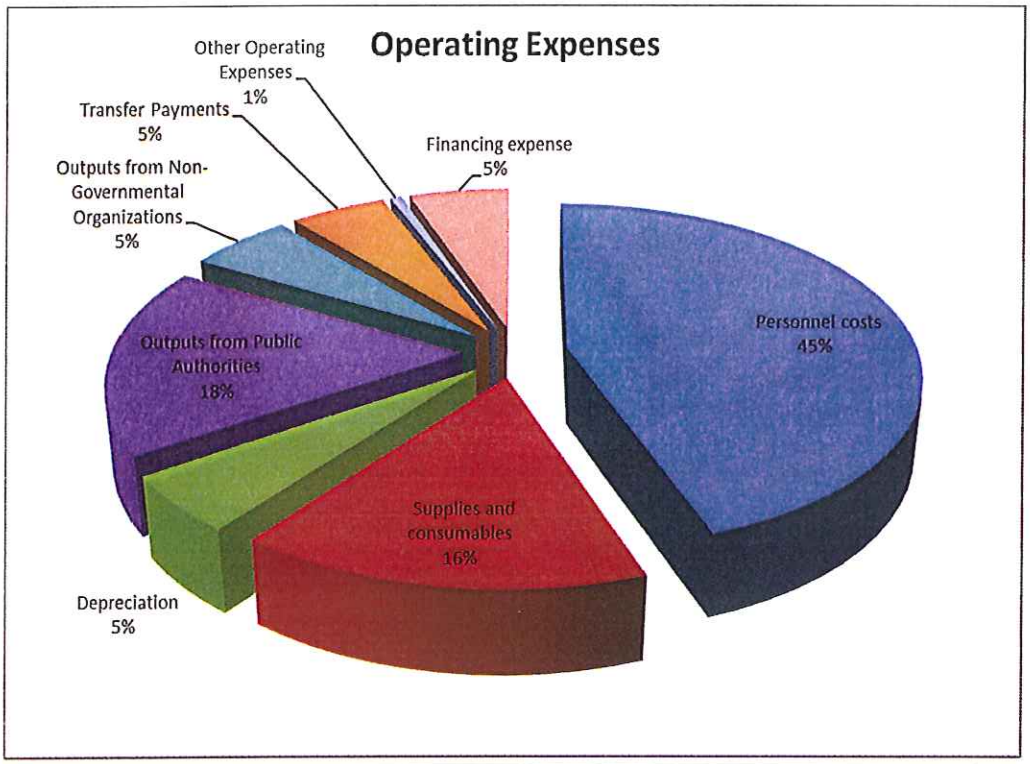
The Government has three main types of revenue, coercive, sales of goods and services and donations. Coercive revenue is derived through the powers of the state while sales of goods and services refer to revenue generated through trade. The Cayman Islands does not have a direct taxation system.

The Government's income is derived through consumption-based and annual fee-based measures, including import duties, stamp duties, fees related to business and tourism as well as administrative fees for Government services. Domestic Levies are fees levied on businesses and individuals and on average accounts for 62% of Government's earnings. A breakdown of types of revenue collected in 2014/15 is shown on page 17.



Expenses

The Government has made a concerted effort over the last five years to reduce expenditure in relation to its earnings. These savings resulted in a surplus for the last three consecutive financial years. Personnel Costs continues to account for majority of Government's expenditure at just over 45% of total operating expenses (as shown below).



Performance of Statutory Authorities and Government Companies

As at 30th June 2015, the Government had 25 entities classified as either Statutory Authorities or Government Companies. Statutory Authorities and Government Companies (SAGCs or Public Entities) are entities established by law to carry out specific functions and are at least partially Government funded. These companies include, among others, Cayman Airways Limited, the Cayman Islands Airport Authority, Cayman Islands Development Bank, Cayman Islands National Insurance Company, Cayman Islands Health Services Authority, The Water Authority of the Cayman Islands, Cayman Turtle Farm (1983) Limited and the Cayman Islands Stock Exchange.

Each SAGC is managed by a Board under the legislation that governs its operations. In the case of Government Companies, the Government is the single shareholder. Five (5) of these bodies are considered self-sufficient in that the Government, while maintaining oversight, does not provide any form of monetary support. All other entities receive some level of financial support from the Government. The detailed operating results of each entity are tabled separately (see Note 36 - Investment in Statutory Authorities & Government Companies). Public Entities, after a few years of losses, made a surplus in last two consecutive financial years.

Cost management initiatives, increased air and cruise tourist arrivals together with declining fuel prices contributed to in the operating results of Statutory Authorities and Government Companies in the 2014/15 financial year.

Office of the Auditor General
CAYMAN ISLANDS

Phone: (345) - 244-3211
Fax: (345) - 945-7738
AuditorGeneral@oag.gov.ky
www.auditorgeneral.gov.ky

3rd Floor, Anderson Square
64 Shedden Road, George Town
P.O.Box 2583
Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly

I have audited the accompanying consolidated financial statements of the Cayman Islands Government, ("Government") which comprise the consolidated statement of financial position as at 30 June 2015 and the consolidated statement of financial performance, consolidated statement of changes in net worth and consolidated 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 32 to 136 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 consolidated financial statements in accordance with International Public Sector Accounting Standards ("IPSAS"), and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated 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 adverse audit opinion.

Basis for Adverse Opinion

Exclusion of the Public Service Pensions Board from consolidation
The consolidated financial statements exclude material transactions and balances relating to the Public Service Pensions Board ("Pensions Board") as management concludes that the related assets are being held in trust by the Pension Board. In my opinion, the Government has control over the Pensions Board and therefore all of its transactions and balances should be consolidated in these financial statements in accordance with IPSAS 6 – ***Consolidated and Separate Financial Statements.***

As a result of these omissions; assets, liabilities, revenues and expenses in the consolidated financial statements are understated as at 30 June 2015.

Pervasive inaccuracies arising from opening balances and subsequent adjustment in subsidiaries
As at the date of this audit report, certain subsidiary audits were in progress. It is likely that the adjustments arising from those audits could materially affect figures and disclosures in the consolidated financial statements. I have not been able to estimate the impact of those adjustments, if any, including those that may have arisen from subsidiary audits completed prior to the issuance of the consolidated financial statements for 30 June 2015. The impact of these adjustments could be both pervasive and material.

Revenue, receivables & unearned revenue affected by revenue incompleteness
Due to poor controls, management was unable to assert to the completeness of its revenues. Therefore, I have not been able to conclude on the fairness of the amount reported as coercive revenues of $637 million on the Statement of Financial Performance for the year ended 30 June 2015. Furthermore, I have not been able to conclude on the related unearned revenues of $40 million and trade receivable balances of $32 million as at 30 June 2015 on the Statement of Financial Position.

Road network incompleteness and valuation issues
Management has not been able to provide a complete valuation report to support the carrying value of the road network and has omitted significant parts of its road network from the accounts. The carrying amount of $668 million related to roads and sidewalks does not represent the complete account balance.

Lack of revaluation/Inconsistent accounting policies of SAGC's property, plant & equipment
The consolidated figure for property, plant & equipment is materially misstated due to the lack of revalued carrying amounts for certain classes of property, plant & equipment owned by the statutory authorities and government companies ("SAGC") that have not been revalued. Furthermore the accounting policies used to measure the SAGC all assets except the Health Services Authority, are inconsistent to the central government entities within the consolidation. IPSAS 6 – ***Consolidated and Separate Financial Statements*** requires consistent accounting policies to be used within the consolidation. The total carrying amount of these SAGC assets in the financial statements is $223 million and the revaluation reserve, which is also impacted, amounts to $806 million.

Unaccounted Landfill liabilities
The Government assigned a $Nil value to the land component of the George Town Landfill, purportedly in order to offset any value of land against any liabilities arising from the remediation of the site. The future liabilities associated with the Landfill has not been assessed and accounted for in the consolidated financial statements. As a result I was unable to determine the impact of the future liabilities on the consolidated accounts.

Provisions understatement of environmental liabilities
Management has represented that there is no process in place to properly assess and account for its environmental liabilities. I have reviewed provisions and found two matters likely to be material to the financial statements that have not been assessed or recognised. These are the remediation or clean-up of the George Town landfill and Frank Sound site. As such, I believe that the liabilities for provisions are more likely than not to be understated.

Poor controls over property, plant & equipment listings
Subsidiaries included in the consolidated financial statements have been qualified due to the lack of detailed listings of property, plant & equipment. As a result, I have not been able to determine the fairness of those items identified, and their impact on the overall balance of property, plant & equipment.

Understatement of long-term employee benefits liabilities and omission of disclosures
Government did not record its liabilities relating to its post retirement-medical and defined benefit pension plans. For the post retirement medical plan, the liability given in the previous valuation report received in 2014 amounted to $1.18 billion and was not recognized. The pensions actuarial valuation report for 2015 valued these liabilities at $421 million which has resulted in an understatement of $194 million. I have determined that the consolidated liabilities of the Government are therefore materially understated.

Sales of goods and services incompleteness
I was not able to conclude on the fairness of the amounts reported in the Statement of Financial Performance for sales of goods and services amounting to $248 million because of poor controls for patient revenues, included in this revenue stream. In the absence of properly designed and effective controls, I was unable to satisfy myself that such reported patient services fees were complete.

Personnel costs understated
I was not able to conclude on the fairness of personnel costs amounting to $352 million because of the understatement of the liabilities for post-retirement pension and healthcare employee benefit plans.

Depreciation and amortization expenses inaccuracy
I was not able to conclude on the fairness of depreciation and amortization expenses amounting to $51 million resulting from the valuation and completeness issues affecting property, plant & equipment discussed above.

Statement of Cash Flows not fairly presented
I was not able to conclude on the fairness of the amounts reported in the Statement of Cash Flows due to the matters discussed affecting the statements of financial position and of financial performance.

Net Worth
Based on the above matters and representations received from management, I did not receive sufficient and appropriate audit evidence to conclude that account balance is fairly stated. As such, I am therefore unable to conclude whether the net worth is fairly stated at 30 June 2015.

Financial Statement Disclosures
The consolidated financial statements have omitted several required disclosures by the accounting standards. These include but are not limited to:

- long-term employee benefits from **IPSAS 25 – *Employee Benefits.*** The post-retirement health care disclosures amounts included in the financial statements relate to the 2013-14 financial year as opposed to the 2014-15 financial year. This therefore does not meet the requirements of IPSAS 25.

- The Government has not established a system for reporting key management personnel transactions as required by IPSAS 20, Related Party Disclosures, as a result, I do not opine on the accuracy of related party balances.

- The consolidated financial statements do not disclose the maximum exposure of financial assets to credit risk as required by IPSAS 15 as well as a sensitivity analysis for market risk, as required by IPSAS 30.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraphs the consolidated financial statements do not present fairly the financial position of the Cayman Islands Government as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with IPSAS.

Other Matter

I draw to the attention of the reader, that due to the adverse opinion, no further consideration was given to any other balances, transactions, disclosures or compliance with laws or regulatory matters as it relates to these consolidated financial statements.



Sue Winspear, CPFA
Auditor General

7 December 2016
Cayman Islands

Financial Statements

Statement of Financial Position

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

Core Actual 2013/2014 CI$000	EPS Actual 2013/2014 CI$000		Note	Core Actual 2014/2015 CI$000	EPS Actual 2014/2015 CI$000
		Current Assets			
173,901	285,437	Cash and Cash Equivalents	2	271,384	410,238
34,319	36,421	Trade Receivables	3	26,185	31,707
1,345	3,185	Other Receivables	4	1,951	12,500
2,694	-	Dividend Receivable	4	2,319	-
3,385	19,334	Inventories	5	2,843	16,718
758	1,668	Loans Made	6	782	571
50	80,170	Investments	7	84	65,385
8,840	12,185	Prepayments	8	7,533	13,543
-	1,428	Biological Assets	9	-	1,437
225,292	439,828	**Total Current Assets**		313,081	552,099
		Non-Current Assets			
-	923	Other Receivables	4	-	-
1,684	31,106	Loans Made	6	1,083	29,899
1,783,309	2,078,619	Property, Plant and Equipment	10	1,782,825	2,068,405
2,979	4,769	Intangible Assets	11	3,940	5,562
-	16,204	Investment Property	12	-	15,772
831	19,412	Investments	7	831	36,692
297,859	-	Net Worth - Public Entities		331,790	-
8	8	Other Non-Current Assets		-	1
2,086,670	2,151,041	**Total non-current assets**		2,120,469	2,156,331
2,311,962	**2,590,869**	**Total Assets**		**2,433,550**	**2,708,430**
		Current Liabilities			
16,625	27,369	Trade Payables	13	12,322	30,163
66,360	63,735	Other Payables & Accruals	13	56,058	49,520
-	4,255	Bank Overdraft	2	-	3,803
26,007	37,313	Unearned Revenue	14	26,173	40,238
7,111	9,046	Employee Entitlements	15	8,521	10,407
11,400	15,275	Retirement Benefits	16	11,400	15,026
25,338	64,126	Borrowings/Public Debts	17	20,943	30,902
745	10,159	Provisons	18	-	11,657
153,586	231,278	**Total Current Liabilities**		135,417	191,716
		Non-Current Liabilities			
59	207	Other Payables & Accruals	13	59	197
121	121	Employee Entitlements	15	-	-
184,857	210,244	Retirement Benefits	16	184,857	212,022
523,161	607,121	Borrowings/Public Debts	17	502,379	598,770
-	91,720	Currency Issued	19	-	94,887
708,198	909,413	**Total Non-Current Liabilities**		687,295	905,876
861,784	**1,140,691**	**Total Liabilities**		**822,712**	**1,097,592**
1,450,178	**1,450,178**	**Net Assets**		**1,610,838**	**1,610,838**
		Net Assets/Equity			
107,788	129,321	Reserves	20	131,820	156,612
784,043	801,414	Revaluation Reserve	20	788,116	806,179
104,815	104,815	Current Period Surplus (Deficit)		146,689	146,689
453,532	414,628	Accumulated Surplus (Deficit)		544,213	501,358
1,450,178	**1,450,178**	**Total Net Assets/Equity**		**1,610,838**	**1,610,838**

Statement of Financial Performance

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

Core Actual 2013/2014 CI$000	EPS Actual 2013/2014 CI$000		Note	Core Actual 2014/2015 CI$000	EPS Actual 2014/2015 CI$000
		Revenue			
612,793	611,617	Coercive Revenue	21	623,512	636,822
33,419	234,166	Sales of Goods & Services	22	34,759	248,159
682	2,336	Investment Revenue	23	1,047	4,700
304	1,203	Donations	24	283	1,081
57	101	Other Revenue		38	300
647,255	**849,423**	**Total Revenue**		**659,639**	**891,062**
		Expenses			
238,101	352,316	Personnel Costs	25	237,110	352,795
81,318	227,271	Supplies and Consumables	26	78,873	223,221
6,812	9,571	Leases		5,557	8,346
25,886	43,734	Depreciation/Amortisation	27	30,863	50,846
102,190	-	Outputs from Statutory Authorities and Government Companies	40	94,004	-
26,464	26,464	Outputs from Non-government Organisations	28	29,445	29,445
31,130	31,130	Transfer Payments	29	27,274	27,274
374	1,065	Litigation Costs		470	2,018
5,821	18,632	Other Executive Expenses	30	5,493	19,192
30,515	35,816	Finance Costs	31	28,518	33,280
548,611	**745,999**	**Total Expenses**		**537,607**	**746,417**
		Other (Gains)/Losses			
(1,150)	(1,150)	(Gains)/Losses on Derecognition of Assets/Liabilities		-	-
-	-	Impairment of Property, Plant and Equipment		-	16
-	258	Impairment of Inventory		-	231
2,408	2,672	(Gains)/Losses on Financial Instruments		(3,007)	(2,474)
65	(390)	(Gains)/Losses on Non-financial Instruments		181	183
4,847	-	(Surplus)/Deficit on Statutory Authorities & Government Companies		(21,831)	-
6,170	**1,390**	**Total Other (Gains)/Losses**		**(24,657)**	**(2,044)**
104,814	**104,814**	**Surplus/(Deficit) for the Period**		**146,689**	**146,689**

Statement of Cash Flows

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2015

Prior Year 2013/2014 CI$000		Note	Actual 2014/2015 CI$000
	Operating Activities		
	Cash received		
612,321	Coercive Receipts		623,410
241,168	Sales of Goods & Services		243,084
4,138	Interest received		4,347
1,021	Donations / Grants received		1,342
4,673	Other receipts		8,332
863,320	***Total cash received***		**880,516**
	Cash used		
(340,543)	Personnel costs		(377,853)
(263,118)	Supplies and consumables		(197,785)
(25,340)	Outputs from non-governmental organisations		(31,078)
(30,888)	Transfer payments		(27,290)
(38,705)	Financing/interest payments		(34,350)
(6,709)	Other payments		(10,781)
-	Extraordinary payments		(351)
(705,303)	***Total cash used***		**(679,488)**
158,017	***Net cash flows from (used by) operating activities***	**32**	**201,028**
	Investing activities		
	Cash received		
441	Proceeds from sale of property, plant and equipment		314
5,094	Proceeds from the sale of Investments		3,146
5,535	***Total cash received***		**3,460**
	Cash used		
(40,539)	Purchase of property, plant and equipment		(36,387)
(290)	Loans Made/Investments		(1,109)
(40,830)	***Total cash used***		**(37,496)**
(35,295)	***Net cash flows from (used by) investing activities***		**(34,037)**
	Financing activities		
	Cash received		
-	Proceeds from Borrowing		30,584
-	***Total cash received***		**30,584**
(37,552)	Repayment of Borrowings		(72,322)
(37,552)	***Total cash used***		**(72,322)**
(37,552)	***Net cash flows from (used by) financing activities***		**(41,738)**
85,169	**Net increase/(decrease) in cash and cash equivalents held**		125,253
196,013	Cash and cash equivalents at beginning of period		281,182
281,182	**Cash and cash equivalents at end of period**	**2**	**406,435**
285,437	Cash and cash equivalents (excluding bank overdrafts)		410,238
(4,255)	Less Overdraft		(3,803)
281,182	**Cash and cash equivalents**		**406,435**

Statement of Changes in Net Worth

GOVERNMENT OF THE CAYMAN ISLANDS
SCHEDULE OF CHANGES IN NET WORTH
FOR THE PERIOD ENDED 30 JUNE 2015

	Attributable to Cayman Islands Government			
	Reserves CI$000	Revaluation CI$000	Accumulated Surplus/(Deficits) CI$000	Total Net Worth CI$000
Balance at 30 June 2013	121,745	801,414	472,113	1,395,272
Changes in net worth for 2013/14				
Prior Year Adjustments	-	-	(18,769)	(18,769)
Other Movements	-	-	(38,715)	(38,715)
Movement in Reserves	7,576	-	-	7,576
Net revenue / expenses recognised directly in net worth	7,576	-	(57,484)	(49,908)
Surplus/(deficit)for the period 2013/14			104,814	104,814
Total recognised revenues and expenses for the period	7,576	-	47,330	54,906
Balance at 30 June 2014 carried forward	**129,321**	**801,414**	**519,443**	**1,450,178**

	Reserves CI$000	Revaluation CI$000	Accumulated Surplus/(deficits) CI$000	Total Net Worth CI$000
Balance at 30 June 2014	129,321	801,414	519,443	1,450,178
Changes in accounting policy	-	-	-	-
Restated balance	129,321	801,414	519,443	1,450,178
Changes in net worth for 2014/15				
Property revaluation adjustments	-	4,765	-	4,765
Prior Period Adjustments	-	-	(7,921)	(7,921)
Other Movements		-	(10,164)	(10,164)
Movement in Reserves	27,291	-	-	27,291
Net revenue / expenses recognised directly in net worth	27,291	4,765	(18,085)	13,972
Surplus/(deficit)for the period 2014/15			146,689	146,689
Total recognised revenues and expenses for the period	27,291	4,765	128,605	160,661
				-
Balance at 30 June 2015	**156,612**	**806,179**	**648,047**	**1,610,838**

Statement of Comparison of Budget and Actual Amounts

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015
ENTIRE PUBLIC SECTOR

	Note	Original Budget 2014/2015 CI$000	Final Budget 2014/2015 CI$000	Actual 2014/2015 CI$000	Performance Difference CI$000
Current Assets					
Cash and Cash Equivalents	2	361,543	361,543	410,238	48,695
Marketable Security & Deposits	2	90,104	90,104	-	(90,104)
Trade Receivables	3	51,184	51,184	31,707	(19,477)
Other Receivables	4	10,554	10,554	12,500	1,946
Inventories	5	17,866	17,866	16,718	(1,148)
Loans Made	6	1,546	1,546	571	(975)
Investments	7	-	-	65,385	65,385
Prepayments	8	9,821	9,821	13,543	3,722
Biological Assets	9	-	-	1,437	1,437
Total Current Assets		**542,618**	**542,618**	**552,099**	**9,481**
Non-Current Assets					
Trade Receivables	3	15,914	15,914	-	(15,914)
Loans Made	6	32,272	32,272	29,899	(2,373)
Property, Plant and Equipment	10	2,040,719	2,040,719	2,068,405	27,686
Intangible Assets	11	5,554	5,554	5,562	8
Investment Property	12		-	15,772	15,772
Investments	7	2,451	2,451	36,692	34,241
Prepayments		1,726	1,726	-	(1,726)
Other Non-Financial Assets		-	-	1	1
Total Non-Current Assets		**2,098,636**	**2,098,636**	**2,156,331**	**57,695**
Total Assets		**2,641,254**	**2,641,254**	**2,708,430**	**67,176**
Current Liabilities					
Trade Payables	13	20,892	20,892	30,163	9,271
Other Payables & Accruals	13	58,966	58,966	49,520	(9,446)
Bank Overdraft	2	4,287	4,287	3,803	(484)
Unearned Revenue	14	33,119	33,119	40,238	7,119
Employee Entitlements	15	8,420	8,420	10,407	1,987
Retirement Benefits	16	-	-	15,026	15,026
Borrowings	17	30,620	30,620	30,902	282
Provisons	18	-	-	11,657	11,657
Total Current Liabilities		**156,304**	**156,304**	**191,716**	**35,412**
Non-Current Liabilities					
Trade Payables	13	50	50	-	(50)
Other Payables & Accruals	13	780	780	197	(583)
Unearned Revenue	14	5,500	5,500	-	(5,500)
Employee Entitlements	15	50	50	-	(50)
Unfunded Pension Liability	16	194,963	194,963	212,022	17,059
Borrowings	17	601,942	601,942	598,770	(3,172)
Currency Issued	19	87,500	87,500	94,887	7,387
Total Non-Current Liabilities		**890,785**	**890,785**	**905,876**	**15,091**
Total Liabilities		**1,047,089**	**1,047,089**	**1,097,592**	**50,503**
Net Assets		**1,594,165**	**1,594,165**	**1,610,838**	**16,673**
Net Assets/Equity					
Reserves	20	131,630	131,630	156,612	24,982
Revaluation Reserve	20	753,562	753,562	806,179	52,617
Current Period Surplus		128,030	128,030	146,689	18,659
Accumulated Surplus/(Deficit)		580,943	580,943	501,358	(79,585)
Total Net Assets/Equity		**1,594,165**	**1,594,165**	**1,610,838**	**16,673**

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

CORE GOVERNMENT

	Note	Original Budget 2014/2015	Final Budget 2014/2015	Actual 2014/2015	Performance Difference
		CI$000	CI$000	CI$000	CI$000
Current Assets					
Cash and Cash Equivalents	2	256,125	256,125	271,384	15,259
Trade Receivables	3	29,276	29,276	26,185	(3,091)
Other Receivables	4	10,512	10,512	1,951	(8,561)
Dividends Receivable	4	-	-	2,319	2,319
Inventories	5	2,468	2,468	2,843	375
Loans Made	6	276	276	782	506
Investments	7	-	-	84	84
Prepayments	8	6,736	6,736	7,533	797
Total Current Assets		**305,393**	**305,393**	**313,081**	**7,688**
Non-Current Assets					
Loans Made	6	2,375	2,375	1,083	(1,292)
Property, Plant and Equipment	10	1,736,659	1,736,659	1,782,825	46,166
Intangible Assets	11	4,967	4,967	3,940	(1,027)
Investments	7	2,451	2,451	831	(1,620)
Net Worth - Public Entities		330,340	330,340	331,790	1,450
Total Non-Current Assets		**2,076,792**	**2,076,792**	**2,120,469**	**43,677**
Total Assets		**2,382,185**	**2,382,185**	**2,433,550**	**51,365**
Current Liabilities					
Trade Payables	13	15,188	15,188	12,322	(2,866)
Other Payables & Accruals	13	41,401	41,401	56,058	14,657
Unearned Revenue	14	23,267	23,267	26,173	2,906
Employee Entitlements	15	6,359	6,359	8,521	2,162
Borrowings	17	20,017	20,017	20,943	926
Total Current Liabilities		**106,232**	**106,232**	**135,417**	**29,185**
Non-Current Liabilities					
Other Payables & Accruals	13	-	-	59	59
Unfunded Pension Liability	16	178,323	178,323	184,857	6,534
Borrowings	17	503,465	503,465	502,379	(1,086)
Total Non-Current Liabilities		**681,788**	**681,788**	**687,295**	**5,507**
Total Liabilities		**788,020**	**788,020**	**822,712**	**34,692**
Net Assets		**1,594,165**	**1,594,165**	**1,610,838**	**16,673**
Net Assets/Equity					
Reserves	20	131,630	131,630	131,820	190
Revaluation Reserve	20	753,562	753,562	788,116	34,554
Current Period Surplus		128,030	128,030	146,689	18,659
Accumulated Surplus/(Deficit)		580,943	580,943	544,213	(36,730)
Total Net Assets/Equity		**1,594,165**	**1,594,165**	**1,610,838**	**16,673**

Statement of Comparison of Budget and Actual Amounts continued

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

ENTIRE PUBLIC SECTOR

	Note	Original Budget 2014/2015 CI$000	Final Budget 2014/2015 CI$000	Actual 2014/2015 CI$000	Performance Difference CI$000
Revenue					
Coercive Revenue	21	624,886	624,886	636,822	11,936
Sales of Goods & Services	22	243,731	243,731	248,159	4,428
Investment Revenue	23	2,294	2,294	4,700	2,406
Donations	24	802	802	1,081	279
Other Revenue		942	942	300	(642)
Total Revenue		**872,655**	**872,655**	**891,062**	**18,407**
Expenses					
Personnel Costs	25	358,192	358,192	352,795	(5,397)
Supplies and Consumables	26	245,701	245,701	223,221	(22,480)
Leases		-	-	8,346	8,346
Depreciation & Amoritisation	27	48,172	48,172	50,846	2,674
Outputs from Non-Government Organizations	28	22,695	22,695	29,445	6,750
Transfer Payments	29	31,284	31,284	27,274	(4,010)
Litigation Costs		1,839	1,839	2,018	179
Other Executive Expenses	30	4,489	4,489	19,192	14,703
Finance Costs	31	33,722	33,722	33,280	(442)
Total Expenses		**746,094**	**746,094**	**746,417**	**323**
Other (Gains)/Losses					
Impairment of Property, Plant and Equipment		-	-	16	16
Impairment of inventory		2	2	231	229
(Gains)/Losses on Financial Instruments		(1,471)	(1,471)	(2,474)	(1,003)
(Gains)/Losses on Non-financial Instruments		-	-	183	183
Total Other (Gains)/Losses		**(1,469)**	**(1,469)**	**(2,044)**	**(575)**
Surplus/ (Deficit)for the period		**128,030**	**128,030**	**146,689**	**18,659**

Statement of Comparison of Budget and Actual Amounts continued

GOVERNMENT OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2015

CORE GOVERNMENT

	Note	Original Budget 2014/2015 CI$000	Final Budget 2014/2015 CI$000	Actual 2014/2015 CI$000	Performance Difference CI$000
Revenue					
Coercive Revenue	21	624,886	624,886	623,512	(1,374)
Sales of Goods & Services	22	32,278	32,278	34,759	2,481
Investment Revenue	23	524	524	1,047	523
Donations	24	60	60	283	223
Other Revenue		25	25	38	13
Total Revenue		**657,773**	**657,773**	**659,639**	**1,866**
Expenses					
Personnel Costs	25	241,763	241,763	237,110	(4,653)
Supplies and Consumables	26	87,761	87,761	78,873	(8,888)
Leases		-	-	5,557	5,557
Depreciation & Amortisation	27	27,752	27,752	30,863	3,111
Outputs to Statutory Authorities and Government Companies	40	94,069	94,069	94,004	(65)
Outputs from Non-Government Organizations	28	22,695	22,695	29,445	6,750
Transfer Payments	29	31,284	31,284	27,274	(4,010)
Litigation Costs		384	384	470	86
Other Executive Expenses	30	4,488	4,488	5,493	1,005
Finance Costs	31	28,525	28,525	28,518	(7)
Total Expenses		**538,721**	**538,721**	**537,607**	**(1,114)**
Other (Gains)/Losses					
(Gains)/Losses on Financial Instruments		(1,883)	(1,883)	(3,007)	(1,124)
(Gains)/Losses on Non-financial Instruments		-	-	181	181
(Surplus)/Deficit on Statutory Authorities & Government Companies		(7,095)	(7,095)	(21,831)	(14,736)
Total Other (Gains)/Losses		**(8,978)**	**(8,978)**	**(24,657)**	**(15,679)**
Surplus/(Deficit) for the Period		**128,030**	**128,030**	**146,689**	**18,659**

Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

The Cayman Islands is an Overseas Territory of the United Kingdom, a foreign sovereign territory. Her Majesty the Queen of England, as the British Queen regnant, is the head of state of the Cayman Islands and appoints the Governor to administer the Government of the Cayman Islands on her behalf. The Cayman Islands has its own Constitution and is governed by a local parliamentary democracy comprised of executive, legislative and judicial branches.

While financial decisions of the Government are made by the Legislative Assembly and Cabinet, and the United Kingdom does not provide direct financial support to the Cayman Islands, the United Kingdom closely monitors financial activities.

Principal Activities
The principal activities and operations of the Government of the Cayman Islands are to provide:

- General public services
- Public order and safety
- Economic Affairs
- Environmental protection
- Health
- Social Protection
- Housing and community amenities
- Recreational, cultural and religion
- Education

In addition, the Government administers assets transferred or paid to it in trust for any purpose, or to hold for or, on behalf of any person or entity.

Note 1: Summary of Accounting Policies

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

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

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

Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting, unless otherwise stated. The cash flows statement has been prepared using the direct method.

The measurement base applied to these financial statements is fair market value.

The financial statements are presented in Cayman Islands dollars rounded to the nearest thousand.

Judgments and Estimates

The preparation of these financial statements is in conformity with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on the judgement of management, historical experience, reports from independent experts and various other factors that are believed to be reasonable under the circumstances. Any uncertainties regarding possible outcomes were dealt with by using expected outcomes.

Actual results may differ from these estimates.

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

Significant Accounting Policies

The reporting period for the financial statements of the Government of the Cayman Islands is the financial year from 1st July to 30th June.

Basis of Combination

These financial statements utilise the equity method of combination at Central Government level for its investment in Statutory Authorities and Government Companies and a full consolidation approach is taken at the Entire Public Sector level.

The Reporting Entities of the Government of the Cayman Islands consists of Central Government and Statutory Authorities and Government Companies. These agencies collectively are referred to as Entire Public Sector. Reporting entities include:

Central Government

- Legislative Assembly
- Governor in Cabinet
- Ministries
- Portfolios
- Judicial Administration
- Office of the Premier
- Office of the Complaints Commissioner
- Office of the Auditor General
- Office of the Information Commissioner
- Office of the Director of Prosecutions
- Government Departments, Sections and Units

Other Entities

- Statutory Authorities
- Government Companies

The financial statements of each reporting entity include all revenues, expenses, assets, and liabilities which are controlled by the entity. Revenues, expenses, assets, and liabilities, which are not controlled by the reporting entity, e.g. trust assets, have been excluded from the consolidation and reported separately in the Statement of Trusts.

Corresponding assets, liabilities, income and expenses, are added together line by line. Transactions, balances and unrealised gains and losses on transactions between entities are eliminated on combination. Where necessary, adjustments are made to the financial statements of Statutory Authorities and Government Companies to bring the accounting policies in line with those used by Central Government.

Changes in Accounting Policies

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

The Statement of Changes in Net Worth reflects changes in accounting policies and corrections of errors and omissions.

New IPSAS applied with no material impact on the consolidated financial statements

IPSAS 32 Service Concession Arrangements: Grantor

The standard was issued to address a lack of guidance on how public sector entities should account for service concession arrangements from a grantor's perspective. The standard applies the principles in IFRIC 12 Service Concession Arrangements for determining whether the grantor or the operator should recognize the asset used in a service concession arrangement.

The standard requires an entity that has previously recognised service concession assets and related liabilities, revenue and expenses to apply this standard retrospectively in accordance with IPSAS 32. The standard also requires an entity that has not previously recognised service concession assets and related liabilities, revenues, and expenses and uses the accrual basis of accounting to apply this standard either retrospectively or prospectively, using deemed cost from the beginning of the earliest period for which comparative information is presented in the financial statements.

The application of the standard has had no effect on the amounts reported in the current and prior years because the Government has not entered into any transactions of this nature.

New and Revised IPSAS issued but not yet effective

The Government has not applied the following new and revised IPSAS that have been issued but are not yet effective:

- *Amendment IPSAS 1 Presentation and Financial Statements* — Clarification of comparative information requirements (effective for periods beginning on or after January 1, 2015)
- *Amendment IPSAS 17 Property, Plant and Equipment*— Revisions to guidance on classification of servicing equipment, clarification of the revaluation method, additional guidance on acceptable methods of depreciating assets (effective for periods beginning on or after January 1, 2015)
- *Amendment IPSAS 28 Financial Instruments: Presentation* — Additional guidance on tax effects of distributions to holders of equity instruments (effective for periods beginning on or after January 1, 2015)
- *Amendment IPSAS 31 Intangible Assets* — Clarification of the revaluation method, clarification of acceptable methods of amortizing assets (effective for periods beginning on or after January 1, 2015)
- *IPSAS 33 First-time Adoption of Accrual Basis IPSASs* (effective for period beginning on or after January 1, 2017)
- *IPSAS 34 Separate Financial Statements* (effective for period beginning on or after January 1, 2017)
- *IPSAS 35 Consolidated Financial Statements* (effective for period beginning on or after January 1, 2017)
- *IPSAS 36 Investments in Associates and Joint Ventures* (effective for period beginning on or after January 1, 2017)
- *IPSAS 37 Joint Arrangements* (effective for period beginning on or after January 1, 2017)
- *IPSAS 38 Disclosure of Interests in Other Entities* (effective for period beginning on or after January 1, 2017)

Budget Amounts

The original budget amounts for the financial year are as presented in the 2014/2015 Annual Plan and Estimates as approved by the Legislative Assembly on the 25th June 2014. The Final Budget does not include amounts authorised in advance of appropriation issued under section 11 (5) of the Public Management and Finance Law (2013 Revision).
The budget is prepared on the accrual basis. As a result of the adoption of the accrual basis for budgeting purpose there is no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the Statement of Comparison to Budget and Actual Amounts. Explanatory comments are provided in the notes to the financial statements for major variances (including adjustments, overspend or underspending) against budget (see Note 33).

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.

The Government derives its revenue through the coercive power of the state for which no direct exchange of service occurs and from the sale of goods and services to third parties.

Coercive revenue

Coercive revenue is recognised on the following basis:-

Revenue Type	*Revenue Recognition Point*
Taxes on International Trade and Transactions	
• Import Duties	When goods become liable for duty, generally at declaration, prior to release of goods
• Other Taxes on International Trade and Transactions	When liability for tax or fee is incurred
Domestic Levies on Goods and Services	
• Business and Professional Licenses	Upon initial application and, if appropriate, when renewed
• Other Taxes on Goods and Services	Upon delivery of goods and services
• Motor Vehicle Tax	Upon initial application and due date for annual renewal
• Tourist Accommodation Tax	When monthly return is due
• Miscellaneous Stamp Duty	At the time the goods are delivered
• Miscellaneous Immigration Fees	Upon application
Taxes on Property	
• Land Transfer Duty	At time of transfer of ownership
• Infrastructure Fund Fee	For non-refundable fees, upon application for planning approval
	For refundable fees, once planning approval is granted

Revenue Type	*Revenue Recognition Point*
Other	
• Court Fines	When fine imposed
• Other Fines	When fine imposed
• Other Revenue	As earned

Sale of Goods and Services

Revenue from the supply of goods and services to third parties is measured at the fair value of consideration received. Revenue from the supply of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the supply of services is recognised on a straight line basis over the specified period of the services unless an alternative method better represents the stage of completion of the transaction.

Rental Income

Rental income is recognised in the statement of financial performance on a straight line basis over the term of the lease. Lease incentives granted are recognised evenly over the term of the lease as a reduction in total rental income.

Investment Revenue

Income from investment is recognised when the right to receive payment has been established and/or it is probable that the economic benefits will flow to the Government and the amount can be measured reliably. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Donations

Donations received are recognized immediately as income in the fiscal year received if:

a) All conditions necessary for use of these resources have been met and/or,

b) In situations where specific use has been determined by the donor, the Government has purview on the timing of the use of resourced donated once the provisions of (a) above have already been met as necessary.

Expenses

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

Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of loan interest, except where interest incurred on a qualifying asset is capitalised. The interest expense of loan payments is recognised in the statement of

financial performance using the effective interest rate and or straight line method as appropriate.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Where incentives are received under an operating lease, the expenses are recognised on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

Finance Leases

Leases in which contract transfers substantially all risks and rewards related to an asset incidental to the ownership thereof, the contract is classified as a finance lease. Such leases are treated in the Statement of Financial Position of the lessor as a receivable at an amount equal to the net investment in the lease.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit, cash at bank, deposits on call and short term highly liquid investments with a maturity of no more than three months from the date of acquisition, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated cash flows, cash and cash equivalents consist of cash and short term investments as defined above, net of bank overdrafts.

Inventories

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

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

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

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

Unissued currency notes stock is stated at cost. Only the cost of issued notes into circulation is expensed, on a FIFO basis.

Stocks of numismatic items consist of gold and silver bullion arising from the meltdown of numismatic coins (the gold and silver bullion content of the following categories of numismatic coins: coins for resale, museum items and coins awaiting melt-down). Bullion stocks are stated at year end market values for gold and silver bullion and unrealised gains/losses are recorded in the statement of financial performance.

Water inventory is calculated at the cost of water plus chemicals multiplied by the volume of water.

Costs are assigned to inventories using a first-in first-out (FIFO) basis or weighted average cost basis as appropriate.

Prepayments
The portion of recognised expenditure paid in advance of receiving services has been recognised as prepayments and classified as current assets in these financial statements.

Biological Assets
Biological assets are turtles that are either reared for slaughter or breeding.

Biological assets – Secondary Herd
The secondary herd, which are reared for slaughter, is valued at fair value, calculated using market prices and expected yields of each type of product based on historical data. Changes in the carrying amount attributable to physical change in such biological assets and changes attributable to price change are recognised as income or expense in the Statement of Financial Performance.

Biological Assets – Breeder Herd
It is management's policy to differentiate between turtles which were acquired from the wild and will be released at the end of their breeding lives, and farm bred turtles which may be slaughtered at the end of their breeding lives. Mature turtles (those that have reached breeding age) acquired from the wild have a zero carrying value.

The breeder herd is valued at fair value, calculated using market prices and expected yields of each type of product based on historical data.

Property, Plant and Equipment
Property, plant and equipment, is stated at revalued cost less accumulated depreciation and impairment losses. 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.

Where revaluation of property, plant and equipment is carried out, all items of a given class of assets are revalued for a respective entity. Revaluation increases shall be credited directly to revaluation surplus. The increase shall be recognised as revenue in

surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised as an expense in the surplus or deficit. Revaluation decreases are debited first against the revaluation surplus related to the same class of assets, and any excess against surplus or deficit.

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

Asset Type	***Estimated Useful life***
• Buildings and structures	10 - 60 years
• Building fit-out (when accounted for separately)	5 - 25 years
• Roads, sidewalks, signs and traffic lights	6 - 50 years
• Heritage buildings & Memorials and Monuments	100 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of improvement
• Computer Equipment	3 - 10 years
• Office equipment and furniture	3 - 25 years
• Motor vehicles	3 - 20 years
• Boats and marine equipment	3 - 25 years
• Cleaning, refuse and recycling equipment	3 - 15 years
• Construction and other equipment	3 - 25 years
• Telecommunications	5 - 50 years
• Books, Music, manuscripts and works of art	2 - 10 years
• Clothing	0 - 4 years
• Aeroplanes and airport/aviation equipment	8 - 33 years
• Firefighting plant and equipment	10 - 12 years
• Other equipment	5 - 20 years
• Medical and medical laboratory equipment	1 - 25 years
• Library assets	5 - 10 years
• Scientific and laboratory equipment	4 - 25 years
• Water and sewage treatment	10 - 50 years

Disposals

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

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and any impairment losses. Amortisation is provided over the estimated useful life using the straight line method. The estimated useful life for intangible asset classes is as follows:

• Developed software	4 - 10 years

Gains and losses on disposals of intangible assets 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.

Investment Property

This is stated at cost less accumulated depreciation and impairment losses. Depreciation on investment property is charged to the Statement of Financial Performance on a straight-line basis at 2% which approximate to a useful life of 50 years.

Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal.

Gains or losses on disposal of investment property are determined by comparing the sale proceeds and the carrying amount of the asset. Gains or losses on disposal are included in the Statement of Financial Performance in the period which the property was disposed.

Transfers are made to or from investment property only when, there is a change in use.

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 Central Government are paid in 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 Government.

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000 the Government continued to provide a defined benefit scheme for existing employees and a defined contributions scheme for all new employees. Obligations for contribution 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 reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government and in the Statement of Financial Performance for any contributions made during the period.

With the introduction of the National Pension Law in 1998, all new employees of Statutory Authorities and Government Companies who are not participants in the Public Service Pensions Fund are enrolled in an approved local pension plan.

Pension Liability
The pension liability is accounted for in accordance with IPSAS 25 Employee Benefits.

Defined Benefit Plan
Pension liability under the defined benefit plan is recognised net of the following amounts:

- The present value of the defined benefit obligation as at the balance sheet date;
- Plus any actuarial gains (less any actuarial losses) not recognised as income or expense; and
- Minus any past service costs not yet recognised as an expense; and
- Minus the fair value at the balance date of plan assets out of which the obligations are to be settled directly.

Defined Contribution Plan
The pension liability under the defined contribution plan is recognised in the same period the contribution payable is exchanged for service rendered by an employee.

Financial Instruments
The Government is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, loans made, trade and accounts receivables, investments and trade and accounts payable, loans and borrowings, 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 or exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, loans made, investments, prepayments and accounts receivable.

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 liabilities comprise of accounts payable, accrued expenses and borrowings.

Recognition
The Government 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 statements 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.

Cayman Islands Monetary Authority's short-term investments are valued, on a monthly basis at their amortized cost. Long term investments are valued at quoted market value. Unrealized gains or losses are recorded in the Statement of Financial Performance.

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.

Derecognition

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

Off-setting

Financial Assets and financial liabilities are off-set and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize assets and settle the liabilities simultaneously.

Impairment of Financial Assets

The Government assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in statement of financial performance. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or transferred to the Government. If, in a subsequent year, the amount of the estimated impairment loss increases or

decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

Fair Value

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Borrowing Costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

Provisions

Provisions are recognised when the Government has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Government expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

The Public Management and Finance Law (2014 Revision), as amended ("the Law" or "PMFL"), requires that the Government maintains a minimum of 90 days cash balance. These cash balances include the General Reserves Funds.

These funds are held in fixed deposits by the Treasury Department.

Reward Points

The Government-owned airline's frequent flyer programme allows frequent travellers to accumulate 'Sir Turtle Rewards' points each time that they travel with the airline. These points entitle them to a choice of various awards, including free travel and upgrades. Additionally the airline sells Reward points to non-airline business partners.

The reward points are recognised as a separately identifiable component of the initial sale transaction by allocating the fair value of the consideration received between the

award points and the other components of the sale such that the reward points are initially recognised as deferred income at their fair value and subsequently recognised as revenue on redemption of the miles by the participants to whom the miles are issued.

The frequent flyer provision in respect of the redemption under this programme is determined using various assumptions concerning the future behaviour of the participants. Those include the following assumptions:

i) The fair value attributable to the awarded mileage credit has been calculated based on the weighted average fare price across all routes over the last five years; and
ii) The rate of redemption for the program since its inception.

Revenue received against the issuance of Sir Turtle Rewards points is deferred as a liability and shown as provision on the Statement of Financial Position until the points are redeemed or the passenger is uplifted in the case of flight redemptions. The frequent flyer provision is measured based on managements' estimates of the fair value of the expected awards for which the points will be redeemed. The fair value of the awards is reduced to take into account the proportion of points which are expected to expire.

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 require an outflow of resources. Contingent assets are disclosed if it is probable that the obligation will be realised.

Commitments
Commitments are future expenses and liabilities to be incurred on contracts that have been entered into as at 30th June.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising the option to cancel are reported at the value of that penalty or exit cost (that is the minimum future payments).

Commitments are classified as:

- Capital commitments: aggregate amount of capital expenditure contracted for but not recognised as paid or provided for at the end of the reporting period
- Non-cancellable operating leases with lease term of more than one year, and
- Other non-cancellable commitments (these may include consulting contracts and cleaning contracts)

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 were used to translate foreign currency balances:-

- Central Government monetary and non-monetary assets held in US Dollars are reported in Cayman Islands dollars using a rate of 0.83 and liabilities are reported in Cayman Islands dollars using 0.8375. Statutory Authorities and Government Companies foreign currency assets and liabilities denominated in US dollars are reported using a fixed rate of exchange existing at the balance sheet date; and

- All other foreign currency monetary and non-monetary items are reported in Cayman Islands dollars using the rate of exchange existing at the balance sheet date.

Comparative Figures
The financial statements include a prior year comparison of actual amounts with amounts in the current year. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Segment Reporting
These financial statements include segment reporting based on the material institutional components and major economic activities within or undertaken by the Government.

The three major institutional components of the Government are:

- **Central Government:** includes the Judicial Administration, Ministries and Portfolios, Office of the Complaints Commissioner, the Office of the Information Commissioner, the Office of the Premier, The Office of Auditor General and the Office of Director of Public Prosecutions it also includes the equity investment in Statutory Authorities and Government Companies.
- **Statutory Authorities:** Includes all entities established by law to carry out specific functions authorised by the law that governs the entity; being funded partly or entirely, by money provided by the Governor in Cabinet, and for which the Governor or the Governor in Cabinet has the power to appoint or dismiss the majority of the Board or other governing body.
- **Government Companies:** Includes companies in which the Government has controlling interest and in respect of each such company, includes all subsidiary entities of the company.

Statutory Authorities and Government Companies are treated as one segment for the purposes of these financial statements.

Related Parties

Related party relationships and transactions are disclosed in accordance with IPSAS 20-Related Party Disclosures and are defined by the following criterion:

- Related party relationships where control exists, regardless of whether there have been transactions between the related parties;
- Transactions between related parties including the nature of the relationship, the type of transaction and the elements of the transactions necessary for an understanding of the financial statements.

No disclosure is required of transactions between:

- Ministries, Portfolios, Offices and Statutory Authorities and Government owned Companies acting in the course of their normal dealings;
- Customers with whom an entity transacts a significant volume of business are not related merely by virtue of the resulting economic dependence. This exclusion applies to private sector or not-for-profit agencies that are dependent upon government funding.

Related parties for the purposes of the Entire Public Sector include key management personnel such as Ministers and Official Members of Cabinet, Elected Members of the Legislative Assembly, Board members, Board Directors and Chief Officers or any other person acting in a capacity of influence in the Government.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash on hand, cash in transit, deposits held on call with banks and other short term highly liquid investments net of overdraft.

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
605	Cash on Hand	876
72,146	Operational Accounts - KYD	84,344
19,546	Operational Accounts - USD	31,864
10,615	Other Bank Accounts	10,758
20,855	Fixed Deposits (Less than 90 days)	18,054
161,670	Short Term Investments	264,341
285,437	**Cash and Cash Equivalents (excluding bank**	**410,238**
(4,255)	Less Overdrafts	(3,803)
281,182	**Cash and Cash Equivalents**	**406,435**

As part of the Government's cash management strategy funds are classified as restricted and unrestricted and are represented as below:

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
168,032	Unrestricted Cash	279,399
113,150	Restricted Funds	127,036
281,182	**Cash and Cash Equivalents**	**406,435**

The use of Central Government restricted funds requires the approval of Cabinet and the Legislative Assembly and/or Finance Committee.

Note 3: Trade Receivables

Core 2013/2014 CI$000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
39,682	22,989	Coercive Revenue Receivable	28,881	15,699
17,190	94,445	Non-Coercive Receivable	14,610	114,534
56,872	**117,434**	**Total Trade Receivables**	**43,491**	**130,233**
(22,553)	(81,013)	Less: Provision for Doubtful Debts	(17,307)	(98,525)
34,319	**36,421**	**Net Trade Receivables**	**26,185**	**31,707**

Movement in Provision and Impairment

Core 2013/2014 CI$000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
(8,193)	(41,669)	Balance at 1 July	(22,553)	(81,013)
(14,509)	(35,358)	Additional provisions made during the year	4,488	(20,654)
149	3,986	Receivables written off during the period	758	3,142
(22,553)	**(81,013)**	**Provision for Doubtful Debts**	**(17,307)**	**(98,525)**

Note 4: Other Receivables

Core 2013/2014 CI$000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
460	557	Advances	58	396
1,071	1,071	Dishonoured Cheques	912	912
2,694	-	Dividends Receivable	2,319	-
34	258	Interest Receivable	-	31
-	923	Deposits/Advances - Long Term Other Receivables	-	-
280	2,073	Other Receivable	1,038	11,217
4,539	**4,882**	**Total Other Receivables**	**4,327**	**12,556**
(500)	(773)	Less: provision for doubtful debts	(57)	(57)
4,039	**4,109**	**Net Other Receivables**	**4,270**	**12,500**

Movement in Provision and Impairment

Core 2013/2014 CI$000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
-	(25)	Balance at 1 July	(500)	(773)
(500)	(748)	Additional provisions made during the year	443	716
(500)	**(773)**	**Provision for Doubtful Debts**	**(57)**	**(57)**

Maturity profile

Core 2013/2014 CI$000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
4,039	3,186	Other Receivables due in one year	4,270	12,500
-	923	Other Receivables due after one year	-	-
4,039	4,109	**Net Total Other Receivables**	**4,270**	**12,500**

Note 5: Inventories

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
694	Raw Materials (including consumable stores)	1,207
2,721	Inventory held for use in the provision of goods and services	2,968
1,135	Other Inventories for use within one year	107
1319	Water Inventory	1,312
8871	Pharmaceutical and Medical Supplies	6,028
1,438	Inventory of Unissued Currency Notes and Coins	2,489
882	Coins awaiting melt-down, Coins for resale and Bullions	700
2,274	Affordable Houses	1,906
19,334	**Total Inventories**	**16,718**

Managed by:

CI$000		CI$000
3,385	Central Government	2,843
15,949	Statutory Authorities & Government Companies	13,875
19,334	**Total Inventories**	**16,718**

Maturity profile

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
19,334	Inventories for use in one year	16,718
19,334	**Total Inventories**	**16,718**

No inventory items were pledged as security during the current or prior financial year.

Note 6: Loans Made

EPS 2013/2014	Description	EPS 2014/2015
CI$000		CI$000
12,802	Medical Loans	12,618
356	Mortgage Loans	299
74	Home School Association	74
547	Loans (due within 12 months)	571
36,452	Commercial Loans	35,015
217	Private Schools	179
440	Citizens Association	-
50,888	**Total Loans Made**	**48,755**
(18,114)	Less: Provision for Impairment Losses	(18,285)
32,774	**Net Loans Made**	**30,470**

Managed by:

CI$000		CI$000
1,219	Central Government	1,865
31,555	Statutory Authorities & Government Companies	28,605
32,774	**Total Net Loans Made**	**30,470**

Movement in Provision and Impairment

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
(18,793)	Balance at 1 July	(18,114)
679	Additional provisions made during the year	(611)
-	Write off of Loans Made during the period	440
(18,114)	**Provision for Impairment Losses**	**(18,285)**

Maturity Profile

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
1,668	Amounts due within 12 months	571
31,106	Amounts due after 1 year	29,899
32,774	**Total Net Loans Made**	**30,470**

Fair Value

The carrying values of loans made are not materially different from their fair values.

Loans made include commercial loans made by the Cayman Islands Development Bank; however the repayments and disbursement of loans are included in the operating section of the Statement of Cash Flows.

Note 7: Investments

During the year ended 30th June 2015, the Government had investments amounting to $102.1 million.

Short -Term Investments

EPS Net 2013/2014	Description	EPS Net 2014/2015
CI$000		CI$000
79,990	Marketable Securities and Deposits	65,216
180	Interest Receivable	169
80,170	**Short-Term Investments**	**65,385**

Long-Term Investment

EPS Net 2013/2014	Description	EPS Net 2014/2015
CI$000		CI$000
18,581	Marketable Securities	35,861
591	Caribbean Development Bank	591
240	Cayman First Insurance Limited	240
19,412	**Long-Term Investments**	**36,692**
99,582	**Total Investments**	**102,077**

	Investment Held by:	
881	Central Government	915
98,701	Statutory Authorities & Government Companies	101,162
99,582	**Total Investment**	**102,077**

Short-Term Investments

Short Term investments are held in the form of US Treasury Bills, AAA Corporate Bonds and US Treasury Notes with maturity dates ranging between 23rd July 2015 and 15th June 2016, Federal Reserve Repurchase Agreement with a maturity date 1st July 2015, and Fixed Deposits with maturity dates over 90 days but within 365 days.

The US Treasury Bills are measured at amortised cost. All other investments are measured at fair value designate upon initial recognition.

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
17,500	US Treasury Bills	16,413
29,083	Federal Reserves repurchase Agreement at 0.07%	31,750
24,913	US Treasury Notes	7,395
3,508	AAA Corporate bonds	1,337
-	US Fed Farm Disc Note	4,156
4,986	Fixed Deposits (over 90 days but within 365 days)	4,165
180	Interest receivable	169
80,170	**Short-Term Investments**	**65,385**

Long-Term Investments

Long term investment in marketable securities are held in US Treasury Notes, AAA Corporate Bonds and US Government Sponsored Enterprise (GSE), and are stated at market value, with interest rates ranging from 0.0433% to 3.25% and maturity dates between 30 June 2016 and 20 October 2042.

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
6,336	1-5 years	29,689
2,675	6-10 years	-
9,570	Over 10 years	6,172
18,581	**Long-Term Investments**	**35,861**

Currency Reserve Assets

Marketable Securities and Deposits form part of the Currency Reserve Assets of the Cayman Islands Monetary Authority. These assets are to be used to fund the Authority's currency redemption obligations.

Sections 32(8) of the Cayman Islands Monetary Authority Law (2011 Revision) mandates the preservation of Currency Reserve Assets, separately from all other assets of the Monetary Authority. These assets are to be used to fund the Authority's currency redemption obligations and are not to be used to satisfy liabilities arising from any other business of the Authority. After all demand liabilities are extinguished, any surplus Currency Reserve Assets would form, in part, the assets of the General Reserve.

In accordance with sections 32(2) and 32(6) of the Monetary Authority Law, the Currency Reserve Assets consist of external assets (not less in value than an amount equivalent to ninety percent of demand liabilities) and local assets (not to exceed ten percent of Demand Liabilities).

As at 30th June 2015, the value of Currency Reserve Assets was $105.8 million (2014: $102.6 million) representing 111.51% (2014: 111.88%) of total Demand Liabilities. The value of external assets equated to 105.19%% (2014: 105.88%) while the value of local assets as at 30th June 2015 equated to 6.32% (2015: 6.01%) of Demand Liabilities.

Caribbean Development Bank

This represents a holding of 117 shares at a cost of US$6.031.74 each.

Cayman First Insurance Limited

The Government holds 16% of the shareholdings of the company. These shares were issued in lieu of insurance settlement in August 2005 at a cost of $240,000.

Note 8: Prepayments

Core Net 2013/2014	EPS Net 2013/2014	Description	Core Net 2014/2015	EPS Net 2014/2015
CI$000	CI$000		CI$000	CI$000
2,712	5,448	Prepayments	2,935	8,456
6,128	6,737	Prepaid Insurance	4,598	5,087
8,840	**12,185**	**Total Prepayments**	**7,533**	**13,543**

Maturity Profile

Core Net 2013/2014	EPS Net 2013/2014	Description	Core Net 2014/2015	EPS Net 2014/2015
CI$000	CI$000		CI$000	CI$000
8,840	12,185	Prepayments due in one year	7,533	13,543
8,840	**12,185**	**Total Prepayments**	**7,533**	**13,543**

Note 9: Biological Assets

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
	Livestock, at fair values:	
1,096	Secondary herd	1,101
332	Breeder herd	336
1,428	**Biological Assets**	**1,437**

	Held by:	
CI$000		CI$000
-	Central Government	-
1,428	Statutory Authorities & Government Companies	1,437
1,428	**Total Biological Assets**	**1,437**

The movements in the carrying value of the secondary herd are outlined as follows:

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
933	Carrying value at beginning of year	1,096
68	Change attributable to differences in fair values	(24)
494	Biological transformation	499
(399)	Sales, at year end fair values	(470)
163	Net change in biological assets included in income	5
1,096	**Carrying value at end of year**	**1,101**

Biological transformation comprises the net effect of births, deaths and other losses, and growth within the secondary herd, measured at year-end fair values. Due to the continuing limitations surrounding the market for the products of the secondary herd, shells are valued at $nil.

The movements in the net book value of the breeder herd are outlined as follows:

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
595	Carrying value at beginning of year	332
(263)	Net (decrease)/increase during the year	4
332	**Carrying value at end of year**	**336**

Net additions during the year comprise the costs attributable to new breeders added, weight gained during the year, less mortalities. During the years ended 30th June 2015 one new breeder (2014: one) was added to the herd and thirty-seven turtles (2014: 37)

were transferred to the secondary herd. As of 30th June 2015 there was $500,000 insurance coverage associated with the livestock.

Measurement of fair values:

Fair value hierarchy

The fair value measurements for the breeder herd and secondary herd have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The following valuation techniques and significant unobservable inputs have been used in determining the Level 3 fair values of the breeder herd and secondary herd:

Valuation technique: The valuation model considers the percentage of steak, stew, fin and bone that can be yielded as well as the current selling prices for these items. The expected cash flows are reduced for the expected processing costs.

Unobservable inputs: Percentage yields, estimated weight gain as well as the directly attributable processing costs to the Company are considered to be unobservable inputs.

Note 10: Property, Plant and Equipment

Entire Public Sector
CI'000

Cost of Property, plant & equipment

	Land	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Roads and Sidewalks	Water reticulation	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or development	Total Property Plant and Equipment
Balance as at 1 July 2013	573,244	43,483	489,875	21,638	25,223	7,861	5,035	40,636	18,705	702,113	92,756	37,161	4,477	8,432	195,406	2,266,045
Additions	1,400	1,061	2,426	979	2,239	329	222	975	1,240	-	32	2,196	-	10,447	18,795	42,342
Revaluations	101,546	-	624	-	-	-	-	-	-	-	-	-	-	-	-	102,170
Disposal/ Derecognition	-	(515)	(25)	(650)	(1,284)	(1,456)	(33)	(6,669)	(387)	-	(1,465)	(1,961)	(22)	-	(4)	(14,471)
Transfers	-	13,439	102,766	7	5,981	76	401	(1,551)	357	-	1,768	(3,239)	1,182	1,638	(114,916)	7,909
Balance as at 30 June 2014	676,190	57,469	595,667	21,974	32,159	6,811	5,625	33,389	19,916	702,113	93,090	34,157	5,637	20,517	99,280	2,403,995
Balance as at 01 July 2014	676,190	57,469	595,667	21,974	32,159	6,811	5,625	33,389	19,916	702,113	93,090	34,157	5,637	20,517	99,280	2,403,995
Additions	(179)	1,918	4,559	194	2,487	461	467	2,583	(29)	-	1,556	3,783	277	1,511	21,872	41,460
Revaluations	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	0
Disposal/ Derecognition	-	(523)	(110)	(671)	(3,543)	(218)	(127)	(439)	(311)	-	-	(1,272)	(95)	-	(7)	(7,316)
Transfers	-	684	10,253	(37)	116	42	-	1	(9)	-	1,646	2,867	(596)	-	(6,665)	8,301
Balance as at 30 June 2015	676,011	59,548	610,369	21,460	31,219	7,096	5,964	35,534	19,567	702,113	96,292	39,535	5,223	22,028	114,481	2,446,440

Accumulated Depreciation and impairment losses

	Land	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Roads and Sidewalks	Water reticulation	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or development	Total
Balance as at 1 July 2013	-	28,289	94,379	14,496	20,657	6,466	2,739	27,663	4,514	11,702	33,844	31,463	1,403	3,534	-	281,149
Eliminate on Disposal/Derecognition	-	(497)	3,912	(562)	(1,351)	(1,561)	9	(7,865)	(329)	-	(1,119)	(1,707)	(22)	-	-	(11,092)
Transfers	-	7,734	(5,967)	626	4,619	50	247	(44)	4,365	3,777	-	(3,321)	744	590	-	13,420
Depreciation Expense	-	3,166	17,368	1,135	2,418	461	178	2,557	930	8,187	3,211	1,379	259	835	-	42,086
Impairment	-	-	-	-	(163)	-	-	-	-	-	-	(24)	-	-	-	(187)
Balance as at 30 June 2014	-	38,692	109,692	15,695	26,181	5,416	3,174	22,311	9,479	23,666	35,936	27,789	2,384	4,959	-	325,376
Balance as at 01 July 2014	-	38,692	109,692	15,695	26,181	5,416	3,174	22,311	9,479	23,666	35,936	27,789	2,384	4,959	-	325,376
Eliminate on Disposal/Derecognition	-	(1,878)	1,615	(741)	(1,730)	(813)	(3)	(3,227)	262	944	0	809	(95)	0	-	(4,856)
Transfers	-	(23)	8,923	68	(6)	(25)	-	(11)	(33)	-	-	(189)	(320)	-	-	8,384
Depreciation Expense	-	3,765	17,807	1,083	1,921	820	178	5,659	854	9,333	3,116	1,926	300	2,369	-	49,131
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2015	-	40,555	138,038	16,105	26,366	5,398	3,349	24,732	10,563	33,943	39,053	30,336	2,269	7,329	-	378,036
Net Book value 30 June 2013	573,244	15,195	395,497	7,142	4,566	1,395	2,295	12,972	14,192	690,411	58,911	5,698	3,074	4,898	195,406	1,984,896
Net Book value 30 June 2014	676,190	18,777	485,975	6,278	5,978	1,395	2,451	11,078	10,436	678,447	57,154	6,368	3,253	15,558	99,280	2,078,619
Net Book value 30 June 2015	676,011	18,993	472,331	5,355	4,853	1,698	2,615	10,802	9,004	668,170	57,239	9,199	2,954	14,699	114,481	2,068,405

Pledged Assets

The Statutory Authorities and Government-Owned Companies have pledged a number of assets that secured loans as detailed below.

Agency	Asset Class	Carrying Value/ Registered Charge as at 30 June 2015
		CI$000
Port Authority	Land and Buildings	26,000
Health Services Authority	Land and Buildings	2,632
Water Authority	Buildings	4,292
Cayman Islands Development Bank	Buildings	490

Revaluation

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

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

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

(b) Eliminated against the gross carrying amount of the asset.

Valuation methods

The valuations contained within this report have been prepared in accordance with the aforementioned Standards and the guidance notes provided by the Royal Institution of Chartered Surveyors. 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."

Specialised Assets: specialised assets are those for which no market exists for the current use. Specialised 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 optimisation."

Valuation assumptions

Plant and machinery has only been included in the valuation of building assets where this forms an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where it performs 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 save as to Stamp Duty which is ordinarily required to be paid by a purchaser.

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

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

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

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

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

The Port Authority of the Cayman Islands (PACI) engaged BCQS to provide a professional appraisal of the fair value of the assets owned by the Port Authority as at 30th June 2014. The valuations were received subsequent to year end and upon review, it was determined that a second professional opinion should be obtained before any action is taken regarding adjusting the asset values that PACI currently have in its books.

The overall opinion of the appraisers is that the fair value of PACI's assets total $43.7M. PACI currently carries these assets in our books at $57.7M under the historical cost convention. This leaves a gap of $14M. However, PACI has depreciated these assets over the years amounting to $15.6M, so we are effectively carrying the assets at a value of $42.2M. Although based on the valuations received there is an upward movement of $1.5M in the final analysis on the carrying value of the assets, management believes strongly that several areas need a second opinion before we can conclude on the results.

Consequently, no action was taken on these valuations. PACI will seek to have a second valuation done by firms with expertise in Marine / Port valuations within the course of 2015/16.

Note 11: Intangible Assets

Entire Public Sector
CI'000

Cost of Intangible Asset

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 July 2013	13,292	50	163	13,505
Additions	1,075	12	141	1,228
Revaluations	-	-	-	-
Disposal/ Derecognition	(94)	-	-	(94)
Transfers	4,023	-	(6)	4,018
Balance as at 30 June 2013	18,297	62	299	18,657

Balance as at 01 July 2014	18,297	62	299	18,657
Additions	2,543	-	(177)	2,366
Revaluations	-	-	-	-
Disposal/ Derecognition	(667)	(12)	-	(679)
Transfers	21	-	-	21
Balance as at 30 June 2014	20,194	50	121	20,365

Accumulated Amortization and impairment losses

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 July 2013	8,569	12	-	8,581
Eliminate on Disposal/Derecognition	155	-	-	155
Transfers	3,673	-	-	3,673
Amortization Expense	1,199	13	-	1,212
Impairment	267	-	-	267
Balance as at 30 June 2014	13,863	25	-	13,888

Balance as at 01 July 2014	13,863	25	-	13,888
Eliminate on Disposal/Derecognition	(356)	-	-	(356)
Transfers	(9)	-	-	(9)
Amortization Expense	1,268	12	-	1,280
Impairment	-	-	-	-
Balance as at 30 June 2014	14,766	37	-	14,803

Net Book value 30 June 2013	**4,723**	**38**	**163**	**4,924**
Net Book value 30 June 2014	**4,433**	**37**	**299**	**4,769**
Net Book value 30 June 2015	**5,428**	**13**	**121**	**5,562**

Note 12: Investment Property

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
	Cost	
19,893	Balance as at 1 July	19,903
10	Additions	2
19,903	**Total Cost**	**19,906**
	Accumulated Depreciation	
3,263	Balance as at 1 July	3,699
436	Charge for Year	434
3,699	**Total Accumulated Depreciation**	**4,133**
16,204	**Net Book value**	**15,772**

CI$000	Managed by:	CI$000
-	Central Government	-
16,204	Statutory Authorities & Government Companies	15,772
16,204	**Total Loans Made**	**15,772**

Investment Property consist of retail shops which are leased.

Management received an independent professional appraisal of the Investment Property from BCQS as at 30th June 2015. The fair value of the investment property was indicated at CI$24.5 million. Despite this, Management decided to retain the historical cost basis of accounting for the Investment Property.

Management has decided to obtain a second valuation due to factors identified by management and discussions with the valuators. This will be pursued in the 2015/2016 financial year.

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
1,188	Rental income from investment properties	1,159
1,294	Direct operating expenses arising from investment property that generated rental revenue during the period	1,131
-	Direct operating expenses arising from investment property that did not generate rental revenue during the period	-

Note 13: Trade Payables, Other Payables & Accruals

Core Net 2013/2014	EPS Net 2013/2014	Description	Core Net 2014/2015	EPS Net 2014/2015
CI$000	CI$000		CI$000	CI$000
16,625	27,369	Trade Payables	12,322	30,163
1,287	2,890	Payroll Deductions	759	7,294
34,755	36,327	Accruals	25,462	25,981
1	1	Trust liabilities	1	1
29	2,088	Transfers payable	12	185
4,106	4,779	Interest	3,942	4,170
6	3,879	Operating Leases	-	-
12,507	-	Core government trade with other public entities	17,861	-
2,011	-	Amounts due to public entities	2,017	-
3,681	3,681	Owing to trusts	3,668	3,668
8,782	9,472	Other Payables	2,394	8,417
83,790	**90,486**	**Total Trade Payables, Accruals and Other Payables**	**68,439**	**79,880**

Maturity Profile

Core Net 2013/2014	EPS Net 2013/2014	Description	Core Net 2014/2015	EPS Net 2014/2015
CI$000	CI$000		CI$000	CI$000
82,985	90,279	Current	68,380	79,683
805	207	Non-current	59	197
83,790	**90,486**	**Total Other Payables and Accruals**	**68,439**	**79,880**

Trade and other payable are non – interest bearing and are normally settled on 30 days term. Accounts payable includes includes invoices received from suppliers not yet settled.

Included in Operating Leases are Cayman Airways Limited lease obligation for aircraft leases $Nil (2014: $3.8 million).

Note 14: Unearned Revenue

EPS Net 2013/2014	Description	EPS Net 2014/2015
CI$000		CI$000
1,757	Customer Security Deposits	2,019
18,562	Immigration Deposits	18,353
16,994	Revenue and Other Deposits Held	19,866
37,313	**Total Unearned Revenue**	**40,238**

Held by

CI$000		CI$000
25,272	Central Government	26,173
12,041	Statutory Authorities & Government Companies	14,064
37,313	**Total Unearned Revenue**	**40,238**

Maturity Profile

EPS Net 2013/2014	Description	EPS Net 2014/2015
CI$000		CI$000
37,313	Current	40,238
37,313	**Total Unearned Revenue**	**40,238**

Note 15: Employee Entitlements

Core Net 2013/2014	EPS Net 2013/2014	Description	Core Net 2014/2015	EPS Net 2014/2015
CI$000	CI$000		CI$000	CI$000
5,077	6,475	Annual Leave	6,422	7,901
121	121	Retirement and long service leave	-	-
638	921	Salary & Wages	486	848
1,396	1,650	Other	1,613	1,658
7,232	**9,167**	**Total Employment Entitlement**	**8,521**	**10,407**

Maturity Profile

Core Net 2013/2014	EPS Net 2013/2014	Description	Core Net 2014/2015	EPS Net 2014/2015
CI$000	CI$000		CI$000	CI$000
7,111	9,046	Current	8,521	10,407
121	121	Non-current	-	-
7,232	**9,167**	**Total Employment Entitlement**	**8,521**	**10,407**

Annual Leave

Annual leave accrues to employees on a monthly basis, subject to certain conditions and constraints. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave. The provision was calculated based on the leave entitlement due to staff at year end adjusted for the salary scales applicable at the time of leave encashment and realisation of leave by employees.

Note 16: Retirement Benefits

The Government, under the provisions of the Public Service Management Law, is obligated to provide post-retirement benefits to qualified employees in the form of health care and pension.

The Government participates in various pension schemes. The group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Pensions

Two separate actuarial valuations are carried out on the Government's defined benefit pension plans to allocate the estimated costs to time periods: i) pension funding valuation and ii) pension accounting valuation for liability fair value presentations.

The funding valuation primarily determines the cash contribution requirements to fund benefits. The accounting valuation, which is required annually, determines amounts to report in the Government's financial statements and has no cash impact.

Pension Liability Fair Value Presentations

IPSAS 25 – Employee Benefits requires that the pension liabilities be revalued annually in order to present the fair value of the fund balances. The Government and Statutory Authorities and Government Companies have employed consultants to do this annual fair value assessment. The amounts recognised by the Central Government emanate from the 2007/08 valuation as shown in the table below.

	2014/2015	2013/2014	2012/2013	2011/2012
	CI$000	CI$000	CI$000	CI$000
Core Government	183,794	183,794	183,794	183,794
Statutory Authorities and Government Companies	30,791	29,262	15,473	12,777
Total Public Service Pension	**214,585**	**213,056**	**199,267**	**196,571**
Judicial Pensions	(447)	(447)	(447)	(447)
Parliamentarian Pensions	12,910	12,910	12,910	12,910
Entire Public Sector Pension Liability Fair Value	**227,048**	**225,519**	**211,730**	**209,034**

The results of a pensions accounting valuation for Core Government, completed in September 2014, estimated the defined benefit pension obligation as at 30th June 2014 to be $411 million with the pension expense totalling $24 million for the year ended 30th June 2014. The assumptions of the actuarial valuation have not been accepted by the

Government and therefore the pension obligation and related expenditure has not been formally recognised on the Statements of Financial Position and Performance.

Pensions Funding Valuation

Actuarial valuations with an effective date of 1st January 2011, to determine future contribution requirements, were conducted for three separate Plans; the Public Service Pensions Plan, the Parliamentary Pensions Plan and the Judiciary Pensions Plan.

The actuarial valuation calculated a fund deficiency of $178.3 million as at January 1, 2011. This represents fund deficiencies arising from participants having accrued considerable defined benefit entitlements prior to the establishment of the pension fund.

Principal Assumptions

The principal assumptions (excluding the estimated retirement age which varied with each Plan) used in the computation of the actuarial estimate of the pension liability for each of the three named Pension Plans are as follows:

(a) Annual salary increases of 3.5%;

(b) Long term inflation rate of 2.5% per annum;

(c) Valuation interest rate to discount future benefit payments of 8%;

(d) Expected long-term rate of return on the Fund's invested assets of 8%;

(e) Anticipated future pensions payments increases of 2.5% per annum; and

(f) Estimated retirement age of 55 years for the Parliamentary Pensions Plan, 57 years for the Public Service Pensions Plan, and 65 years for the Judiciary Pensions Plan.

Public Service Pensions Plan Actuarial Valuation

Actual Prior Year 2013/2014 CI$000	Details	Actual Current Year 2014/2015 CI$000
	Defined Benefit Plan	
206,050	Value of pension fund allocated asstes	206,050
331,720	Past service liability (no projection of pay)	331,720
371,910	Past service liability (with projection of pay)	371,910
165,860	**Actuarial deficiency (with projection of pay)**	**165,860**
	Defined Contribution	
103,820	Assets = liabilities	103,820
CI$000	**Combining Defined Benefit and Contribution Plans**	**CI$000**
309,870	Value of pension fund allocated assets	309,870
475,730	Past service liability (with projection of pay)	475,730
	Fund Ratio (assets/Public service liability)	
55%	Defined Benefit Plan	55%
65%	Defined Benefit & Contribution Plans combined	65%

Future contribution requirement

In order to sustain the Fund, contributions for defined contribution participants need to be 12.4% or $19.3 million per year of salary and wages.

The contribution needed for defined benefit participants is required to be $25.1 million based on cost plus amortization of the actuarial deficiency over a 20 year period.

Based on the above, the total annual cost, based on the active pensionable payroll is estimated at $44.4 million or 20.9% of salary and wages.

Judicial Pension Fund Plan Actuarial Valuation

Actual Prior Year 2013/2014 CI$000	Details	Actual Current Year 2014/2015 CI$000
2,735	Value of pension fund allocated assets	2,735
2,288	Past service liability (with projection of pay)	2,288
447	**Acturial Surplus**	**447**
120%	**Fund Ratio (assets/Public service liability)**	120%

The annual contribution necessary in order to accumulate sufficient funds at retirement age in order to meet the value of expected benefits due to the participants of this plan is 10.6% for the defined benefit part and 30% for the defined contribution part of the plan, totalling $0.104 million.

Parliamentarian Pensions Plan Actuarial Valuation

Actual Prior Year 2013/2014 CI$000	Details	Actual Current Year 2014/2015 CI$000
3,740	Value of pension fund allocated assets	3,740
16,000	Past service liability (no projection of pay)	16,000
16,650	Past service liability (with projection of pay)	16,650
12,910	**Actuarial deficiency (with projection of pay)**	**12,910**
22%	**Fund Ratio (assets/Public service liability)**	22%

Future contribution requirement

The contribution requirement on the basis of normal cost plus amortisation of the actuarial deficiency over the next 20 years is $1.8 million for the year commencing 1st January 2011, or 96.4% annually of the pensionable payroll of defined benefit participants.

The total annual plan funding costs for 2011, based on active pensionable payroll as of 1st January 2011, is therefore estimated at $1.9 million or 96.4% of total pay for both defined benefit and defined contribution participants.

Post-Retirement Health Care

In addition to the Past Service Pension Liability, the Government is also obligated to provide future health care costs of Civil Servants who earned that benefit based on their prior service with the Government.

Previously Civil Servants who worked for a minimum of 10 years with the Government would be entitled to a health care benefit upon retirement. However, the Public Service Management Law now requires that the employee puts in the same amount of years of qualifying service and also retire from the Civil Service in order to obtain such benefits in the future.

The results of health care liability actuarial valuation, completed in September 2014, estimated the post-retirement health care obligation as at 30th June 2014 to be $1.2 billion with the post-retirement medical expense totalling $117 million for the year ended 30th June 2014. The assumptions of the actuarial valuation have not been accepted by the Government and therefore the post-retirement health care obligation and related expenditure has not been formally recognised on the Statements of Financial Position and Performance.

Therefore for all intents and purpose, the Government is on a "pay-as-you-go" plan in respect of post-retirement health care liabilities. Currently, no long term assets are set aside off balance sheet in respect of the Government's post-retirement health care liability.

Note 17: Borrowing /Public Debt

Description	Opening Balance 1st July 2014	Drawdowns/ Additions	Repayments	Revaluation	Closing Balance 30th June 2015
	CI$000	CI$000	CI$000	CI$000	CI$000
Core	548,933		25,370	(241)	523,322
Water Authority of the Cayman Islands	11,582		2,357		9,225
Port Authority of the Cayman Islands	4,811		1,629		3,183
Cayman Islands Development Bank	36,986	30,574	35,039		32,521
Health Services Authority	1,866		235		1,631
National Housing Development Trust	18,186		1,206		16,980
Cayman Airways Limited	26,464		1,881		24,583
Cayman Islands Turtle Farm (1983) Limited	22,419		4,191		18,229
Total	**671,247**	**30,574**	**71,908**	**(241)**	**629,672**

Maturity Profile

Core Net 2013/2014 $'000	EPS 2013/2014 $'000		Core Net 2014/2015 $'000	EPS 2014/2015 $'000
		Local Currency Debt		
-	850	Not later than one year	-	874
-	1,126	Between one and two years	-	891
-	2,442	Between two and five years	-	1,394
-	6,723	Later than five Years	-	7,132
-	**11,141**	**Total Local Currency Debt**	**-**	**10,291**
		Foreign Currency Debt (stated in $CI)		
25,338	63,276	Not later than one year	20,943	30,028
19,978	44,622	Between one and two years	34,904	50,542
95,429	128,946	Between two and five years	317,491	353,882
408,187	422,828	Later than five years	149,984	184,929
548,932	**659,672**	**Total Foreign Currency Debt**	**523,322**	**619,381**
548,932	**670,813**	**Total Outstanding Debt**	**523,322**	**629,672**
		Local Currency Marketable Securities and Deposits		
-	6,158	Not later than one year	-	4,165
-	-	Between one and two years	-	-
-	-	Between two and five years	-	-
-	-	Later than five years	-	-
-	**6,158**	**Total Local Currency Marketable Securities and Deposits**	**-**	**4,165**
		Foreign Currency Marketable Securities and Deposits (stated in CI$)		
-	75,004	Not later than one year	-	61,051
-	-	Between one and two years	-	-
-	6,336	Between two and five years	-	29,689
-	12,245	Later than five years	-	6,172
-	**93,585**	**Total Foreign Currency Marketable Securities and Deposits**	**-**	**96,912**
-	**99,743**	**Less :Total Marketable Securities and Deposits**	**-**	**101,077**
548,932	**571,070**	**Net Public Debt**	**523,322**	**528,595**

Core Net 2013/2014 $'000	EPS 2013/2014 $'000		Core Net 2014/2015 $'000	EPS 2014/2015 $'000
25,338	64,126	Current Portion	20,943	30,902
523,594	606,687	Non-current Portion	502,379	598,770
548,932	**670,813**	**Total Debt**	**523,322**	**629,672**

Note 18: Provisions

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
317	Provision for health claims incurred but not yet reported	8,990
10,667	Other Provisions	2,667
10,987	**Total Provisions**	**11,657**

Movement in Provisions

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
14,901	Balance at 1 July	10,987
-	Additional provisions made during the year	670
(3,914)	Provisions utlised during the year	-
10,987	**Provision for Impairment Losses**	**11,657**

Maturity Profile

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
10,987	Current	11,657
10,987	**Total Provisions**	**11,657**

Provision for Claims Incurred

Management has estimated a provision for claims which have been incurred but not yet reported (IBNR). While management has estimated IBNR based on all information it has available to it at the time, the ultimate liability may be in excess of, or less than, the amounts provided. Management uses acceptable reserving methods to estimate provisions for claims incurred but not reported; these are periodically reviewed by an independent actuary.

A health claim is payable when an event has occurred that gives rise to a claim payment within the benefits of an insured member's policy while inforce. The lag between the occurrence of a claim and the final payment is normally short term in nature as providers are required by the Health Insurance Law to submit any claims within 180 days of date of service. Thus, any reserve estimates are normally settled within a year.

Other Provisions

Other provisions include a provision in respect of the frequent flyer programme. This provision is released when points are used or when they become non-redeemable. Points are redeemable for a maximum of three years in the event of non-activity in dormant accounts. The Company uses an estimated value of redeemed travel, based on historical average fares, to determine the value attributed on each mile. The provision is included as a liability on the Consolidated Statement of Financial Position.

Note 19: Currency Issued

Currency Issued (or Demand Liabilities) represents the value of currency notes and coins in circulation. These liabilities are fully funded by the Currency Reserve Assets of the Cayman Islands Monetary Authority.

EPS Net 2013/2014 CI$000	Description	EPS Net 2014/2015 CI$000
81,500	Currency notes in circulation	84,251
10,200	Currency coins in circulation	10,636
91,700	**Total Demand Liabilities**	**94,887**

The Monetary Authority Law (2011 Revision) mandates that a reserve shall represent at least 15% of Demand Liabilities.

Note 20: Reserves

EPS Net 2013/2014	Description	EPS Net 2014/2015
CI$000		CI$000
1,843	Housing Guarantee Reserve Fund	2,207
51,085	Environmental Protection Fund	56,897
2,228	Infrastructure Development Fund	2,228
1,086	Sinking Fund for 2009 Bond Issue	18,196
1,806	Student Loan Reserve Fund	1,912
4,242	National Hurricane Disaster Reserve Fund	4,654
64,611	General Reserve	69,294
375	Currency Issue Reserve	375
2,045	Capital Expenditure Reserve	850
801,414	Asset Revaluation Reserve	806,179
930,735	**Total Reserves**	**962,791**

Housing Guarantee Reserve Fund

The Housing Guarantee Reserve Fund was created in 1994 to make good any default, which may arise from the government guarantees provided under the Government Guarantee Home Mortgage Scheme (formerly the Low Income Housing Scheme). The guarantee covers between 10 and 35% of the upper layer of loans, in lieu of prospective clients' own down payment, to help low income Caymanians to obtain mortgage financing. The guarantee will be extinguished once this layer is paid. The annual reserve provisions must be adjusted at the end of each year to equate to 15% of the aggregate liability outstanding against the actual guarantee.

The Environmental Protection Fund

The Environment Protection Fund was established in 1997 pursuant to section 30 of the Public Finance and Audit Law (1997 Revision). The purpose of the Fund is to ensure that environmental fees collected are segregated from other Government revenue. Disbursements from the Fund will only be made for the purpose of defraying expenditure incurred in protecting and preserving the environment of the Islands.

Infrastructure Development Fund

The Infrastructure Development Fund was created by the Development and Planning (Amendment) Law 1997 with a supplement of Motion (15/97), for the purpose of providing funds for the development of roads and other infrastructure in the Islands.

Sinking Fund for 2009 Bond Issue

The Sinking Fund for 2009 Bond Issue was created to fund future payments for the retirement of a 2009 Bond that matures in 2018.

Student Loan Reserve Fund

The Student Loan Reserve Fund was established in 1999 in accordance with Section 30 of the Public Finance and Audit Law (23 of 1985) (1997 Revision). Its purpose is to support the Government's guarantee of 100% on student loan administered by the Cayman Islands Development Bank.

National Disaster Reserve Fund

The National Disaster Fund was established in 1999 in accordance with section 30 of the Public Finance and Audit Law (1997 Revision). Its purpose is to assist in dealing with and recovering from the events of a national disaster.

General Reserves

General Reserves include the General Funds Reserve for Central Government and General Reserve for the Cayman Islands Monetary Authority.

General Funds Reserve is an accumulation of Government surpluses which are set aside for the benefit of the Islands. Disbursements from the reserve are approved by the Legislative Assembly. The General Reserve Fund was $45.4 million (2014: $44.5 million).

Cayman Islands Monetary Authority maintains a General Reserve in accordance with Section 8 of the Monetary Authority Law (2013 Revision) ("MAL"), to provide additional funding if necessary for Demand Liabilities and obligations arising from other business of the Authority. In accordance with section 8 of the MAL, the General Reserve shall represent at least 15% of Demand Liabilities. As at 30th June 2015, The General Reserve was $19.8 million (2014: $18.5 million) equating to 20.86% (2014: 20.19%) of Demand Liabilities.

Currency Issue Reserve

The Currency Issue Reserve was adjusted as the stock of notes printed prior to 2003 was all issued into circulation. The Currency Issue Reserve will then remain at $375,000.

Capital and Operational Expenditures Reserves

Capital and Operation Expenditures Reserves include the Capital Funds for the University College of the Cayman Islands and Capital and Operational Expenditures Reserves for the Cayman Islands Monetary Authority.

Capital Funds represents the balance of funds restricted by the Board of Governors to be used for future capital projects of the College.

Under Section 9 of the Monetary Authority Law (2013 Revision), the net profits of the Authority for any financial year shall include, but shall not be limited to, the income from the investments of the Authority, and the profit from the sales of investments belonging to the Authority, and shall be determined by the Authority after meeting or providing for

all expenditure for that year and making such provisions for contingencies and the establishment of such additional reserves as it may consider desirable. The Capital Expenditures Reserve has been established for the implementation and acquisition of key capital projects including the Regulatory Electronic Enhancement Filing System (REEFS), and various Other Information Technology Projects. The Operational Expenditure Reserve will fund the operating costs associated with these key projects.

Restricted Funds and Contingency Reserve

The Cayman Islands National Museum restricts funds that are derived from gifts, grants, and contracts received by the Museum for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. As these funds have traditionally not been reimbursable, and the Museum does not consider there to be a legal or constructive obligation to do so, they form a part of the Museum's equity position as reflected on the statement of financial position. Contributions that are restricted for specific purposes by the donor must be used as intended and cannot fund other activities or general operations without the proper consent of the original donor.

The contingency reserve was established by the Board of Control and Trustees as a precautionary measure to meet costs of overcoming any disaster that might befall the Museum in the future and is equal to the estimated operating costs of the Museum for a two month period. At 30th June 2015, the Museum's equity includes a contingency reserve of CI$200,000 (2014: CI$200,000). The contingency reserve is in the form of fixed deposits included in cash and cash equivalents.

Casualty Investigation Fund

The Cayman Islands Government/Maritime Authority of the Cayman Islands (MACI) is party to the SOLAS Convention and is obliged to investigate certain marine casualties and publish the report of the findings. The investigations are required by International Maritime Organization's mandatory "Casualty Investigation Code" (MSC.255 (84)). During the 2014/15 financial year MACI created a sinking fund with the funds from the sinking fund to be designated for carrying out casualty investigation onboard Cayman registered vessels. The fund currently has a balance of $109,484, of which the full amount form part of the cash balance.

Statutory Reserve Fund

Under Section 20 of the Cayman Islands Development Bank Law (2004 Revision), the Bank is required to establish a reserve. The Bank transfers 20% of its annual net income until the balance reaches the paid-up portion of the authorized capital of the Bank (currently $7.3 Million). There was no transfer to the Reserve Fund for year ended June 30, 2015 as the bank made a loss (2014: transfer to reserve fund $12,338).

Assets Revaluation Reserves

A revaluation is conducted periodically to reflect the major changes in fair market value of fixed assets. Revaluation increases are credited directly to an equity account, to which any decrease of revaluation will be debited for the same classes of assets. A revaluation was carried out during the fiscal year 2012/2014 for the majority of fixed assets owned by the Cayman Islands Government and a total appreciation of $769 million was credited to the Assets Revaluation Reserves.

Note 21: Coercive Revenue

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
175,309	Levies on International Trade and Transactions	171,802
399,999	Domestic Levies on Goods and Services	421,662
33,585	Levies on Property	40,878
1,657	Fines	1,847
1,067	Other Executive Revenue	633
611,617	**Total Coercive Revenue**	**636,822**

Coercive revenue types and percentages (%) of earnings during 2014/2015 with comparative data is shown below:

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000	% of Total Coercive %
161,670	Import Duties	156,393	25%
34,225	Banks and Trust Licenses	32,795	5%
134,355	Company Registry Fees	140,739	22%
71,278	Work Permits & Other Immigration Fees	79,914	13%
45,140	Mutual Fund Administrators	43,139	7%
30,502	Stamp Duty - Land Transfers	38,967	6%
13,695	Cruise & Environment Tax	15,409	2%
18,725	Tourist Accommodation Charges	20,643	3%
102,027	Other Licence Fees	108,823	17%
611,617	**Total Coercive Revenue**	**636,822**	**100%**

Revenue Concessions & Waivers

During the year ended 30th June 2015, the Government provided relief to businesses and individuals to stimulate investments and relieve hardship. Revenue concessions and waivers totaling $30.5 million (2014: $19.1 million) were given to business importers, civil groups, non-profit organizations and households. Waivers handled directly by the Customs Department were valued at $18.8 million are shown in the table below.

	CIF Value CI$000	Duty Assessed CI$000	Duty Waived CI$000
Business Importers	271,643	69,869	16,343
Civil Groups and Non Profit Organizations	100	22	19
Individual Importers	3,196	721	300
Government Entities	9,238	2,147	2,128
	284,176	**72,759**	**18,790**

WAIVER APPLICATIONS PROCESSED FOR THE PERIOD OF 1st July 2014 to 30th June 2015		
Type of Application	**No.**	**Waiver/Refund CI$'000**
Stamp Duty for First-Time Caymanian Property Buyers (Item 10(a)(i), Item 10(a)(ii), Item 10(b)(i) and Item 10(b)(ii) under the heading 'Conveyance or Transfer' in the Schedule to the Stamp Duty Law (2013 Revision) Ref: FIN/SD/FTC	281	3,066
Cayman Brac Stamp Duty Waivers (Section 20(6)(a) of the Stamp Duty Law (2013 Revision) Ref: FIN/SD/CB	16	23
Waiver of Import Duty (Section 50 of the Customs Law (2012 Revision) Ref: FIN/CUS/4	315	2,429
Refund of Import Duty (Section 50 of the Customs Law (2012 Revision) Ref: FIN/CUS/4	30	6,048
Stamp Duty under the Discretion of the Minister of Finance and Economic Development Waivers (Section 20(6)(a) of the Stamp Duty Law (2013 Revision) FIN/SD/20(6)(a)	57	193
Total Application Approved	**699**	**11,759**

Note 22: Sales of Goods and Services

Core 2013/2014 CI$'000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
23,904	92,904	Fees and Charges	24,391	110,640
5,501	134,672	General Sales	6,431	130,722
1,252	3,832	Rentals	1,380	2,644
2,138	-	Outputs to Other Government Agencies	1,959	-
624	2,758	Other Sales of Goods and Services	598	4,153
33,419	**234,166**	**Total Sales of Goods and Services**	**34,759**	**248,159**

A summary of the entity revenues earned during the financial year ended 30th June 2015 along with the comparative data is provided below:

Sales of Goods & Services Revenue Types and Percentage (%)

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000	% of Total Sales of Goods and Services %
51,832	Airline Revenues	53,698	21.6%
77,856	Other Miscellaneous fees	76,401	30.8%
22,601	Water Sales	22,933	9.2%
18,616	Port Revenues	19,115	7.7%
9,228	Marine Survey Fees	8,780	3.5%
35,921	Health Care Services	41,022	16.5%
11,254	Passenger Charges and Taxes	19,131	7.7%
4,150	Sewerage fees	4,365	1.8%
2,708	Garbage Fees	2,715	1.1%
234,166	**Total Sales of Goods and Services**	**248,159**	**100%**

Note 23: Investment Revenue

Investment revenue is primarily derived from royalties for the use of the Water Authority sewerage system by entities outside of the Government and interest earned on cash deposits held at the bank and short term deposits.

Core 2013/2014	EPS 2013/2014	Description	Core 2014/2015	EPS 2014/2015
CI$000	CI$000		CI$000	CI$000
659	1,154	Interest on Cash and Deposits	827	1,620
2	1,162	Royalties	1	1,204
21	21	Other	18	1,676
-	-	Investment in Sagicor	200	200
682	**2,336**	**Total Investment Revenue**	**1,047**	**4,700**

Note 24: Donations

During the year ended 30th June 2015, the Government received donations totalling $1.1 million. The majority of these funds, approximately $0.8 million were received by Statutory Authorities and Government Owned Companies, which normally receive donations as part of normal operations. All obligations relating to these donations have been satisfied and are therefore recognised as revenue.

Core 2013/2014	EPS 2013/2014	Description	Core 2014/2015	EPS 2014/2015
CI$000	CI$000		CI$000	CI$000
304	1,203	Donation Received	283	1,081
304	**1,203**	**Total Donation Received**	**283**	**1,081**

Note 25: Personnel Costs

Core 2013/2014 CI$000	EPS 2013/2014 CI$000	Description	Core 2014/2015 CI$000	EPS 2014/2015 CI$000
178,873	303,920	Salaries, Wages and Allowances	181,250	311,157
32,650	4,987	Health Care	32,253	6,692
10,924	19,966	Pension	12,511	17,396
693	706	Leave	422	421
11,400	15,796	Defined Benefit Pension Liability	9,500	10,794
1,500	4,890	Other Personnel Costs	1,175	6,336
2,050	2,050	Voluntary Separation Package	-	-
238,090	**352,316**	**Total Personnel Costs**	**237,110**	**352,795**

As at 30th June 2015 Government total staff complement was 5,846 employees (2014: 5,859 employees):

	2015	2014
Core Government	3,571	3,601
Statutory Authorities & Government Companies	2,275	2,258
Total number of employees	**5,846**	**5,859**

Health Care

All Central Government employees participate in the public sector run health care scheme operated by the CINICO and administered via the Health Services Authority. Each employee participates in the family, spouse and child or single person plan. The premium is paid directly to CINICO on behalf of each employee by the Government. Statutory Authorities are allowed to choose other health providers and insurers.

Pension

All pensionable employees (persons below the age of 60) participate in the Public Service pension scheme. The scheme has three plans; the Public Service Pension Plan, the Parliamentary Pension Plan and the Judiciary Pension Plan. The Parliamentary and Judicial Pension Plans are based on defined benefit i.e. the Government bears the risk should the plans fail. The Public Service Pensions Plan has both a defined benefit element as described above and a defined contribution where the participants bear the risk should the plan fail.

Annual Leave Provision

Employees are allowed 7 working days compassionate leave, 10 working days bereavement, and 18-28 working days annual leave based on years of service. Study and other special leave are based on the discretion of the head of the department and the exigencies of the department in question.

All staff leave are guided by the Public Service Management Law.

Note 26: Supplies and Consumables

Core 2013/2014	EPS 2013/2014	Description	Core 2014/2015	EPS 2014/2015
CI$000	CI$000		CI$000	CI$000
14,906	52,499	Supplies and Materials	14,730	51,276
40,672	91,097	Purchase of services	38,649	92,909
14,763	26,967	Utilities	13,331	24,011
7,516	15,323	General Insurance	6,859	13,567
1,519	3,018	Travel and Subsistence	1,579	2,600
1,268	2,109	Recruitment & Training	1,372	2,641
674	36,258	Other	2,353	36,218
81,318	**227,271**	**Total Supplies & Consumables**	**78,873**	**223,221**

Note 27: Depreciation and Amortisation Expense

Core 2013/2014 CI$000's	EPS 2013/2014 CI$000's	Description	Core 2014/2015 CI$000's	EPS 2014/2015 CI$000's
24,937	41,895	Property, Plant, and Equipment	30,083	49,131
949	1,402	Intangible Assets	779	1,280
-	436	Investment Property	-	434
25,886	**43,734**	**Total Depreciation and Amortization**	**30,863**	**50,846**

Note 28: Outputs from Non-Government Organizations

Non-government organisations (NGOs) involved in civic activities are allowed to access funding from the Government. These groups have to submit yearly applications for continued funding as well as account for past disbursements.

Total purchase of outputs from NGOs in 2014/2015 was $29.4 million. The largest category of these payments was for the provision of tertiary care to overseas organisations, which totalled $16.8 million or 57% of Outputs from Non-Government Organizations.

EPS 2013/2014	Description	EPS 2014/2015
CI$000		CI$000
40	Autism Diagnostics and Sexual Trauma Recovery Programme	27
117	Burial Assistance for Indigents	104
1,400	Care of the Indigent, Elderly and Disabled Persons	1,400
116	Community Programmes	116
207	Elite Athletes Programme	118
25	HIV/AIDS and First Aid Public Education Programmes	22
126	Employee Assistance Programme	126
225	Foster Care for Children	225
4	Gardening Projects and Landscaping	3
117	General Programmes and Children Services	117
23	K9 Security Services	31
3,246	Legal Aid Services	2,959
270	Management of Small Business Development	259
-	Mentoring Cayman Programme	9
60	Music Therapy Services	60
21	Organisation of Batabano Festival	20
-	Organization of the Miss Cayman Committee Pageant	48
32	Organize, Administer and Execute the Cayman Islands Fishing Tournament	31
43	Other Sports and Cultural Programmes	45
56	Palliative Care Nursing	51
470	Preservation of Natural Environments and Places of Historic Significance	620
1,530	Primary and Secondary Education by Private Schools	1,530
869	Services for Refugees	1,740
1,470	Rental Accommodation for Persons in Need	1,566
466	School Lunch and Uniform Programmes	96
50	Social Marketing for Prevention of HIV/AIDS	45
18	Spaying and Neutering of Dogs and Cats	7
707	Sports Programmes	735
54	Supervision of Pre-School Children	54
300	Support for Battered Women and Children	300
90	Teaching of Tertiary Education Courses	90
14,226	Tertiary Care at Various Overseas Institutions	16,819
8	Therapeutic Services for Young Persons	10
36	Youth Development Programmes	24
-	Sports Grants	30
-	Other Cultural Program	6
42	Young Nation Building -Transition Funding	-
26,464	**Total Outputs from Non-government Organizations**	**29,445**

Note 29: Transfer Payments

Transfer payments are the transfer of money from Government to an individual, organization or another government for which the Government does not:

(a) Receive any goods or services directly in return as would occur in a purchase/sales transaction;

(b) Expect to be repaid in the future, as would be expected in a loan; or

(c) Expect a financial return, as would be expected in an investment.

In the 2014/2015 financial year, the Government of the Cayman Islands made transfer payments of $27.3 million. Included in the amount was $9 million in local and overseas education scholarships, $6.6 million in Poor Relief, $6.2 million in benefit payments to seamen and ex-servicemen, and $0.9 million for promotion of nation building.

EPS 2013/2014	Description	EPS 2014/2015
CI$000		CI$000
1,151	Benefit Payments to Ex-Servicemen	1,074
591	Children and Family Services Support	523
50	Emergency Relief Payments	82
515	Employment Initiatives	542
5,167	Ex-Gratia Benefit Payments to Seamen	5,151
148	Housing Assistance	-
2	Interest on Loans - Public Servants	-
10,763	Local, Overseas Scholarships and Bursaries	9,000
10	Miss Cayman Scholarship	20
159	Other Educational Assistance	193
409	Other Youth, Sports and Cultural Programme Assistance	318
6,054	Poor Relief Payments	5,935
1,221	Poor Relief Vouchers	665
150	Pre-School Assistance	8
530	Pre-School Educational Assistance	536
1,907	Promotion of Nation Building	942
70	Red Cross Contributions	70
358	Sister Islands Home Repair Assistance	100
429	Sports and Cultural Tourism Programmes Assistance	534
531	Student Enrichment & Support Services	486
56	Support to Local Business Associations	97
60	Support for the Bridge Foundation	60
30	Temporary Poor Relief for Young Parents Programme(YPP) Students	17
562	Tourism Scholarships	615
30	Youth After Care Payments	8
175	Youth Programmes - Churches and Other Non-Governmental Organization	93
-	Other Cultural Programme Assistance	32
-	Athlete Development	71
-	Other Youth and Sports	102
31,130	**Transfer Payments**	**27,274**

Note 30: Other Executive Expenses

Other Executive Expenses are any government expenditures that do not relate to Outputs, Transfer Payments or Financing Expenses. These expenses do not relate to the activity of a particular Ministry, Portfolio or Office but instead relate to the activities of Ministers, Official Members, Members of the Legislative Assembly, and the Judiciary.

Also included in executive expenses is the allowance for doubtful debts which have not been budgeted in the financial year.

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
425	Caribbean Catastrophic Risk Insurance Facility - Annual Premium	488
147	Caribbean Economic Community (CARICOM) Fees	152
10	Caribbean Epidemiology Centre Subscription	10
3	Caribbean food & Nutrition Institute Subscription	3
5	Caribbean Health Research Council Subscription	5
95	Commonwealth Parliamentary Association	95
402	Compensation	352
143	Conference Contributions	3
635	Constituency Allowance	654
29	Contribution to Caribbean Financial Action Task Force	123
454	Court of Appeal Expenses	542
195	Debt Write off-Executive Transactions	3
12,412	Doubtful Debt Expenses	14,446
35	Executive bank Charges	36
696	Judiciary Expenses	991
2	Miscellaneous	-
11	Pan American Health Organisation Subscription	11
-	Regional Anti-Doping Organization	3
139	Settlement of Government Guarantees	773
2,517	Settlement of Case	243
105	Settlement of Court Order	31
11	Subscription to Caribbean Examinations Council	11
6	United Nations Caribbean Environmental Program	-
50	Universal Postal Union	55
103	University of the West Indies Membership Levy	161
3	World Anti-Doping Agency	3
18,632	**Total Other Executive Expenses**	**19,192**

Note 31: Financing Costs

During the year ended 30th June 2015, the Government incurred financing charges of $33.3 million in relation to its public debt.

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
35,473	Interest on borrowings	32,353
278	Other borrowing costs	927
66	Interest on overdraft	-
35,816	**Total Finance Costs**	**33,280**

Costs attributed to

EPS 2013/2014 CI$000	Description	EPS 2014/2015 CI$000
30,560	Central Government	28,518
5,256	Statutory Authorities & Government Companies	4,762
35,816	**Total Finance Costs**	**33,280**

Note 32: Reconciliation of Surplus to Net Operating Cash Flow

GOVERNMENT OF THE CAYMAN ISLANDS
RECONCILIATION OF SURPLUS TO OPERATING CASH FLOW
AS AT 30 JUNE 2015

	Actual 2014/2015 CI$000
Surplus/(deficit) from ordinary activities	146,689
Non-cash movements	
Depreciation Expense	50,846
Losses on non-financial instruments	183
Impairment of Assets	247
Gain on foreign exchange transactions	(2,474)
Increase in provision for bad debt	14,448
Changes in assets and liabilities:	
(Increase)/decrease in receivables	(3,678)
(Increase)/decrease in inventories	2,616
(Increase)/decrease in other current assets	(1,351)
(Increase)/decrease in biological assets	(9)
Increase/(decrease) in other liabilities	(9,259)
Increase/(decrease) in provisions relating to employee costs	2,769
Net cash flows from operating activities	**201,028**

Note 33: Explanation of Major Variances to Budget

Statement of Financial Performance

Overspends in Outputs from Non-Government Supplies are due to increased spend in overseas health care and service for refugees. These overspends were offset by significant savings in Personnel Costs, Transfer Payments and Supplies and Consumables.

Significant savings in Personnel Costs are largely as a result of continued attrition and restrained recruitment. Transfer Payments were $4 million less than expected due to a decrease in the number of beneficiaries for scholarships and less than normal rate of assessments for Government assistance. Agencies continued to adhere to austerity measures and contain spending in supplies and consumables.

Cost management initiatives, increased air and cruise tourists arrivals together with declining fuel prices contributed to the positive variance in the operating results of Statutory Authorities and Government Companies.

Statement of Financial Position

Cash and cash equivalents balances were $49.2 million better than budgeted due to increase in collections of trade receivables and taking full advantage of credit terms offered by suppliers. Total receivables and payables declined and increased respectively. There were no long-term trade receivables as at 30th June 2015.

Marketable securities & deposits were more appropriately reclassed as investments at the end of the financial year.

Note 34: Commitments

Type	One Year or Less CI$000	One to Five Years CI$000	Over Five Years CI$000	30 June 2015 CI$000	30 June 2014 CI$000
Capital Commitments					
Capital Commitments	13,636	5,000	-	18,636	3,844
Total Capital Commitments	**13,636**	**5,000**	**-**	**18,636**	**3,844**
Operating Commitments					
Non-Cancellable Accommodation Leases					
Accommodation leases	3,191	4,165	-	7,356	8,043
Other Non-Cancellable Leases					
Land Lease	52	249	117	418	231
Premises Lease	72	258	-	331	189
Aircraft Leases	1,061	1,512	38	2,611	1,292
Other Operating Commitments					
Other Operating Commitments	7,623	770	12	8,405	4,329
Total Operating Commitments	**11,999**	**6,954**	**167**	**19,120**	**14,084**
Total Commitments	**25,635**	**11,954**	**167**	**37,756**	**17,928**

Finance Lease

The Port Authority has a finance lease for the 3.829 acres of land formerly numbered as Block 12C Parcel 217, which was leased to Dragon Bay Limited (formerly Fujigmo Limited) for 99 years effective 6 September 2011.

In this case, there are no lease payments forthcoming due to the lease being granted at peppercorn. Consequently the Port Authority has no receivable to book in the Statement of Financial Position as at 30 June 2015.

Note 35: Contingent Liabilities

Legal Proceedings and Disputes

In relation to legal matters, estimates are developed by the Office of the Attorney General who is charged under the Constitution with the handling of the defence in these matters, using the current facts and known circumstances. The factors considered in developing the legal provisions include the merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject matter of the litigation, the likelihood of settlement and current state of settlement discussions, if any.

The Government is routinely engaged in litigation arising in the ordinary course of its business. It does not believe that any such litigation will individually or in aggregate, have a material adverse financial effect on the Government. It is Government's policy to rigorously assert its position in such cases. Should the Government be unsuccessful in these matters, it does not expect the outcome to materially affect the results of operations or financial position.

At the 30th June 2015 the Government has estimated contingent liabilities of $12.9 million with respect to Civil/Quasi Civil Matters. In addition to the above there were proceedings involving a number of Statutory Authorities and Government Companies as detailed below.

Cayman Islands National Insurance Company

In February 2011 and May 2011, the Company was served with two separate summonses in the state of Florida. For the year ended 30th June 2011, the Company has set a provision totalling $534,836 inclusive of estimated interest, legal fees and air ambulance costs. On April 25, 2012 one of the claims was settled for lower than originally provided for. In January 2014 the other litigated amount was settled for a lower amount than originally provided for. As a result of these settlements, the provision was reduced by $157,115 in January 2014, and $145,726 for the year ended 30th June 2014 and booked as other income.

While management believes that advance claim provision should ultimately be paid by the Cayman Islands Government, the Company assumed the liability as it is technically liable through the issuance of the guarantees. The Company has also recorded a corresponding receivable from Government equal to the "Advance claim" gross provision of $154,617; however, in the absence of any formal written commitment from the Government to reimburse the Company, a provision for bad debt has been recorded. Management intends to seek recovery from the Government in due course.

Cayman Islands Turtle Farm (1983) Ltd.

Breach of contract claim

During September 2011, a tour operator raised a potential breach of contract claim against the Company. The claim is for an amount of CI$90,450 (US$107,679) and relates to the wholesale admission price the Company had charged the tour operator from December 2008. Legal representatives are waiting for further documentation and are unable to advise on the merits of this claim. Management considers that the claim is without merit therefore no provision has been raised in the financial statements as at June 30, 2015.

Construction claim

During the year ended 30th June 2006 the Company was involved in a dispute with one of the contractors for the Park. The contractor filed a claim under the terms of the contract for costs of CI$530,000 associated with their structural concrete contract. The Company made a counter claim for the reimbursement of an account payment of CI$221,044 made to the contractor. There has been no further development of this claim and as at 30th June 2015 management considers it difficult to make any assessment of outcome with any degree of certainty.

Discharge permit

The nature of the operations of the Company requires it to obtain a discharge permit from the Water Authority of the Cayman Islands (the "Water Authority") in order to discharge waste water from the turtle tanks into the ocean. During the years ended 30th June 2007 and 2008 the Company did not hold such a discharge permit and was therefore not compliant with the environmental laws of the Cayman Islands. A permit was granted on 1st October 2008 for a period of two years. The failure of the Company to comply with the environmental laws prior to 1st October 2008 has left the Company exposed to possible litigation and the imposition of fines. As of the date these financial statements were available to be issued there has been no legal action initiated against the Company nor any fines levied.

Civil Aviation Authority

During the year ended on 30th June 2014, The CAA has filed an appeal against the ruling The Chief Justice of the Cayman Islands made in the matter of Axis International Ltd (Axis) vs CAA. During the period ended on 30th June 2015, the Cayman Islands Court of Appeal upheld the CAA's appeal and dismissed application for the order of certiorari to quash the decision of the CAA to grant an aerodrome certificate to Cayman Islands Helicopters Ltd. The Court of Appeal also ordered costs in favour of the CAA. The date for the hearing for costs is still awaited at the end of the period.

Health Services Authority

Contingent Legal Claims

The Health Authority believes that the outflow of funds for the malpractice and employee related legal claims amounting to $262,583 and nil (2014: $262,583 and nil), respectively are less than probable to be successful and are covered by insurance in excess of deductible; accordingly, no provisions were recognised for possible losses.

There are a number of claims outstanding that relate to services provided prior to the establishment of the Health Authority or prior to 1 July 2002. Neither provision nor contingent liability has been made for these claims in the financial statements, as the Health Authority believes any costs encountered (that are not covered by insurance) will be met by the Ministry of Health.

Port Authority of the Cayman Islands

Vessel Claim

On 13th July 2012, a claim was made due to perceived negligence by the Authority which resulted in the total loss of a third party's vessel while in Cayman Waters. The amount of the Claim is CI$ 280,178. Management is reviewing the Claim with its legal representatives with the aim of vigorously defending its position. At the end of the financial year no further action has been brought about by the plaintiff.

Fuel Claim

During the year, a compensation demand was made by a local vendor for lost income due to him being asked to discontinue selling fuel at the dock. No specific amount has been demanded and neither has the issue proceeded to court and as such the Authority is unable to assess the impact, if any, this may have on its operations. The Authority is addressing the issue through its legal representatives. The vendor has been given initial communication to the effect that his demand is unwarranted and frivolous as he did not have permission to engage in commercial activities at the Dock in the first place. At the end of the financial year no further action has been brought about by the plaintiff.

Marina Claim

On 14th September 2012, a statement of claim was served upon the Authority, as the second defendant, with regard to certain declaratory rights to a Marina under development on the Authority's Land. The Action is on-going. The Authority has involved its lawyers who are vigorously defending its position.

Vehicle Accident Claim

On 19 March 2009, legal proceedings were commenced against the Port Authority regarding injury sustained by a third party after an accident involving the Authority's vehicle. The Authority is reviewing its position on this matter. However any claims are anticipated to be settled by the Authority's Insurers.

Dismissal Claim

In May 2012 an employee of the Authority was dismissed but later demanded reinstatement. The Authority is reviewing its position on the matter.

As at the date of these accounts, there was no further development on the aforementioned legal matters and management expects no loss arising from any potential action.

Guarantees

Statutory Authorities and Government Companies

In accordance with Section 50 of the Financial Regulations, Government is expected to calculate the portion of the guaranteed debt of Statutory Authorities and Government Companies. This represents at minimum, the Government's immediate level of exposure and as such is disclosed as a contingent liability.

Guarantees of the Government include:

- Guarantees of the borrowings of Statutory Authorities and Government Companies;
- Guarantees, either collective or specific, of the loans of certain individuals and companies obtained from the private sector; and

Under the PMFL, entities that;

(a) Require an unpredictable level of budgetary support from the Governor in Cabinet are given an 80% weighting;

(b) Are financially stable and require predictable levels of support are given a 50% weighting; and

(c) Have not required budgetary support during the last three (3) years are given 20% weighting.

Description	Weighting Applied	Guaranteed Balance as at 30 June 2015	Loan Balance as at 30 June 2015
		CI$'000	CI$'000
Cayman Islands Turtle Farm (1983) Limited	80%	14,583	18,229
Cayman Airways Limited	80%	19,666	24,583
Water Authority of the Cayman Islands	20%	1,845	9,225
Cayman Islands Development Bank	50%	16,261	32,521
Port Authority of the Cayman Islands	20%	637	3,183
National Housing Development Trust	80%	13,584	16,980
		66,576	**104,721**

Government Guaranteed Home Assistance Mortgage (GGHAM) Program

The Government Guaranteed Home Assisted Mortgage program (GGHAM) that is administered by the National Housing Development Trust was introduced on November 9th, 2007 and to date has helped 323 households achieve home ownership.

The initial 5-year GGHAM agreement provided approval for $5 million to each of the six participating banks. Due to the high demand for this program, some participating banks reached the maximum lending amounts, which required for additional funding be put in place. Central Government approved additional funding for this program, through a supplementary agreement to the participating banks.

The current GGHAM approved amount is $65 million; however this agreement expired on November 2012. To date, the GGHAM drawn balance is approximately $51.2 million for which on face value indicates that Central Government is committed to a contingent liability of 35% which equates to $12.3 million.

In addition, a local bank has called in the guarantees of three (3) GGHAM loans totalling $150,000. These amounts include interest and other related costs. The NHDT has been in ongoing discussions with the local bank on these facilities since May 2014. There has been no resolution of this matter as at the date of these financial statements; however the amounts have been included as an amount payable as at 30th June 2015.

Other Contingent Liabilities

Pursuant to the agreements between Cayman Airways Limited ("CAL" or the "Company") and RBC Royal Bank of Canada and CIBC First Caribbean International Bank (the "Banks"), CAL must comply with certain covenants, namely ensuring that all scheduled repayments are current and the provision of audited financial statements and other financial data of both the Company and the Government (as guarantor). In the event of default, the Banks may, by written notice to the Company, declare all borrowings under the agreements to be immediately due and payable. During the years ending 30th June 2015 and 2014, the Company had failed to comply with certain of those financial reporting including the provision of the Government's audited financials, which were not available. However, as at 30th June 2015, neither of the Banks had provided written notice of intent to act as a result of this failure and had instead provided wavers of such covenants to the Company.

Letters of Credit

RBC Royal Bank of Canada has issued a number of letters of credit on behalf of the Cayman Airways Ltd. These are used as collateral for United States Customs bonds and credit account support.

Note 36: Financial Risk Management

Credit Risk

Core Government

Credit and counterparty risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation or commitment. Financial instruments potentially expose the government to credit risk. Concentrations of credit risk relate to groups of customers or counter- parties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Core Government entities are only allowed to conduct business with reputable financial institutions as part of the centralized banking system.

The Core Government primary banker continues to be RBC Royal Bank (Cayman) Limited which is considered to be stable and one of the top tier banking institutions.

The Government generally operates a no credit policy however, where credit is allowed such customers have to be pre-approved and are required to place assessed deposits with the Government from which such credit is being requested. Sales to retail customers are settled in cash or credit cards.

For trade customers, the Government performs adequate due diligence (including, but not limited to, independent credit ratings, assessment of credit quality, taking into account its financial position, past experience and other factors) on the stability of the customer and their repayment capabilities prior to extending credit.

Cayman Islands Development Bank

Credit risk is the risk that the Bank will incur a loss because its customers fail to discharge their contractual obligations.

The Bank manages credit risks on loans advanced to individuals and companies, which satisfies the Bank's lending requirements, by requiring borrowers to provide adequate security, limiting the total value of loans to a single borrower to 10% of its total capital and spreading its risk over several developmental sectors.

Health Services Authority

The Health Services Authority is exposed to credit-related losses in the event of non-performance by counter parties to these financial instruments. Most importantly, the Authority has escalated the credit risk concentration to the Ministry of Health for policy changes to reduce bad debts.

Accounts receivable consist of a large number of customers that either have health insurance policies with CINICO or with various commercial insurance or no insurance coverage at all. Concentration of credit risk belongs to the group of customers known as

"self-pay". These amounts are owed by customers who have neither insurance coverage nor sufficient coverage which are estimated to be 75% - 100% uncollectible.

The carrying amount of financial assets recorded in the financial statements as accounts receivable from "self-pay" group of customers, which is net of allowance for bad debts, represents the maximum exposure to credit risk.

Information and Communications Technology Authority

The Information and Communications Technology Authority does not have the flexibility in refusing to transact with licensees in accordance with the laws. Whilst the Authority does not believe that it has any significant credit risk exposure to any single licensee, it is inherently exposed in its entirety to the telecommunications industry in the Cayman Islands. The Authority's licensees include well-established telecommunication and media companies and, at 30th June 2015, there have been no indications of any insolvency in those entities that impacts their ability to pay the Authority.

Civil Aviation Authority

The Authority has cash amounts held at Cayman National Bank (over CI$200,000) that are placed on semi-annual and annual fixed deposits and generally earn an interest rate of between 0.30% and 1.19% (2014: 0.65% to 1.1875%) per annum in the year ending 30th June 2015. There are two accounts held at NatWest Bank in the UK, an operating account and a credit card account for the surveyors operating in the Brighton office. It is required that a deposit be held on the credit card account to cover the exposure of the total credit card limits of each card held. At balance sheet date, $20,613 (£16,000) was held as a deposit. This deposit earns between 1% and 2% interest per annum.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities coupled with the ability to predict and manage the expected cash outflows in order to sustain the operations of the government.

Government currently monitors rolling cash forecasts, other current assets and the liabilities of government departments on the basis of expected cash requirements and matching the maturity profiles of financial assets and liabilities.

Insurance Risk

The risk under insurance contracts is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. The very nature of an insurance contract involves randomness and therefore unpredictability. The principal risk that the Cayman Islands National Insurance Company (CINICO or the Company) any faces is that the actual claim payments exceed the amount of insurance provisions. This could occur for various reasons; for example, the severity and/or frequency of claims may be higher than anticipated, or unit claim costs could be higher than estimated. Any significant

delays in the reporting of claims information from service providers will also lead to increased uncertainty. Claim losses are random and the actual number and amount of claims will vary from year to year from the level established using statistical and actuarial techniques.

CINICO uses several techniques to mitigate risk surrounding potential high claim losses. For its largest group (Group 30100 - Civil, Servants, Pensioners and Government Entities), reinsurance has been purchased that covers overseas claim losses which exceed US$700,000, up to US$5,000,000 in respect of any one covered person during the policy year, with an aggregate cap of US$10,500,000 per year. The Company's Standard Health Insurance Contracts ("SHIC" plans) use a combination of pre-existing condition exclusions, and annual limits to mitigate risk. The Company also employs the services of MMSI (a division of the Mayo Clinic). MMSI provides case management services with the goal of managing a patient's care path in an economical fashion at each step of the way. The Company uses CMN for the provision of oversea network access. CMN has pre-negotiated contracts with many overseas providers which would allow the Company to realize significant savings. Furthermore, during the current fiscal year on a monthly basis, the Risk and Appeals Committee met to discuss large claims and any disputed claims.

The Company uses reinsurance to manage insurance risk. However, this does not discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment of the claim. As part of the reinsurance renewal, the Company reviews the creditworthiness of the reinsurer prior to finalisation of any contract, and has chosen a reinsurer with an AM Best rating of A (Excellent).

Interest Rate Risk

Core Government

The carrying amount of call accounts, fixed deposit accounts, interest receivable and other liabilities approximated their fair value due to the short-term maturities of these assets and liabilities. The fair values of assets and liabilities are not materially different from the carrying amounts. Readily available markets, enables the determination of fair values.

Cayman Islands Development Bank

Interest rate risk arises from the possibility that changes in interest will affect future cash flows or the fair values of financial instruments. Cayman Islands Development Bank (CIDB or the Bank) provides loans and technical assistance in the areas of human resource development, housing and small business, in particular in the agricultural, tourism, and industrial sectors. The Bank minimises interest rate risk principally by on-lending at variable rates of interest from funding provided by long-term debts with variable interest rates.

The Bank manages the interest rate risk by securing funds from international financial institutions which review their lending rates to CIDB on a semi-annual basis.

Cayman Airways Ltd

The Company has an overdraft facility and long term debt which are priced at a floating rate of interest, which is reset monthly as market rate changes. The Company is exposed to cash flow interest rate risk should market rates change. Management does not consider the Company is exposed to interest rate risk on cash at bank, since this cash is held on call.

Health Services Authority

The Health Services Authority is exposed to interest rate risk for the $1.539 million credit facility with First Caribbean International Bank (Cayman) Ltd ("FCIB") at a prime rate plus 0.25% per annum. This interest rate will fluctuate from time to time in line with the general level of interest rates. The risk is managed by the Health Authority by maintaining a short-term credit agreement that is renewable every year to have a negotiable and preferred rate. In addition, the Health Services Authority is limiting the usage of the credit facility by continuously monitoring the daily cash position which management views as likely to result into a bank preferred interest rate on the renewal of the agreement. The Health Authority has a minimal exposure on interest risk as none of the other financial instruments is exposed to this type of risk.

Port Authority

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Port Authority holds long-term debts and cash and cash equivalents that are interest bearing and as a result the Port Authority is subject to risk due to fluctuations in the prevailing levels of market interest rates in relation to these financial instruments.

Commodity Price Risk

The Government's fuel requirements expose it to the market volatility of fuel prices for jet fuel, gas and diesel. Cayman Airways Limited (CAL) is subject to jet fuel price risk resulting from its aviation activities as the national air carrier of the Cayman Islands. The volatility of jet fuel prices has been significant in recent years and can have a significant effect on the profitability of CAL's operations. Similarly the Department of Vehicle and Equipment Services is charged with purchasing and supplying all government vehicles (land and marine craft) with fuel.

The Government does not engage in any hedging activities with respect to mitigating the risk of fluctuations in fuel prices and instead, purchases fuel at the daily spot rate as the demand exists, consequently, there is significant exposure to fluctuations in the price of fuel.

Currency Risk

As substantially all transactions are denominated in Cayman Islands dollars, the Government is not significantly exposed to currency risk due to the Cayman Islands dollar being fixed to the United States dollar. The nature of the Government's exposure to currency risk has not changed significantly from the prior year.

Note 37: Fair Value Estimation

The carrying value of cash and cash equivalents, accounts receivable (net of provisions), work in progress, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Borrowings

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Financial liabilities are subsequently measured at amortized cost.

Majority of long term debt are at a fixed rate of interest, however, the fair value of long-term debt which is at a floating rate of interest approximates the carrying value as in the opinion of management the current rate approximates the interest rate which the Company expects similar financing for similar term to be raised at, at the balance sheet dates, and additionally, the rate is reset in response to market changes.

Included in Current and long term debt balances are certain non-interest bearing loans. The carrying amount of these loans represents the principal balance owing. The anticipated future principal repayments have not been discounted. All other loans are floating rate and bear interest at the market rate. The carrying value of these loans approximates the fair market value.

Turtle Farm long-term liabilities are carried at their contracted settlement value. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realization or discounts on settlement.

Fair value hierarchy

The Government uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices)

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Note 38: Related Parties

The Government comprise of 15 Ministries, Portfolios, Offices and 26 Statutory Authorities and Government Agencies. While inter-agency charges between central governments agencies have been suspended generally these entities and their key management personnel, transact business amongst them and with the Government reporting entity on a regular basis. Transactions between Ministries, Portfolios, Offices and Statutory Authorities and Government Agencies include health care, purchasing airline tickets, audit services, water, sewage and registration of vehicles. The Public Management and Finance Law (2014 Revision), as amended, requires that each Ministry, Portfolio, Office and Statutory Authority and Government Company report their financial activities separately and submit them for auditing both at the entity and executive level including the disclosure of all transactions with the Central Government and other related parties as appropriate in these individual financial statements.

With the exception of key senior management personnel no other parties control the Government, are controlled by the Government without forming part of these consolidated statements, or are under common control of another entity with the Government. Key management personnel include Cabinet Ministers, Chief Executive Officers, Chief Officers, and Chief Financial Officers for the purposes of these financial statements are considered related parties.

Compensation of Key Management Personnel

Total remuneration includes regular salary, pension contribution, health insurance contribution, allowances, bonus and termination benefits. Total remuneration paid to key management personnel were as follows:

Prior Year (Gross) CI$000	Description	Current Year (Gross) CI$000
27,888	Salaries & other short term employee benefits	28,146
1,081	Other long term benefits	992
28,969	**Total Remuneration**	**29,138**

130	**Number of Key Management Personnel**	**171**

Loans to Key Management Personnel

Prior Year (Gross) CI$000	Description	Current Year (Gross) CI$000
286	Loans to Key Management Personnel	229

Loans given to key management personnel includes mortgage, debt consolidation at average interest rate of 4.75%.

Note 39: Segment Reporting

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Central Government CI$000	Statutory Authorities & Government Companies CI$000	Inter-government trade CI$000	EPS Actual 2014/2015 CI$000
Current Assets					
Cash and Cash Equivalents	2	271,384	138,854	-	410,238
Trade Receivables	3	26,185	42,603	(37,081)	31,707
Other Receivables	4	1,951	15,909	(5,360)	12,500
Dividends Receivable	4	2,319	-	(2,319)	-
Inventories	5	2,843	13,875	-	16,718
Loans Made	6	782	-	(211)	571
Investments	7	84	67,318	(2,017)	65,385
Prepayments	8	7,533	6,065	(55)	13,543
Biological Assets	9	-	1,437	-	1,437
Total Current Assets		**313,081**	**286,061**	**(47,043)**	**552,099**
Non-Current Assets					
Loans Made	6	1,083	29,938	(1,122)	29,899
Property, Plant and Equipment	10	1,782,825	285,580	-	2,068,405
Intangible Assets	11	3,940	1,622	-	5,562
Investment Property	12	-	15,772	-	15,772
Investments	7	831	35,862	-	36,692
Net Worth - Public Entities		331,790	-	(331,790)	-
Other Non-Current Assets		-	1	-	1
Total Non-Current Assets		**2,120,469**	**368,775**	**(332,912)**	**2,156,331**
Total Assets		**2,433,550**	**654,836**	**(379,955)**	**2,708,430**
Current Liabilities					
Trade Payables	13	12,322	32,231	(14,390)	30,163
Other Payables & Accruals	13	56,058	25,738	(32,275)	49,520
Bank Overdraft	2	-	3,803	-	3,803
Unearned Revenue	14	26,173	14,152	(87)	40,238
Employee Entitlements	15	8,521	1,965	(79)	10,407
Retirement Benefits	16	11,400	3,626	-	15,026
Borrowings/Public Debts	17	20,943	10,170	(211)	30,902
Provisons	18	-	11,657	-	11,657
Total Current Liabilities		**135,417**	**103,342**	**(47,042)**	**191,716**
Non-Current Liabilities					
Other Payables & Accruals	13	59	138	-	197
Retirement Benefits	16	184,857	27,165	-	212,022
Borrowings/Public Debts	17	502,379	97,513	(1,122)	598,770
Currency Issued	19	-	94,887	-	94,887
Provisons	18	-	-	-	-
Total Non-Current Liabilities		**687,295**	**219,703**	**(1,122)**	**905,876**
Total Liabilities		**822,712**	**323,045**	**(48,164)**	**1,097,592**
Net Assets		**1,610,838**	**331,791**	**(331,791)**	**1,610,838**
Net Assets/Equity					
Reserves	20	131,820	24,792	-	156,612
Revaluation Reserve	20	788,116	18,063	-	806,179
Current Period Surplus		146,689	21,831	(21,831)	146,689
Accumlated Surplus/(Deficit)		544,213	267,105	(309,960)	501,358
Total Net Assets/Equity		**1,610,838**	**331,791**	**(331,791)**	**1,610,838**

Segment Reporting continued

GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Central Government CI$000	Statutory Authorities & Government Companies CI$000	Inter-government Trade CI$000	EPS 2014/2015 CI$000
Revenue					
Coercive Revenue	21	623,512	13,318	(8)	636,822
Sales of Goods & Services	22	34,759	267,289	(3,082)	248,159
Cabinet Revenue		-	78,615	-	-
Investment Revenue	23	1,047	3,653	-	4,700
Donations	24	283	798	-	1,081
Other Revenue		38	263	-	300
Total Revenue		**659,639**	**363,936**	**(3,090)**	**891,062**
Expenses					
Personnel Costs	25	237,110	148,522	(32,369)	352,795
Supplies and Consumables	26	78,873	149,441	(2,468)	223,221
Leases		5,557	3,221	(8)	8,346
Depreciation/Amortisation	27	30,863	19,984	-	50,846
Outputs from Statutory Authorities and Government Companies	40	94,004	-	(94,004)	-
Outputs from Non-government Organisations	28	29,445	-	-	29,445
Transfer Payments	29	27,274	-	-	27,274
Litigation Costs		470	1,684	-	2,018
Other Executive Expenses	30	5,493	13,703	(4)	19,192
Extraordinary Expenses		-	-	-	-
Finance Costs	31	28,518	4,768	(6)	33,280
Total Expenses		**537,607**	**341,323**	**(128,859)**	**746,417**
Other (Gains)/Losses					
Impairment of Property, Plant and Equipment		-	16	-	16
Impairment of Inventory		-	231	-	231
(Gains)/Losses on Financial Instruments		(3,007)	533	-	(2,474)
(Gains)/Losses on Non-financial Instruments		181	2	-	183
(Surplus)/Deficit on Statutory Authorities & Government Companies		(21,831)	-	21,831	-
Total Other (Gains)/Losses		**(24,657)**	**782**	**21,831**	**(2,044)**
Surplus/(Deficit) for the Period		**146,689**	**21,831**	**103,938**	**146,689**

Segment Reporting continued

GOVERNMENT OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2015

	Note	Central Government CI$000	Statutory Authorities & Government Companies CI$000	Inter-government trade & Adjustments CI$000	Actual 2014/2015 CI$000
Revenue					
Operating Activities					
Cash received					
Coercive Receipts		623,410	-	-	623,410
Sales of Goods & Services		35,170	214,328	(6,414)	243,084
Outputs to Cabinet		-	91,307	(91,307)	-
Outputs to other government agencies		2,928	77,966	(80,894)	-
Interest received		828	3,519	-	4,347
Donations / Grants received		325	1,017	-	1,342
Other receipts		2,233	6,099	-	8,332
Total cash received		664,894	394,237	(178,615)	880,516
Cash used					
Personnel costs		(235,327)	(142,526)	-	(377,853)
Supplies and consumables		(87,114)	(197,979)	87,308	(197,785)
Outputs from public authorities		(91,307)	-	91,307	-
Outputs from non-governmental organisations		(31,078)	-	-	(31,078)
Transfer payments		(27,290)	-	-	(27,290)
Financing/interest payments		(28,719)	(5,631)	-	(34,350)
Other payments		(6,445)	(4,336)	-	(10,781)
Extraordinary payments		-	(351)	-	(351)
Total cash used		(507,280)	(350,823)	178,615	(679,488)
Net cash flows from (used by) operating activities	32	157,614	43,413	-	201,028
Investing activities					
Cash received					
Capital Contributed		-	22,108	(22,108)	-
Proceeds from sale of property, plant and equipment		55	259	-	314
Proceeds from the sale of Investments		845	2,301	-	3,146
Dividends and Capital withdrawal from Public Entities		2,987	-	(2,987)	-
Total cash received		3,887	24,667	(25,095)	3,460
Cash used					
Purchase of property, plant and equipment		(16,183)	(20,204)	-	(36,387)
Loans Made/Investments		(391)	(718)	-	(1,109)
Equity injection in public authorities		(22,108)	-	22,108	-
Total cash used		(38,682)	(20,922)	22,108	(37,496)
Net cash flows from (used by) investing activities		(34,795)	3,745	(2,987)	(34,037)
Financing activities					
Cash received					
Proceeds from Borrowing		-	30,584	-	30,584
Total cash received		-	30,584	-	30,584
Cash used					
Repayment of Dividends		-	(2,987)	2,987	-
Equity injection in Ministry/Portfolio		-	-	-	-
Repayment of Borrowings		(25,336)	(46,986)	-	(72,322)
Repayment of Entity surplus to Org 40					-
Total cash used		(25,336)	(49,972)	2,987	(72,322)
Net cash flows from (used by) financing activities		(25,336)	(19,389)	2,987	(41,738)
Net increase/(decrease) in cash and cash equivalents held		97,483	27,770	-	125,253
Cash and cash equivalents at beginning of period		173,901	107,281	-	281,182
Cash and cash equivalents at end of period	2	271,384	135,051	-	406,435

Office of the Auditor General
CAYMAN ISLANDS

Phone: (345) - 244-3211
Fax: (345) - 945-7738
AuditorGeneral@oag.gov.ky
www.auditorgeneral.gov.ky

3rd Floor, Anderson Square
64 Shedden Road, George Town
P.O Box 2583
Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT ON THE ANNUAL SCHEDULE OF APPROPRIATIONS

TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY

I have been engaged to provide assurance services on the Cayman Islands Government's ("Government") schedule of appropriations for the year ended 30 June 2015. The terms of the engagement requires that it be carried out in accordance with the International Standard on Assurance Engagements 3000 ***Assurance Engagements Other than Audits or Reviews of Historical Financial Information*** ("ISAE 3000").

Scope

The objective of this engagement is to provide an opinion on whether the schedule of appropriations presents fairly the actual and budgeted figures as authorized in the Appropriation Law (July 2014 to June 2015) Law, 2014.

Management's responsibilities

The Government is required by the Public Management and Finance Law ("PMFL") to include in its annual report an audited annual schedule of appropriations used for the year compared with the appropriations granted under the Appropriation Law (together with any supplementary Appropriation Law) for the financial year.

Responsibility of the Auditor General

My responsibility in accordance with the ISAE 3000 is to report whether the schedule of appropriation presents fairly a comparison of the appropriations used and appropriations granted. Because of the significance of the matter described in the basis for a disclaimer of opinion paragraph, I was not able to obtain sufficient, appropriate evidence to provide a basis for an opinion.

Basis for Disclaimer of Opinion

Management is not able to make assertions on the fairness of the reported figures and comparison of the appropriations used and appropriations granted that makes up the annual schedule of appropriations. As an illustration, there are instances where the appropriations used are based solely on appropriations granted.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate evidence to provide a basis for an opinion under ISAE 3000. Accordingly, I do not express an opinion on the schedule of appropriations.

Sue Winspear, CPFA
Auditor General

7 December 2016
Cayman Islands

Statements of Appropriations

Annual Statement of Appropriations

Government of the Cayman Islands
Statement of Appropriations
For the year ended 30th June 2015

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Appropriations to the Premier				
CBO 1- Coordination of Government Policy	851,446	851,446	851,446	-
CBO 2- Cabinet Support and Servicing	696,650	696,650	696,650	-
CBO 9 - Protocol Services	389,409	461,463	461,463	72,054
CBO 11 - Freedom of Information and Data Protection Coordination	1,068	128,115	128,115	127,047
CBO 17 - Information Services Provided to Other Government Agencies	1,101,612	1,101,611	1,101,612	-
CBO 20 - Policy Advice to the Premier	729,890	729,890	729,890	-
CBO 21 - Radio Broadcast Services	1,047,643	1,047,644	1,047,643	-
Other Executive Expenses				
OE 5- Constituency Allowance	654,300	654,300	654,300	-
Appropriations to the Minister of Home Affairs, Health& Culture (Home)				
HCA 1- Policy Advice and Ministerial Services on Home Affairs Matters	2,784,046	2,784,219	2,784,219	173
HCA 2 - Licensing Services	500,849	501,021	501,020	171
HCA 3 - Enforcement of Immigration Laws	1,641,345	1,641,346	1,641,346	1
HCA 4 - Processing Status and Permanent Residency Certificates	115,160	128,053	139,294	24,134
HCA 5 - Immigration Entry and Extension Services	3,610,582	3,610,605	3,610,605	23
HCA 6 - Processing Entry Documents and Passports	2,256,988	2,259,669	2,257,002	14
HCA 7 - Incident Responses	1,675,175	1,675,208	1,675,208	33
HCA 8 - Security Services	1,049,565	1,270,406	1,270,406	220,841
HCA 9 - National Disaster Preparedness& Response	873,311	1,157,416	1,157,416	284,105
HCA 10 - Police Criminal Justice Services	924,626	924,630	924,630	4
HCA 11 - Prison Services	9,769,637	9,769,643	9,769,643	6
HCA 12 - Correctional Supervision, Intervention and Support Services	7,255,175	7,255,249	7,255,248	73
HCA 14 - Protection and Investigative Services	32,455,732	32,705,746	32,705,746	250,014
HCA 15 - Emergency Domestic Fire Services	6,593,891	6,593,891	6,593,892	1
HCA 17 - Aerodrome Fire Services	4,880,356	4,880,356	4,880,356	-
HCA 20 - Technology Support Services	6,569,307	6,569,406	6,569,406	99
HCA 24 - Services Provided by the London Office	676,115	676,994	676,994	879
Appropriations to Minister of Community Affairs, Youth& Sports				
HCA 27 - Policy Advice and Support to the Minister of Home and Community Affairs	1,402,811	1,371,179	1,403,426	615
HCA 28 - Administration of Community Assistance Programmes	5,445,303	5,445,316	5,445,316	13
HCA 29 - Public Education on Social Issues	284,323	284,323	284,323	-
HCA 30 - Counselling and Support Services	4,701,822	4,863,079	4,863,081	161,259
HCA 31 - Supervision and Support of Children	1,338,018	1,338,018	1,338,018	-
HCA 32 - Community Development Services	503,579	503,580	503,579	-
HCA 34 - Sports Coaching and Training Programmes	1,451,828	-	1,451,828	-
HCA 35 - Youth Education, Mentorship and Community Activities	166,308	-	257,445	91,137
HCA 36 - Cadet Training programme	98,487	-	99,116	629
Public Entities				
CAY 2 - Children and Youth Services (CAYS) Foundation	2,178,000	2,178,000	2,178,000	-
NDC 1 - Policy, Prevention, Research, Monitoring and Evaluation	552,958	552,958	552,958	-
Non-Government Suppliers				
NGS 38- Services for Refugees	1,750,825	270,000	270,000	(1,480,825)
NGS 63 - School Lunch and Uniform Programmes	95,558	476,700	476,700	381,142
NGS 64 - Care of the Indigent, Elderly and Disabled Persons	1,399,990	1,400,000	1,400,000	10
NGS 65 - General Programmes and Children Services	117,180	117,180	117,180	-
NGS 66 - Foster Care for Children	225,000	225,000	225,000	-
NGS 67 - Community Programmes	116,250	116,250	116,250	-
NGS 68 - Rental Accommodation for Persons in Need	1,566,436	1,600,000	1,600,000	33,564
NGS 70 - Burial Assistance for Indigents	93,533	150,000	150,000	56,468
NGS 71 - Support for Battered Women and Children	300,000	300,000	300,000	-
NGS 72 - Therapeutic Services for Young Persons	10,250	25,000	25,000	14,750
NGS 82 - Other Sports Programmes	47,025	-	47,025	-

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Transfer Payments				
TP 41 - Poor Relief Payments	5,934,700	6,260,000	6,260,000	325,300
TP 43 - Poor Relief Vouchers	665,371	1,500,000	1,500,000	834,629
TP 44 - Temporary Poor Relief for Young Parents Programme(YPP) Students	16,535	30,000	30,000	13,465
TP 45 - Youth After Care Payments	8,278	60,000	40,156	31,878
TP 46 - Emergency Relief Payments	81,731	30,000	81,000	(731)
TP 47 - Ex-Gratia Benefit Payments to Seamen	5,151,300	5,099,556	5,170,000	18,700
TP 48 - Benefit Payments to Ex-Servicemen	1,074,150	1,128,600	1,078,000	3,850
TP 50 - Pre-School Assistance	8,015	150,000	150,000	141,985
TP 57 - Children and Family Services Support	522,112	581,938	581,938	59,826
TP 58 - Red Cross Contributions	70,000	70,000	70,000	-
TP 69 - Support for the Bridge Foundation	60,000	60,000	60,000	-
TP 72 - Other Youth and Sports Programme Assistance	102,128	-	109,735	7,607
Other Executive Expenses				
OE 57 - Executive Bank Charges	90	6,000	6,000	5,910
OE 78 - Depreciation of Ministry of Community Affairs and Housing	46,713	27,000	29,250	(17,463)
Equity Investments				
EI 11- Ministry of Home and Community Affairs - Home Affairs	1,974,611	2,328,060	2,328,060	353,449
EI 54 - Ministry of Home and Community Affairs - Community Affairs	677,956	542,000	677,956	-
Appropriations to the Minister of District Administration, Tourism& Transport				
DAT 1 - Policy Advice and Support to the Minister of District Administration, Tourism	1,616,162	1,630,085	1,630,086	13,924
DAT 2 - Government Services in Cayman Brac and Little Cayman	3,425,329	3,567,688	3,567,688	142,359
DAT 3 - Management of Executive Assets in Cayman Brac and Little Cayman	4,200,087	4,200,087	4,200,087	-
DAT 4 - Governance and Administrative Services	256,874	256,874	256,874	-
DAT 5 - Inspection, Testing and Licensing Services	395,118	395,118	395,118	-
DAT 6 - Public Education Programmes	872,098	1,094,926	872,098	-
DAT 7 - Tourism Public Relations	1,447,286	1,224,457	1,447,286	-
DAT 8 - Tourism Advertising Activities	7,007,164	7,007,164	7,007,164	-
DAT 9 - Tourism Sales and Promotion	3,867,926	3,867,926	3,867,926	-
DAT 10 - Tourism Marketing	1,706,786	1,706,786	1,706,786	-
DAT 11 - Support for Local Tourism Providers	1,465,746	1,465,745	1,465,746	-
DAT 12 - Collection of Revenue	442,271	442,271	442,271	1
DAT 13 - Weather Forecast Services	1,124,588	1,124,588	1,124,588	-
DAT 14 - Public Transport Services	591,672	591,672	591,672	-
Public Entities				
CAL 1 - Strategic Domestic Air Services	2,848,928	2,848,928	2,848,928	-
CAL 2 - Strategic Tourism, Regional and Core Air Services	14,956,872	14,956,872	14,956,872	-
TAB 1- Management of Pedro St. James National Historic Site	851,940	851,940	851,940	-
TAB 2- Management of Queen Elizabeth II Botanic Park	661,845	661,845	661,845	-
TAB 3- Annual Pirates Week Festivals and Events	283,212	283,212	283,212	-
TAB 4 - Management of Cayman Islands Craft Market	125,111	125,111	125,111	-
TAB 5 - Management of Hell Attraction	30,106	30,106	30,106	-
SIH 1 - Sister Islands Affordable Housing Programme	71,506	71,506	71,506	-
Non-Government Suppliers				
NGS 1- Organize, Administer and Execute the Cayman Islands Fishing Tournament	31,087	31,087	31,087	-
NGS 3- Organisation of Batabano Festival	20,122	20,122	20,122	-
NGS 7- Management of Small Business Development	259,200	259,200	259,200	-
NGS 26 - Organization of the Miss Cayman Committee Pageant	48,375	50,000	50,000	1,625
NGS 57 - Gardening Projects and Landscaping	3,422	3,422	3,422	-
Transfer Payments				
TP 12- Tourism Scholarships	615,000	615,000	615,000	-
TP 13- Miss Cayman Scholarship	20,000	20,000	20,000	-
TP 66 - Sister Islands Home Repair Assistance	99,759	100,000	100,000	241
TP 67 - Sports and Cultural Tourism Programmes Assistance	533,995	439,000	534,000	5
Other Executive Expenses				
OE 91 - Depreciation of District Administration, Tourism and Transport Executive Asse	173,305	173,305	173,305	-
Equity Investments				
EI 1 - Cayman Airways Limited	5,850,000	4,850,000	5,850,000	-
EI 49 - Cayman Turtle Farm (1983) Limited	9,500,000	9,500,000	9,500,000	-
EI 68 - Ministry of District Administration, Tourism and Tranport	116,037	95,000	125,000	8,963
EI 69 - Port Authority of the Cayman Islands	(970,277)	1,000,000	1,000,000	1,970,277

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Executive Assets				
EA 55 - Cayman Brac& Little Cayman Roads	929,929	1,200,000	930,000	71
EA 60 - Cayman Brac: Bluff Playfield	549,898	300,000	550,000	102
EA 95 - Cemetery Vaults - Cayman Brac	19,990	20,000	20,000	10
EA 125 - Cayman Brac Emergency Shelter	94,971	175,000	95,000	30
EA 137 - Cayman Brac: Farm Wells	25,000	25,000	25,000	-
EA 139 - Little Cayman Boat Launch Ramp	75,000	75,000	75,000	-
Appropriations to the Minister of Planning, Lands, Agriculture, Housing and Infrastructure				
PAH 1 - Advice and Support to the Minister of Planning, Lands, Agriculture, Housing& I	1,945,016	2,094,561	2,064,561	119,545
PAH 2 - Emergency Response Services	206,915	266,269	266,268	59,353
PAH 3 - National Mail Service	1,438,438	1,438,439	1,438,438	-
PAH 4 - Management of Public Recreational Facilities and Cemeteries	1,279,116	1,279,117	1,279,116	-
PAH 5 - Agriculture Regulatory Services	1,615,599	1,615,599	1,615,599	-
PAH 6 - Agriculture Development Services	272,387	372,812	372,812	100,425
PAH 8 - Management of Special Projects	741,378	828,572	798,572	57,194
PAH 9 - Management of Land Information	2,199,540	2,942,404	2,912,405	712,865
PAH 10 - Management of Government Properties	11,917,269	12,720,624	12,720,625	803,356
PAH 11 - Procurement and Maintenance of Government Fleet	4,499,848	4,511,290	4,511,291	11,443
PAH 12 - Handling of Dangerous Substances	217,304	217,304	217,304	-
PAH 13 - Provision of Planning Services	4,031	72,212	42,212	38,181
PAH 14 - Management of Planning Applications	2,614,710	2,792,822	2,792,822	178,112
PAH 15 - Administration of Temporary Housing Initiative	23,823	56,272	56,272	32,449
PAH 16 - Licensing of Drivers and Vehicles	22,218	224,576	194,576	172,358
PAH 17 - Services to Farmers	2,205,672	2,205,671	2,205,672	-
Public Entities				
ERA 12 - Support to National Energy Policy Secretariat	15,000	15,000	15,000	-
ICT 8 - Drafting Instruction for the Development of Legislation	30,532	30,532	30,532	-
ICT 9 - Management of KY Internet Domain	120,062	120,062	120,062	-
ICT 10 - Collection and Verification of Licence Fees	100,383	100,383	100,383	-
ICT 11 - Policy Advice	43,757	43,757	43,757	-
ICT 12 - Education of Local Businesses and the General Public on Liberalization Issues	8,215	8,215	8,215	-
ICT 13 - Regional and International Representation	42,602	42,602	42,602	-
NHT 4 - Administration of the Affordable Housing Initiative	145,535	145,535	145,535	-
NHT 5 - Administration of the Government Guaranteed Home Assisted Mortgage	231,035	231,035	231,035	-
NHT 6 -Administration of the New Affordable Housing Initiative	204,035	204,035	204,035	-
Non-Government Suppliers				
NGS 24 - Spaying and Neutering of Dogs and Cats	7,490	18,600	18,600	11,110
Other Executive Expenses				
OE 77 - Depreciation of Ministry of District Administration, Works, Lands and Agricult	2,149,791	9,693,967	9,693,967	7,544,176
Equity Investments				
EI 57 - National Housing Development Trust	2,438,844	2,438,844	2,438,844	-
EI 71 - Ministry of Planning, Lands, Agriculture, Housing and Infrastructure	606,787	516,787	606,787	-
Executive Assets				
EA 4 - Land Purchase: Ongoing	400,000	400,000	400,000	-
EA 9- Land Purchase: Gazetted Claims	1,495,434	750,000	1,495,434	-
EA 36 - Miscellaneous Road Surface Upgrades	4,046,401	5,020,752	3,252,952	(793,449)
EA 37 - Farm Roads	10,000	50,000	10,000	-
EA 78 - Government Accommodations Project	650,000	700,000	650,000	-
EA 136 - Cemetery Development - Bodden Town		250,000		
Appropriations to the Minister of Financial Services, Commerce and Environment				
FSC 7 - An Internationally Competitive Financial Services Industry	1,524,946	2,027,481	2,027,481	502,535
FSC 8 - An Internationally Competitive Financial Services Industry	421,106	512,787	512,787	91,681
FSC 10 - A Robust, Efficient Regime for the Registration of Corporate and Vital Informa	2,182,500	2,770,354	2,770,354	587,854
FSC 11 - Fair Competition in Domestic Commercial activity	261,430	353,956	353,956	92,526
FSC 12 - Ministry Strategy, Communications and Operations Support	1,002,691	1,738,673	1,738,673	735,982
FSC 13 - Environmental Services and Research	2,688,527	2,814,877	2,814,878	126,351

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Public Entities				
AOA 1 - Oversight of Auditors of Regulated Market Companies	315,000	315,000	315,000	-
CMA 1 - Policy Advice on Maritime Matters	172,425	172,425	172,425	-
CMA 2 - Technical Advice and Support on Maritime Matters	54,964	93,824	93,824	38,860
CMA 4 - State Inspections and Investigation Services	67,896	67,896	67,896	-
CMA 5 - Long Range Identification and Tracking of Ships	84,990	85,000	85,000	10
DVB 1- Administration of Lending for Human Resource Development	127,132	127,132	127,132	-
DVB 2- Administration of Lending for Small Businesses	156,024	156,025	156,025	1
DVB 3- Administration of Mortgage Lending	243,160	243,160	243,160	-
MOA 6 - Regulation of Currency	1,400,000	1,400,000	1,400,000	-
MOA 8 - Collection of License Fees	300,000	300,000	300,000	-
MOA 12 - Regulation of the Financial Services Industry	3,310,000	3,310,000	3,310,000	-
MOA 13 - Assistance to Overseas Regulatory Authorities	980,000	980,000	980,000	-
MOA 14 - Policy Advice and Ministerial Services	875,000	875,000	875,000	-
Non-Government Suppliers				
NGS 74 - Preservation of Natural Environments and Places of Historic Significance	620,000	620,000	620,000	-
Transfer Payments				
TP 63 - Support to Local Business Associations	96,600	100,000	100,000	3,400
Other Executive Expenses				
OE 66 - United Nations Caribbean Environmental Program	-	8,000	8,000	8,000
Equity Investments				
EI 4 - Cayman Islands Development Bank	1,500,000	1,500,000	1,500,001	1
EI 67 - Ministry of Financial Services, Commerce and Environment	1,403,388	1,751,453	1,751,453	348,065
Appropriations to the Minister of Finance and Economic Development				
FED 1 - Policy Advice and Ministerial Services	1,175,194	1,507,745	1,507,744	332,550
FED 2 - Governance and Administrative Services	169,067	237,464	237,464	68,397
FED 3 - Collection of Coercive Revenue	2,463,632	2,492,288	2,492,288	28,656
FED 4 - Preparation and Publication of Statistical Reports	1,400,569	1,452,382	1,452,382	51,813
FED 5 - Financial Reporting and Management Services	3,599,505	3,643,711	3,643,712	44,207
FED 6 - Processing and Inspection of Aircrafts, Vessels and Cargo	6,114,436	6,157,619	6,157,619	43,183
FED 7 - Identification and Investigation of Customs Offences	1,108,439	1,394,463	1,394,463	286,024
FED 8 - Patrolling of Coastal Waters by Customs	106,143	223,756	223,756	117,613
FED 9 - Administration and Processing of Applications	331,048	557,867	557,867	226,819
FED 11 - Monitoring and Reporting on the Economy	153,917	198,076	198,076	44,159
Public Entities				
CIN 1- Health Insurance for Seamen and Veterans	7,743,023	8,730,607	8,730,607	987,584
Transfer Payments				
TP 55 - Interest on Loans - Public Servants	-	1,500	1,500	1,500
Other Executive Expenses				
OE 9- Caribbean Economic Community (CARICOM) Fees	151,988	168,000	168,000	16,012
OE 27- Past Service Pension Liability Payments	11,400,000	11,400,000	11,400,000	-
OE 54 - Caribbean Catastrophic Risk Insurance Facility	487,844	500,000	500,000	12,156
OE 57 - Executive Bank Charges	20,094	35,000	33,000	12,906
OE 86 - Compensation	352,000	402,000	402,000	50,000
OE 87 - Default on Paloma Government Guaranteed Loan Scheme	-	10,000	10,000	10,000
OE 92 - Settlement of Government Guarantees	772,551	937,100	937,100	164,549
Equity Investments				
EI 70 - Ministry of Finance and Economic Development	1,000,000.00	1,000,000	1,000,000.00	-
Loans Made				
LM 1- Civil Service Mortgage Loans	74,521	75,000	75,000	479
LM 3- Personnel Loans	-	80,000	-	-
LM 4 - Overseas Medical Advances	75,775	250,000	175,000	99,225
LM 10 - Mortgage Assistance	-		-	-
LM 11 - Settlement of Loans	608,978	275,000	375,000	(233,978)

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Financing Expenses				
FE 3- Interest on Public Debt	28,503,315	28,524,495	28,524,421	21,106
Appropriations to the Minister of Education, Employment and Gender Affairs				
EGA 1- Policy Advice, Governance and Ministerial Support Services	4,477,427	4,963,482	4,963,481	486,054
EGA 2- Job Placement and Employer Support Activities	986,852	1,089,790	1,089,790	102,938
EGA 3- Employment Regulatory Activities	769,640	1,083,345	1,083,345	313,705
EGA 4- Public Library Services	1,497,098	1,659,298	1,659,298	162,200
EGA 5 - Primary Education Services	19,641,779	20,606,114	20,606,114	964,335
EGA 6 - Secondary Education Services	23,476,934	23,813,988	23,813,988	337,054
EGA 7- Education for Students with Special Needs	6,056,037	6,735,845	6,735,846	679,809
EGA 8 - Facilities Maintenance and Procurement Management	7,269,953	7,269,952	7,269,953	-
EGA 9 - Training and Support for Adults with Disabilities	1,187,943	1,346,880	1,346,880	158,937
EGA 10 - Education Evaluation and Support Services	4,608,204	4,608,203	4,608,204	-
Public Entities				
CCO 1- Teaching of Tertiary Level Professional and Vocational Programmes	4,073,205	4,073,205	4,073,205	-
CDB 1 - Government Scholarship Funding Programme (YNBP)	44,451	48,451	48,512	4,061
Non-Government Suppliers				
NGS 25- Teaching of Tertiary Education Courses	90,000	90,000	90,000	-
NGS 27- Supervision of Pre-School Children	54,000	54,000	54,000	-
NGS 34- Primary and Secondary Education by Private Schools	1,529,999	1,530,000	1,530,000	1
NGS 76 - Autism Diagnostics and Sexual Trauma Recovery Programme	26,725	28,825	28,825	2,100
NGS 77 - Music Therapy Services	59,526	59,661	59,660	134
NGS 79 - K9 Security Services	30,983	31,500	31,500	517
Transfer Payments				
TP 27 - Pre-School Educational Assistance	536,013	713,800	713,800	177,787
TP 30 - Local, Overseas Scholarships and Bursaries	9,000,000	10,762,690	10,762,690	1,762,690
TP 51 - Other Educational Assistance	192,569	249,154	249,154	56,585
TP 52 - Promotion of Nation Building	942,000	1,432,775	1,432,775	490,775
TP 56 - Employment Initiatives	541,730	652,037	652,037	110,307
TP 61 - Student Enrichment& Support Services	486,434	554,850	554,840	68,406
Other Executive Expense				
OE 11 - Subscription to Caribbean Examinations Council	11,274	13,455	13,455	2,181
OE 12- University of the West Indies Membership Levy	160,798	160,798	160,798	-
Equity Investments				
EI 12- Ministry of Education, Training and Employment	5,052,221	6,271,000	6,271,000	1,218,779
Appropriations to the Minister of Home Affairs, Health& Culture (Health)				
HES 1 - Policy Advice and Ministerial Servicing to the Minister (HEYS&C)	1,965,243	1,997,490	1,965,243	-
HES 2 - Health Regulatory Services	1,024,584	1,024,583	1,024,584	-
HES 4 - Sports Coaching and Training Programmes	2,362,038	3,813,866	2,362,038	-
HES 5 - Youth Education, Mentorship and Community Activities	280,142	636,703	280,142	-
HES 7 - Collection, Recycling and Disposal of Waste	3,193,702	3,193,711	3,193,711	9
HES 8 - Public Health Services	1,482,258	1,482,258	1,482,258	-
HES 9 - Environmental Health Monitoring Services	465,849	465,849	465,849	-
HES 10 - Emergency Response Services	140,430	140,430	140,430	-
HES 11 - Mosquito Control Services	5,652,978	5,652,978	5,652,978	-

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Public Entities				
HEA 2- Medical Care for Indigents	10,971,005	10,971,055	10,971,005	-
HEA 6 - Medical Services in Cayman Brac and Little Cayman	3,445,158	3,445,158	3,445,158	-
HEA 10 - Ambulance Services	2,382,208	2,247,293	2,247,293	(134,915)
HEA 11 - Services at District Health Clinics	2,326,128	2,242,947	2,242,947	(83,181)
HEA 12 - Mental Health Services	2,231,204	2,231,204	2,231,204	-
HEA 16 - Geriatric Services	815,364	815,364	815,364	-
HEA 17 - Medical Care for Beyond Insurance Coverage/Un-Insured Children and Pre-n	2,020,000	2,020,000	2,020,000	-
HEA 18 - School Health Services	1,442,832	1,430,445	1,430,445	(12,387)
HEA 19 - Medical Care For Chronic Ailments	827,384	775,608	775,608	(51,776)
HEA 20 - Public Health Programmes	1,580,576	1,580,576	1,580,576	-
HEA 21 - Medical Internship Programme	150,000	150,000	150,000	-
HEA 22 - Preparedness for and responding to EVD	-	-	1,718,817	1,718,817
MUS 4 - Collection and Preservation of Significant Material Evidence	147,744	147,744	147,744	-
MUS 5 - Museum Facilities, Exhibitions and Displays	541,728	541,728	541,728	-
MUS 6 - Policy and General Advice on Museum Matters	131,328	131,328	131,328	-
NCF 7 - Arts and Culture Preservation, Documentation and Promotion	99,629	99,629	99,629	-
NCF 8 - National Festivals and Stage Productions	466,011	466,011	466,011	-
NCF 9 - Training and Support for Artists	63,260	63,260	63,260	-
NAG 1- Visual Art Exhibitions and Collection	401,850	401,850	401,850	-
TAB 6 - Cultural Programmes	8,550	8,550	8,550	-
Non-Government Suppliers				
NGS 4- HIV/AIDS and First Aid Public Education Programmes	22,325	22,325	22,325	-
NGS 47- Mentoring Cayman Programme	9,025	9,025	9,025	-
NGS 53 - Palliative Care Nursing	50,825	50,825	50,825	-
NGS 54 - Social Marketing for Prevention of HIV/AIDS	45,125	45,125	45,125	-
NGS 55 - Tertiary Care at Various Overseas Institutions	16,819,050	11,443,847	16,043,847	(775,203)
NGS 58 -Elite Athletes Programme	118,275	157,700	118,276	1
NGS 59 - Youth Development Programmes	23,750	31,825	31,825	8,075
NGS 60 - Sports Programmes	735,300	735,300	735,300	-
NGS 61 - Other Sports and Cultural Programmes	45,125	96,425	45,125	-
NGS 83 - Other Cultural Programmes	5,700	-	21,375	15,675
Transfer Payments				
TP 49 - Youth Programmes - Churches and Other Non-Governmental Organizations	93,100	151,525	151,525	58,425
TP 53 - Other Youth, Sports and Cultural Programme Assistance	318,199	400,000	297,743	(20,456)
TP 70 - Athlete Development Programme		119,225		
TP 73 - Other Cultural Programme Assistance	32,350	-	52,500	20,150
Other Executive Expenses				
OE 14 - Caribbean Food& Nutrition Institute Subscription	2,500	2,500	2,500	-
OE 15- Pan American Health Organisation Subscription	10,593	18,000	18,000	7,407
OE 16- Caribbean Health Research Council Subscription	5,000	5,000	5,000	-
OE 17 -Caribbean Epidemiology Centre Subscription	10,117	15,000	15,000	4,883
OE 81 - World Anti-Doping Agency	2,670	6,000	6,000	3,330
OE 82 - Regional Anti-Doping Organization	2,596	4,000	4,000	1,404
Equity Investments				
EI 23 - Cayman Islands National Museum	-	100,000	100,000	100,000
EI 29 - Health Services Authority - Repairs and Replacement of Assets	847,500	850,000	850,000	2,500
EI 53 - Ministry of Health, Environment, Youth, Sports and Culture	4,480,385	4,692,489	4,486,090	5,705
EI 65 - Ministry of Health, Environment, Youth, Sports and Culture(CINIICO)	-	1,033,489	1,033,489	1,033,489
EI 72 - Cayman National Cultural Foundation	170,443	100,000	170,443	-
EI 73 - Health Services Authority-Pandemic Response to EVD	32,318	-	1,281,184	1,248,866
Executive Assets				
EA 30 - Cemetery Vaults - Grand Cayman	-	100,000	100,000	100,000

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Appropriation to the Deputy Governor				
CIV 1 - Policy Advice to the Head of the Civil Service	536,928	524,472	536,928	-
CIV 2 - Auditing Compliance with Human Resource& Internal Financial Policies	805,403	921,126	906,853	101,450
CIV 3 - Management of Public Sector Reform	122,617	271,153	271,153	148,536
CIV 7 - Workforce Development within the Civil Service - Civil Service College	499,644	499,644	499,644	-
CIV 8 - Human Resource& Accounting Services	745,787	743,970	745,787	-
CIV 10 - Servicing of the Legislative Assembly and Members of the Legislative Assemb	1,067,474	1,067,474	1,067,474	-
CIV 11 - Servicing and Support for H.E. the Govenor	770,884	770,884	770,884	-
CIV 12 - Preservation and Management of Records	1,131,792	1,131,792	1,131,792	-
CIV 13 - Maintenance of the Electoral Register	421,784	421,784	421,784	-
CIV 14 - Support for Commissions	755,243	834,362	834,362	79,119
CIV 15 - Services provided by the Deputy Governor's Office	272,939	281,199	281,199	8,260
Public Entities				
CIN 2 - Health Insurance for Civil Service Pensioners	20,223,772	19,578,771	19,578,771	(645,001)
Non-Government Suppliers				
NGS 20 - Employee Assistance Programme	126,000	126,000	126,000	-
Other Executive Expenses				
OE 2- Personnel Emoluments for H.E. the Governor, Premier, Speaker of the Legislati	3,237,199	3,251,833	3,251,833	14,634
OE 19 - Ex-Gratia Recipients Plan Payments	1,200,000	1,200,000	1,200,000	-
OE 25 - Settlement of Court Order	31,354	36,667	36,667	5,313
OE 48 - Depreciation of Executive Assets	-	170,000	170,000	170,000
OE 71 - Commonwealth Parliamentary Association	95,000	95,000	95,000	-
Equity Investments				
Appropriation to the Attorney General				
LGA 1- Provision of Legal Advice and Representation	1,957,701	1,028,885	1,957,701	-
LGA 3- Law Teaching and Publications	994,640	994,640	994,640	-
LGA 4- Drafting of Legislation	781,712	781,712	781,712	-
LGA 5- Policy Advice to the Attorney General	1,028,885	1,957,701	1,028,885	-
LGA 6 - Financial Intelligence Services	705,568	705,568	705,568	-
LGA 7 - Review& Modernization of Laws	425,505	425,505	425,505	-
Other Executive Expenses				
OE 6 - Contribution to Caribbean Financial Action Task Force	123,397	150,000	150,000	26,603
OE 26- Personal Emoluments for the Attorney General	180,419	180,419	180,419	-
Equity Investments				
Appropriations to Cabinet on behalf of the Office of the Director of Public Prosecutions				
DPA 1 - Prosecution and International Co-operation	2,920,086	2,920,086	2,920,086	-
Equity Investments				
Public Entities				
Appropriations to the Cabinet on Behalf of the Chief Justice				
JAD 1- Administrative Support to the Judiciary	1,155,289	1,155,289	1,155,289	-
JAD 2- Support for Court Proceedings	3,645,030	3,645,030	3,645,030	-
JAD 3- Collection of Revenue	465,612	465,612	465,612	-
JAD 4- Financial Management of Court Funds	250,282	250,282	250,282	-
Public Entities				
HEA 8 - Autopsy and Coroner Services	240,555	240,000	240,000	(555)
Non-Government Suppliers				
NGS 2 - Legal Aid Services	2,958,847	2,500,000	2,750,000	(208,847)
Other Executive Expenses				
OE 1 - Personal Emoluments for the Judiciary	1,902,591	2,198,322	2,023,322	120,731
OE 4 - Judiciary Expenses	994,904	651,000	826,000	(168,904)
OE 43 - Depreciation of Judical Executive Assets	21,682	95,991	95,990	74,308
OE 65 - Court of Appeal Expenses	541,720	553,538	553,538	11,818

Annual Statement of Appropriations continued

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Equity Investments				
EI 21 - Judicial Administration	-	50,000	50,000	50,000
Appropriation to the Public Accounts Committee				
ADO 2- Services to the Legislative Assembly and its Committees	631,580	650,000	650,000	18,420
Appropriations to the Oversight Committee of the Legislative Assembly (Complaints Commissioner)				
TCC 1- Public Interest Investigations	667,712	667,712	667,712	-
TCC 2 - Policy Advice and Public Education Outreach	98,988	98,988	98,988	-
Appropriations to the Oversight Committee of the Legislative Assembly (Information Commissioner)				
FIL 1 - Compliance with Freedom of Information Legislation	755,187	780,511	780,511	25,324
Total Appropriations	**545,932,436**	**566,859,786**	**574,235,608**	**28,303,169**

Statement of Un-Appropriated Financial Transactions

Government of the Cayman Islands
Statement of Un-Appropriated Expenditures
For the year ended 30th June 2015

	Actual	Original Budget	Revised Budget	Actual vs Revised Budget
	CI$000	CI$000	CI$000	CI$000
Appropriations to Minister of Community Affairs, Youth& Sports				
Non-Government Suppliers				
NGS 38- Services for Refugees	1,750,825	270,000	270,000	(1,480,825)
Transfer Payments				
TP 46 - Emergency Relief Payments	81,731	30,000	81,000	(731)
Other Executive Expenses				
OE 78 - Depreciation of Ministry of Community Affairs and Housing	46,713	27,000	29,250	(17,463)
Appropriations to the Minister of Planning, Lands, Agriculture, Housing and Infrastructure				
Executive Assets				
EA 36 - Miscellaneous Road Surface Upgrades	4,046,401	5,020,752	3,252,952	(793,449)
Appropriations to the Minister of Finance and Economic Development				
Loans Made				
LM 11 - Settlement of Loans	608,978	275,000	375,000	(233,978)
Appropriations to the Minister of Home Affairs, Health& Culture (Health)				
Public Entities				
HEA 10 - Ambulance Services	2,382,208	2,247,293	2,247,293	(134,915)
HEA 11 - Services at District Health Clinics	2,326,128	2,242,947	2,242,947	(83,181)
HEA 18 - School Health Services	1,442,832	1,430,445	1,430,445	(12,387)
HEA 19 - Medical Care For Chronic Ailments	827,384	775,608	775,608	(51,776)
Non-Government Suppliers				
NGS 55 - Tertiary Care at Various Overseas Institutions	16,819,050	11,443,847	16,043,847	(775,203)
Transfer Payments				
TP 53 - Other Youth, Sports and Cultural Programme Assistance	318,199	400,000	297,743	(20,456)
Appropriation to the Deputy Governor				
Public Entities				
CIN 2 - Health Insurance for Civil Service Pensioners	20,223,772	19,578,771	19,578,771	(645,001)
Appropriations to the Cabinet on Behalf of the Chief Justice				
Public Entities				
HEA 8 - Autopsy and Coroner Services	240,555	240,000	240,000	(555)
Non-Government Suppliers				
NGS 2 - Legal Aid Services	2,958,847	2,500,000	2,750,000	(208,847)
Other Executive Expenses				
OE 4 - Judiciary Expenses	994,904	651,000	826,000	(168,904)
Total Un-Appropriated Expenditures	**55,068,528**	**47,132,663**	**50,440,856**	**(4,627,672)**

Statement of Expenses or Capital Expenditure Incurred in Emergencies

There were no emergency situations which warranted emergency spending during the year ended 30th June 2015.

Supplementary Statements

Note 40: Outputs from Statutory Authorities & Government Companies

In order to improve the delivery and range of services it offers to the public, the Government has established several authorities and companies with the sole mandate of making such a good or service available to the public with the mode of delivery being akin to, or comparable to, private sector operating standards. These bodies are overseen by Boards appointed by the sitting Government and are governed by a law specific to that particular entity. In an effort to reduce cost to the general public, the Government subsidises the cost of operation with the public being asked to make minimal contributions for these services. For the year ended 30th June 2015, the Government provided subsidies amounting to $94 million.

2013/2014	Description	2014/2015
CI$000		CI$000
315	Auditors Oversight Authority	315
17,806	Cayman Airways Ltd	17,806
575	Cayman Islands Development Bank	571
9,865	Cayman Islands Monetary Authority	6,865
27,420	Cayman Islands National Insurance Company	27,967
679	Cayman National Cultural Foundation	629
2,178	Children & Youth Services Foundation	2,178
-	Electricity Regulatory Authority	15
29,832	Health Services Authority	28,432
386	Information and Communications Technology Authority	346
288	Maritime Authority of the Cayman Islands	419
541	National Drug Council	553
434	National Gallery of the Cayman Islands	402
645	National Housing Development Trust	581
887	National Museum	821
3,972	National Roads Authority	-
74	Sister Islands Affordable Housing Corporation	72
2,043	Tourism Attractions Board	1,961
4,250	University College of the Cayman Islands	4,073
102,189	**Total Outputs from Public Entities**	**94,004**

Note 41: Investment in Statutory Authorities & Government Companies

EPS Actual 2013/2014	Description	Equity Injection	Prior Period Adjustments	Withdrawals	Surplus/ (Deficit)	EPS Actual 2014/2015
CI$000		CI$000	CI$000	CI$000	CI$000	CI$000
287	Audit Oversight Committee	-	-	-	7	294
1,637	Sister Islands Affordable Housing Corporation	-	9	-	(64)	1,581
23,272	Cayman Islands Monetary Authority	-	(3)	-	(513)	22,756
64,394	Water Authority-Cayman	-	-	(100)	4,074	68,368
42,340	Port Authority	-	(998)	-	2,654	43,996
5,486	Cayman Islands Development Bank	1,500	(76)	-	(669)	6,241
3,080	National Gallery of the Cayman Islands	-	(1)	-	(116)	2,963
2,755	National Museum	-	(223)	-	(3)	2,529
5,568	University College of the Cayman Islands	-	-	-	14	5,582
4,891	Civil Aviation Authority	-	291	(2,484)	3,646	6,344
343	National Drug Council	-	70	-	(66)	347
4,355	Cayman National Cultural Foundation	170	440	-	(149)	4,817
78,876	Health Services Authority	880	(3,439)	-	5,885	82,202
11,485	Tourism Attractions Board	-	(100)	-	(246)	11,139
1,973	Information and Communications Technology Authority	-	(91)	-	(27)	1,855
2,524	Maritime Authority of the Cayman Islands	-	487	-	450	3,461
1,113	Children & Youth Services Foundation	-	(13)	-	115	1,215
2,696	National Housing Development Trust	2,439	(1,010)	-	(1,257)	2,868
(50,371)	Cayman Airways Ltd	5,850	2,764	-	2,643	(39,115)
2,045	Cayman Islands Stock Exchange	-	(208)	-	400	2,237
2,991	Cayman Islands Turtle Farm (1983) Ltd	9,500	1,335	-	(7,344)	6,482
4,004	National Roads Authority	-	(451)	-	985	4,538
67,076	Cayman Islands Airports Authority	-	(7,898)	-	9,741	68,919
13,733	Cayman Islands National Insurance Company	1,033	2,577	-	1,273	18,617
1,308	Electricity Regulatory Authority	-	(3)	(150)	398	1,553
297,860	**Total**	**21,373**	**(6,540)**	**(2,734)**	**21,831**	**331,790**

Note 42: Details of Borrowings

Central Government

Government of the Cayman Islands

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015	Balance as at 30th June 2014
				CI$'000	CI$'000
The Cayman Islands Government Securities Law, 2003 **2003 Bond Issue** Principal amount is US$163.2 million. Issue date of the Bond was 8th April 2003 with a final maturity date of 8th April 2018. Interest is payable at a fixed rate of 5.3% per annum over the 15 year life of the Bond. Interest and principal is repaid semi-annually in April and October.	Foreign Currency Debt	Central Government	US 163,200	27,336	36,448
2009 Notes Issue Principal amount is US$312 million. Issue date of the Bond was 19 November 2009 with a final maturity date of 19 November 2019. Interest is payable semi-annually at a fixed rate of 5.95% per annum over the 10 year life of the Bond. The face amount of notes are payable in full at maturity 19 November 2019.	Foreign Currency Debt	Central Government	US 312,000	261,300	261,300
CIBC FirstCaribbean International Bank (Cayman) Limited **The Loan (No. 2) Bill, 2003** **Construction Works - Prospect Primary & National Archives Building** Loan Agreement of US$18,000,000. Initial Drawdown of US$9,606,300 on 30 June 2004 amortised over 10 years with semi-annual payments of interest + Principal US$480,315.83 commencing 30th December 2005; converted from a libor rate loan to a fixed rate loan	Foreign Currency Debt	Central Government	US 18,000	-	801
CIBC FirstCaribbean International Bank (Cayman) Limited **Loan Law 5 of 2004** **Road Works** Loan of US$15,600,000 with an initial drawdown of US$8,722,650.00 on 30th June 2004. US$8,722,650 amortised over 10 years with semi-annual payments of interest + Principal US$436,132.50 commencing 30th December 2005: converted to a fixed rate loan	Foreign Currency Debt	Central Government	US 15,600	-	727
CIBC FirstCaribbean International Bank (Cayman) Limited Loan Agreement #10090596 of US$74,399,940.48 with an initial drawdown of US$17,999,985.60 on 30th June 2005 US$17,999,985.60 amortised over 10 years at fixed rate of interest of 4.8475% pa with quarterly payments of Principal US$449,999.64 + interest	Foreign Currency Debt	Central Government	US 18,000	-	1,500
CIBC FirstCaribbean International Bank (Cayman) Limited Loan Agreement of US$74,399,940.48 with a second drawdown of US$28,800,000.00 on 23 November 2005 amortised over 15 years at a fixed interest rate of 5.58% pa with quarterly payments of interest + Principal US$480,000.00 commencing 28 February 2006	Foreign Currency Debt	Central Government	US 28,800	8,800	10,400
CIBC FirstCaribbean International Bank (Cayman) Limited Loan Agreement of US$74,399,940.48 with a third drawdown of US$11,999,999.40 on 14 December 2006 amortised over 15 years at 3 month libor rate + margin with quarterly payments of interest + Principal US$333,333.00 commencing 14 March 2007. Converted to a fixed rate loan for 5 years from 14 Dec 08 to 14 Dec 13 at an interest rate of 3.2% pa.	Foreign Currency Debt	Central Government	US 12,000	556	1,667

Government of the Cayman Islands

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015 CI$'000	Balance as at 30th June 2014 CI$'000
CIBC FirstCaribbean International Bank (Cayman) Limited Loan Agreement of US$74,399,940.48 with a fourth drawdown of US$15,599,964.48 on 29 June 2007 amortised over 8 years at 3 month libor rate + margin with quarterly payments of interest + Principal US$487,498.89 commencing 28 September 2007. Converted to a fixed rate loan for 5 years from 29 Dec 08 to 29 Dec 2013 at 2.82% pa.	Foreign Currency Debt	Central Government	US 15,600	-	1,625
CIBC FirstCaribbean International Bank (Cayman) Limited The final drawdown of US$62,999,949.60 on Loan Agreement of US$155,759,875.39 was drawn on 27th June 2008. The loan has been amortised over 15 yrs with quarterly payments of Principal US$1,050,000 plus interest commencing 24 Oct 08. The loan was converted to a fixed rate loan for 5 years from 24 Jan 09 to 23 Jan 2014 at 4.25% pa.	Foreign Currency Debt	Central Government	US 63,000	28,875	32,375
CIBC FirstCaribbean International Bank (Cayman) Limited A second draw down in the amount of US$45,599,963.52 on Loan Agreement of US$155,759,875.39 was drawn on 24 June 2008 at 1 month Ibor plus 0.50% margin. The loan has been amortised over 15 yrs with quarterly payments of Principal US$760,000 plus interst commencing 24 Oct 2008. The loan was converted to a fixed rate loan for 5 years from 24 Jan 09 to 23 Jan 2014 at 4.25% pa.	Foreign Currency Debt	Central Government	US 45,600	20,900	23,433
CIBC FirstCaribbean International Bank (Cayman) Limited Facility in the amount of US$155,759,875.39 (CI$129.8million @ 0.833334) with an availability period of 12 months. Bridge Loan of CI$16m drawndown 26 Oct 07, CI$7.3m drawndown on 23 Nov 07 and a third drawdown of CI$16m on 14 December 2007 at 1 week Libor. Amortised over 15 yrs with quarterly payments of Principal US$786,000 plus interst commencing 11 May 2008. Converted to a fixed rate loan for 5 yrs from 11 Feb 09 to 10 Feb 2014 @ 4.25%pa.	Foreign Currency Debt	Central Government	US 47,160	20,305	22,925
CIBC FirstCaribbean International Bank (Cayman) Limited 15 - Year fixed rate loan of US$185,074,000 advanced on 19 April 2011 at an interest rate of 5.44% p.a. Semi-annual payments of interest only commencing 19 October 2011 with Principal payments of US$9,253,700 plus interest to commence 19 October 2016.	Foreign Currency Debt	Central Government	US 185,074	154,228	154,228
Caribbean Development Bank PEDRO ST. JAMES HERITAGE PROJECT Loan 8/OR-CI US$5,790,000 repayable over 12 years at variable interest rates commencing in the year 2001. As at 5 March 2001 US$5,369,720 had been drawndown leaving US$420,280 which was duly cancelled by Caribbean Development Bank.	Foreign Currency Debt	Central Government	US 5,369	-	152
European Investment Bank 1989 CAYMAN ISLANDS COMMUNITY COLLEGE Loan of 1,500,000 ECUs repayable over 30 years commencing 15th October, 1999 at interest of 1% per annum on outstanding balance with final repayment April 2029. Loan was reclassified from Self-Financing Loan to Public Debt on June 30, 2014)	Foreign Currency Debt	Central Government	EUR 1,500	701	918
European Investment Bank 1981 Civil Aviation Authority (Cayman Brac Airport): Soft Loan of 330,000 ECU's repayable over 30 years commencing 1st May, 1990 at interest of 1% per annum on outstanding balance with final repayment May 2027.	Foreign Currency Debt	Central Government	EUR 330	53	79
European Investment Bank 1987 Civil Aviation Authority (Cayman Brac Airport): Soft Loan of 658,000 ECU's repayable over 30 years commencing 5th November 1997 at interest of 1% per annum on outstanding balance with final repayment November 2019.	Foreign Currency Debt	Central Government	EUR 658	268	355
	TOTAL DEBTS MANAGED BY CENTRAL GOVERNMENT			**523,321**	**548,933**

Statutory Authorities and Government Companies

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015	Balance as at 30th June 2014
				CI$'000	CI$'000
RBC Royal Bank of Canada During the year ended 30 June 2004, the Company entered into a loan agreement with Royal Bank of Canada (Cayman Islands) ("RBC") to obtain funds to a total value of $23,602,333, which was to be repaid over a fifteen year period. This funding was obtained in order to provide funds for operational needs. In November 2011, the Company entered in new agreement with RBC covering all existing credit facilities ("Credit Facilities") with RBC at that time, the terms of which supersede all previous borrowing agreements. In June 2013, the agreement was amended to add US$5 million from the overdraft facility onto the existing loan facility.The Company is required to pay an amount of $189,825 monthly relating to both principal and interest. The loan bears a floating rate of interest priced at one month Libor plus 2.5% per annum. The loan is secured by way of guarantee from the Government.	Foreign Currency Debt	Cayman Airways Ltd	US 28,602	9,543	10,309
RBC Royal Bank of Canada During the year ended 30 June 2004, the Company entered into a loan agreement with RBC to obtain funds to a total value of $21,055,000, which will was to be repaid over a fifteen year period. The agreement required a local bank in the Cayman Islands to provide 50% of the required funds (see (iii) below). This funding was obtained in order to provide funds for operational needs. In November 2011, the Company entered in new agreement with RBC covering all existing credit facilities ("Credit Facilities") with RBC at that time, the terms of which supersede all previous borrowing agreements. The Company is required to pay principal payments of$110,052 (2014: $111,720) plus accrued interest on the outstanding balance. The loan bears a floating rate of interest priced at one month Libor plus 2.5% per annum. The loan is secured by way of guarantee from the Government.	Foreign Currency Debt	Cayman Airways Ltd	US 10,528	2,729	2,997
CIBC FirstCaribbean International Bank Consequent to the agreement as described above, RBC entered into a loan agreement with First Caribbean International Bank (Cayman) Ltd. ("FCIB") to provide funding to a total value of $10,527,500, which will be repaid over a fifteen year period (collectively, the "Club Loan").Pursuant to this agreement, the Company must comply with the covenants contained in (ii) above. In the event of default, FCIB may, by written notice to the Company through RBC, declare all borrowings under the Club Loan agreement to be immediately due and payable. During the years ending 30 June 2015 and 2014, the Company had failed to comply with a financial reporting covenant related to the provision of the Company's annual audited financial statements to the lenders, within 180 days of the financial year end . However, as at 30 June 2015 and 2014, neither RBC nor FCIB had provided written notice of intent to act as a result of this failure and had instead provided waivers of such covenants to the Company. The loan is secured by way of guarantee from the Government.	Foreign Currency Debt	Cayman Airways Ltd	US 10,528	2,729	2,997
CIBC FirstCaribbean International Bank During the year ended 30 June 2007, the Company entered into a loan agreement with FCIB to obtain funds to a total value of $4,200,000, which will be repaid over a ten year period. This funding was obtained in order to provide funds for capital expenditure. The Company is required to pay an amount of $40,000 monthly relating to both principle and interest. The loan bears a floating rate of interest priced at one month Libor plus 0.75% per annum. The loan is secured by way of guarantee from the Government.	Foreign Currency Debt	Cayman Airways Ltd	US 4,200	850	1,045
CIBC FirstCaribbean International Bank During the year ended 30 June 2009, the Company entered into a loan agreement with FCIB to obtain funds to a total value of $15,000,000, which will be repaid over a fifteen year period. This funding was obtained in order to provide funds for operational needs. As at June 30, 2015, and as a result of the 12 month principal moratorium noted above the monthly principal and interest instalments were revised to $108,415, subject to fluctuation in interest rates (2014: $116,000). The loan bears a floating rate of interest priced at one month Libor plus 3.5% per annum. The loan is secured by way of guarantee from the Government.	Foreign Currency Debt	Cayman Airways Ltd	US 15,000	8,732	9,115

Statutory Authorities and Government Companies

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015 CI$'000	Balance as at 30th June 2014 CI$'000
Caribbean Development Bank Mortgage: Commenced 2002 and maturing 2021. Interest rate of 3.95%. In May 2002, CDB granted a new line of credit of US$5 million (CI$4.154 million) for mortgage financing to the Cayman Islands Government with the CIDB acting as Executing Agent. This was in addition to 7/OR-CI line of credit of $996,960 (US$1,200,000).	Foreign Currency Debt	Cayman Islands Development Bank	US 4,875	1,947	2,259
Bonds The bonds are secured by way of guarantee by the Government In the event of default, (upon notification in writing by the bondholder) the bond becomes immediately due and payable.					
10 year Bond US$6,000,000 bond due June 2015, Variable Rate at 6 month US LIBOR plus 1%	Foreign Currency Debt	Cayman Islands Development Bank	US 6,000	-	4,985
5 year Bond US$ 5,800,000 due June 2015, Variable Rate at 6 month US LIBOR plus 2.75%	Foreign Currency Debt	Cayman Islands Development Bank	US 5,800	-	4,819
In the fiscal year 2004-05 CIDB issued bonds totaling $9,969,600 (US$12 million). During June 2010, the Management of the Bank successfully negotiated with the bondholders of the US$ 6 Million bond which matured on June 30, 2010 to extend maturity for another 5 years. Over 95% (US$ 5.8 Million) of the bondholders agreed to extend the maturity date for another 5 years at an interest rate of U.S. 6 Month LIBOR, plus 2.75%. The Bank paid redemption of US$300,000 and facilitated a transfer in the amount of US$100,000. Net pay out under the bond was US$200,000.	Foreign Currency Debt	Cayman Islands Development Bank			
5 Year Bond Bond issued in July 2007 for $16,616,000 (US$ 20,000,000) at 6.85% fixed rate due July 2017. Interest on this bond is paid half-yearly in July and January. During April 2010, CIDB refinanced the US$20 Million Bond, due July 2017. CIDB secured a credit facility with a local financial institution to refinance the bond at a lower rate of interest of US 180-Day LIBOR, plus 2.35%. The new credit facility is for a period of 5 years.	Foreign Currency Debt	Cayman Islands Development Bank	US 20,000	-	16,616
5 Year Bond US$5,000,000 due July 2015, Variable Rate at 6 month US LIBOR plus 2.75%	Foreign Currency Debt	Cayman Islands Development Bank	US 5,000	-	4,154
5 Year Bond US$5,000,000 due July 2016, Variable Rate at 6 month US LIBOR plus 2.75%	Foreign Currency Debt	Cayman Islands Development Bank	US 5,000	-	4,154
CIBC FirstCaribbean International Bank - Debt Consolidation During June 2015, CIDB used funds from its fixed deposit to repay US$5 Million credit facility which was originally due for repayment in January 2016 and received US$36.8 Million proceeds under a new credit facility with FCIB to consolidate and repay the remaining credit facilities listed above. The new credit facility will be for a term of 10 years (maturing June 30, 2025) at an interest rate of U.S. 3-Month LIBOR plus 1.125% and is secured by a Government Guarantee. Under the terms of the agreement, interest only will be paid in the first 3 years after which amortized payments of principal and interest will be made	Foreign Currency Debt	Cayman Islands Development Bank	US 36,800	30,573	-

Statutory Authorities and Government Companies

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015	Balance as at 30th June 2014
				CI$'000	CI$'000
CIBC FirstCaribbean International Bank (Cayman) Limited The Authority secured a loan of $800,000 from First Caribbean International Bank (FCIB) at an interest rate of 3.75% for 10 years. A building with carrying amount of $893,187 (2014: $920,444) is subject to a first charge to secure the loan.	Local Currency Debt	Health Services Authority	$800	488	564
CIBC FirstCaribbean International Bank (Cayman) Limited On 4 November 2011, The Health Authority secured a loan of $1,700,000 from FCIB at an interest rate of 3.75% for 10 years. A land with carrying amount of $1,739,125 (2014: $1,739,125) is subject to a first charge to secure the loan.	Local Currency Debt	Health Services Authority	$1,700	1,144	1,302
Bond Issued at 5.238% 28th October 2004 for 20 years to 28th October 2024 with semi-annual payments	Foreign Currency Debt	National Housing Development Trust	US 14,500	7,377	7,963
Bond Issued in August 2009 at 11 yrs at 3.250 % for 19 years (first 2 yrs Monthly interest only, 9 yrs of semi-annually principal payments) Balloon note at end in 11 yrs 30 Dec 2019 or refinancing required.	Local Currency Debt	National Housing Development Trust	$12,083	9,603	10,223
RBC Royal Bank of Canada and Scotiabank $14,350,000 (US$17,500,000) issued 30 March 2004 for the Royal Watler Terminal and bearing interest of LIBOR (1.06920% as at 30 June 2012) plus 1.5% and repayable in monthly instalments starting from May 1, 2005 until July 31, 2017.	Foreign Currency Debt	Port Authority	US 17,500	3,183	4,592
RBC Royal Bank of Canada and Scotiabank $6,970,000 (US$8,500,000) issued 20 August 2004 for the acquisition of properties in West Bay for the construction the construction of a new passenger terminal, pier and commercial buildings bearing interest of LIBOR (1.06920% as at 30 June 2012) plus 1.5% and repayable in monthly instalments starting from August 1, 2005 until July 31, 2017. Subsequest to June 2005 the project was abondoned. At that date only $700,507 was drawn down on the facility and no further draw downs were made. The loan was fully repaid during the financial year.	Foreign Currency Debt	Port Authority	US 8,500	-	219

Statutory Authorities and Government Companies

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015	Balance as at 30th June 2014
				CI$'000	CI$'000
Cayman National Bank & CIBC FirstCaribbean International Bank	Foreign Currency Debt	Cayman Islands Turtle Farm (1983) Ltd	US 14,800	2,090	3,659
The Cayman Islands Government by way of letter of undertaking guarantees the loan facilities for US$14,800,000 (CI$12,432,000). Facilities 1 to 2 bear interest between 0.5% and 1.0% above US Dollar prime rate, reset monthly. Facility 3 bears interest at 3.75% above the 90-day London Interbank offer rate (LIBOR). The effective rate at June 30, 2015 is between 3.75% and 4.02% (2014: between 3.75% and 4.02%). The details of each facility is as below;					
On March 26, 2006, the Company obtained a loan facility ("Facility 1") from Cayman National Bank to assist the Company with budget shortfalls relating to the Park which is guaranteed by the Cayman Islands Government. The facility is on demand, repayable at blended monthly payments of principal and interest of US$37,196 (CI$31,245) over a terms of 118 months.					
On November 7, 2006, the Company obtained a loan facility ("Facility 2") from Cayman National Bank to assist the Company with budget shortfalls relating to the Park which is guaranteed by the Cayman Islands Government.. The loan is on demand, repayable at blended monthly payments of principal and interest of US$130,340 (CI$109,486) over a term of 10 years.					
On May 21, 2009, the Company obtained a loan facility ("Facility 3") from First Caribbean International Bank to assist the Company with operating cashflow shortfalls. The facility is fully guaranteed by the Cayman Islands Government. During the availability period (May 21, 2009 to October 30, 2009) the facility is carried on an interest only basis, payable monthly in arrears. Subsequent to this availability period, the facility will be repaid in blended principal and interest monthly installments of US$22,000 (CI$18,480) commencing on November 30, 2009 for a period of 15 years.					
Guaranteed Senior Notes	Foreign Currency Debt	Cayman Islands Turtle Farm (1983) Ltd	US 44,600	16,138	18,759
Pursuant to a confidential placement memorandum, the Company issued Notes in the amount of US$44,600,000 (equivalent to CI$37,464,000) primarily for the purpose of funding the Park. The Notes were issued at par and were placed by William Blair & Company, L.L.C. (the "Placement Agent") with third party institutional investors. The Notes are guaranteed by the Cayman Islands Government up to an amount of CI$36,600,000. The Notes mature on March 1, 2019 and bear interest at a fixed rate of 4.85% per annum, payable quarterly in arrears. Quarterly payments commenced on June 2, 2004. The first 9 quarterly payments were interest only, and quarterly payments of principal and interest commenced on September 1, 2006. The principal amount of the Notes will amortise quarterly to an approximate final principal payment of US$5,400,000 (CI$4,536,000) due on March 1, 2019.					

Statutory Authorities and Government Companies

Details of Borrowings

as at 30th June 2015

	Type of Debt	Managed By	Original Borrowing	Balance as at 30th June 2015	Balance as at 30th June 2014
				CI$'000	CI$'000
CIBC FirstCaribbean International Bank New Administration Building Loan:15 year loan of US$2,421,500 commenced June 2007. Interest LIBORplus 0.9%.	Foreign Currency Debt	Water Authority - Cayman	US 2,422	642	896
CIBC FirstCaribbean International Bank North Side Supply Extension and Pumping Facility: 15 year loan of US$2,505,000 commenced December 2008. Interest LIBOR plus 0.9%.	Foreign Currency Debt	Water Authority - Cayman	US 2,505	1,020	1,353
CIBC FirstCaribbean International Bank Credit Facility . 15 Year loan Term . Commenced June 2009.Interest LIBOR plus 0.9%.	Foreign Currency Debt	Water Authority - Cayman	US 4,676	2,148	2,525
Ocean Conversion (Cayman) Ltd North Side-Original: 10 Year Loan of US$9,176,442 commenced July 2009. Interest is 6.48%.	Foreign Currency Debt	Water Authority - Cayman	US 9,176	4,393	5,325
Ocean Conversion (Cayman) Ltd Red Gate-Upgrade: 7 year Loan of US$3,063,816 commenced July 2009. Interest is 6.48%.	Foreign Currency Debt	Water Authority - Cayman	US 3,064	1,021	1,484
	TOTAL DEBTS MANAGED BY STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES			106,351	122,314
	TOTAL BORROWINGS			629,672	671,247

Summary of Borrowings

as at 30th June 2015

		Original Borrowing	Balance as at 30th June 2015	Balance as at 30th June 2014
		US$/CI$/€'000	CI$'000	CI$'000
Summary by Type	**Number of Debts**			
Total USD Debt	24	US$ 1,080,609	617,415	668,029
Total KYD Debt	3	14,583	11,235	1,866
Other Currency Debt	3	€ 2,488	1,022	1,352
Statutory Authorities & Government Companies - Euros Debt	2	€ 988	321	434
Total Public Debt	**32**		**629,993**	**671,681**
Summary by assignment				
Central Government - USD Debt	8	US$ 856,834	522,299	547,581
Central Government - Euros Debt	1	€ 1,500	701	918
Statutory Authorities & Government Companies - USD Debt	16	US$ 223,775	95,116	120,448
Statutory Authorities & Government Companies - KYD Debt	3	14,583	11,235	1,866
Total Public Debt	**28**		**629,351**	**670,813**

Note 45: Statement of Trust Holdings

Under the PMFL, "trust assets" are defined as assets (including money, but not money belonging to the Government) transferred or paid to the Government in trust for any purpose or to hold for or on behalf of any person, and include any such assets-

(a) To be held pending the completion of a transaction or dispute; or

(b) That belongs or is due to any person and is collected under any agreement with that person.

Trust assets are held separately and are not reported as part of these financials statements but are being disclosed in accordance with the provisions of the PMFL.

These trusts are classified into nine (9) broad groups and are shown in the Statement of Trust Holdings.

As at 30th June 2015, the Government held $99.4 million in trust assets as shown below.

GOVERNMENT OF THE CAYMAN ISLANDS

Statement of Trust Assets
As at 30th June 2015

	Opening Balance CI$000	Additions CI$000	Disbursements CI$000	Closing Balance CI$000
Prisoners' Monies	92	-	-	92
Immigration Repatriation Depos	5,406	-	-	5,406
Police Bail Bonds	288	28	(22)	295
Asset Forfeiture	396	174	(87)	484
Defunct Companies	21,185	3,174	(188)	24,171
Court Fund Trusts	55,985	4,692	(10,047)	50,630
Dormant Trusts Account	14,148	4,016	(225)	17,940
Immigration Bail Bonds	15	0	(0)	15
Other Trusts	463	-	-	463
Total Trust Assets	**97,979**	**12,085**	**(10,568)**	**99,496**

Note 46: Government Reporting Entities as at 30th June 2015

Entity	Segment
Audit Office	CORE
Cabinet Office	CORE
Complaints Commissioner	CORE
Director of Public Prosecutions	CORE
Information Commissioner's Office	CORE
Judicial Administration	CORE
Ministry of Community Affairs Youth and Sports	CORE
Ministry of District Administration, Tourism & Transport	CORE
Ministry of Education, Employment & Gender Affairs	CORE
Ministry of Finance and Economic Development	CORE
Ministry of Financial Services, Commerce & Environment	CORE
Ministry of Health & Culture	CORE
Ministry of Home Affairs	CORE
Ministry of Planning, Lands, Agriculture, Housing & Infrastructure	CORE
Portfolio of Legal Affairs	CORE
Portfolio of the Civil Service	CORE
Auditors Oversight Authority	SAGC
Cayman Airways Ltd.	SAGC
Cayman Islands Airports Authority	SAGC
Cayman Islands Monetary Authority	SAGC
Cayman Islands National Insurance Company	SAGC
Cayman Islands Stock Exchange	SAGC
Cayman National Cultural Foundation	SAGC
Cayman Turtle Farm (1983) Ltd.	SAGC
Children and Youth Services Foundation	SAGC
Civil Aviation Authority	SAGC
Electricity Regulatory Authority	SAGC
Health Services Authority	SAGC
Information and Communications Technology Authority	SAGC
Maritime Authority of the Cayman Islands	SAGC
National Drug Council	SAGC
National Gallery	SAGC
National Housing Development Trust	SAGC
National Museum	SAGC
National Roads Authority	SAGC
Port Authority	SAGC
Shipping Authority	SAGC
Sister Islands Affordable Housing Development Corporation	SAGC
Tourism Attraction Board	SAGC
University College of the Cayman Islands	SAGC
Water Authority - Cayman	SAGC