

2021



Pre-Election Economic and Financial Update Government of the Cayman Islands

For the Financial Years Ending 31 December 2021 and 2022

PREPARED IN ACCORDANCE WITH SECTION 26 OF THE PUBLIC MANAGEMENT
AND FINANCE ACT (2020 REVISION)



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1. Introduction

Purpose and Content

Section 26 of the Public Management and Finance Act (2020 Revision) (the PMFA or the Act), provides for the Chief Officer of the Ministry responsible for Finance to Gazette a Pre-Election Economic and Financial Update (PREFU), not more than forty-two days, nor less than twenty-eight days, before the date of a General Election. The Cayman Islands' next General Election will be held on 14 April 2021.

The purpose of the PREFU is to provide updated information on the economic and financial outlook for the current financial year ending 31 December 2021 and the next year (i.e. financial year ending 31 December 2022) (together, the forecast period), inclusive of forecast financial statements for the Core Government and the Entire Public Sector (EPS). The EPS consist of core Government (made up of 18 Ministries, Portfolios and Offices) and 25 Statutory Authorities and Government Companies (SAGCs or Public Authorities). The information in the report considers, to the fullest extent possible, all Government decisions made before the 2021 General Election and all other circumstances that may have a material effect on the economic and financial outlook.

The PMFA requires that the PREFU provide:

- Economic forecasts for the current financial year and for the next financial year;
- Forecast financial statements for the Core Government and the EPS for the current financial year and for the next financial year;
- A statement specifying the date on which the economic forecasts and forecast financial statements were prepared; and
- An explanation of how the Core Government forecast financial statements accord with the Principles of Responsible Financial Management- which are specified in section 14 Of the PMFA.

Dates on which the Forecasts and Information were Finalised

Economic Forecasts	12 March 2021
Economic Data	12 March 2021
Financial Forecasts	12 March 2021
Specific Financial Risks	12 March 2021
Text finalised	16 March 2021

The PREFU allows for the assessment of the Government's financial performance against the financial policy objectives and strategies set out in the Plan and Estimates document for the two year financial period -2020-2021.

Information in the PREFU is based on 2021 original budget, changes approved by Cabinet and/or Finance Committee under section 11(5) and section 12 of the Act, respectively for the 2021 budget year; mitigation and management measures as it relates to COVID-19; the representations and judgements provided by Chief Financial Officers of Ministries, Portfolios, Offices, SAGC, and the professional judgement of staff in the Ministry of Finance and Economic Development, using the most recent information available on economic conditions, financial performance and estimated outturn.

The PREFU also contains forward-looking information which is based on a number of factors and assumptions such information involves known risks. However, unknown risks and uncertainties could cause actual results to differ materially from those forecasted.

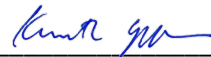
2. Statement of Responsibility

This Pre-Election Economic and Financial Update (PREFU) was prepared in accordance with the provisions of section 26 of the Public Management and Finance Act (2020 Revision). We accept overall responsibility for the integrity of the disclosures contained in this PREFU, and the consistency and completeness of the information in accordance with the requirements of this Act.

We attest that, to the fullest extent possible, the information contained herein reflects the best professional judgment of the Ministry of Finance and Economic Development applied to financial information submitted by Core Government's Ministries, Portfolios and Offices. and considers all Government decisions and available economic and financial information as at 16 March 2021.


To the best of our knowledge, these forecast financial statements are:

- (a) complete and reliable;
- (b) fairly reflect the forecast financial positions and performance for the financial years ending 31 December 2021 and 2022;
- (c) include all policy decisions and other circumstances that have, or may have, a material effect on the forecast statements; and
- (d) comply with generally accepted accounting practices as defined by International Public Sector Accounting Standards (IPSAS), except for IPSAS 39, Employee Benefits, as it relates to the accounting for post-retirement benefits and IPSAS 35, Consolidated and Separate Financial Statements, as it relates to the non-consolidation of the Public Service Pensions Board.



Kenneth Jefferson, JP

Financial Secretary and Chief Officer
Ministry of Finance and Economic Development
16 March 2021



Matthew Tibbetts

Accountant General
Ministry of Finance and Economic Development
16 March 2021

3. Executive Summary

The COVID-19 pandemic remains a threat to economic activities worldwide. The uncertainty about the economic impact of COVID-19, including restrictions imposed to slow the spread of the virus, creates much uncertainty for the Cayman Islands' economic and financial outlook. The forecasts assume the ongoing successful prevention of transmission of the virus and therefore, are more than usual dependent on assumptions about future developments.

Real economic growth of 3.2 percent is forecast for the financial year ending 31 December 2021. Thereafter, the economy is expected to grow to 6.3 percent in 2022. Inflation is expected to increase from 1.6 percent in 2021 to 1.7 percent in 2022. Over the corresponding period, the unemployment rate is estimated to fall from 4.8 percent in 2021 to 4.5 percent by December 2022.

For the 12-month period ending 31 December 2021, Government's Operating Deficit is forecast to be \$98.3 million. This amount is \$173.0 million lower than the \$74.7 million Operating Surplus originally budgeted. COVID-19 response and recovery efforts have had a significant impact on the forecast position.

Core Government is forecast to have closing bank account balances totalling \$287.2 million at 31 December 2021. This amount is \$2.5 million more than the \$284.7 million shown in the 2021 original budget. Thereafter, closing bank account balances are forecast to be \$291.0 million at the end of financial year 2022.

For the EPS, closing bank account balances for financial year 2021 is forecast to be \$652.3 million at 31 December 2021; this amount is \$92.5 million more than the \$559.8 million shown in the 2021 budget. For financial year 2022, EPS closing bank balances are forecast to be \$678.4 million, at 31 December 2022.

Core Government debt is forecast to be \$354.3 million at 31 December 2021. This amount is expected to further increase to \$497.1 million at the end of financial year 2022 as the Government draws down on its available line of credit to help mitigate the effects of

Government's loss of revenue and increased expenditure related to COVID-19.

For the EPS, the closing debt balance for 2021 is forecast to be \$422.8 million, thereafter, this balance is forecast to increase to \$582.3 million at the end of 2022.

The Government is forecast to be compliant with five (5) of the six (6) Principles of Responsible Financial Management throughout the forecast period. Compliance with a positive Operating Surplus will not be achieved during the forecast period.

Comparison with Unaudited Results for the Financial Year Ended 31 Dec 2020

On 10 March 2021, the Hon. Minister for Finance announced that Core Government had experienced a (preliminary and unaudited) \$38.0 million Deficit with respect to the year ended 31 December 2020.

This PREFU document indicates a Core Government forecast Deficit of \$98.3 million and \$59.6 million with respect to the financial years ending 31 December 2021 and 2022, respectively.

In order to substantiate the forecast Deficits for the financial years ending 31 December 2021 and 2022, it is helpful to provide explanations for the movements between the actual (albeit, preliminary and unaudited), results for the year ended 31 December 2020 and, the forecast results for the 2021 and 2022 years – see the following table.

Details of Revenues and Expenses	Explanatory Note # (following this Table)	Unaudited Results for the Year Ended 31 December 2020	Submitted Results for the Year Ending 31 December 2021	Amounts for Material Movements between 2020 and 2021	Submitted Results for the Year Ending 31 December 2022
		\$000s	\$000s	\$000s	\$000s
Revenues					
Coercive Revenue	Note 1	741,915	776,288	34,373	797,347
Sales of Goods and Services		31,779	32,937	Not Material	37,956
Investment Revenue	Note 2	8,497	2,768	(5,729)	2,785
Donations		3,125	286	Not Material	293
Other Revenue		4,262	301	Not Material	301
Total Revenue		789,578	812,581	23,003	838,681
Expenses					
Personnel Costs	Note 3	358,682	380,156	21,474	402,534
Supplies and Consumables	Note 4	101,581	141,343	39,762	147,814
Depreciation and Amortisation		38,696	42,668	Not Material	42,003
Finance Costs	Note 5	13,267	19,369	6,102	19,381
Litigation Costs		393	1,176	Not Material	1,156
Outputs from Statutory Authorities and Government Owned Companies		164,867	159,038	Not Material	165,662
Outputs from Non-Government Suppliers		43,362	44,968	Not Material	44,231
Transfer Payments	Note 6	69,705	95,756	26,051	53,609
Other (Gains)/Expenses		(2,933)	1,733	Not Material	1,741
Other Operating Expenses	Note 7	39,918	24,719	(15,199)	20,146
Total Expenses		827,538	910,924	83,386	898,277
Core Government Net (Deficit)		(37,960)	(98,344)	(60,384)	(59,596)

Explanatory Notes on Revenue Movements

It is clear from the preceding table that because forecast revenues for 2021 (\$812.6 million) and 2022 (\$838.7 million), exceed those of 2020 (\$789.6 million) then, the deterioration in the forecast Deficit from \$38 million for 2020 to, \$98.3 million and \$59.6 million for the financial years 2021 and 2022, respectively, is purely due to a forecast increase in Operating Expenses – from \$827.5 million (for 2020), to \$910.9 million (for 2021), and to \$898.3 million (for 2022).

Note 1 Coercive Revenue (see Appendix 1, pages 15 – 17 for projected amounts in 2021 and 2022)

The single most material revenue source that would account for the \$34.4 million increase in Coercive Revenues in 2021, over total Coercive Revenues in 2020, are fees arising for the registration of Private Funds. The legislation to effect the Private Fund regime and associated fees, came into operation in 2020 and, \$5.7 million in fees were received from this source in 2020 whereas, with 2021 being a full year for which the legislation is effective, the estimate of revenue from this source in 2021 is \$40.2 million (see Appendix 1, page 16): an increase of \$34.5 million over the 2020 revenue level.

Note 2 Investment Revenue (see Appendix 1, page 21 for projected amounts in 2021 and 2022)

Investment revenue is earned from interest with respect to the placement of Government's bank account balances on fixed deposits, with local Class A licenced banks. The \$5.7 million decline in revenue from this source reflects the fact that Government's bank account balances are expected to decline from a total \$447.6 million at 31 December 2020 to, an expected \$287.2 million at 31 December 2021 (see Appendix 1, page 12).

Explanatory Notes on Expenditure Movements

Note 3 Personnel Costs (see Appendix 1, page 21 for projected amounts in 2021 and 2022)

Personnel costs are projected to be \$21.5 million more in 2021 than 2020.

The most significant reason that explains the projected Personnel costs for 2021 of \$380.2 million, is: \$6.7 million of 2020 Personnel budgets across the Government remained unspent at 31 December 2020 and Ministries, Portfolios and Offices that constitute Core Government have made submissions that this \$6.7 million will be spent in 2021, in addition to the initial \$373.5 million Personnel budget for 2021 – combining these two latter amounts gives a figure of \$380.2 million, that is projected as the Personnel expenditure level for 2021.

Note 4 Supplies and Consumables (see Appendix 1, page 21 for projected amounts in 2021 and 2022)

The expenditure category of Supplies and Consumables is expected to increase by \$39.7 million, from \$101.6 million for the 2020 financial year to, \$141.3 million for the 2021 financial year.

The most significant factors that explain the projected \$39.7 million increase in Supplies and Consumables are:

- \$28.1 million of 2020 Supplies and Consumables budgets across the Government remained unspent at 31 December 2020 and Ministries, Portfolios and Offices that constitute Core Government have made submissions that this \$28.1 million will be spent in 2021; and
- \$6.3 million is projected to be incurred in 2021 with respect to new Government offices being proposed in Europe, Asia and America.

Note 5 Finance Costs (see Appendix 1, page 22 for projected amounts in 2021 and 2022)

Finance Costs are projected to be \$19.4 million in 2021, which represents a \$6.1 million increase in such costs over their level in 2020.

This projected increase reflects the necessity of drawing-down \$140 million of new loan funds in 2021 (see Appendix 1, page 12), to, amongst other purposes, assist in the funding of a proposed significant \$234.6

million capital investment programme in 2021 (see Appendix 2, pages 49 - 50).

Note 6: Transfer Payments (see Appendix 1, page 24 for projected amounts in 2021 and 2022)

The Transfer Payments expenditure category is projected to be \$95.7 million for 2021, which represents an increase of \$26.1 million over the level of \$69.7 million incurred in the 2020 financial year.

The main components of the projected \$26.1 million increased level for this category of expenses in 2021 are:

- displaced workers in the Tourism industry are projected to receive an additional \$11.1 million in 2021 when compared to 2020 – the assistance for 2021 is projected at \$27.0 million;
- support for small and micro business entities, is forecasted to be \$6.8 million in 2021 – representing a \$2.7 million increase over the amount spent in 2020;
- permanent financial assistance is projected to \$13.3 million in 2021 – which represents an \$2.4 million increase over the level of assistance for this category in 2020;
- Scholarships and Bursaries are projected to be \$2.3 million greater in 2021 compared to the \$10.7 million level incurred in 2020; and
- assistance to Seamen and Ex-Servicemen in 2021 is projected to be \$1.8 million greater than the \$9.8 million level granted in 2020.

Note 7: Other Operating Expenses (see Appendix 1, pages 25 – 26 for projected amounts in 2021 and 2022)

The Other Operating Expenses category incurred an amount of \$39.9 million for 2020 and, it principally related to COVID-19 matters. Some COVID-19 related expenditures have been placed in their own specific category – as opposed to this general category of Other Operating Expenses - such as Transfer Payment (TP) 67 – Sports and Cultural Tourism Programme Assistance (see \$27 million, Appendix 1, page 24). Therefore, the amount in the Other Operating Expenses category of

\$39.9 million does not reflect the full cost of COVID-19 expenses incurred in 2020, that amount is approximately \$65.4 million. The projected \$15.2 million decrease in the Other Operating Expenses category, in 2021, reflects the reality that COVID-19 costs are expected to decline in this general category as the amount of testing and purchase of PPE should be less in 2021 when compared to 2020.

Comments on Projected Deficit Levels for 2021 and 2022

The forecast results for Core Government's financial years ending 31 December 2021 and 2022 are based on submissions of projected results received from 18 Ministries, Portfolios and Offices that constitute Core Government.

Similarly, Government's 25 SAGCs, have submitted forecast financial information with respect to their financial years ending 31 December 2021 and 2022.

The Ministry of Finance undertakes the function to compiling a full set of financial statements for Core Government and, when combined with submissions from its 25 SAGCs, a set of financial statements for the Entire Public Sector (EPS), is also produced.

Ministries, Portfolios and Offices had unused portions of their 2020 budgets in existence at 31 December 2020 and, such unused amounts can be added to their 2021 budget figures; this combined amount plus any Supplementary expenditures approved by Parliament and Cabinet, represent the maximum expenditures possible.

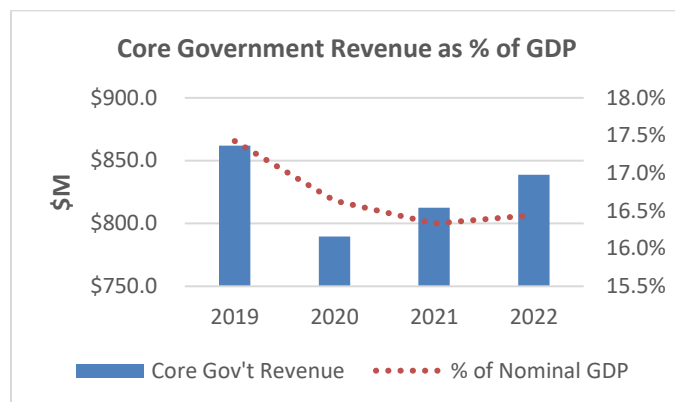
In many submissions, Government's Ministries, Portfolios and Offices have projected their 2021 and 2022 expenditures to equal 100% of the budgets for those years but, based on actual results in past years, it is rare for 100% of budgets to be used.

Senior officials in the Ministry of Finance are of the view that the projected Core Government Deficits for 2021 (\$98.3 million) and 2022 (\$59.6 million) are "worse-case scenarios" and actual results can be more favourable than those stated in this PREFU for the 2021 and 2022 financial years.

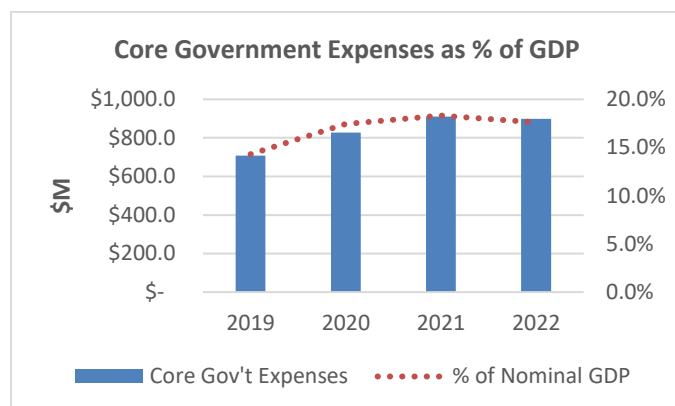
Table 1 below shows the key economic and financial indicators over the forecast period. These are discussed in further detail throughout this document.

Table 1- Summary of the Main Economic and Financial Forecasts

	2021 Forecast	2022 Forecast
Economic Forecast (%)	%	%
Real GDP Growth	3.2	6.3
Consumer Price Index (Inflation)	1.6	1.7
Overall Unemployment Rate	4.8	4.5
Financial Forecast (\$ millions)		
Core Gov't Net Operating Deficit	98.3	59.6
EPS Net Operating Deficit	157.3	110.9
Core Gov't Closing Bank Account Balances	287.2	291.0
EPS Closing Bank Account Balances	652.3	678.4
Core Government Debt	354.3	497.1
EPS Debt	422.8	582.4



The economic impact of COVID-19 pandemic has had a significant impact on coercive revenue. As economic activity picks up, the forecast shows an uplift in revenue over the near and medium-term outlook.



Core Government Expenses are estimated to rise over the forecast period due to efforts by the Government to combat the COVID-19 pandemic and to support the local economy. Expenditure increases are forecast to be in line with GDP growth.

4. Economic Outlook

This economic update reports on the Islands' macroeconomic performance for the Financial Year that ended 31 December 2020 and, it provides for the succeeding three years, forecasts and the assumptions on which the forecasts are based. It focuses on four core indicators:

- Gross domestic product (GDP) growth;
- Consumer price inflation;
- Employment; and
- Current account of the Balance of Payments.

Macro-economic Performance

GDP Growth: The Islands' Gross Domestic Product (GDP) is estimated to have contracted by 6.5 percent in 2020. This is based on actual indicators up to September 2020, with some indicators available for the full year. The indicators paint an image of general contraction in the economy for the year as businesses and consumers struggled to cope with the fallout of restrictions associated with the COVID-19 pandemic. Notably, the global lockdown's economic impact was partly mitigated by the Government's stimulus measures, which boosted construction, increased disposable income and provided liquidity funding for businesses.

The closure of the Islands' borders in March 2020 halted all tourism activity in the last three quarters of the year. As a result, the hotels and restaurant sector is estimated to have contracted by 76.6 percent, the largest sectoral decline in the year. This sharp downturn in the industry halted a decade of consecutive growth in stay-over visitor arrivals, which has recorded an average annual growth of 6.4 percent since 2010.

The transportation sector is estimated to have contracted by 31.5 percent in 2020, the second-largest sectoral decline. The fall in transportation resulted from Cayman's air and seaports' closure, which dwarfed economic activity in the sector. Curfew measures implemented in the second and third quarters of the year also inhibited local transportation.

The fall in tourism activity coupled with the restrictions on movements and activities during the year led to a 24.7 percent fall in the 'other' sector. This sector includes arts and entertainment activities and domestic and household activities, which were all significantly restricted. Similarly, the wholesale and retail sector contracted by 3.3 percent, consequent on the decline in tourism and limitations on local activities and a slowdown in demand. The decline in wholesale and retail activities was precipitated by a decrease in merchandise imports by 6.0 percent for the year.

The construction sector is estimated to have contracted by 4.1 percent in the year, driven by the sector's lack of activity during the shutdown period. The impact of restrictions on the sector was partly offset by Government initiatives aimed at driving activities in the sector during the last quarter of the year. The financing and insurance services sector is estimated to have declined by 0.4 percent for the year, while business services fell by 3.3 percent. These sectors showed some resilience during the year as the industry got employees to work remotely. The need to restructure and develop new business models amidst the pandemic and the removal of the Cayman Islands from the European Union's "blacklist" may have also boosted the financial services sector.

Despite the general contraction in the overall economy, efforts by the Government to combat the pandemic and subsequently, to support the local economy resulted in some sectors expanding. The health and social work sector is estimated to have grown by 15.7 percent, owing to increased mobilization and purchases in the sector. Other Government services is also estimated to have expanded by 7.2 percent for the period.

Table 2: Key Economic Variables

	2019	2020	2021	2022	2023
			Forecast		
Real Gross Domestic Product (GDP) % ^P	3.8	-6.5	3.2	6.3	3.8
Consumer Price Index (CPI) %*	6.0	1.0	1.6	1.7	1.6
Number of Employed	47,394	41,644	42,072	42,630	44,091
Caymanian	20,068	19,490	19,837	20,121	20,577
Permanent Residents (WRW)	4,696	3,441	3,502	3,552	3,633
Non-Caymanian	22,630	18,713	18,734	18,956	19,881
Unemployment Rate %	3.5	5.2	4.8	4.5	3.7
Caymanian	5.6	8.3	7.7	7.3	6.1
Permanent Residents (WRW)	3.6	2.8	2.2	1.8	0.5
Non-Caymanian	1.4	2.2	2.0	1.8	1.6
Current A/C Balance (\$M) ^P	(484.7)	(1,003.3)	(1,092.8)	(1,001.3)	(932.6)
Current A/C (% of GDP) ^P	(9.8)	(21.3)	(22.1)	(18.7)	(16.5)

P - The GDP growth for 2020 is a preliminary estimate based on actual indicators as of September 2020 with some indicators for December 2020. The current account balance for 2020 takes into account actual trade data as of December 2020, and projections of the other current account components.

* The inflation rate for 2019 was revised upwards from 5.7 percent to 6.0 percent in the Third Quarter CPI Report.

Source: Cayman Islands Government's Economics and Statistics Office

Inflation: The average consumer price index soared in 2019, partly due to a surge in rental prices during the year. For 2020, the inflation rate moderated to 1.0 percent, mainly due to a decline in global demand resulting from the pandemic, coupled with a fall in crude oil prices on the world market. The fall in international oil prices led to a reduction of 12.2 percent in the electricity sub-index and a 0.8 percent fall in the transportation index. The decrease in tourism demand led to a 0.3% fall in the index for restaurants and hotels as the cost for packaged vacations fell amidst declining tourist numbers. The index for recreation and culture fell 3.2 percent during the year owing to the slowdown in demand emanating from shutdown measures.

During 2020, inflationary pressures emanated mainly from food and non-alcoholic beverages, communication and education, which rose by 5.1 percent, 5.9 percent and 4.4 percent, respectively. The rise in food prices reflected imported inflation, while communication prices may have arisen in the context of increased demand resulting in more persons working from home and increased digital communication during the curfew period.

Employment¹: Consistent with the decline in economic activity for 2020, the demand for, and supply of, labour fell during the period. The total labour force fell to 43,922, a contraction of 10.5 percent over the previous year. The reduction in the labour force was mainly reflected in foreign labour as the Government prioritized Caymanians' employment. Specifically, the Non-Caymanian labour force fell by 16.6 percent, while the Caymanian labour force declined by 0.1 percent. The labour force of Permanent Residents (with rights to work), fell by 27.3 percent.

Total employment in 2020 declined by 12.1 percent from the 2019 level and reached 41,644 in 2020. Caymanian employment fell by 2.9 percent, while non-Caymanian employment fell by 17.3 percent. With the decline in labour demand outweighing the fall in the labour force, overall unemployment rate was stable at 5.2 percent in 2020.

Current Account of the Balance of Payments²: The contraction in international demand, particularly in tourism, resulted in a higher deficit on the current account of the Balance of Payments. The fall in tourism revenue was sufficient to outweigh declines in imports and travel payments. During 2020, total merchandise imports declined by 6.0 percent to \$1,114.4 million from a year ago. The total arrival of tourists from abroad fell by 60.3 percent for the first three quarters of 2020 to settle at 682.6 thousand. The Islands' current account deficit balance in 2020 is projected at \$1,003.3 million or 21.3 percent of GDP.

Forecasts and Assumptions for 2021 to 2023

GDP Growth: Barring any further significant domestic and global shocks, Cayman's economy is expected to recover partially in the current 2021 year and continue on a trend growth path over the near term. The

¹ The labour force indicators are taken from the Labour Force Survey Fall (October) 2020, with the comparable indicators taken from the Labour Force Survey in Fall (October) 2019.

² The current account of the Balance of Payments measures the total value of the Islands' transactions against the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from these transactions.

economy is expected to record growth of 3.2 percent in 2021 before accelerating to 6.3 percent in 2022 and 3.8 percent in 2023.

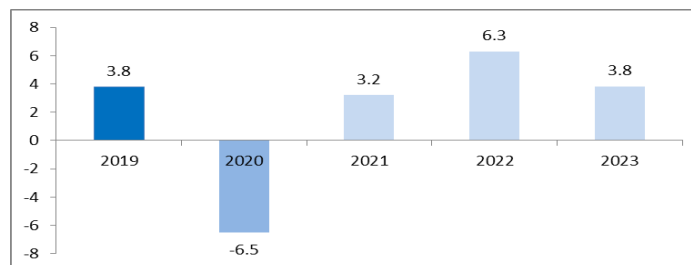
The construction sector is expected to lead the economic expansion, with an acceleration in activity foreseen as the stimulus measures implemented in 2020 take full effect during 2021. The sector's expansion is expected to reflect several large-scale projects, including many high-end apartment complexes coupled with some hotel projects. Hotel projects that are expected to peak in 2021 include the NCB Hilton Hotel, the new Hyatt Hotel (Pageant Beach site), and the starting of the Mandarin Hotel at Beach Bay. Additionally, approved public sector projects such as the runway extension at the Owen Roberts International Airport and construction of key Government buildings are also expected to contribute to growth over the medium-term. The sector is projected to expand by 10.2 percent in 2021 before growing at 5.7 percent and 3.8 percent in 2022 and 2023, respectively.

The multiplier effect of the growth in the construction sector, which has the highest interlinkage with the local economy, is expected to boost some auxiliary sectors' activities. The electricity and water supply is projected to expand by 3.1 percent in 2021 and an average 2.9 percent in 2022 and 2023. Growth is also projected for the wholesale and retail sector, which is anticipated to rise by 3.2 percent in 2021 with an average growth of 6.9 percent in 2022 and 2023. The sector is expected to benefit from a further rebound in tourism activities in 2022 and 2023.

The financial services sector is assumed to sustain its recent performance over the medium-term, conditional mainly on continuing growth in domestic lending and a rebound in the financial listing and licensing business. Domestic lending also benefited from low-interest rates, as most major economies commit to keeping rates low. The downside risk remains with the current regulatory stance of the European Union to target jurisdictions with neutral tax policies. Given these assumptions, the finance and insurance sector is projected to expand by 3.1 percent in 2021 with an average growth of 2.0 percent in 2022 and 2023.

With the Islands' borders expected to remain closed for the first half of 2021, the tourism and transport sectors are expected to remain repressed for 2021. Consequently, the hotels and restaurants sector is expected to contract further by 38.2 percent in 2021. The sector is then expected to recover partially, with average annual growth of 132.4 percent in the ensuing years of 2022 and 2023 as vaccines are supplied and travel becomes less restrictive. The transport sector is also expected to worsen due to the continued closure of the Islands' border. Transport activities are projected to contract by 10.5 percent in 2021 before recovering to average annual growth of 32.5 percent in the next two years.

Figure 1: Cayman Islands' Real GDP Growth (%)

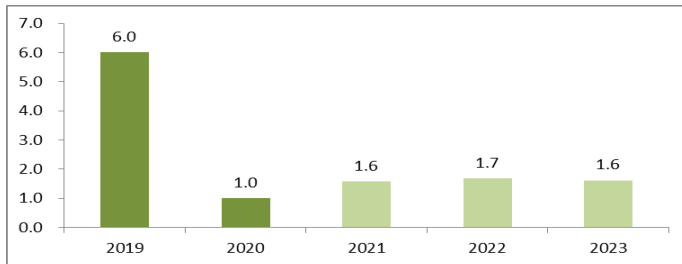


Note: Data for 2019 is an actual estimate; 2020 is a preliminary estimate; 2021-23 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

Inflation rate: As demand remains low over the medium term, international commodity prices are expected to remain stable. Additionally, with inflation in the USA forecasted to average 2.3 percent over the forecast horizon, it is not anticipated that there will be significant imported inflation in the medium term. Crude oil prices are foreseen to rise by 21.2 percent in 2021 but will decline marginally by 2.4 percent in 2022. While this should add some pressure to energy-related inflation, the low demand levels are expected to constrain some of the increase. The average inflation rate is forecast at 1.6 percent for 2021, 1.7 percent for 2022 and 1.6 percent for 2023 (see Table 2 and Figure 2).

Figure 2: Cayman Islands' Inflation Rates (%)



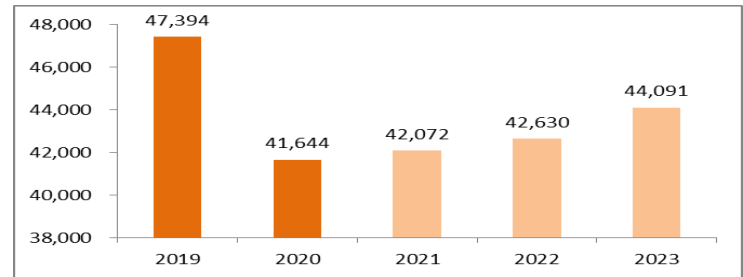
Note: CPI inflation rates for 2019 and 2020 are actual estimates; 2021-23 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

Employment and labour force: The demand for labour is expected to track the GDP growth forecasts. An increase in employment opportunities is expected from planned construction projects. However, the tourism industry's continued closure will result in further restructuring in the local labour market as businesses are forced to recalibrate their business models. Over the medium-term, new employment is expected from the Islands' hotel industry as the sector begins to recover in the latter stage of the forecast window (2022 – 2023) and within the context of the added capacity created by current construction projects.

The Government's policy to integrate displaced Caymanians into the workforce is also expected to shift the labour market dynamics and minimize the impact of displacements on the overall unemployment figure. The supply of labour is assumed to increase at the working-age population's average historical growth rate. Hence, the forecasted increase in local labour supply (Caymanians and Permanent Residents with rights to work), is expected to stem mainly from the natural increase in the working-age population (see Table 2 and Figure 3).

Figure 3: Cayman Islands' Total Employment

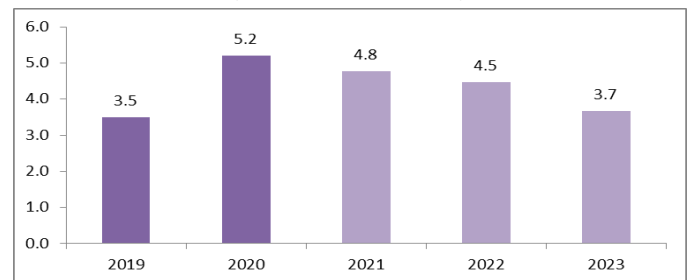


Note: Employment for 2019 and 2020 are actual estimates; 2021-23 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

Given the projected rise in the labour force and employment, the unemployment rate is forecast at 4.8 percent of the labour force in 2021. The unemployment rate is then expected to improve to 4.5 percent in 2022 and 3.7 percent in 2023 (see Table 2 and Figure 4).

Figure 4: Cayman Islands' Unemployment Rates (% of Labour Force)

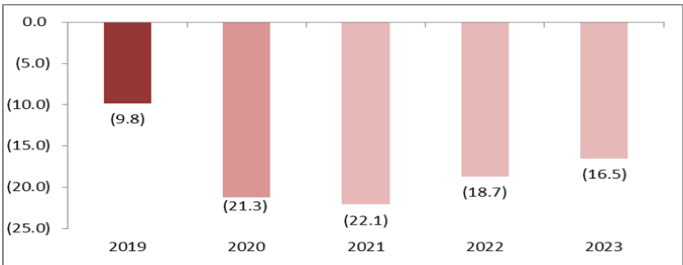


Note: The rates for 2019 and 2020 are actual estimates; 2021-23 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

Current Account of the Balance of Payments: The current account deficit is forecasted to be higher at 22.1 percent of GDP in 2021, as the tourism sector remains closed for a portion of the year. The current account balance is projected to improve to 18.7 percent of GDP in 2022 and 16.5 percent in 2023 (see Table 2 and Figure 5). These are in the context of assumed increases in payments for the importation of goods for new private sector projects. It is also assumed that improvements in current account receipts from new tourism-related projects will partially offset the impact of higher merchandise imports.

Figure 5: Cayman Islands’ Current Account of the Balance of Payments (% of GDP)



Note: Data for 2019 is an actual estimate; 2020 is a preliminary estimate; 2021-23 are forecasts

Source: Cayman Islands Government’s Economics and Statistics Office

5. Financial Outlook

Introduction

This section provides the Government's financial forecasts for 2021 and 2022.

In accordance with the requirements of the PMFA, as amended, the financial forecasts take the form of a full set of accruals based forecast financial statements. The key forecast financial statements are:

- A Forecast Statement of Financial Position, which reports the assets and liabilities Government expects to have at the end of each financial year for the forecast period, and the resulting Net Worth (which is the key measure of the Government's financial position);
- A Forecast Statement of Financial Performance, which reports the forecast Operating Revenues and Operating Expenses measured on an accruals basis and the resulting Net Operating Surplus/(Deficit) (which is the key measure of Government's Financial Performance);
- A Forecast Statement of Cash Flows, which reports the Operating, Investing (fixed asset-related) and Financing (borrowing-related) cash flows for the forecast period and the resulting Net Increase/Decrease in cash and cash equivalents (which is the key measure of the Government's cash position); and
- A Forecast Statement of Changes in Net Worth, which reports the forecast increase or decrease in Net Worth and its composition (which is the key measure of the amount the Islands' citizens have invested in the Government,).

In accordance with the requirements of the PMFA, the forecast financial statements provide two sets of figures: one for the Core Government; and one for the EPS. Both sets include the financial activity (Statement of Financial Performance, Financial Position Statement and Statement of Cash Flows) of SAGCs.

The Core Government comprises:

- The House of Parliament;
- Nine Ministries and two Portfolios;
- Judicial Administration; and
- Office of the Auditor General, Cabinet Office, Office of the Ombudsman, Office of the Commissioner of Police, and Office of the Director of Public Prosecution.

Core Government also includes the Operating Surpluses/Deficits of Public Authorities as a single line in the Statement of Financial Performance entitled 'Net (Profit)/Loss in Public Authorities'. Similarly, the Net Worth of Public Authorities is recognised in a single line in the Financial Position Statement entitled 'Net Worth of Public Authorities'.

The EPS includes the same information as for the Core Government plus the revenues, expenses, assets and liabilities of Public Authorities on a line-by-line basis by aggregating them with the revenues, expenses, assets and liabilities of the Core Government. Transactions, balances and unrealised gains and losses on transactions between entities are eliminated on combination. The key measures of Government's financial performance (i.e. Net Operating Surplus, Net Worth) are the same for both the Core Government and the EPS.

Current Year's Financial Performance

The heightened economic uncertainty and risk associated with the COVID-19 pandemic, has had a significant impact on the Government's financial performance position.

The 2021 financial year shows a Deficit as revenue has not returned to initially projected levels and the impact of the Government's COVID-19 financial support measures continues to take effect. As economic activity picks up, the forecast shows a growth in revenue coupled with the tapering off of temporary financial COVID-19 support measures, leading to the Deficit narrowing from \$98.3 million in 2021 to \$59.6 by 31 December 2022.

For the financial year ending 31 December 2021, Government's **Operating Deficit** is forecast to be \$98.3 million. This amount is \$173.0 million less than the \$74.7 million Operating Surplus originally budgeted (see page 35).

The expected operating performance Deficit over the forecast period is due to a combination of lower revenues and increased public spending required to combat the COVID-19 pandemic and expansion of government service.

Total Core Government Coercive Revenue is projected to be less in 2021 than initially projected for the 2021 financial year primarily owing to the economic slowdown as a result of the COVID-19 pandemic.

Tourism tax revenue, derived from both cruise and stayover tourism, deteriorated significantly since travel restrictions were introduced on 22 March 2020.

The key items contributing to revenue decline when compared to initial projections for 2021 are as follows:

- Tourist Accommodation Charges - \$38.3 million less than budgeted;
- Cruise Ship Departure Charges -\$12.0 million less than budgeted;
- Other Import Duty - \$6.2 million less than budgeted;
- Company Exempt Fees - \$6.0 million less than budgeted;
- Gasoline and Diesel Duty - \$5.7 million less than budgeted;
- Environmental Protection Fund Fees-\$4.3 million less than budgeted.
- Motor Vehicle Duty - \$4.6 million less than budgeted;
- Partnership Fees-\$3.7 million less than budgeted; and
- Annual Permanent Resident Work Permit Fees-\$3.7 million less than budgeted. Revenue.

The financial services sector along with robust real estate development and resale market continues to perform well. The newly established Private Fund Fees

is forecast to be \$40.2 million in 2021 helping bolster operating revenues.

Total Operating Expenses and Non-Operating Expense excluding Profit/Loss in Public Authorities is forecast to be \$910.9 million for the financial year ending 31 December 2021. The following are material variances that contribute to increased expenditure during the year:

- **Personnel Costs** are forecast to be \$380.1 million for the 2021 financial year. This increase is impacted by the transfer of funds unspent/unused from 2020 financial year due to delays in recruitment as a result of COVID-19; review of Salary Bands A to D and the Royal Cayman Islands Police Service plans to hire additional staff to provide manpower for the Coast Guard along with salary equalisation review. The agencies having the greatest impact on Personnel Costs are the Ministry of Education, Youth, Sports, Agriculture and Lands; the Ministry of Employment and Border Control; and the Ministry of Health, Environment, Culture and Housing.
- **Supplies and Consumables Costs** are forecast to be \$141.3 million for the 2021 financial year. The increase is impacted by the transfer of funds from the 2020 financial year due to delay in projects and programmes as a result of measures put in place to combat COVID-19. Expansion of services and new programmes in areas of Fire Services, Cayman Islands Regiment and the Cayman Islands Coast Guard, continuation of works on the Integrated Solid Waste Management System (ISWMS) and Long-Term Mental Health Facility,-all attributed to increase cost.
- **Outputs from Public Authorities** are forecast to be \$159.0 million primarily due to increased utilisation at the Health Services Authority and increased funding to the Cayman Islands Monetary Authority.
- **Outputs from Non-Governmental Organisations** are forecast to be \$45.0 million primarily due to provision of Tertiary Medical Care in Overseas Institutions.
- **Transfer Payments** are forecast to be \$95.7 million and is primarily driven by the Government initiative

to provide financial support to displaced tourism workers; increase support to micro and small businesses; and increase in scholarship funding.

As a sector, SAGCs, collectively called **Public Authorities**, are forecast to make a Net Operating Loss of \$59.0 million in 2021. The deteriorated forecast performance is due primarily to Public Authorities impacted by the closure of borders, contraction of the tourism industry, and increased utilisation of health care.

The Net Operating Loss in Public Authorities are mainly attributable to:

- Cayman Islands Airport Authority forecast \$27.8 million loss primarily due to loss of revenue in the areas of landing fees, travel and security taxes;
- Health Services Authority forecast \$13.9 million loss primarily due to increase utilisation of services; and
- Cayman Turtle Centre forecast loss of \$12.0 million due to loss in admissions and cruise tour fees.

Core Government is forecast to have closing **bank account balances** totalling \$287.2 million, (made up of 130.3 million of “Cash and Cash Equivalent” plus 156.9 million with respect to “Marketable Securities and Deposits”) for the financial year ending 31 December 2021. EPS closing bank account balances for financial year 2021 are forecast to be \$652.3 million; this amount is \$92.5 million more than the \$559.8 million shown in the 2021 original budget.

The Government’s **capital expenditure programme** is determined by the specific policies of the Government. (Appendix 2 see page 72) indicates Equity Investments by Government into Public Authorities, Ministries, Portfolios and Offices, and planned Executive Assets.

Core Government is forecast to spend \$234.6 million on **investing activities** for the financial year 2021 (see page 36).

Forecast Financial Performance for Financial Year 2022

For the financial year ending 31 December 2022, Government’s operating deficit is forecast to be \$59.6 million. Specific details associated with the change in operating performance are outlined in the forecast assumptions, in Appendix 1 (starting at page 26).

The **Public Authorities** are forecast to have a deficit in operating performance: deficit of \$51.3 million in 2022 (see page 35).

Core Government closing **bank account balances** are forecast to be \$291.0 million at the end of financial year 2022 (see page 36).

For financial year 2022, the EPS closing cash balances are forecast to be \$678.4 million (see page 56).

Core Government **debt** is forecast to be \$497.1 million at the end of financial year 2022 (see page 38).

For the EPS, the forecast debt is \$582.3 million as at 31 December 2022 (see page 58).

Equity Investments made by Government into Public Authorities are is forecast to be \$26.0 million in 2022(see page 36).

Core Government is forecast to spend \$149.0 million on **investing activities** for the financial year 2022 (see page 36).

These forecasts consider, to the fullest extent possible, all Government decisions made before the issue of the PREFU on 17 March 2021. Therefore, there is a risk of variations to the forecasts by any policy decisions taken after the finalisation of the PREFU.

The table below summarises the financial outlook for the Core Government and the Entire Public Sector during the forecast financial period.

Table 3 – Fiscal Outlook for the Financial Years Ending 31 December 2021 and 2022

Government of the Cayman Islands Fiscal Outlook for Core Government and Entire Public Sector For the Financial Years Ending 31 December 2021 and 2022						
	Core Government			Entire Public Sector		
	Original Budget FY 2021	Forecast for FY 2021	Forecast for FY 2022	Original Budget FY 2021	Forecast for FY 2021	Forecast for FY 2022
Operating Statement						
Operating Revenue	849,724	812,581	838,681	1,142,889	1,062,758	1,120,906
Operating Expenses	766,021	889,822	877,154	1,074,411	1,195,072	1,208,281
Financing Expense & (Gains)/Losses on foreign exchange transactions	8,973	21,102	21,123	10,701	25,031	23,490
Net Surplus/(Deficit) of Core Government	74,730	(98,344)	(59,596)	57,777	(157,345)	(110,865)
Net Surplus/(Deficit) of Public Authorities	(16,953)	(59,001)	(51,269)			
Net Surplus/(Deficit) of Entire Public Sector	57,777	(157,345)	(110,865)	57,777	(157,345)	(110,865)
Balance Sheet						
Debt Balance at Period-End	215,836	354,331	497,122	251,826	422,802	582,352
Net Assets	1,578,809	1,427,773	1,316,908	1,578,809	1,427,773	1,316,908
Cash Flow						
Net Operating Cash Flows	112,761	(32,057)	7,379	129,151	(30,512)	18,244
Net Investing Cash Flows	(116,804)	(91,025)	(96,329)	(147,431)	(99,331)	(95,794)
Net Financing Cash Flows	(34,276)	105,724	142,791	(37,831)	97,325	134,130
Cash Balance at beginning of period	167,305	147,615	130,257	388,704	426,279	393,761
Net Increase/ (Decrease) in Cash	(38,319)	(17,358)	53,842	(56,111)	(32,518)	56,580
Cash and cash equivalents at end of period (Deposits held < 90 Days)	128,986	130,257	184,098	332,593	393,761	450,342
Fixed Deposits (Maturity > 90 Days)	155,722	156,932	106,932	227,172	258,522	228,019
Total Cash and Deposits	284,708	287,189	291,030	559,765	652,283	678,361

6. Risks and Scenarios

Introduction

Financial and economic forecasting carries certain inherent risks. The policy assumption which underpins the PREFU's forecasts do not consider natural disasters (such as hurricanes), international initiatives and legislation which may have an adverse impact on the financial services industry, policy measures which may be imposed by the UK Government or other material shocks to the local economy.

The Cayman Islands will hold its next General Election on 14 April 2021. The financial and economic performance of the Cayman Islands is largely influenced by the policies of the Government of the day. Any changes to Cabinet following the General Election outcome therefore poses some risk to the forecast positions outlined in this document.

The forecasted results and position in this PREFU outline the trajectory of the financial outlook under current policy settings. Changes around the economy or future Government policy can have large impacts on projections of the underlying revenues, expenditures and cash balances.

Economic Risks

The PREFU is premised on a constant-policy assumption and considers the impact of and response to, the COVID-19 pandemic. The Cayman Islands' two main economic pillars (Financial Services and Tourism) are dependent on the global economy. The restrictions imposed to slow the spread of the virus, resulted in substantially lower, or non-existent revenue collections within the Tourism sector. In addition to the pandemic, other material changes to the global economic landscape could have the potential to materially change the forecast results and position.

The economic forecast also assumes a general contraction of the economy mitigated by stimulus measures which boosted construction, increased disposable income and provided liquidity funding for businesses.

The forecast unemployment rate, GDP growth and other economic indicators are dependent on the global economic outlook, prospect of tourism resuming, domestic consumer demand, continuation or commencement of major private sector construction projects, in the Cayman Islands.

General Financial Risks

Revenue: The revenue forecasts do not reflect any new revenue measures; instead the revenue reflects the expected growth in the economy. The revenue is forecast decrease before beginning to recover in 2022. That growth is based on tourism resuming, the completion of major development projects and growth in wholesale and retail trade industry. Any adverse change in those economic factors could negatively impact the forecast revenue.

Expenditure: The expenditure forecast considers current policies and plans of the Government including response to, and recovery from, COVID-19. There is a risk that forecast expenditure could be higher or lower than planned over the forecast period.

Borrowing: On 10 June 2020, the Government awarded the provision of a stand-by Line of Credit (LoC) to a consortium of local banks for CI\$330.0 million (US\$403.0 million) - in order to provide additional financial resources in the event that such resources are needed and, to mitigate the effects of Government's loss of revenue and increased expenditure related to COVID-19. At the end of its 18-month tenor, any amount advanced and unpaid under the LoC will be converted to a 15-year fixed rate amortising loan. Both the LoC and the long-term loan are at an annual interest rate of 3.25% – which is the current Prime Rate offered by local banks. The Government is also subject to a standby fee of 70 basis points per annum for any amount not accessed or withdrawn under the LOC. The cost to put the LoC and long-term loan in place was approximately US\$2.4 million.

Other Risks

Interest rate risk: The Government utilises the local banking system to place its short-term deposits at the prevailing interest rate.

There are a number of Public Authorities that have loans with floating/variable interest rates. As a result, these agencies are subject to risk due to fluctuations in interest for those financial instruments.

Government's own loans are all fixed interest rate loans that do not vary of the lives of the loans.

The Government Guaranteed Loan Scheme for Medium and Large-Sized Businesses

The forecast financial statements and the Net Debt Principle of Responsible Financial Management contained in the PREFU include the financial impact of the Government Guaranteed Loan Scheme for Medium and Large-Sized businesses (the Scheme). The Scheme facilitates loans, through five (5) participating local financial institutions, to qualifying medium and large-sized businesses for the purpose of re-financing debt and meeting operating and capital expenditure obligations.

Under the Scheme, the Government will guarantee or be liable for 50% or CI\$100.0 million, of the maximum loan facility of CI\$200.0 million.

The maximum that each medium and large-sized business can borrow is CI\$750,000 and CI\$3,000,000, respectively, and the Government guarantee will be 50% of each loan or CI\$375,000 and CI\$1,500,000, respectively.

A medium-sized business is defined as a business employing from 13 up to 50 employees and has gross revenue of CI\$750,001 up to CI\$5,000,000 and a large-sized business is defined as a business employing over 50 employees and has gross revenue of over CI\$5,000,000.

The maximum repayment period, including a 12-month repayment moratorium on principal, is seven (7) years.

Temporary Loan to the Cayman Islands Airports Authority

During 2020, the Government made available to the Cayman Islands Airports Authority (the Authority), an interest free loan for an amount not to exceed CI\$20.0 million. The purpose of the loan is to provide financing to the Authority, to enable the conclusion of its capital works and to provide ongoing operational funding.

The Authority has arranged a loan from a local Class A licenced bank for an amount of CI\$20.0 million. However, that loan cannot be drawn-down because an EPS Deficit occurred in 2020 and another Deficit is expected for 2021. A Deficit represents a breach of the Principles of Responsible Financial Management and, in such an event, express approval from the Foreign, Commonwealth and Development Office of the UK Government is required in order to enable borrowing by any entity of the EPS, to occur.

Litigation risk: The Government is sometimes engaged in litigation arising in the ordinary course of its business. While it is not believed that any such litigation will individually, or in aggregate, have a material adverse financial effect on the Government, there is a risk that the Courts could rule unfavourably with regards to the Government in any pending matter.

Credit risk: The Government is forecast to have trade receivables of approximately \$16.2 (see page 34) million at the end of the 2021 financial year. The Government is exposed to credit-related losses in the event of non-performance by counter parties to these financial instruments.

The Government extended several loans for overseas medical care, and is exposed to credit-related losses in respect of these instruments due to tenor, nature and purpose associated with this type of loan.

7. Overview of Financial Forecasts

These forecasts have been prepared using a “constant policy” assumption which means that all Government policies reflected in the 2021 Budget, and all Cabinet decisions made up to 16 March 2021, are reflected in these forecasts.

Figure 1 and 2 summarises the 2021 and 2022 financial forecasts for the Core Government and the EPS respectively.

Figure 1
Core Government Forecast Operating Revenues and Expenses

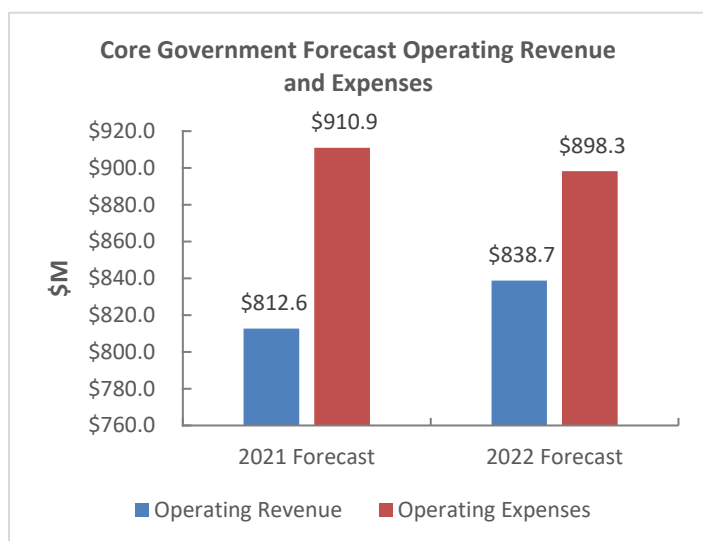
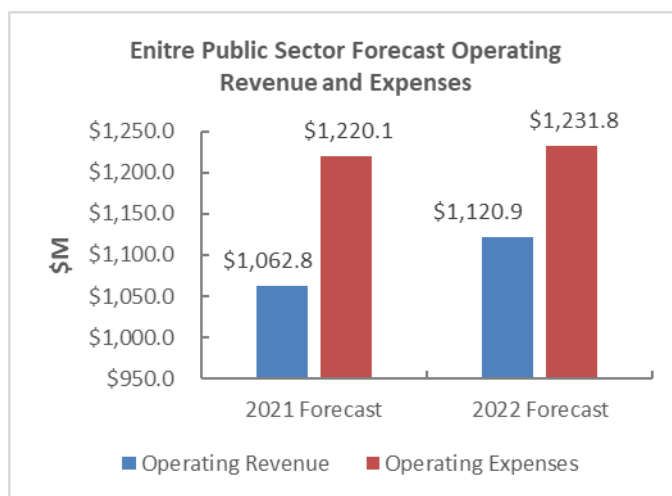


Figure 2

Entire Public Sector Forecast Operating Revenues and Expenses



Compliance with Principles of Responsible Financial Management

The ratios required by the Principles of Responsible Financial Management are all calculated in accordance with Section 14 and, the Framework for Financial Responsibility (FFR), both of which are a part of the PMFA

The following definitions accord with the FFR:

Operating Revenue consists of coercive and non-coercive revenue as defined in the PMFA.

Expenditure, unless otherwise specified, refers to all public expenditure (inclusive of grants, capital and recurrent expenditure).

Public Borrowing includes:

- conventional borrowing from commercial and concessional institutions;
- the capitalised value of all alternative financing transactions (including PFI/PPP arrangements) that will place future financial obligations (in terms of increased expenditure or reduced revenue) on the Cayman Islands Government;
- the risk weighted debts and PPP/PFI arrangements of Statutory Authorities, Government Corporations and Companies;
- borrowing that is contracted by the Cayman Islands Government, but then on-lent; and
- any other debt guaranteed by the Cayman Islands Government.

Public borrowing taken out to clear “informal debt” or debt owed by one Public Sector entity or another (including arrears of such debts), will be treated as new debt.

Debt Service is defined as annual payments resulting from public borrowing commitments and finance leases or any other form of borrowing. This includes all borrowings of the EPS and not just those of the Core Government. It also includes any other debt guaranteed by the Cayman Islands Government. Any additional repayments of debt that are voluntarily made are excluded for the Debt Service calculation.

Net Debt is defined as the total outstanding value of public borrowing minus liquid assets.

Liquid Assets are defined as the lowest balance of liquid funds at the disposal of the Cayman Islands Government during the financial year. These funds should not be pledged against budgeted expenses or liabilities of any form.

As a result of breaching compliance with the Operating Surplus Principle, as required by the PMFA, the Government is now required to get written approval from the Foreign Commonwealth and Development Office before:

- the Strategic Policy Statement is finalised;
- any public borrowing or any refinancing of public borrowing is undertaken;
- proceeding with any project with a lifetime value of more than \$10 million;
- using public assets as collateral as part of any arrangement with a party external to the Government;
- the hypothecation of any revenue stream; and

the divestment of public assets.

Statement on Compliance with the Principles of Responsible Financial Management

Compliance with Principles of Responsible Financial Management		
Principle	Forecast for FY 2021	Forecast for FY 2022
Operating Surplus : should be positive (Operating surplus = core government operating revenue – core government operating expenses)	Does Not Comply Deficit = \$98.3 million	Does Not Comply Deficit = \$59.6 million
Net Worth: should be positive (Net worth = core government assets – core government liabilities)	Complies Net Worth = \$1.4 billion	Complies Net Worth = \$1.3 billion
Borrowing: Debt servicing cost for the year should be no more than 10% of core government revenue (Debt servicing = interest + other debt servicing expenses + principal repayments for core government debt, public authorities debt and self financing loans)	Complies Debt Servicing = 7.8 %	Complies Debt Servicing = 9.2 %
Net Debt: should be no more than 80% of core government revenue (Net debt = outstanding balance of core government debt + outstanding balance of self financing loan balance + weighted outstanding balance of statutory authority/government company guaranteed debt - core government liquid assets)	Complies Net Debt = 24.1 %	Complies Net Debt = 46.6 %
Cash Reserves should be no less than estimated executive expenses for 90 Days: (Cash reserves = core government cash and other liquid assets)	Complies Cash Reserves = 95.2 days	Complies Cash Reserves = 95.9 days
Financial risks should be managed prudently so as to minimise risk	Complies Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.	Complies Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.

The forecast financial statements included in this PREFU show that the Government will be compliant with five (5) of the six (6) Principles of Responsible Financial Management relating to, **Net Worth, Net Debt Ratio, Debt Servicing Ratio, Cash Reserve days** and the management of **Financial Risks** throughout the forecast period.

8. Conclusion

As required by the Public Management and Finance Act (2020 Revision), this Pre-Election Economic and Financial Update presents the financial and macroeconomic forecasts and assumptions for the current financial year 2021, and the following financial year (2022), and related commentary on the current trajectory of Government finances.

The forecasts are contingent on stable international economic conditions, private sector growth and the absence of economic shocks resulting from natural disasters or adverse international initiatives and legislation.

For the financial year ending 31 December 2021, the Government is forecast to have an Operating Deficit of \$98.3 million. This forecast result is \$173.0 million less than the \$74.7 million Operating Surplus originally budgeted, and is due to revenue shortfalls and the impact of the Government's financial support measures to combat the effect of COVID-19 and other expanded or new services.

Core Government is forecast to have closing bank account balances totalling \$287.2 million for the year ending 31 December 2021. This amount is \$2.5 million more than the \$284.7 million shown in the 2021 original budget.

For the EPS, closing bank account balances for financial year 2021 are forecast to be \$652.3 million; this amount is \$92.5 million more than the \$559.8 million shown in the 2021 budget.

Core Government debt is forecast to be \$354.3 million at the end of financial year 2021. For the wider EPS, the closing debt balance is forecast to be \$422.8 million at the end of 2021.

The Government is forecast to be in compliant with five (5) of the six (6) Principles of Responsible Financial Management throughout the forecast period (2021-2022).

Compliance with a positive Operating Surplus will not be achieved during the forecast period (2021-2022).

The information in this PREFU document is based on the representations and judgements provided by Chief Financial Officers of Ministries, Portfolios, Offices, Statutory Authorities and Government Owned Companies (SAGCs or Public Authorities), and the professional judgement of staff in Ministry of Finance and Economic Development, using the most recent information available on economic conditions, financial performance and estimated outturn.

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Appendix 1

FORECAST FINANCIAL STATEMENTS FOR THE GOVERNMENT OF THE CAYMAN ISLANDS

for the Financial Years Ending 31 December 2021 and 2022

All Figures are Stated in CI\$000s

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General Accounting Policies

Reporting Entity

These forecast financial statements are in respect of for the Government of the Cayman Islands. The forecast financial statements encompass the Core Government and the EPS as required by the PMFA (2020 Revision).

The reporting entity comprises of:

- Executive financial transactions and balances;
- Ministries and Portfolios;
- Statutory Authorities;
- Government Owned Companies; and
- Office of the Auditor General, Cabinet Office, the Office of the Ombudsman, Office of the Commissioner of Police, Cayman Islands House of Parliament and Judicial Administration.

The Core Government accounts for SAGCs on an equity accounting basis while the EPS accounts for them on a fully consolidated basis.

Basis of Preparation

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

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

Reporting Period

The reporting period is the financial years ending 31 December 2021 and 31 December 2022.

Basis of Consolidation

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

Government of the Cayman Islands

Statement of Accounting Policies for the Financial Years Ending 31 December 2021 and 31 December 2022

Statement of Significant Assumptions

General Forecast Assumptions

These forecast financial statements were finalised on 16 March 2021. They have been prepared under a “constant policy assumption” and take into consideration all of the Assented legislation and Cabinet decisions made up to 16 March 2021.

The forecast uses the most recent estimate for the results of the 12-month financial period 2020 as its base.

The forecast excludes measures which are unlikely to come to fruition during the forecast period (2021-2020) due to the absence of policies or execution.

Unless stated otherwise in the specific forecast assumptions, revenues are expected to generally increase by 3% from 2021 to 2022.

Unless stated otherwise in the specific forecast assumptions section, expenditure increases are forecast to be in line with GDP. Those increases exclude certain unknown costs (such as those paid for subscriptions, interest, court settlements etc.) or areas where specific strategies are forecast to curb the rate of expenditure.

Macroeconomic and Financial Assumptions

- Demographic trends remain constant;
- Rates underlying coercive revenue and the application of those rates are unchanged unless otherwise stated;
- Rates underlying user fees and charges and the application of those rates are unchanged;
- Debt servicing assumptions are based on assumed interest rates and current borrowing agreements;
- The exchange rate between the Cayman Dollar and the U.S. Dollar remains fixed; and
- No material contingent liabilities or other claims becomes actual liabilities.

Specific Forecast Assumptions

The following are specific **Revenue Assumptions** for the estimates shown in the forecast financial statements:

The revenue forecast does not include any new revenue measures. Revenues are expected to generally increase by 3% from 2021 to 2022, which is conservative in light of GDP growth and expectations of 3.2% and 6.3%, respectively, for 2021 and 2022.

The projections established are underpinned by assumptions that growth in the local economy is expected to result in increased demand for goods and services; reopening of the Islands borders once 80% of the population is vaccinated including children and the international tourism sector starts to recover.

The financial services revenues including Banks and Trust Companies Fees and Company Fees show a modest decline due to lower activity over the forecast period.

Should the jurisdiction experience a significant negative economic shock in these areas, the financial position would be expected to deteriorate and not be consistent with the projections, shown in this PREFU document.

The following specific **Expense Assumptions** were used in producing the expenditure forecasts for the 2021 and 2022 financial years:

- Personnel Costs on 2021 are forecast to be \$6.6 million more than budgeted in 2021 due to transfer of unused/unspent funds from 2020 financial as a result of delays in recruitment due to COVID-19 and expanded services;
- Supplies and Consumables are forecast to increase in 2021 due to unspent/unused budgets from 2020 and expanded services and programmes;
- Financing expenses are expected to increase over the forecast period as a result of the Line of Credit being used over the of the forecast period;
- Transfer Payments are expected to increase by \$49.4 million in 2021 due to financial support provided to displaced tourism workers and support

to micro and small business. These costs are expected to taper off in 2022;

- Outputs from Non-Governmental Organisations are forecast to be \$15.7 million higher than the original budget due to an increase in the cost of providing medical care at overseas institutions for indigents and services for refugees.

The following specific assumptions are made with regards to **Borrowings** in the 2021 and 2022 financial years:

- Core Government will incur \$330.0 million borrowings throughout the forecast period; and
- Public Authorities are not expected to incur any additional conventional borrowings over the forecast period other than the utilisation of small overdraft for operations. However, Cayman Islands Airports Authority is expected utilise \$20.0 million loan facility from a local Class A licensed bank, in late 2021.

The following specific assumptions are made with regards to a total of \$234.6 million of **Capital Investments** in the 2021 financial year: (Appendix 2 see page 68)

- \$24.1 million of capital investments into SAGCs to allow these agencies to meet their debt service obligations and to assist in the funding of operational losses;
- \$210.5 million will be invested in various Ministries, Portfolios and Offices and on creation of Executive Assets primarily to fund the following major items:
 - Continued improvement to our education infrastructure and completion of the New John Gray High School;
 - Continued development of the Islands' Road Network infrastructure;
 - Development of a mental health facility;
 - Upgrade of sporting facilities;
 - Continued development of the Integrated Solid Waste Management System (ISWMS); and
 - Purchase of land for conservation.

Contingent Liabilities

On 7 December 2020, the Hon Minister of Finance signed a Government Loan Guarantee Agreement with respect to a loan guarantee agreement valued at CI\$100 million (being a 50% Government Guarantee on a CI\$200 million loan programme on offer from five local Class A licensed banks), to assist medium-sized businesses (MSB) and large-sized businesses (LSB). The guarantee loan program's primary objectives are to promote and assist participating banks to offer and provide new credit facilities to qualifying MSBs and LSBs under financial duress, in order to provide critical working capital. It offers borrowers a moratorium on principal repayments for the first year, a loan term of seven (7) years and an interest rate at the Prime Rate plus a maximum of a 1.5% spread, subject to a minimum rate/floor of 4.25% per annum.

The programme expires in November 2021 but, the Government and banks may agree to extend the programme beyond November 2021.

To 31 Dec 2020 no loans were issued under the programme and therefore Govt's exposure was NIL at 31 Dec 2020.

To the date of completing this PREFU, Government had not issued any guarantees under the programme

- Let the PREFU reflect that Govt's exposure to 31 Dec 2021 could be \$50 million; and
- Let the PREFU reflect that Govt's exposure to 31 Dec 2022 could be \$100 million.

Environmental Remediation

The Government currently operates waste landfill sites in all three of the Cayman Islands. Remediation of the Grand Cayman landfill has commenced and works include capping of the main mound, storm water run-off control measures, landfill gas management and the monitoring of environmental factors.

Legal Proceedings & Disputes

In relation to legal matters, estimates are developed by the Office of the Attorney General using current facts and known circumstances.

The factors considered in developing legal provisions include 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 sometimes 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. 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 its operations or financial position.

Post-Retirement Health Care

The Government acknowledges that it has an obligation to meet future healthcare costs of Civil Servants (including their dependents) and other parties.

The Public Service Management Act requires that Civil Servants have a minimum of 10-years qualifying service with the Cayman Islands Government, and also retire from the Civil Service in order to be entitled to a healthcare benefits upon retirement.

Based on the latest actuarial valuation completed in April 2020, the estimated post-retirement healthcare obligation as at 31 December 2019 was a net \$2.3 billion liability. This actuarial valuation has not been

recognised in the Statement of Financial Position or in the Statement of Financial Performance for Core Government.

Therefore, the Government operates on a "pay-as-you-go" plan in respect of post-retirement health care liabilities: which is typical of many national governments throughout the world. As an indication of the magnitude of much annual health care costs met by Government for the Civil Service pensioners and their dependents, the 2021 budget contains an amount of \$30.8 million. Currently, no assets are set aside off-balance sheet in respect of the Government's post-retirement health care liability.

CORE GOVERNMENT

2021 AND 2022 FORECAST FINANCIAL STATEMENTS

FOR THE 2021 FINANCIAL YEAR ENDING 31 DECEMBER 2021
AND THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022

ALL FIGURES ARE STATED IN \$000s

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GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
Current Assets			
Cash and Cash Equivalents	128,986	130,257	184,098
Marketable Securities and Deposits	155,722	156,932	106,932
Trade Receivables	13,390	13,818	14,247
Other Receivables	15,123	15,607	16,091
Inventories	2,857	2,948	2,946
Prepayments	6,147	6,344	6,547
Loans	759	783	783
Total Current Assets	322,984	326,690	331,644
Non-Current Assets			
Trade Receivables	2,731	2,355	2,366
Other Receivables	1,599	4,352	4,491
Investments	831	831	831
Loans	-	293	306
Property, Plant and Equipment	1,659,046	1,729,725	1,800,410
Intangible Assets	16,350	12,852	13,890
Net Worth - Public Authorities	431,270	381,685	360,508
Other non-current assets			
Total Non-Current Assets	2,111,827	2,132,093	2,182,803
Total Assets	2,434,811	2,458,783	2,514,446
Current Liabilities			
Trade Payables	37,532	38,733	49,736
Other Payables and Accruals	98,033	96,882	99,788
Unearned Revenue	56,244	49,375	48,379
Employee Entitlements	8,843	9,697	9,058
Unfunded Pension Liability	27,502	22,669	21,082
Current Portion of Borrowings	28,898	34,225	48,562
Provisions	-	1,604	1,604
Total Current Liabilities	257,052	253,185	278,209
Non-Current Liabilities			
Unearned Revenue	13,425	22,024	22,728
Unfunded Pension Liability	398,587	435,696	448,042
Long Term Portion of Borrowings	186,938	320,105	448,559
Total Non-Current Liabilities	598,950	777,825	919,329
Total Liabilities	856,002	1,031,010	1,197,539
Net Assets	1,578,809	1,427,773	1,316,908
Net Worth			
Reserves	141,566	154,421	160,384
Revaluation Reserve	467,976	490,874	490,874
Current Year Surplus	57,777	(157,345)	(110,865)
Other Accumulated Surplus	911,490	939,823	776,515
Total Net Worth	1,578,809	1,427,773	1,316,908

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR YEARS ENDING 31 DECEMBER 2021 AND 31 DECEMBER 2022

		Original Budget 2021	Forecast 2021	Forecast 2022
	Notes			
Revenue				
Coercive Revenue	1	806,565	776,288	797,347
Sales of Goods and Services	2	35,110	32,937	37,956
Investment Revenue	3	7,760	2,768	2,785
Donations	4	236	286	293
Other Revenue		53	302	300
Total Revenue		849,724	812,581	838,681
Expenses				
Personnel Costs	5	373,488	380,156	402,534
Supplies and Consumables	6	127,254	141,343	147,814
Depreciation and Amortisation	7	39,678	42,668	42,003
Finance costs	8	10,949	19,369	19,381
Litigation Costs		1,045	1,174	1,156
Outputs from Statutory Authorities and Government Companies	9	135,228	159,038	165,662
Outputs from Non-Governmental Suppliers	10	29,233	44,968	44,231
Transfer Payments	11	46,395	95,756	53,609
Other (Gains)/Losses		(1,976)	1,733	1,741
Other Operating Expenses	12	13,700	24,719	20,146
Total Expenses		774,994	910,924	898,277
Core Government Net Surplus/(Deficit)		74,730	(98,344)	(59,596)
Profit/(Loss) of Public Authorities	13	(16,953)	(59,001)	(51,269)
Entire Public Sector Net Surplus		57,777	(157,345)	(110,865)

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Coercive Receipts	806,613	774,348	799,128
Outputs to Other Government Agencies	2,527	2,527	2,608
Sale of Goods and Services - Third Party	36,774	32,361	33,397
Interest Received	7,760	2,768	2,857
Donations / Grants Received	256	256	264
Other Receipts	11,380	11,380	11,744
Payments			
Personnel Costs	(373,509)	(373,509)	(391,775)
Supplies and Consumables	(133,723)	(141,893)	(147,814)
Outputs from Statutory Authorities and Government Companies	(135,231)	(159,578)	(165,662)
Outputs from Non-Governmental Suppliers	(28,022)	(42,996)	(44,231)
Transfer Payments	(46,395)	(93,877)	(53,609)
Financing/Interest Payments	(10,737)	(19,544)	(19,381)
Other Payments	(24,932)	(24,300)	(20,146)
Net Cash Flows from/(used) by Operating Activities	112,761	(32,057)	7,379
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Received			
Proceeds from Sale of Loans/Investments/Maturity of Fixed Deposits	158,553	547,553	325,473
Receipt of Dividends/Capital Withdrawal from Public Authorities	2,644	2,644	2,644
Cash Used			
Purchase of Property, Plant and Equipment	(96,479)	(210,492)	(122,976)
Purchase of Loans/Investments/Placement of Fixed Deposits	(156,582)	(406,582)	(275,473)
Equity Investment paid into Public Authorities	(24,940)	(24,148)	(25,997)
Net Cash Flows from/(used) by Investing Activities	(116,804)	(91,025)	(96,329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings	-	140,000	190,000
Repayment of Borrowings	(34,276)	(34,276)	(47,209)
Net Cash Flows from/(used) by Financing Activities	(34,276)	105,724	142,791
Net increase/(decrease) in Cash and Cash Equivalents	(38,319)	(17,358)	53,842
Cash and cash equivalents at beginning of period	167,305	147,615	130,257
Cash and cash equivalents at end of period < 90 days	128,986	130,257	184,098
Term Deposits (with maturity > 90 days but < 1 year)	155,722	156,932	106,932
Closing Cash Balance and Term Deposits as at 31 December	284,708	287,189	291,030

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF CHANGES IN NET WORTH
AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
<i>Opening Balance Net Worth</i>	1,521,032	1,585,118	1,427,773
Prior Year Adjustments	-	-	-
Movement in Reserves	-	-	-
Revaluation	-	-	-
Movement in Post Retirement Benefit	-	-	-
Net Surplus/(Deficit)	57,777	(157,345)	(110,865)
Total Changes in Net Worth	57,777	(157,345)	(110,865)
Closing Balance Net Worth	1,578,809	1,427,773	1,316,908

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF BORROWINGS
AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
<i>Foreign Currency Debt (stated in CI\$)</i>			
Not later than one year	28,898	34,225	48,562
Between one and two years	43,454	30,752	43,970
Between two and five years	101,208	69,005	112,498
Later than five years	42,276	220,348	292,092
Total Foreign Currency Debt	215,836	354,331	497,122
Total Outstanding Debt	215,836	354,331	497,122
Net Public Debt	215,836	354,331	497,122

	Original Budget 2021	Forecast 2021	Forecast 2022
Government guarantee of 50% of \$200 million for the Medium to Large Business Loan Programme	-	50,000	100,000
Government guarantee of upper 35% of mortgages under Government Guarantee Home Assistance Mortgage Scheme	2,000	2,000	2,000
Contingent Liabilities	2,000	52,000	102,000

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR YEAR ENDING 31 DECEMBER 2021 AND 31 DECEMBER 2022

Note 1: Coercive Revenue

	Original Budget 2021	Forecast 2021	Forecast 2022
Alcoholic Beverages Duty	21,656	21,622	21,656
Gasoline and Diesel Duty	18,596	12,807	18,596
Motor Vehicle Duty	20,870	16,248	20,870
Other Import Duty	135,296	129,032	135,296
Tobacco Products Duty	7,139	8,160	7,139
Total Import Duties	203,557	187,869	203,557
Other Levies on International Trade and Transactions			
Cruise Ship Departure Charges	12,017	-	6,473
Environmental Protection Fund Fees	6,484	2,160	4,091
Total Other Levies on International Trade and Transactions	18,501	2,160	10,564
Domestic Levies on Goods and Services			
Annual Permanent Resident Work Permit Fee	12,888	9,180	12,888
Banks and Trust Licenses	26,718	26,391	26,566
Birth, Deaths & Marriages Registration	119	100	101
Building Permit Fees	7,350	7,350	7,350
Business Staffing Plan Board Fees	56	22	56
Caymanian Status Fees	676	193	676
Court Fees	1,400	1,820	1,820
CUC - License	2,400	2,400	2,400
Debit Transaction Fees	3,733	3,435	3,735
Dependent of Caymanian Grant Fee	1	21	1
EZG- Special Economic Zone Employment Certificate Grant Fee	444	250	444
Firearms Licenses	1	53	53
FPW - Final Work Permit Non-renewal (90days) - Grant	21	28	21
General Search Fees	736	731	768
Grant of Temporary Work Permit - Seasonal Worker	41	5	41
Health Practitioners' Board Fee	724	724	724
Hotel Licenses	280	308	339
ICTA Licenses	7,500	8,000	8,000
Immigration Non-Refundable Repatriation Fee	1,710	784	1,710
Insurance Licenses	9,504	9,116	9,189
Insurance Stamp Duty	1,338	1,338	1,376
Issue Fee for Specialist Caregiver Certificate	43	176	43
Land Registry Fees	1,200	1,250	1,200
Law Firm Operational Licence Fee	2,750	3,290	3,290
Legal Practitioner Fee	1,500	2,090	2,090
Liquor Licenses	667	667	667
Local Co. and Corp. Mgmt. Fees	2,590	2,590	3,240
Local Company Control License Grants/Renewals	440	440	440
Local Vessel Licenses	25	25	25
Miscellaneous Licenses	-	45	45
Money Services Licence	50	48	46
Money Transfer Fees	3,683	2,920	2,978
Motor Vehicle Charges	2,442	2,442	2,446
Motor Vehicle Drivers Licences	359	359	359
Limited Liability Companies	2,404	3,930	4,520
Motor Vehicle Environmental Tax	2,296	2,395	2,296
Mutual Fund Administrators Licence Fee	44,155	47,671	49,123
Notary Public Fees	352	379	379
Other Company Fees - Exempt	104,092	98,120	96,158
Other Company Fees - Foreign	7,995	7,837	8,072

Note 1: Coercive Revenue (Continued)

	Original Budget 2021	Forecast 2021	Forecast 2022
Other Company Fees - Non-Resident	1,779	1,865	1,678
Other Company Fees - Resident	3,051	2,626	2,652
Other Stamp Duty	10,300	12,094	10,800
Package Charges	1,084	1,080	1,084
Partnership Fees	68,956	65,243	68,505
Patents and Trademarks	2,080	1,778	1,867
PCW - Provision for continuation of work permit - Grant	300	276	300
Planning Fees	1,785	1,785	1,785
Public Records	109	117	120
Public Transport - Drivers Licenses	36	36	0
Public Transport - Operator Licenses	6	6	0
REE - Extension to Reside as Dependent of a Caymanian	1	0	1
Residency & Employ. Rights Cert.- Surviving Spouse of a Caymanian	1	2	1
Residency & Employment Rights Certificate by Dependent of a Permanent Resident Holder	656	49	656
Residency & Employment Rights Certificate Issue Fee	1,230	606	1,230
Residency and Employment Rights Certificate by Spouse of a Caymanian	203	97	203
Residency Certificate for Persons of Independent Means Grant Fee	303	137	303
RFI - Permanent Residence - Persons of Independent Means	1,550	1,461	1,550
Roads Development Fund Fee	9,649	9,649	9,663
Royalties and Dredging	650	650	650
Security Investments Business Licence Fee	13,192	10,400	11,772
Spear Gun Licenses	5	5	5
Special Marriage Licenses	1	1	0
Stamp Duty - Online Meter (Executive)	300	-	-
Tax and Trust Undertakings	10,400	9,500	9,500
Tobacco Dealer Registration fees	115	115	115
Tourist Accommodation Charges	38,364	39	20,094
Traders Licenses	5,788	5,788	5,788
Trust Registration Fees	544	746	761
W.I.Z. - Boat Licensing	20	20	20
Work Permits Fees	74,401	76,835	74,401
Working Under Operation of Law Fees	58	35	58
RJC - Residency Certificate (Substantial Business Presence)	102	102	102
Website - Recovery Fees	245	365	365
Limited Liability Partnership Fee	20	20	21
Foundation Companies	100	46	47
Non-Profit Organisations	4	7	3
Private Funds	-	40,252	42,000
Admin Fines	-	310	-
Directors Register Inspection	-	3	3
Total Domestic Levies on Goods and Services	502,071	493,068	523,776

Note 1: Coercive Revenue (Continued)

	Original Budget 2021	Forecast 2021	Forecast 2022
Levies on Property			
Infrastructure Fund Fees	315	315	315
Land Holding Companies Share Transfer Charges	300	300	300
Stamp Duty - Land Transfer	45,000	54,000	50,000
Timeshare Ownership Charges	749	1	407
Total Levies on Property	46,364	54,616	51,022
Fines			
Compounded Penalties	56	22	56
Court Fines	1,500	2,100	2,100
Customs Fines	2	2	2
Procedural Fines	269	104	269
Total Fines	1,827	2,228	2,427
Other Executive Revenue			
Proceeds of Liquidated Entities	34,245	36,347	6,001
Total Other Executive Revenue	34,245	36,347	6,001
TOTAL COERCIVE REVENUE	806,565	776,288	797,347

Note 2: Sale of Goods & Services

<i>Fees and Charges</i>	Original Budget 2021	Forecast 2021	Forecast 2022
Agricultural Department Fees	131	131	132
Annual Work Permit Application Fees (Entity)	2,058	825	2,058
APA - Appeal to Board against decision made by an Immigration Officer Application Fee	-	5	-
Application Fee for Specialist Caregiver Certificate	7	4	7
Audit Fees - Statutory	-	2,168	2,276
Authentication and Apostille of Documents Fees	2,396	1,703	2,396
Business Staffing Plan Application Fees (Entity)	15	8	15
BVX - Business Visitors Permit - Express Determination Fee	-	17	-
Cabinet Appeal Fees (formerly Executive Council Appeal Fees)	66	66	66
Caymanian Status Application Fees (Entity)	174	92	174
Customised Motor Vehicle License Plate Fees	23	23	23
Customs Special Attendance Fees	834	324	834
Dependent of a Caymanian Admin Fee	2	3	2
Drivers Examination Fees	286	286	286
Duplicate Vehicle Log Books	60	60	60
Electrical Inspection Fees	22	22	22
Electrical License Fees	76	76	76
Elevator Inspection Fees	59	59	59
Environmental Service Fees	25	25	25
Examination Fees	2,303	2,487	2,304
Express Fee - Work Permits	720	509	720
Express Land Registry	70	70	71
External Training	2	-	2
FPA - Final Work Permit Non-renewal (90days) - Admin	4	1	4
Funds Received From Department of Tourism (DOT) Events	4	4	4
Garbage Fees	2,635	2,635	2,635
Heavy Equipment Application Fees	11	11	11
Land Survey Fees	150	150	152
Law School Fees	450	450	450
Local Companies Administration Fees	12	12	12
Mail Terminal Credits	505	360	460
Maintenance of Buildings (Labour)	13	13	13
Mapping Services	185	185	185
Motor Vehicle Inspection Fees	1,859	1,859	1,861
Motor Vehicle License Plate Fees	580	580	580
Naturalisation and Registration Fees	441	441	441
Online Planning System Fees	140	140	140
Other Company Fees - Exempt (Entity)	192	192	192
Other Fees	154	303	154
Other Immigration Fees	43	26	43
Passport Fees	653	258	653
PCA - Provision for Continuation of Work Permit - Amendment - Admin	3	1	3
PCG - Provision for Continuation of Work Permit	1	-	1
Pension Plan Registration Fees	1,401	1,245	1,401
Permanent Residence/Residency & Employment Rights Certificate/Residency Certificate for	150	81	150
Planning Appeal Fees	1	1	1
Planning Inspection Call-Out Fee	30	30	30
Private Sector Computing Fees	2,026	2,109	2,109
Public Library Fees	25	25	25
PWA - Provision for continuation of work permit - Admin	75	65	75
REA - Extension to reside as a Dependent of a Caymanian Application Fee	3	-	3

Note 2: Sale of Goods & Services (Continued)

<i>Fees and Charges</i>	Original Budget 2021	Forecast 2021	Forecast 2022
Recycling Fees	25	25	25
Refund Processing Fees	1	1	1
Residency & Employment Rights Cert. - Surviving spouse of a Caymanian Application Fee	1	1	1
Residency & Employment Rights Certificate Admin Fee	72	211	72
Residency and Employment Rights Certificate by the Dependent of a Permanent Resident	66	22	66
Residency and Employment Rights Certificate by the Spouse of a Caymanian Admin Fee	140	70	140
Residency Certificate for Persons of Independent Means Admin Fee	10	11	10
Restoration of Seized Goods	12	-	12
RFA - Permanent Residence - Persons of Independent Means - Application Fee	6	5	6
RFA - Permanent Residence - Persons of Independent Means - Renewal Application Fee	2	-	2
RGA - Variation of Permanent Residence - Person of Independent Means - Application Fee	4	1	4
Sale of Custom Forms	-	8	-
School Fees	132	132	132
Special Econ. Zone - Trade Certificate Fee	135	135	135
Special Marriage License Application Fee	21	3	21
Temporary Work Permit Application Fees (Entity)	965	563	965
Tourist Reservation Fees	4	4	4
Tower Licence Fees	83	183	192
Trade and Business Administration Fees	487	487	487
Transcript Fees	3	3	3
Variation/Amendment Fee for Business Staffing Plan	60	21	60
Vault Sales (Cemetery Fees)	149	149	150
Vehicle and Equip. Maintenance Fees	24	24	24
Vehicle Bank Liens	69	69	69
Vehicle Change of Ownership	252	252	254
Vehicle Disposal Fees	1,515	1,515	1,515
VWA - Visitor's Work Visa Application Fee	299	57	299
Warehouse	1,045	1,081	1,045
Web Receipts	600	600	600
Work Under Operation of Law Fees	3	3	3
RJA - Residency Certificate (Substantial Business Presence) Application Fee	17	2	17
VEA - Extension of a Visitor's Work Visa Application Fee	-	777	1,620
Radio Communications Service and Maintenance Fees	-	29	145
Student Visa	1,620	-	-
Fees & Charges	28,897	26,583	31,473

Note 2: Sale of Goods & Services (Continued)

General Sales	Original Budget 2021	Forecast 2021	Forecast 2022
Canteen Sales	90	95	95
Inventory Spare Parts	28	28	28
Miscellaneous Sales	13	42	43
Other Postal Business	65	55	60
Philatelic Sales	18	5	6
Police Clearances	190	742	763
Postal Stamps	1,080	762	864
Prison Craft Sales	10	20	20
Prison Sales	10	10	10
Sale Of Advertising Space	442	442	427
Sale of Agric. Supplies/Produce	1,346	1,346	1,346
Sale Of Gazettes And Subscriptions	755	755	755
Sale Of Laws	21	17	17
Sale of Planning Documents	27	27	27
Temporary Work Permit - Seasonal Worker	4	-	4
Plumbers Examination Board Fees	9	9	9
Total General Sales	4,108	4,354	4,474

Rentals	Original Budget 2021	Forecast 2021	Forecast 2022
Equipment Rental - PWD (Cayman Brac)	28	10	10
Postal Box Rental Fees	1,090	1,035	1,038
Rental - School Canteens	81	81	81
Rentals - Craft Market	60	60	60
Rentals - Government Housing	14	14	17
Rentals - Other Properties	84	84	84
Rentals - Town Halls	40	40	40
Total Rentals	1,397	1,324	1,330

Other Goods and Services Revenue	Original Budget 2021	Forecast 2021	Forecast 2022
GIS Applications	140	140	140
GPS Licenses Refund	17	17	17
Internal Audit Service Fees	170	170	170
Miscellaneous Licensing Receipts	137	137	137
Miscellaneous Receipts	244	207	211
Estate Management Fees	-	5	5
Other Goods and Services Revenue	708	676	680
Total Goods and Services	35,110	32,937	37,956

Note 3: Investment Revenue

	Original Budget 2021	Forecast 2021	Forecast 2022
Revenue type			
Interest on Loans	13	13	13
Interest on cash balances	7,677	2,685	2,702
Other Investment Revenue	70	70	70
Total Investment Revenue	7,760	2,768	2,785

Note 4: Donations

	Original Budget 2021	Forecast 2021	Forecast 2022
Source			
Other Donations	236	286	293
Total Donations	236	286	293

Note 5: Personnel Costs

	Original Budget 2021	Forecast 2021	Forecast 2022
Description			
Salaries, Wages and Allowances	293,323	294,024	302,019
Health Care - CINICO	60,207	60,877	69,687
Pension - Employer	18,691	23,834	29,464
Leave	220	156	100
Other Personnel Related costs	1,047	1,265	1,264
Total Personnel Costs	373,488	380,156	402,534

Note 6: Supplies and Consumables

	Original Budget 2021	Forecast 2021	Forecast 2022
Description			
Supplies and Materials	17,901	28,207	32,195
Purchase of Services	74,493	76,964	79,989
Utilities	13,002	15,492	14,576
Lease of Property and Equipment	7,797	6,145	6,439
General Insurance	670	688	80
Travel and Subsistence	3,742	3,979	3,312
Recruitment and Training	4,060	4,210	3,491
Other Supplies and Consumables	5,589	5,658	7,732
Total Supplies and Consumables	127,254	141,343	147,814

Note 7: Depreciation and Amortization

	Original Budget 2021	Forecast 2021	Forecast 2022
Depreciation			
Depreciation of aero planes	1,240	1,336	1,240
Depreciation of boats	363	541	544
Depreciation of buildings and leasehold	18,538	13,331	13,605
Depreciation of computer hardware	3,679	6,029	5,922
Depreciation of computer software	1,582	1,748	1,834
Depreciation of furniture and fittings	397	497	481
Depreciation of office equipment	396	446	396
Depreciation of other assets	433	430	424
Depreciation of other infrastructure assets	6,089	1,265	1,065
Depreciation of other plant and equipment	2,583	1,956	1,719
Depreciation Water Reticulation and Sewerage	588	614	609
Depreciation of vehicle	3,490	4,230	3,918
Revaluation Depreciation Expense- Buildings	-	5,345	5,345
Revaluation Depreciation Expense - Infrastructure	-	4,900	4,900
Total Depreciation	39,378	42,668	42,003

Note 8: Finance Costs

	Original Budget 2021	Forecast 2021	Forecast 2022
Interest on Borrowings	10,679	18,299	19,090
Other Borrowing Costs	58	838	58
Interest on Deposits from Statutory Authorities and Government Owned Companies	212	232	234
Total Finance Cost	10,949	19,369	19,381

Note 9: Outputs from Statutory Authorities and Government Companies

	Original Budget 2021	Forecast 2021	Forecast 2022
Auditors Oversight Authority	340	340	340
Cayman Airways Ltd.	18,455	16,917	18,455
Children and Youth Services Foundation	3,100	3,100	3,100
University College of the Cayman Islands	6,487	6,685	6,487
Cayman Islands Development Bank	566	566	566
Cayman Islands National Insurance Company	44,481	44,481	49,880
Maritime Authority of the Cayman Islands	340	339	339
Health Services Authority	30,683	48,782	49,348
Cayman Islands Monetary Authority	23,140	29,750	28,619
National Museum	855	855	855
National Gallery	736	736	736
Cayman National Cultural Foundation	1,089	1,089	1,354
National Drug Council	689	689	689
National Housing and Development Trust	675	675	675
Sister Islands Affordable Housing	75	75	75
Tourism Attraction Board	1,760	2,200	2,000
Utilities Regulations and Competition Office	1,757	1,758	2,143
Total	135,228	159,038	165,662

Note 10: Outputs from Non-Government Suppliers

<i>Output Group</i>	Original Budget 2021	Forecast 2021	Forecast 2022
NGS 1 - Organize, Administer and Execute the Cayman Islands Fishing Tournament	30	45	30
NGS 2- Legal Aid	2,650	2,650	2,650
NGS 4 - Aids and First Aid Education Program	39	39	39
NGS 7 - Management of Small Business Development	230	450	400
NGS 20 - Employee Assistance Programme	198	198	198
NGS 24 - Cayman Islands Humane Society	30	30	30
NGS 25 - Teaching of Tertiary Education Courses	250	250	250
NGS 26 - Miss Cayman Committee	100	146	100
NGS 38-Services for Refugees	1,270	1,555	1,555
NGS 47 Mentoring Cayman Programme	9	9	9
NGS 53 - Palliative Care Nursing - Hospice Care	80	80	80
NGS 55 - Tertiary Medical Care at Various Overseas and Local Providers	17,636	30,636	30,636
NGS 57 - Gardening Projects and Landscaping	4	8	4
NGS 58 Elite Athletes Programme	40	40	40
NGS 59 Youth Development Programme	217	217	217
NGS 60 Sports Programmes	764	2,307	2,307
NGS 64 Care of the Indigent, Elderly and Disabled Persons	2,040	2,284	2,040
NGS 66 Foster Care for Children	343	343	343
NGS 67 Community Programmes -	72	72	72
NGS 71 Support for Battered Women and Children	325	325	325
NGS 72 Therapeutic Services for Young Persons	25	49	25
NGS 74 - Preservation of Natural Environments and Places of Historic Significance	570	570	570
NGS 79 - Cayman Islands Protective Services (K9-Security Services)	50	50	50
NGS 82 Other Sports Programmes	90	90	90
NGS 83 - Other Health & Cultural Programs	40	40	40
NGS 84 - Cayman Islands Agricultural Society	76	76	76
NGS 85 - Cayman Finance	750	1,104	750
NGS 86 Community Programmes – Meals on Wheels	79	79	79
NGS 87 Gender Equality Cayman	14	14	14
NGS 89 - Oversight of Legal Practitioners	1,212	1,212	1,212
Total	29,233	44,968	44,231

Note 11: Transfer Payments

	Original Budget 2021	Forecast 2021	Forecast 2022
TP 12 - Tourism Scholarships	815	948	890
TP 13 - Miss Cayman Scholarship	75	75	-
TP 27 - Pre-School Educational Assistance	704	1,283	1,283
TP 30 - Local, Overseas Scholarships and Bursaries	10,000	13,100	13,100
TP 41 Permanent Financial Assistance	12,882	13,350	12,882
TP 44 - Temporary Poor Relief Payments for Young Parents Programme (YPP) Students	30	30	30
TP 46- Emergency Relief Payments	80	142	142
TP 47 Ex- Gratia Benefits to Seamen and Ex-Servicemen	11,115	11,570	11,115
TP 49 - Youth Programmes - Churches and other Non-Governmental Organizations	141	185	185
TP 51 - Other Educational and Training Assistance	300	557	557
TP 57 Children and Family Services Support	350	359	350
TP 58 - Support for Services of the Red Cross	70	70	70
TP 60 Housing Assistance	375	726	375
TP 61 - Student Enrichment and Support Services	726	934	934
TP 63-Support to Local Business Associations	75	82	75
TP 66 - Cayman Brac and Little Cayman Home Repairs Assistance	250	467	250
TP 67 - Sports and Cultural Tourism Programmes Assistance	600	27,000	600
TP 69 - Support for the Bridge Foundation	155	155	155
TP 72 - Other Youth and Sports Programme Assistance	429	736	736
TP 73 - Other Health & Cultural Program Assistance	483	2,683	500
TP 76 - Assistance for Infrastructure Development	10	2,493	30
TP 80-Support for Business Initiatives	25	6,847	30
TP 81-Support to National Energy Council	40	70	-
TP 82 - Scholarships – Special Educational Needs	760	1,168	1,168
TP 83 - Scholarships – Medical Specialization	500	863	863
TP 84 - Grants to Farmers	20	937	937
TP 85 - Support to Local Financial Services Associations	110	210	110
TP 86 - Sister Islands Beaches and Community Clean Up Programme	400	460	400
TP 87 - Temporary Financial Assistance	4,230	5,520	4,230
TP 88 - Look After Care Payments	275	190	125
TP 89 - Youth After Care Payments	80	83	80
TP 90 - Assistance to George Town Revitalisation Committee	40	80	40
TP 93 - Private and Public-School Grants	250	985	985
TP 95 - Temporary Support to Non-Caymanian Residents due to COVID-19	-	1,015	-
TP 97 - Education, Agriculture and Land Services - COVID Response and Recovery	-	83	83
TP 94 - Superior Auto Apprenticeship Programme	-	300	300
Total	46,395	95,756	53,609

Note 12: Other Executive Expenses (OE's)

	Original Budget 2021	Forecast 2021	Forecast 2022
OE 1 - Personal Emoluments for the Judiciary	3,034	3,554	3,791
OE 2 - Personal Emoluments for H.E. the Governor, Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers, Elected Members of the Legislative Assembly and Deputy Governor	720	830	830
OE 4 - Judiciary Expenses	1,712	1,712	1,712
OE 5 - Constituency Allowances	1,086	1,366	1,366
OE 6 - Contribution to Caribbean Financial Action Task Force	65	65	65
OE 9 - CARICOM Fees	162	170	170
OE 10 - Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	85	85	85
OE 11 - Subscription to Caribbean Examinations Council	13	13	13
OE 12- University of the West Indies Membership Levy	816	816	816
OE 15 - Pan American Health Organisation Subscription	15	15	15
OE 19- Ex-Gratia Plan Recipients Plan Payments	1,355	1,296	1,358
OE 27 - Past Service Pension Liability Payments	15,140	18,624	19,000
OE 43 - Depreciation of Judicial Executive Assets	550	879	1,035
OE 54 - Caribbean Catastrophic Risk Insurance Facility - Annual Premium	840	840	840
OE 57 - Executive Bank Charges	51	26	26
OE 65 -Court of Appeal Expenses	1,034	1,058	1,132
OE 66 - United Nations Caribbean Environmental Programme	7	7	7
OE 71- Commonwealth Parliamentary Association	125	125	125
OE 78 Depreciation of Ministry of Community Affairs' Executive Assets	69	69	69
OE 81 World Anti-Doping Agency	6	6	6
OE 82 Regional Anti-Doping Agency	9	9	9
OE 91- Depreciation of District Administration, Tourism and Transport Executive Assets	725	725	725
OE 93 Caribbean Agriculture Research and Development Institute (CARDI)	122	122	122
OE 94 - OECD - Global Forum	55	55	55
OE 100 – Depreciation of Executive Assets	173	20	20
OE 101-Depreciation of Executive Assets	9,694	9,694	9,694
OE 102 - New Court House Project	-	137	-
OE 103 - Caribbean Public Health Agency (CARPHA)	19	19	19
OE 104-Caribbean Energy Information System Membership	3	3	3
OE 107 - Project Future Fund	170	170	190
OE 109 - Anti-Gang and Child Safeguarding Support	230	-	-
OE 110 - General Insurance	4,800	6,000	6,000
OE 111 - Disability Policy	125	125	125
OE 112 - Older Persons Policy	125	125	125
OE 113 - Administrative and Advisory Support to Members of the Legislative Assembly	1,742	2,292	2,292
OE 115 Regional Security Initiatives	70	59	70
OE 116 - Pension Uplift	2,618	1,999	2,099
OE 117 - CIG Core Christmas Stipend	145	145	175
OE 118 - Placeholder for Civil Service CINICO Increase	-	-	7,225
OE 119 - Second Chance Program	196	1,196	1,196
OE 120 - Repairs to Governor's Residence	50	50	50
OE 121 – Additional Normal Cost for Pension Plans	3,551	3,251	3,200
OE 122-Commonwealth Telecommunication Organisation	20	20	20
OE 123-Global Island Partnership	5	5	5
OE 124-Caribbean Telecommunication Union	12	12	12
OE 125 - CDEMA Membership	90	90	90
OE 126 - Anti-Gang and Child Safeguarding Support	-	230	230

Note 12: Other Executive Expenses (OE's) Continued

	Original Budget 2021	Forecast 2021	Forecast 2022
OE 128 - Personal Emoluments for Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers of Cabinet, Elected Members of the Legislative Assembly	3,375	4,000	4,000
OE 129 - Executive Depreciation - Legislative Assembly	-	153	203
OE 130 - Administrative and Advisory Support to Members of the Legislative Assembly	-	130	130
OE 140 - Supplies and Other Items to Combat Covid-19	-	9,714	5,142
Other Expenses	125	-	-
Total	55,134	72,105	75,687

Other Executive Expenses (OE's) Categorisation

	Original Budget 2021	Forecast 2021	Forecast 2022
Personnel Costs	30,161	35,846	43,795
Depreciation	11,273	11,540	11,746
Other Operating Expenses	13,700	24,719	20,146
Total	55,134	72,105	75,687

Note 13: Profit/(Loss) on Statutory Authorities and Government Owned Companies

	Original Budget 2021	Forecast 2021	Forecast 2022
Auditors Oversight Authority	(1)	(10)	(66)
Cayman Airways Ltd.	(5,739)	(6,874)	(3,815)
Cayman Islands Airport Authority	1,625	(27,829)	(27,195)
Cayman Islands Development Bank	(124)	(82)	8
Cayman Islands Monetary Authority	4	2,142	721
Cayman Islands National Insurance Company	3,067	104	1,236
Cayman National Cultural Foundation	-	(75)	(11)
Cayman Turtle Centre	(6,680)	(12,004)	(9,135)
Children and Youth Services Foundation	(20)	(30)	(215)
Civil Aviation Authority	2,925	1,899	2,018
Health Services Authority	(12,801)	(13,907)	(13,923)
Maritime Authority of the Cayman Islands	170	170	386
National Gallery	(14)	(14)	(87)
National Housing and Development Trust	(1,090)	(1,234)	(1,227)
National Museum	-	(119)	(90)
National Roads Authority	-	-	-
National Drug Council	-	-	-
Port Authority	(3,811)	(6,091)	(4,167)
Utilities Regulations and Competition Office	1,117	326	228
Sister Islands Affordable Housing	(109)	11	(80)
Stock Exchange	1,241	1,573	1,693
Tourism Attraction Board	49	(194)	(43)
University College of the Cayman Islands	-	-	-
Water Authority	3,238	3,238	2,496
Total Profit/(Loss) in Public Entities	(16,953)	(59,001)	(51,269)

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ENTIRE PUBLIC SECTOR

2021 AND 2022 FORECAST FINANCIAL STATEMENTS

FOR THE 2021 FINANCIAL YEAR ENDING 31 DECEMBER 2021
AND THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022

ALL FIGURES ARE STATED IN \$000s

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GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
Current Assets			
Cash and Cash Equivalents	335,422	398,381	454,961
Marketable Securities and Deposits	227,172	258,522	228,019
Trade Receivables	43,013	38,032	33,959
Other Receivables	13,830	25,651	23,043
Inventories	15,349	17,759	16,326
Prepayments	16,441	19,362	17,023
Loans	2,427	166	1,036
Total Current Assets	653,654	757,873	774,367
Non-Current Assets			
Trade Receivables	3,157	4,094	4,359
Other Receivables	1,599	4,626	3,833
Investments	831	1,662	1,662
Loans	23,408	20,202	22,394
Property, Plant and Equipment	2,262,429	2,307,782	2,381,246
Intangible Assets	20,691	16,383	17,010
Investment Property	-	18,175	18,119
Total Non-Current Assets	2,312,115	2,372,924	2,448,623
Total Assets	2,965,769	3,130,798	3,222,990
Current Liabilities			
Trade Payables	39,056	73,797	86,713
Other Payables and Accruals	87,472	126,409	128,244
Bank Overdraft	2,830	4,620	4,620
Unearned Revenue	64,482	62,446	62,826
Employee Entitlements	10,272	21,380	21,823
Unfunded Pension Liability	29,922	28,316	24,929
Current Portion of Borrowings	36,600	42,718	57,647
Total Current Liabilities	270,634	359,686	386,802
Non-Current Liabilities			
Trade Payables	499	36	36
Other Payables and Accruals	10,143	11,452	11,454
Unearned Revenue	13,425	23,376	23,923
Employee entitlements	-	14,790	15,790
Unfunded Pension Liability	452,173	445,490	459,586
Unfunded Post-Retirement Health Care	286,511	303,687	319,341
Currency Issued	138,349	164,426	164,426
Long Term Portion of Borrowings	215,226	380,082	524,723
Total Non-Current Liabilities	1,116,326	1,343,339	1,519,279
Total Liabilities	1,386,960	1,703,024	1,906,081
Net Assets	1,578,809	1,427,774	1,316,908
Net Worth			
Reserves	169,011	169,789	175,752
Revaluation Reserve	637,098	640,654	640,654
Current Year Surplus/(Deficit)	57,777	(157,345)	(110,865)
Other Accumulated Surplus	714,923	774,676	611,367
Total Net Worth	1,578,809	1,427,774	1,316,908

GOVERNMENT OF THE CAYMAN ISLANDS

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

FOR YEAR ENDING 31 DECEMBER 2021 AND 31 DECEMBER 2022

		Original Budget 2021	Forecast 2021	Forecast 2022
	Notes			
Revenue				
Coercive Revenue	1	806,565	776,288	797,347
Sales of Goods and Services	2	316,228	258,045	304,817
Investment Revenue	3	12,967	7,073	7,077
Donations	4	1,188	4,615	3,312
Other Revenue		5,941	16,737	8,353
Total Revenue		1,142,889	1,062,758	1,120,906
Expenses				
Personnel Costs	5	556,931	559,738	585,029
Supplies and Consumables	6	358,711	396,070	433,609
Depreciation and Amortisation	7	66,524	71,495	69,873
Impairment of Property, Plant, and Equipment		1,041	-	-
Finance costs	8	13,326	20,942	20,837
Litigation Costs		1,327	1,458	1,471
Outputs from Non-Governmental Suppliers	9	29,233	44,968	44,231
Transfer Payments	10	46,395	95,756	53,609
Other (Gains)/Losses		(2,625)	4,088	2,654
Other Operating Expenses	11	14,249	25,588	20,458
Total Expenses		1,085,112	1,220,103	1,231,771
Entire Public Sector Net Surplus/(Deficit)		57,777	(157,345)	(110,865)

GOVERNMENT OF THE CAYMAN ISLANDS

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Coercive Receipts	806,613	774,348	799,128
Sale of Goods and Services - Third Party	309,210	347,213	382,626
Interest Received	5,972	6,201	6,640
Donations / Grants Received	1,210	256	264
Other Receipts	39,613	25,489	24,112
<i>Payments</i>			
Personnel Costs	(561,971)	(593,560)	(621,526)
Supplies and Consumables	(331,649)	(389,995)	(424,682)
Outputs from Non-Governmental Suppliers	(28,021)	(42,996)	(44,231)
Transfer Payments	(46,395)	(93,877)	(53,609)
Financing/Interest Payments	(12,370)	(21,074)	(20,837)
Other Payments	(53,061)	(42,517)	(29,639)
Net Cash Flows from/(used) by Operating Activities	129,151	(30,512)	18,244
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash Received</i>			
Proceeds from Sale of Loans/Investments/Maturity of Fixed Deposits	160,861	572,912	352,048
<i>Cash Used</i>			
Purchase of Property, Plant and Equipment	(147,467)	(263,123)	(167,759)
Purchase of Loans/Investments/Placement of Fixed Deposits	(160,825)	(409,120)	(280,083)
Net Cash Flows from/(used) by Investing Activities	(147,431)	(99,331)	(95,794)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits from Public Authorities			
Proceeds from Borrowings	-	140,000	190,000
Repayment of Borrowings	(41,861)	(42,675)	(55,870)
Currency Issues	4,030	-	-
Net Cash Flows from/(used) by Financing Activities	(37,831)	97,325	134,130
Net increase/(decrease) in Cash and Cash Equivalents	(56,111)	(32,518)	56,580
Cash and cash equivalents at beginning of period	388,704	426,279	393,761
Cash and cash equivalents at end of period < 90 days	332,593	393,761	450,342
Term Deposits (with maturity > 90 days but < 1 year)	227,172	258,522	228,019
Closing Cash balance and Term Deposits as at 31 December	559,765	652,283	678,361

GOVERNMENT OF THE CAYMAN ISLANDS

FORECAST STATEMENT OF CHANGES IN NET WORTH

AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
<i>Opening Balance Net Worth</i>	1,521,032	1,585,119	1,427,774
Prior Year Adjustments	-	-	-
Movement in Reserves	-	-	-
Revaluation	-	-	-
Net Surplus / (Deficit)	57,777	(157,345)	(110,865)
Total Changes in Net Worth	57,777	(157,345)	(110,865)
Closing Balance Net Worth	1,578,809	1,427,774	1,316,908

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF BORROWINGS
AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2022

	Original Budget 2021	Forecast 2021	Forecast 2022
Local Currency Debt			
Not later than one year	3,626	3,913	4,836
Between one and two years	5,821	9,441	9,194
Between two and five years	8,491	13,606	12,223
Later than five Years	11,345	33,887	55,402
Total Local Currency Debt	29,283	60,847	81,656
Foreign Currency Debt (stated in CI\$)			
Not later than one year	32,974	38,304	52,113
Between one and two years	46,999	34,297	43,976
Between two and five years	100,294	69,002	112,524
Later than five years	42,276	220,348	292,101
Total Foreign Currency Debt	222,543	361,952	500,714
Total Outstanding Debt	251,826	422,799	582,370

	Original Budget 2021	Forecast 2021	Forecast 2022
Public Authorities Debt			
Cayman Airways Ltd	14,996	16,314	14,414
Cayman Islands Airport Authority	10,642	41,800	65,375
Cayman Turtle Centre	-	-	-
Cayman Islands Development Bank	7,621	7,624	3,548
Health Services Authority	-	-	-
National Housing and Development Trust	2,731	2,731	1,911
Cayman Islands Stock Exchange	-	-	-
Water Authority	-	-	-
Sub-Total	35,990	68,469	85,248
Total Core Government Debt	215,836	354,331	497,122
Total Entire Public Sector Debt	251,826	422,799	582,370

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR YEAR ENDING 31 DECEMBER 2021 AND 31 DECEMBER 2022

Note 1: Coercive Revenue

	Original Budget 2021	Forecast 2021	Forecast 2022
Alcoholic Beverages Duty	21,656	21,622	21,656
Gasoline and Diesel Duty	18,596	12,807	18,596
Motor Vehicle Duty	20,870	16,248	20,870
Other Import Duty	135,296	129,032	135,296
Tobacco Products Duty	7,139	8,160	7,139
Total Import Duties	203,557	187,869	203,557
Other Levies on International Trade and Transactions			
Cruise Ship Departure Charges	12,017	-	6,473
Environmental Protection Fund Fees	6,484	2,160	4,091
Total Other Levies on International Trade and Transactions	18,501	2,160	10,564
Domestic Levies on Goods and Services			
Annual Permanent Resident Work Permit Fee	12,888	9,180	12,888
Banks and Trust Licenses	26,718	26,391	26,566
Birth, Deaths & Marriages Registration	119	100	101
Building Permit Fees	7,350	7,350	7,350
Business Staffing Plan Board Fees	56	22	56
Caymanian Status Fees	676	193	676
Court Fees	1,400	1,820	1,820
CUC - License	2,400	2,400	2,400
Debit Transaction Fees	3,733	3,435	3,735
Dependent of Caymanian Grant Fee	1	21	1
EZG- Special Economic Zone Employment Certificate Grant Fee	444	250	444
Firearms Licenses	1	53	53
FPW - Final Work Permit Non-renewal (90days) - Grant	21	28	21
General Search Fees	736	731	768
Grant of Temporary Work Permit - Seasonal Worker	41	5	41
Health Practitioners' Board Fee	724	724	724
Hotel Licenses	280	308	339
ICTA Licenses	7,500	8,000	8,000
Immigration Non-Refundable Repatriation Fee	1,710	784	1,710
Insurance Licenses	9,504	9,116	9,189
Insurance Stamp Duty	1,338	1,338	1,376
Issue Fee for Specialist Caregiver Certificate	43	176	43
Land Registry Fees	1,200	1,250	1,200
Law Firm Operational Licence Fee	2,750	3,290	3,290
Legal Practitioner Fee	1,500	2,090	2,090
Liquor Licenses	667	667	667
Local Co. and Corp. Mgmt. Fees	2,590	2,590	3,240
Local Company Control License Grants/Renewals	440	440	440
Local Vessel Licenses	25	25	25
Miscellaneous Licenses	-	45	45
Money Services Licence	50	48	46
Money Transfer Fees	3,683	2,920	2,978
Motor Vehicle Charges	2,442	2,442	2,446
Motor Vehicle Drivers Licences	359	359	359
Limited Liability Companies	2,404	3,930	4,520
Motor Vehicle Environmental Tax	2,296	2,395	2,296
Mutual Fund Administrators Licence Fee	44,155	47,671	49,123
Notary Public Fees	352	379	379
Other Company Fees - Exempt	104,092	98,120	96,158
Other Company Fees - Foreign	7,995	7,837	8,072

Note 1: Coercive Revenue (Continued)

	Original Budget 2021	Forecast 2021	Forecast 2022
Other Company Fees - Non-Resident	1,779	1,865	1,678
Other Company Fees - Resident	3,051	2,626	2,652
Other Stamp Duty	10,300	12,094	10,800
Package Charges	1,084	1,080	1,084
Partnership Fees	68,956	65,243	68,505
Patents and Trademarks	2,080	1,778	1,867
PCW - Provision for continuation of work permit - Grant	300	276	300
Planning Fees	1,785	1,785	1,785
Public Records	109	117	120
Public Transport - Drivers Licenses	36	36	0
Public Transport - Operator Licenses	6	6	0
REE - Extension to Reside as Dependent of a Caymanian	1	0	1
Residency & Employ. Rights Cert.- Surviving Spouse of a Caymanian	1	2	1
Residency & Employment Rights Certificate by Dependent of a Permanent Resident	656	49	656
Residency & Employment Rights Certificate Issue Fee	1,230	606	1,230
Residency and Employment Rights Certificate by Spouse of a Caymanian	203	97	203
Residency Certificate for Persons of Independent Means Grant Fee	303	137	303
RFI - Permanent Residence - Persons of Independent Means	1,550	1,461	1,550
Roads Development Fund Fee	9,649	9,649	9,663
Royalties and Dredging	650	650	650
Security Investments Business Licence Fee	13,192	10,400	11,772
Spear Gun Licenses	5	5	5
Special Marriage Licenses	1	1	0
Stamp Duty - Online Meter (Executive)	300	-	-
Tax and Trust Undertakings	10,400	9,500	9,500
Tobacco Dealer Registration fees	115	115	115
Tourist Accommodation Charges	38,364	39	20,094
Traders Licenses	5,788	5,788	5,788
Trust Registration Fees	544	746	761
W.I.Z. - Boat Licensing	20	20	20
Work Permits Fees	74,401	76,835	74,401
Working Under Operation of Law Fees	58	35	58
RJC - Residency Certificate (Substantial Business Presence)	102	102	102
Website - Recovery Fees	245	365	365
Limited Liability Partnership Fee	20	20	21
Foundation Companies	100	46	47
Non-Profit Organisations	4	7	3
Private Funds	-	40,252	42,000
Admin Fines	-	310	-
Directors Register Inspection	-	3	3
Total Domestic Levies on Goods and Services	502,071	493,068	523,776

Note 1: Coercive Revenue (Continued)

	Original Budget 2021	Forecast 2021	Forecast 2022
Levies on Property			
Infrastructure Fund Fees	315	315	315
Land Holding Companies Share Transfer Charges	300	300	300
Stamp Duty - Land Transfer	45,000	54,000	50,000
Timeshare Ownership Charges	749	1	407
Total Levies on Property	46,364	54,616	51,022
Fines			
Compounded Penalties	56	22	56
Court Fines	1,500	2,100	2,100
Customs Fines	2	2	2
Procedural Fines	269	104	269
Total Fines	1,827	2,228	2,427
Other Executive Revenue			
Proceeds of Liquidated Entities	34,245	36,347	6,001
Total Other Executive Revenue	34,245	36,347	6,001
TOTAL COERCIVE REVENUE	806,565	776,288	797,347

Note 2: Sale of Goods & Services

<i>Fees and Charges</i>	Original Budget 2021	Forecast 2021	Forecast 2022
Agricultural Department Fees	131	131	132
Annual Work Permit Application Fees (Entity)	2,058	825	2,058
APA - Appeal to Board against decision made by an Immigration Officer Application Fee	-	5	-
Application Fee for Specialist Caregiver Certificate	7	4	7
Authentication and Apostille of Documents Fees	2,396	1,703	2,396
Business Staffing Plan Application Fees (Entity)	15	-	-
Business Visitors Administration Fees	-	8	15
BVX - Business Visitors Permit - Express Determination Fee	-	17	-
Cabinet Appeal Fees (formerly Executive Council Appeal Fees)	66	66	66
Caymanian Status Application Fees (Entity)	174	92	174
Customised Motor Vehicle License Plate Fees	23	23	23
Customs Special Attendance Fees	834	324	834
Dependent of a Caymanian Admin Fee	2	3	2
Drivers Examination Fees	286	286	286
Duplicate Vehicle Log Books	60	60	60
Electrical Inspection Fees	22	22	22
Electrical License Fees	76	76	76
Elevator Inspection Fees	59	59	59
Environmental Service Fees	25	25	25
Examination Fees	2,303	2,487	2,304
Express Fee - Work Permits	720	509	720
Express Land Registry	70	70	71
External Training	2	-	2
FPA - Final WP Non-renewal (90days) - Admin	4	1	4
Freedom of Information Fees	-	1	4
Funds Received From Department of Tourism (DOT) Events	4	4	4
Garbage Fees	2,635	2,635	2,635
Heavy Equipment Application Fees	11	11	11
Land Survey Fees	150	150	152
Law School Fees	450	450	450
Local Companies Administration Fees	12	12	12
Mail Terminal Credits	505	360	460
Maintenance of Buildings (Labour)	13	13	13
Mapping Services	185	185	185
Motor Vehicle Inspection Fees	1,859	1,859	1,861
Motor Vehicle Licence Plate Fees	580	580	580
Naturalisation and Registration Fees	441	441	441
Online Planning System Fees	140	140	140
Other Company Fees - Exempt (Entity)	192	192	192
Other Fees	154	51	154
Other Immigration Fees	43	26	43
Passport Fees	653	258	653
PCA - Provision for Continuation of WP - Amendment - Admin	3	1	3
PCG - Provision for Continuation of WP - Amend	1	-	1

Note 2: Sale of Goods & Services (Continued)

<i>Fees and Charges</i>	Original Budget 2021	Forecast 2021	Forecast 2022
Pension Plan Registration Fees	1,401	1,245	1,401
Permanent Residence/Residency & Employment Rights Certificate/Residency Certificate for Persons of Independent Means Variation Fee	150	81	150
Planning Appeal Fees	1	1	1
Planning Inspection Call-Out Fee	30	30	30
Private Sector Computing Fees	2,026	2,109	2,109
Public Library Fees	25	25	25
PWA - Provision for continuation of work permit -Admin	75	65	75
Recycling Fees	28	25	25
Refund Processing Fees	1	1	1
Residency & Employ. Rights Cert. - Surviving Spouse of a Caymanian Application Fee	1	1	1
Residency & Employment Rights Certificate Admin Fee	72	211	72
Residency and Employment Rights Certificate by the Dependent of a Permanent Resident Admin Fee (Entity)	66	22	66
Residency and Employment Rights Certificate by the Spouse of a Caymanian Admin Fee (Entity)	140	70	140
Residency Certificate for Persons of Independent Means Fee	10	11	10
Restoration of Seized Goods	12	-	12
RFA - Permanent Residence - Persons of Independent Means - Application Fee	6	5	6
RFA - Permanent Residence - Persons of Independent Means - Renewal Application Fee	2	-	2
RGA - Variation of Permanent Residence - Person of Independent Means - Application Fee	4	1	4
RJA - Residency Certificate (Substantial Business Presence) Application Fee	17	-	-
Sale of Custom Forms	-	8	-
School Fees	132	132	132
Special Econ. Zone - Trade Certificate Fee	135	135	135
Special Marriage License Application Fee	21	3	21
Temporary Work Permit Application Fees (Entity)	965	563	965
Tourist Reservation Fees	4	4	4
Tower License Fees	83	183	192
Trade and Business Administration Fees	487	487	487
Transcript Fees	3	3	3
Variation/Amendment Fee for BSP	60	21	60
Vault Sales (Cemetery Fees)	149	149	150
Vehicle And Equip. Maintenance Fees	24	24	24
Vehicle Bank Liens	69	69	69
Vehicle Change of Ownership	252	252	254
Vehicle Disposal Fees	1,515	1,515	1,515
VWA - Visitor's Work Visa Application Fee	299	57	299
Warehouse	1,045	1,081	1,045
Web Receipts	600	600	600
Work Under Operation of Law Fees	3	3	3
VEA - Extension of a Visitor's Work Visa Application Fee	-	815	1,774
Fees and Charges - SAGC	97,880	85,198	90,185
Fees & Charges	125,157	109,367	119,376

Note 2: Sale of Goods & Services (Continued)

General Sales	Original Budget 2021	Forecast 2021	Forecast 2022
Canteen Sales	90	95	95
Inventory Spare Parts	28	28	28
Miscellaneous Sales	13	42	43
Other Postal Business	65	55	60
Philatelic Sales	18	5	6
Plumbers Examination Board Fees	9	9	9
Police Clearances	190	742	763
Postal Stamps	1,080	762	864
Prison Craft Sales	10	20	20
Prison Sales	10	10	10
Sale Of Advertising Space	442	442	427
Sale of Agric. Supplies/Produce	1,346	1,346	1,346
Sale Of Gazettes And Subscriptions	755	755	755
Sale Of Laws	21	17	17
Sale of Planning Documents	27	27	27
Temporary Work Permit - Seasonal Worker	4	-	4
General Sales - Statutory Authorities & Government Companies	149,147	83,362	112,118
Total General Sales	153,255	87,717	116,592

Rentals	Original Budget 2021	Forecast 2021	Forecast 2022
Equipment Rental	28	10	10
Postal Box Rental Fees	1,090	1,035	1,038
Rental - School Canteens	81	81	81
Rentals - Craft Market	60	60	60
Rentals - Government Housing	14	14	17
Rentals - Other Properties	84	84	84
Rentals - Town Halls	40	40	40
Rentals - Statutory Authorities and Government Companies	4,368	547	1,117
Total Rentals	5,765	1,871	2,447

Other Goods and Services Revenue	Original Budget 2021	Forecast 2021	Forecast 2022
Births, Deaths & Marriages			
GIS Applications	140	140	140
GPS Licenses Refund	17	17	17
Internal Audit Service Fees	170	170	170
Miscellaneous Licensing Receipts	137	137	137
Miscellaneous Receipts	244	198	207
Other Goods and Services - Statutory Authorities and Government Companies	31,343	59,220	65,732
Other Goods and Services Revenue	32,051	59,882	66,403
Total Goods and Services	316,228	258,045	304,817

Note 3: Investment Revenue

	Original Budget 2021	Forecast 2021	Forecast 2022
Revenue type			
Interest on Marketable Securities, Deposits and Cash	9,136	6,474	4,992
Interest on deposits	418	-	-
Interest on Loans	13	13	13
Royalties	516	516	500
Other Investment Revenue	2,884	70	70
Total Investment Revenue	12,967	7,073	5,575

Note 4: Donations

	Original Budget 2021	Forecast 2021	Forecast 2022
Source			
Other Donations	1,188	4,615	3,312
Total Donations	1,188	4,615	3,312

Note 5: Personnel Costs

	Original Budget 2021	Forecast 2021	Forecast 2022
Description			
Salaries, Wages and Allowances	474,760	471,258	484,491
Health Care - Other	27,702	31,405	37,551
Pension - Normal Cost Employer	28,370	33,353	39,889
Pension - Employer	18,691	17,662	18,211
Leave	289	344	290
Other Personnel Related costs	7,119	5,716	4,597
Total Personnel Costs	556,931	559,738	585,029

Note 6: Supplies and Consumables

	Original Budget 2021	Forecast 2021	Forecast 2022
Description			
Supplies and Materials	69,100	55,022	64,607
Purchase of Services	90,724	101,267	107,300
Lease of Property and Equipment	23,815	21,735	23,092
Utilities	24,039	24,369	23,599
General Insurance	6,453	7,145	6,753
Travel and Subsistence	7,310	7,683	7,265
Recruitment and Training	6,492	6,340	5,543
Other Supplies and Consumables	130,778	172,509	195,449
Total Supplies and Consumables	358,711	396,070	433,609

Note 7: Depreciation and Amortization

	Original Budget 2021	Forecast 2021	Forecast 2022
Depreciation			
Depreciation of aeroplanes	4,350	4,365	4,350
Depreciation of boats	363	541	544
Depreciation of buildings and leasehold	27,137	23,266	23,538
Depreciation of computer hardware	5,164	7,404	7,165
Depreciation of computer software	3,709	4,209	2,882
Depreciation of furniture and fittings	903	1,095	1,090
Depreciation of leasehold	653	683	866
Depreciation of office equipment	1,029	1,056	1,012
Depreciation of other assets	1,913	1,970	2,020
Depreciation of other infrastructure assets	7,479	2,724	2,588
Depreciation of other plant and equipment	4,997	4,443	4,242
Depreciation Water Reticulation and Sewerage	4,413	4,440	4,560
Depreciation of roads and sidewalks	24	24	24
Depreciation of vehicle	4,389	5,030	4,747
Revaluation Depreciation Expense- Buildings	-	5,345	5,345
Revaluation Depreciation Expense - Infrastructure	-	4,900	4,900
Total Depreciation	66,524	71,495	69,873

Note 8: Finance Cost

	Original Budget 2021	Forecast 2021	Forecast 2022
Interest on Borrowings	12,879	19,371	20,096
Other Borrowing Costs	123	1,071	291
Overdraft Expenses	324	500	450
Total Finance Cost	13,326	20,942	20,837

Note 9: Outputs from Non-Government Suppliers

	Original Budget 2021	Forecast 2021	Forecast 2022
Output Group			
NGS 1 - Organise, Administer and Execute the Cayman Islands Fishing Tournament	30	45	30
NGS 2- Legal Aid	2,650	2,650	2,650
NGS 4 - Aids and First Aid Education Program	39	39	39
NGS 7 - Management of Small Business Development	230	450	400
NGS 20 - Employee Assistance Programme	198	198	198
NGS 24 - Cayman Islands Humane Society	30	30	30
NGS 25 - Teaching of Tertiary Education Courses	250	250	250
NGS 26 - Miss Cayman Committee	100	146	100
NGS 38-Services for Refugees	1,270	1,555	1,555
NGS 47 - Mentoring Cayman Programme	9	9	9
NGS 53 - Palliative Care Nursing - Hospice Care	80	80	80
NGS 55 - Tertiary Medical Care at Various Overseas and Local Providers	17,636	30,636	30,636
NGS 57 - Gardening Projects and Landscaping	4	8	4
NGS 58 - Elite Athlete Programme	40	40	40
NGS 59 - Youth Development Programmes	217	217	217
NGS 60 - Sports Programmes	764	2,307	2,307
NGS 64 Care of the Indigent, Elderly and Disabled Persons	2,040	2,284	2,040
NGS 66 Foster Care for Children	343	343	343
NGS 67 Community Programmes	72	72	72
NGS 71 Support for Battered Women and Children	325	325	325
NGS 72 Therapeutic Services for Young Persons	25	49	25
NGS 74 - Preservation of National Environment and Places of Historic Significance	570	570	570
NGS 79 - K9 Security Services	50	50	50
NGS 82 - Other Sports Programmes	90	90	90
NGS 83 - Other Health & Cultural Programs	40	40	40
NGS 84 - Cayman Islands Agricultural Society	76	76	76
NGS 85 - Cayman Finance	750	1,104	750
NGS 86 Community Programmes – Meals on Wheels	79	79	79
NGS 87 Gender Equality Cayman	14	14	14
NGS 89 - Oversight of Legal Practitioners	1,212	1,212	1,212
Total	29,233	44,968	44,231

Note 10: Transfer Payments

	Original Budget 2021	Forecast 2021	Forecast 2022
TP 12 - Tourism Scholarships	815	948	890
TP 13 - Miss Cayman Scholarship	75	75	-
TP 27 - Pre-School Educational Assistance	704	1,283	1,283
TP 30 - Local, Overseas Scholarships and Bursaries	10,000	13,100	13,100
TP 41 Permanent Financial Assistance	12,882	13,350	12,882
TP 44 - Temporary Poor Relief Payments for Young Parents Programme (YPP) Students	30	30	30
TP 46 Emergency Relief Payments	80	142	142
TP 47 Ex- Gratia Benefits to Seamen and Ex-Servicemen	11,115	11,570	11,115
TP 49 - Youth Programmes - Churches and Other Non-Governmental Organizations	141	185	185
TP 51 - Other Educational and Training Assistance	300	557	557
TP 57 Children and Family Services Support	350	359	350
TP 58 - Support for Services of the Red Cross	70	70	70
TP 60 Housing Assistance	375	726	375
TP 61 - Student Enrichment and Support Services	726	934	934
TP 63-Support to Local Business Associations	75	82	75
TP 66 - Cayman Brac and Little Cayman Home Repairs Assistance	250	467	250
TP 67 - Sports and Cultural Tourism Programmes Assistance	600	27,000	600
TP 69 - Support for the Bridge Foundation	155	155	155
TP 73 - Other Health & Cultural Program Assistance	429	736	736
TP 74 - Assistance in respect to Importation of Livestock	483	2,683	500
TP 79 - Urban Development Commission	10	2,493	30
TP 81-Support to National Energy Council	25	6,847	30
TP 82 - Scholarships – Special Educational Needs	40	70	0
TP 83 - Scholarships – Medical Specialization	760	1,168	1,168
TP 84 - Grants to Farmers	500	863	863
TP 85-Support to Local Financial Services Associations	20	937	937
TP 86 - Sister Islands Beaches and Community Clean Up Programme	110	210	110
TP 87 Temporary Financial Assistance	400	460	400
TP 88 Look After Care Payments	4,230	5,520	4,230
TP 89 Youth After Care Payments	275	190	125
TP 90-Assistance to George Town Revitalisation Committee	80	83	80
TP 93 - Private and Public-School Grants	40	80	40
TP 95 - COVID Support Work Permit Holders	250	985	985
TP 96 - Micro Small Business Grant	-	1,015	-
TP 98 - Youth & Sports Services COVID Recovery & Response	-	83	83
TP 94 - Superior Auto Apprenticeship Programme	-	300	300
Total	46,395	95,756	53,609

Note 11: Other Executive Expenses (OE's)

	Original Budget 2021	Forecast 2021	Forecast 2022
OE 1 - Personal Emoluments for the Judiciary	3,034	3,554	3,791
OE 2 - Personal Emoluments for H.E. the Governor, Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers, Elected Members of the Legislative Assembly and Deputy Governor	4,095	830	830
OE 4 - Judiciary Expenses	1,712	1,712	1,712
OE 5 - Constituency Allowances	1,086	1,366	1,366
OE 6 - Contribution to Caribbean Financial Action Task Force	65	65	65
OE 9 - CARICOM Fees	162	170	170
OE 10 - Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	85	85	85
OE 11 - Subscription to Caribbean Examinations Council	13	13	13
OE 12- University of the West Indies Membership Levy	816	816	816
OE 15 - Pan American Health Organisation Subscription	15	15	15
OE 19- Ex-Gratia Plan Recipients Plan Payments	1,355	1,296	1,358
OE 27 - Past Service Pension Liability Payments	15,140	18,624	19,000
OE 43 - Depreciation of Judicial Executive Assets	550	879	1,035
OE 54 - Caribbean Catastrophic Risk Insurance Facility - Annual Premium	840	840	840
OE 57 - Executive Bank Charges	51	26	26
OE 65 -Court of Appeal Expenses	1,034	1,058	1,132
OE 66 - United Nations Caribbean Environmental Programme	7	7	7
OE 71- Commonwealth Parliamentary Association	125	125	125
OE 78 Depreciation of Ministry of Community Affairs' Executive Assets	69	69	69
OE 81 World Anti-Doping Agency	6	6	6
OE 82 Regional Anti-Doping Agency	9	9	9
OE 91- Depreciation of District Administration, Tourism and Transport Executive Assets	725	725	725
OE 93 Caribbean Agriculture Research and Development Institute (CARDI)	122	122	122
OE 94 - OECD - Global Forum	55	55	55
OE 100 – Depreciation of Executive Assets	173	20	20
OE 101-Depreciation of Executive Assets	9,694	9,694	9,694
OE 102 - New Court House Project	-	137	-
OE 103 - Caribbean Public Health Agency (CARPHA)	19	19	19
OE 104-Caribbean Energy Information System Membership	3	3	3
OE 107 - Project Future Fund	170	170	190
OE 109 - Anti-Gang and Child Safeguarding Support	230	-	-
OE 110 - General Insurance	4,800	6,000	6,000
OE 111 - Disability Policy	125	125	125
OE 112 - Older Persons Policy	125	125	125
OE 113 - Administrative and Advisory Support to Members of the Legislative Assembly	1,742	2,292	2,292
OE 114- Administrative and Advisory Support to the Speaker	-	-	1
OE 115 Regional Security Initiatives	70	59	70
OE 116 - Pension Uplift	2,618	1,999	2,099
OE 117 - CIG Core Christmas Stipend	145	145	175
OE 118 - Placeholder for Civil Service CINICO Increase	-	-	7,225
OE 119 - Second Chance Program	196	1,196	1,196
OE 120 - Repairs to Governor's Residence	50	50	50
OE 121 – Additional Normal Cost for Pension Plans	3,551	3,251	3,200
OE 122-Commonwealth Telecommunication Organisation	20	20	20
OE 123-Global Island Partnership	5	5	5
OE 124-Caribbean Telecommunication Union	12	12	12
OE 125 - CDEMA Membership	90	90	90
OE 126 - Anti-Gang and Child Safeguarding Support	-	230	230

Note 11: Other Executive Expenses (OE's) Continued

	Original Budget 2021	Forecast 2021	Forecast 2022
OE 128 - Personal Emoluments for Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers of Cabinet, Elected Members of the Legislative Assembly	-	4,000	4,000
OE 129 - Executive Depreciation - Legislative Assembly	-	153	203
OE 130 - Administrative and Advisory Support to Members of the Legislative Assembly	-	130	130
OE 140 - Supplies and Other Items to Combat COVID-19	-	9,714	5,142
Other Expenses	-	393	108
Total	55,009	72,499	75,796

Other Executive Expenses (OE's) Categorisation

	Original Budget 2021	Forecast 2021	Forecast 2022
Personnel Costs	30,161	35,846	43,795
Depreciation	10,599	11,387	11,543
Other Operating Expenses	14,249	25,266	20,458
Total	55,009	72,499	75,796

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10. Appendix 2

CAPITAL EXPENDITURE DETAILS

for the Financial Years Ending 31 December 2021 and 2022

All Figures are Stated in CI\$000s

Ministry/Portfolio	Code	Description	Forecast for FY 2021	Forecast for FY 2022
Cabinet Office	EI 36	Cabinet Office	538	90
			538	90
Office of the Police Commissioner	EI 79	Office of the Police Commissioner	4,607	4,795
			4,607	4,795
Ministry of Employment and Border Control	EI 11	Ministry of Employment and Border Control	10,834	4,261
			10,834	4,261
Ministry of International Trade, Investment, Aviation and Maritime Affairs	EI 78	Ministry of International Trade, Investment, Aviation and Maritime Affairs	547	390
			547	390
Ministry of Community Affairs	EI 54	Ministry of Community Affairs	318	150
			318	150
Ministry of District Administration, Tourism and Transport	EI 1	Cayman Airways Limited	3,758	9,100
	EI 49	Cayman Turtle Centre	6,654	6,717
	EI 68	Ministry of District Administration, Tourism and Transport	5,710	3,000
	EA 55	Cayman Brac & Little Cayman Roads	1,149	1,000
	EA 60	Cayman Brac: Bluff Playfield	351	
	EA 95	Cemetery Vaults - Cayman Brac and Little Cayman	36	50
	EA 125	Cayman Brac Emergency Shelter	437	250
	EA 139	Little Cayman Boat Launch Ramp	493	250
	EA 143	Cruise Berthing Facility	156	-
	EA 144	Public Restrooms	200	-
	EA 157	Cayman Turtle Conservation Centre - Cayman Brac Facility	1,100	-
			20,044	20,367
Ministry of Finance and Economic Development	EI 4	Cayman Islands Development Bank	4,500	4,500
	EI 70	Ministry of Finance and Economic Development	1,290	550
			5,790	5,050
Ministry of Education, Youth, Sports and Lands	EI 12	Ministry of Education, Youth, Sports, Agriculture and Lands	68,089	48,096
	EI 46	University College of the Cayman Islands	3,556	500
	EA 4	Land Purchase: Ongoing	4,326	2,500
	EA 9	Land Purchase: Gazetted Claims	2,464	2,000
			78,435	53,096
Ministry of Financial Services and Home Affairs	EI 67	Ministry of Financial Services and Home Affairs	28,107	19,316
			28,107	19,316

Ministry/Portfolio	Code	Description	Forecast for FY 2021	Forecast for FY 2022
Ministry of Commerce, Planning and Infrastructure	EI 71	Ministry of Commerce, Planning and Infrastructure	14,242	6,000
	EA 36	Miscellaneous Road Surface Upgrades	2,777	3,000
	EA 78	Government Accommodations Project	932	700
	EA 142	George Town Revitalization	1,883	1,000
	EA 147	Minor District Works	655	500
	EA 148	Major Road Works	12,861	10,000
	EA 149	Government Solar charging stations	400	200
	EA 151	Ramps & Jetties-Upgrades	432	250
	EA 152	Civic Centre/Town Halls Upgrade	672	300
	EA 153	National Parks-Upgrade	1,571	150
	EA 156	Sewerage system	300	150
			36,724	22,250
Ministry of Health, Environment, Culture and Housing	EI 23	Cayman Islands National Museum	350	-
	EI 47	Cayman National Gallery	150	-
	EI 53	Ministry of Health, Environment, Culture and Housing	35,257	10,000
	EI 57	National Housing Development Trust	5,000	5,000
	EI 72	Cayman National Cultural Foundation	180	180
	EA 30	Cemetery Vaults - Grand Cayman	100	100
			41,037	15,280
Portfolio of Civil Service	EI 35	Portfolio of Civil Service	718	195
			718	195
Parliament	EA 141	Upgrades and repairs to Parliament Building	505	75
			505	75
Portfolio of Legal Affairs	EI 34	Portfolio of Legal Affairs	208	208
			208	208
Judicial Administration	EI 21	Judicial Administration	925	125
	EA 145	New Court House	5,206	3,290
			6,131	3,415
Director of Public Prosecutions	EI 60	Director of Public Prosecutions	70	10
			70	10
Office of the Auditor General			-	-
			-	-
Office of the Ombudsman	EI 75	Office of the Ombudsman	25	25
			25	25
Total			234,638	148,973

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