



**Financial Statements
For the
Ministry of Community Affairs
31 December 2018**

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Cayman Islands

Ministry of Community Affairs

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Community Affairs in accordance with the provisions of the *Public Management and Finance Law (2018 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2018 Revision)*.

As Chief Officer I am responsible for establishing; and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Ministry of Community Affairs.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry of Community Affairs' financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Community Affairs for the financial year ended 31 December 2018.

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

- (a) Completely and reliably reflect the financial transactions of Ministry of Community Affairs for the year ended 31 December 2018;
- (b) fairly reflect the financial position as at 31 December 2018 and performance for the year ended 31 December 2018;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all information necessary to conduct an audit in accordance with International Standards on Auditing.

A stylized, circular signature in black ink.

Teresa Echenique
Chief Officer

A stylized signature in blue ink.

Joel Burke
Chief Financial Officer

15 April 2019

AUDITOR GENERAL'S REPORT

To Members of the Legislative Assembly and the Chief Officer of the Ministry of Community Affairs

Opinion

I have audited the financial statements of the Ministry of Community Affairs (the "Ministry"), which comprise the statement of financial position as at 31 December 2018 and the statement of financial performance, statement of changes in net worth and cash flows for year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 31.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2018 and its financial performance and its cash flows for the year ended 31 December 2018 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

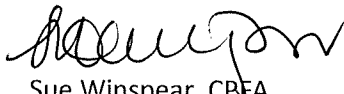
AUDITOR GENERAL'S REPORT (continued)

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2018 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CRFA
Auditor General

15 April 2019
Cayman Islands

MINISTRY OF COMMUNITY AFFAIRS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

	Note	2018 Actual	2018 Budget	Variance	2016/17 Actual
Cash and cash equivalents	1	4,366,640	2,290,255	2,076,385	6,751,519
Trade and other receivables	2	2,110,604	2,269,931	(159,327)	3,316,998
Total Current Assets		6,477,244	4,560,186	1,917,058	10,068,517
Non -Current Assets					
Property, plant and equipment	3	2,448,167	8,468,371	(6,020,204)	2,551,848
Total Non-Current Assets		2,448,167	8,468,371	(6,020,204)	2,551,848
Total Assets		8,925,411	13,028,557	(4,103,146)	12,620,365
Current Liabilities					
Trade and other payables	4	461,038	455,808	5,230	414,427
Employee entitlements	5	184,021	92,320	91,701	111,593
Surplus payable	4	243,038	-	243,038	4,187,636
Total Current Liabilities		888,097	548,128	339,969	4,713,656
Net Assets		8,037,314	12,480,429	(4,443,115)	7,906,709
Net Worth					
Contributed capital		7,467,195	11,910,310	(4,443,115)	7,336,590
Revaluation surplus	3	570,119	570,119	-	570,119
Total Net Worth		8,037,314	12,480,429	(4,443,115)	7,906,709

The notes to the financial statements on pages 8 to 31 form part of these financial statements.

MINISTRY OF COMMUNITY AFFAIRS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

	Note	2018 Actual	2018 Original Budget	2018 Revised Budget	Variance	2016/17 Actual
Revenue						
Sale of goods and services	6	13,071,783	13,948,378	13,453,378	(381,595)	27,138,710
Donations and other revenue	6	70,285	30,000	30,000	40,285	233,172
Total Revenue		13,142,068	13,978,378	13,483,378	(341,310)	27,371,882
Expenses						
Personnel costs	7	11,032,182	12,045,675	11,632,414	(600,232)	19,215,668
Supplies and consumables	8	1,564,226	1,762,553	1,688,072	(123,846)	4,302,390
Depreciation	3	265,579	170,150	162,892	102,687	1,467,970
Loss on sale of assets		678	-	-	678	(13,282)
Gain on foreign exchange		(742)	-	-	(742)	(595)
Total Expenses		12,861,923	13,978,378	13,483,378	(621,455)	24,972,151
Surplus for the year		280,145	-	-	280,145	2,399,731

The notes to the financial statements on pages 8 to 31 form part of these financial statements.

MINISTRY OF COMMUNITY AFFAIRS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

	Contributed Capital	Accumulated Surpluses	Revaluation Surplus	Total Net Worth	Original Budget	Final Budget	Variance (Final Budget vs. Actual)
Balance at 1 July 2017	18,513,699	-	570,119	19,083,818	18,895,326	18,895,326	(188,492)
				-			-
Equity investment from Cabinet	467,373	-	-	467,373	5,500,000	468,810	5,032,627
Prior year adjustments	3, 15	-	163,959	-	163,959	-	(163,959)
Transferring in from ministry	131,200	-	-	131,200	-	-	(131,200)
Transferring out departments	(11,775,682)	-	-	(11,775,682)	-	(11,775,682)	11,775,682
Surplus for the period 2016/17	-	2,399,731	-	2,399,731	-	-	(2,399,731)
Surplus payable for the period 2016/17	-	(2,563,690)	-	(2,563,690)	-	-	2,563,690
Balance at 31 December 2017	7,336,590	-	570,119	7,906,709	24,395,326	7,588,454	16,488,617
				-			-
	Contributed Capital	Accumulated Surplus/ (Deficit)	Revaluation Surplus	Total Net Worth	Original Budget	Variance (Final Budget vs. Actual)	
Balance at 1 January 2018	7,336,590	-	570,119	7,906,709	12,330,429	(4,423,720)	
Equity investment from Cabinet	130,605	-	-	130,605	150,000	(19,395)	
Prior year adjustments	3, 15	-	(37,107)	-	(37,107)	(37,107)	
Surplus for the year 2018	-	280,145	-	280,145	-	280,145	
Surplus payable for the year 2018	-	(243,038)	-	(243,038)	-	(243,038)	
Balance at 31 December 2018	7,467,195	-	570,119	8,037,314	12,480,429	(4,443,115)	

The notes to the financial statements on pages 8 to 31 form part of these financial statements.

MINISTRY OF COMMUNITY AFFAIRS
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

	2018 Actual	2018 Original Budget	2018 Revised Budget	Variance	2016/17 Actual
CASH FLOWS FROM OPERATING ACTIVITIES					
Outputs to Cabinet	14,215,446	13,918,378	13,423,378	297,068	29,019,391
Other receipts	50,907	60,000	60,000	(9,093)	162,633
Personnel costs	(10,964,728)	(12,045,675)	(11,632,414)	1,080,947	(19,309,148)
Operating and other expenses	<u>(1,460,683)</u>	<u>(1,757,440)</u>	<u>(1,688,072)</u>	<u>296,757</u>	<u>(4,578,490)</u>
Net cash flows from operating activities	<u>1,840,942</u>	<u>175,263</u>	<u>162,892</u>	<u>1,665,679</u>	<u>5,294,386</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(173,708)	(150,000)	(150,000)	(23,708)	(580,717)
Proceeds from property, plant and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,100</u>
Net cash flows from investing activities	<u>(173,708)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(23,708)</u>	<u>(565,617)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity Investment	135,522	150,000	150,000	(14,478)	467,373
Surplus Repaid	<u>(4,187,635)</u>	<u>-</u>	<u>-</u>	<u>(4,187,635)</u>	<u>(564,729)</u>
Net cash flows from financing activities	<u>(4,052,113)</u>	<u>150,000</u>	<u>150,000</u>	<u>(4,202,113)</u>	<u>(97,356)</u>
Net decrease in cash and cash equivalents	<u>(2,384,879)</u>	<u>175,263</u>	<u>162,892</u>	<u>(2,560,142)</u>	<u>4,631,413</u>
Cash and cash equivalents at beginning of year/period	<u>6,751,519</u>	<u>-</u>	<u>-</u>	<u>6,751,519</u>	<u>2,120,106</u>
Cash and cash equivalents at end of year/period	<u>4,366,640</u>	<u>175,263</u>	<u>162,892</u>	<u>4,191,377</u>	<u>6,751,519</u>

The notes to the financial statements on pages 8 to 31 form part of these financial statements.

**MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)**

Description and principal activity

The Ministry of Community Affairs (“the Ministry”) is a Government owned entity as defined by section 2 of the *Public Management and Finance Law (2018 Revision)* and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Ministry as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ended 31 December 2018.

Significant Accounting Policies

These financial statements are prepared in accordance with International Public Sector Accounting Standards (“IPSAS”) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The statements are rounded to the nearest thousand. Any discrepancies between totals and sums of components are due to rounding. The measurement base applied to these financial statements is the historical cost basis, unless otherwise stated. Buildings are stated at fair value.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2018 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2018 reporting period and have not been early adopted by the Portfolio’s assessments of the impact of these new standards are set out below.

IPSAS 40, Public Sector Combinations was issued in January 2017 and shall be applied for annual financial statements covering periods beginning on or after 1 January 2019, It is not anticipated in the future that the Ministry will be combined with any other public sector entity and therefore it is anticipated this standard will not be applicable to the Ministry in future periods.

**MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)**

(a) Basis of preparation (continued)

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully close to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 established new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully close to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements. Covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Reporting Period

The financial year end of the Ministry was changed from 30 June to 31 December 2018 in order to facilitate more efficient monitoring of revenues and expenditures by Government during a financial year. This change facilitated Government's ability to make a meaningful adjustments to its expenditure plans to mitigate any adverse revenue performance. Accordingly, the current financial statements are prepared for from 1 January 2018 to 31 December 2018 and as a result; the comparative figures are for the 18-month period from 1 July 2016 to 31 December 2017 stated in the Statement of Financial Performance, Statement of Changes in Net Worth, and Cash Flow Statement and related notes are not directly comparable.

(b) Budget amounts

The original budget amounts for the year ended 31 December 2018 financial year are as presented in the 2018 Annual Budget Statement and the amounts are rolled up into the Annual Plan and Estimates document which was presented to the Legislative Assembly. Any changes to the original budget are reflected in the revised budget and should be tabled by Supplementary bill in the Legislative Assembly.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

Significant Accounting Policies (continued)

(c) Judgments and Estimates

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

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

(d) Changes in Accounting Estimates

There were no changes in accounting estimates.

(e) Revenue

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

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

(f) Expenses

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

(g) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease payments under operating lease, net of lease incentives received, are recognised as expenses on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of acquisition.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

(i) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and is classified as other receivables in these financial statements.

(j) Property, plant and equipment

Buildings and structures

Land, building and structures were revalued as at 30 June 2016 by in-house professionals with the exception of specialized buildings which were contracted to independent valuers and are stated at revalued amounts less accumulated depreciation. Property, plant and equipment other than land, building and structures is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

When an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

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

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

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

(j) Property, plant and equipment (continued)

Disposals

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

Impairment

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

Work in Progress

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

(k) Employee benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the fund by the Ministry.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

(k) Employee benefits (continued)

Prior to 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, trade and other receivables and trade payables, surplus payable and other payables, all of which are recognised in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and trade and other receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of trade, employee entitlements and other payables.

Recognition

The Ministry recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the Statement of Financial Performance.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

(m) Contingent Liabilities and Assets (including guarantees)

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

De-recognition

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

(n) Foreign Currency

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(o) Comparative figures

The presentation of the prior year financial statements has been changed to include comparison of actual amounts with the amounts in the budget. Comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

1. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts in the name of the Ministry of Community Affairs maintained at Royal Bank of Canada. As at 31 December 2018 and 31 December 2017, the Ministry's unrestricted cash balances are presented below. There were no restricted cash balances held by the Ministry.

	2018 Actual	2018 Original Budget	Variance	2016/17 Actual
Cash on hand	-	1,528	(1,528)	-
Bank accounts	4,366,640	2,288,727	2,077,913	6,751,519
	<u>4,366,640</u>	<u>2,290,255</u>	<u>2,076,385</u>	<u>6,751,519</u>

Explanation of major variance

The actual year-end cash balances were \$2,076,385 above budget due mainly to higher accounts receivable due on Cabinet revenue collections. This resulted in higher cash flows from operating activities of \$1,665,679 above budget. Personnel costs and supplies and consumables were also under budget relative to budgeted Cabinet revenue.

2. Trade receivables and other receivables

At year end, all overdue receivables were assessed and no provision for doubtful debts has been calculated as majority of the accounts receivable are from Cabinet and are fully expected to be received.

	2018 Actual	2018 Original Budget	Variance	2016/17 Actual
Outputs to Cabinet	2,090,921	2,269,931	(179,010)	3,234,584
Other	19,683	-	19,683	82,414
	<u>2,110,604</u>	<u>2,269,931</u>	<u>(159,327)</u>	<u>3,316,998</u>

Explanation of major variance

The net variance of \$159,327 lower than budget resulted primarily due to the variance in outputs billed each month. The Ministry bills outputs to Cabinet based on the month the outputs were produced, which will create some variability in the monthly cabinet revenue and by extension, the ending accounts receivable balance at year end versus budget.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

3. Property, plant and equipment

Cost	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Revised Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	109	2,396	357	219	553	-	-	3,634	5,917	5,917	(2,283)
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-
WIP Purchases	-	-	-	-	-	-	158	158	150	150	8
Additions	23	54	29	24	-	-	(130)	-	-	-	-
Disposals	-	-	(44)	(92)	(205)	-	-	(341)	-	-	(341)
Balance at 31 December 2018	132	2,450	342	151	348	-	28	3,451	6,067	6,067	(2,616)

Accumulated Depreciation	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Revised Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	92	218	198	180	394	-	-	1,082	3,825	3,825	(2,743)
Prior period adjustments	-	-	-	(1)	(2)	-	-	(3)	-	-	(3)
Depreciation expense	7	152	35	26	45	-	-	265	170	163	95
Eliminate on Disposal	-	-	(44)	(92)	(205)	-	-	(341)	-	-	(341)
Balance at 31 December 2018	99	370	189	113	232	-	-	1,003	3,995	3,988	(2,992)

Net Book Value 31 December 2018	33	2,080	153	38	116	-	28	2,448	2,072	2,079	376
Net Book Value 31 December 2017	17	2,178	159	39	159	-	-	2,552	2,092	2,092	460

MINISTRY OF COMMUNITY AFFAIRS
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3. Property, plant and equipment (continued)

Cost	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Final Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	430	13,637	883	288	778	15	212	16,243	18,759	18,759	(2,516)
Restatements	-	66	13	7	74	-	(160)	-	-	-	-
Revised balance as at 1 July 2016	430	13,703	896	295	852	15	52	16,243	18,759	18,759	(2,516)
Prior period adjustments	38	-	45	(8)	-	-	153	228	-	-	228
Additions	-	195	44	30	-	-	581	850	5,500	468	(4,650)
Transfer from WIP	-	13	-	1	24	-	(308)	(270)	-	-	(270)
Transfer Out	(336)	(11,646)	(614)	(85)	(294)	(15)	(478)	(13,468)	-	(13,310)	(13,468)
Transfers In	-	131	-	-	27	-	-	158	-	-	158
Disposals	(23)	-	(14)	(14)	(56)	-	-	(107)	-	-	(107)
Balance at 31 December 2017	109	2,396	357	219	553	-	-	3,634	24,259	5,917	(20,625)

Accumulated Depreciation	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Final Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	186	2	477	199	507	8	-	1,379	3,912	3,912	(2,533)
Restatements	-	3	1	3	15	-	-	22	-	-	22
Revised balance as at 1 July 2016	186	5	478	202	522	8	-	1,401	3,912	3,912	(2,511)
Prior period adjustments	43	(2)	(60)	2	(2)	-	-	(19)	-	-	(19)
Depreciation expense	54	1,145	87	61	121	1	-	1,469	2,035	1,579	(566)
Transfer Out	(168)	(930)	(295)	(72)	(219)	(9)	-	(1,693)	-	(1,666)	(1,693)
Transfers In	-	-	-	-	27	-	-	27	-	-	27
Disposals	(23)	-	(12)	(13)	(55)	-	-	(103)	-	-	(103)
Balance at 31 December 2017	92	218	198	180	394	-	-	1,082	5,947	3,825	(4,865)
Net Book Value 31 December 2017	17	2,178	159	39	159	-	-	2,552	18,312	2,092	(15,760)
Net Book Value 30 June 2016	244	13,635	406	89	271	7	212	14,864	14,847	14,847	17

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. Property, plant and equipment (continued)

Valuation methods

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

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."
- Specialised Assets: Specialised assets are those for which no market exists for the current use. Specialised assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained under IPSAS 17, *Property Plant and Equipment*, is as follows:- "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Valuation assumptions

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

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

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

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

MINISTRY OF COMMUNITY AFFAIRS
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3. Property, plant and equipment (continued)

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

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

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

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

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

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

MINISTRY OF COMMUNITY AFFAIRS
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4. Trade payables, other payables and surplus payable

	2018 Actual	2018 Original Budget	Variance	2016/17 Actual
Trade payables and accrued expenses	461,038	455,808	5,230	414,427
Surplus payable	243,038	-	243,038	4,187,636
	<u>704,076</u>	<u>455,808</u>	<u>248,268</u>	<u>4,602,063</u>

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

Explanation of major variance

The actual year-end trade payables were \$248,268 above budget due mainly to an operating surplus of \$280,145 not budgeted. A surplus was realised in the 2018 financial year due to savings in personnel costs, supplies and consumables. The surplus amount was booked as surplus payable to the Cayman Islands Government as at 31 December 2018.

Surplus payable

The balance of surplus payable at 31 December 2018 and movement during the year then ended are as follows:

	2018 Actual	2016/17 Actual
Beginning balance	4,187,636	2,188,675
Add: Surplus during the year	280,145	2,399,731
Add: Prior year adjustment	(37,107)	163,959
Total	<u>4,430,674</u>	<u>4,752,365</u>
Less: Repayments during the year	<u>(4,187,636)</u>	<u>(564,729)</u>
Surplus payable year end	<u>243,038</u>	<u>4,187,636</u>

Under the *Public Management and Finance Law (2018 Revision)* section 39(3)(f), the Ministry may “retain such part of its net operating surplus as is determined by the Minister of Finance.” The Minister of Finance has not confirmed whether the Ministry can retain surplus achieved during the year.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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5. Employee entitlements

	2018 Actual	2018 Original Budget	Variance	2016/17 Actual
Annual leave	153,608	92,320	61,288	86,543
Comp Time	30,413	-	30,413	25,050
Total	184,021	92,320	91,701	111,593

Explanation of major variance

Employee annual leave entitlement was \$61,288 higher than budget due mainly to the inherent nature of employee leave time taken, which will vary throughout the fiscal year and between fiscal years as it is difficult to project exactly when employees will take annual leave. Comp Time due to employees is \$30,413 higher than budget due to the inherent nature of how comp time is earned, it is difficult to project the year end liability.

6. Revenue

	2018 Actual	2018 Original Budget	2018 Revised Budget	Variance	2016/17 Actual
Revenue from Cabinet	13,071,783	13,918,378	13,423,378	(846,595)	27,138,710
Revenue from Third Parties	70,285	60,000	60,000	10,285	233,172
Total	13,142,068	13,978,378	13,483,378	(836,310)	27,371,882

Explanation of major variance

Revenue from Cabinet is \$846,595 below budget due to a budgeted program under the Department of Children and Family Service that did not launch as expected by 31 December 2018. Revenue from third parties was \$10,285 higher than budget due to a slight increase in donations received over expectations.

7. Personnel costs

	2018 Actual	2018 Original Budget	2018 Revised Budget	Variance	2016/17 Actual
Salaries, wages and allowances	8,030,572	8,769,841	8,480,319	(739,269)	14,596,847
Health care costs	1,977,361	2,234,152	2,145,001	(256,791)	3,126,378
Pension costs	935,485	1,029,441	995,130	(93,956)	1,562,633
Other Personnel related costs	88,764	12,241	11,964	76,523	(70,190)
	11,032,182	12,045,675	11,632,414	(1,013,493)	19,215,668

Explanation of major variance

Personnel costs were \$1,013,493 below budget due mainly from managed vacancies and some unforeseen delay in recruiting budgeted vacant posts.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

8. Supplies and consumables

	2018	2018	2018		2016/17
	Actual	Original Budget	Revised Budget	Variance	Actual
Utilities	325,606	349,000	329,618	(23,394)	957,841
Lease of Property and Equipment	350,079	487,579	460,837	(137,500)	741,625
Purchase of services	484,810	480,811	470,489	3,999	1,246,697
Supplies and materials	292,139	317,294	302,114	(25,155)	549,329
Repairs and maintenance	18,310	31,800	30,664	(13,490)	379,592
Other Supplies and consumables	14,133	12,450	12,263	1,683	34,064
General Insurance	-	-	-	-	276,837
Travelling and Subsistence	79,149	83,620	82,087	(4,471)	116,405
	1,564,226	1,762,554	1,688,072	(198,328)	4,302,390

Explanation of major variance

Operating expenses were \$198,328 below budget primarily to a budgeted new lease for 2018 for the Department of Children and Family Services being deferred until mid-year 2019.

Explanation of variance between original budget and revised budget

The original budget is higher than the revised budget due the fact that Cabinet approved a supplementary funding under the provisions of section 12 of the Public Management and Finance Law (2018 Revision) (the "PMFL") in the amount of \$495,000 to reallocate funds from the entity's budgeted output group HCA 38 to transfer payments and payments to non-government output suppliers (NGOs) under the Need Assessment Unit in order to cover anticipated expenditure for the remainder of the 2018 fiscal year. The Ministry is required under section 12(3) of the PMFL to include these transactions in the next Supplementary Appropriation Bill introduced in the Legislative Assembly to obtain approval for supplementary funding. The changes to the original budget are reflected in the revised budget and will be tabled by supplementary bill in the Legislative Assembly in May 2019.

9. Finance costs (Bank Overdraft)

The Ministry did not incur any finance costs during the year as it did not utilize any loan or financing facilities.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
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10. Financial Risk Management

The Ministry is exposed to a variety of financial risks including credit risk and liquidity risk. The Ministry's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the *Financial Regulations (2013 Revision)*.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Ministry. Financial assets which potentially expose the Ministry to credit risk comprise cash and cash equivalents and trade receivables.

The Ministry is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers being financially secure and well managed.

The Ministry is also exposed to a significant concentration of credit risk in relation to accounts receivables, most of which are due from Cabinet. No credit limits have been established. As at 31 December 2018, no provision for doubtful debts has been made as none of these assets are anticipated to be impaired and management considers these debts to be recoverable in full.

Notwithstanding the concentration risk in relation to accounts receivables, management does not consider the Ministry to be exposed to significant credit risk as it has a single major counter-party (Cabinet) and has had no past experience of any significant default or loss.

The carrying amount of financial assets recorded in the financial statements represents the Ministry's maximum exposure to credit risk. No collateral is required from debtors.

Liquidity Risk

Liquidity risk is the risk that the Ministry is unable to meet its payment obligations associated with its financial liabilities when they are due. The ability of the Ministry to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to the Ministry in a timely basis.

Management manages liquidity risk through monitoring cash flows from debtors, maximizing day's credit taken from suppliers and if the circumstances required it to obtain funding from Cabinet to temporarily fund any shortfalls. As at 31 December 2018, all of the financial liabilities were due within three months of the year end dates.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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10. Financial Risk Management (continued)

Financial Instruments – Fair Values

As at 31 December 2018, the forecasted carrying value of cash and cash equivalents, trade receivable, accounts payable, employee entitlements and surplus payable approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

11. Contingent liabilities

There was no contingent liabilities reported for the Ministry for the year ended 31 December 2018.

12. Commitments

The Ministry has accommodation leases for the premises it occupies at the Commerce House and Aqua Mall. The annual leases range from 1 year to 5 years. All the amounts disclosed on the above leased sites are future commitments based on the current rental rates.

2018				
Type	One year or less	One to five Years	Over five Years	Total
Capital Commitments				
<i>Asset purchases and upgrade projects in-progress</i>	55,753	-	-	55,753
<i>Non-cancellable accommodation leases</i>	186,843	17,263		204,106
Total Commitments	242,596	17,263	-	259,859

2016/17				
Type	One year or less	One to five Years	Over five Years	Total
Capital Commitments				
<i>Asset purchases and upgrade projects in-progress</i>	70,469	-	-	70,469
<i>Non-cancellable accommodation leases</i>	283,579	120,843	-	404,422
Total Commitments	354,048	120,843	-	474,891

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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12. Commitments (continued)

As at 31 December 2018, the Ministry had several capital works projects ongoing with projected commitments totalling \$55,753 as follows:

Department	2018 Actual	2016/17 Actual
Department of Children and Family Services	55,753	70,469
Total Capital commitments	55,753	70,469

13. Revenue from Non-Exchange Transactions

Description	2018 Actual	2018 Budget	Variance	2016/17 Actual
Public Works	132,050	229,640	(97,590)	224,593
Total Transfer Revenue	132,050	229,640	(97,590)	224,593

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as services in-kind as defined under IPSAS 23 – Revenue from non-exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognised in the cost of the property, plant and equipment. None were recognized in the year ended 31 December 2018.

The Public Works Department performs preventative and corrective maintenance work at the residential care homes located in West Bay, George Town, East End and Cayman Brac on the behalf of the Department of Children and Family Services.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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14. Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly-owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. All transactions were provided free of cost during the financial year ended 31 December 2018 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Description	2018 Actual	2016/17 Actual
Salaries and other benefits	781,993	1,218,959
Number of persons	6	11

Key Management Personnel

Key management personnel are defined to include Ministers of the Government, Chief Officer, Deputy Chief Officer, Chief Policy Officer, Chief Financial Officer, Chief Human Resources Officer and the Heads of each Department. No loans were offered to key management or their relatives during the year. The Minister's salaries and other benefits were paid through the Deputy Governor's Office and excluded from this Ministry's expenses. All other key management personnel were paid for directly by the Ministry.

15. Prior period adjustments – Net worth

Prior year adjustments to Net worth during the year primarily consist of the following items:-

- Prior year depreciation on assets with a date placed in service prior to the start of year ended 31 December 2018.
- Cancellation of an insurance invoice billed from the Risk Management Unit to the Departments of Sports, Youth Services Unit and the Cadet Corps (departments that transferred out 30 June 2017). The receiving Ministry advised in 2019 that they reflected the expense as an adjustment to Net worth in the 2016/17 financial year and thus will not be remitting payment to settle the receivable. Based on this discussion, the invoice was written off to prior period adjustments.

MINISTRY OF COMMUNITY AFFAIRS
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16. Significant events occurring during reporting period

No significant events occurred during the reporting period.

17. Segment reporting

The segments identified in accordance with IPSAS 18 are as follows:

General Nature of Activities

Administration

- Provide policy advice and administrative support to the Hon. Minister
- Ensure adequate emergency response capacity
- Provide advice, governance and monitor the performance of Boards, Government Companies, and Tribunals under the Ministry
- Provide collaboration with key stakeholders on social issues
- Develop legislation of matters concerning the subjects under the Ministry

The Department of Children and Family Services

- The Department of Children and Family Services protects and promotes the rights and welfare of children and families through the use of preventative interventions, education, advocacy and community based programmes that serve to strengthen family bonds and build stronger communities. This is accomplished through the provision of social service to the people of the Cayman Islands including social work services, services to the general adult population, and the elderly and disabled, foster care and adoption services, and the placement of vulnerable children in residential homes.
- Provide social inquiry reports to the Summary and Grand Courts on matters pertaining to care and protection, custody, means assessments and juvenile criminal reports.

The Department of Counselling Services

- Provision of individual, couples, family and group therapy to residents of Grand Cayman requiring assistance with a variety of life challenges.
- Provision of parenting and family programmes.
- Provision of intensive substance abuse treatment including non-medical withdrawal management, primary residential treatment, and re-entry programme to adult males and females.
- Provision of driving under the influence programme.
- Public awareness initiatives.
- Provision of policy advice regarding treatment services and therapeutic interventions.

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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17. Segment reporting (continued)

General Nature of Activities (continued)

Needs Assessment Unit

- The Needs Assessment Unit exists to assess citizens that are unable to financially support their families or themselves due to disability, underemployment, hardship, unemployment or other similar reasons.
- This is accomplished through the provision of financial assistance to the people of the Cayman Islands.

Cayman Islands Cadet Corps

- The Cadet Corps' main activity is to provide discipline and to develop leadership skills through the use of a military structure. The cadets will learn about field craft, map and compass, the Cayman Islands' civics and history. The Cadets will also participate in community service activities and water sports activities. They will learn how to conduct and manage themselves in everyday life.

Youth Services Unit

- Empowerment of our youth through education such that their leadership skills, sense of national pride and civic responsibility are developed and they are able to achieve their full potential and become productive citizens.

Department of Sports

- The Department of Sports' primary function is to provide sporting activities as a mechanism for social integration and development; coordinate and manage recreational facilities; provide guidance to various stakeholders to help maximize the impact their organizations can make in the community.

MINISTRY OF COMMUNITY AFFAIRS
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17. Segment reporting (continued)

	<u>Ministry</u> <u>Administration</u>	<u>Department of</u> <u>Children and</u> <u>Family Services</u>	<u>Needs Assessment</u> <u>Unit</u>	<u>Total</u>
	<u>2018</u>	<u>2018</u>	<u>2018</u>	<u>2018</u>
Revenue				
Sale of goods and services	1,608,593	8,969,255	2,493,935	13,071,783
Donations and other revenue	-	70,285	-	70,285
Donations and other revenue	1,608,593	9,039,540	2,493,935	13,142,068
Expenses				
Personnel costs	1,288,927	7,825,414	1,917,841	11,032,182
Supplies and Consumables	202,098	1,079,382	282,746	1,564,226
Depreciation	15,350	216,405	33,824	265,579
Total Expenses	1,506,375	9,121,201	2,234,411	12,861,987
(Gain)/loss on sale of assets	-	-	678	678
(Gain)/loss on foreign exchange	(742)	-	-	(742)
Surplus/(Deficit) for the year	102,960	(81,661)	258,846	280,145
Current assets	4,569,278	1,736,618	171,348	6,477,244
Property, plant and equipment	64,502	2,158,382	225,283	2,448,167
Total assets	4,633,780	3,895,000	396,631	8,925,411
Current liabilities	484,401	353,186	50,510	888,097
Total liabilities	484,401	353,186	50,510	888,097
Net worth	4,149,379	3,541,814	346,121	8,037,314
Capital expenditure	6,339	137,774	13,609	157,722

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
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17. Segment reporting (continued)

	<u>Ministry Administration</u>	<u>Department of Children and Family Services</u>	<u>Department of Counseling Services</u>	<u>Needs Assessment Unit</u>	<u>Youth Services Unit</u>	<u>Department of Sports</u>	<u>Cadet Corps Unit</u>	<u>Total</u>
	<u>2016/17</u>	<u>2016/17</u>	<u>2016/17</u>	<u>2016/17</u>	<u>2016/17</u>	<u>2016/17</u>	<u>2016/17</u>	<u>2016/17</u>
Revenue								
Sale of goods and services	2,527,016	12,322,657	3,528,208	3,579,627	464,452	4,235,244	481,506	27,138,710
Donations and other revenue	-	139,711	35,507	-	3,998	53,931	25	233,172
Donations and other revenue	2,527,016	12,462,368	3,563,715	3,579,627	468,450	4,289,175	481,531	27,371,882
Expenses								
Personnel costs	2,363,457	10,199,008	2,318,033	2,416,210	332,012	1,401,286	185,662	19,215,668
Supplies and Consumables	311,478	1,731,028	541,457	408,726	30,091	1,177,730	101,880	4,302,390
Depreciation	13,717	332,160	112,438	53,427	5,872	917,851	32,505	1,467,970
Total Expenses	2,688,652	12,262,196	2,971,928	2,878,363	367,975	3,496,867	320,047	24,986,028
(Gain)/loss on sale of assets	-	(1,209)	(3,100)	-	-	(5,874)	(3,099)	(13,282)
(Gain)/loss on foreign exchange	(590)	(5)	-	-	-	-	-	(595)
Surplus/(Deficit) for the period	(161,046)	201,386	594,887	701,264	100,475	798,182	164,583	2,399,731
Current assets	7,375,892	2,223,415	(1,465)	468,972	-	703	1,000	10,068,517
Property, plant and equipment	59,266	2,234,770	-	257,812	-	-	-	2,551,848
Total assets	7,435,158	4,458,185	(1,465)	726,784	-	703	1,000	12,620,365
Current liabilities	4,438,411	204,396	23,551	43,026	(1,418)	1,095	4,595	4,713,656
Total liabilities	4,438,411	204,396	23,551	43,026	(1,418)	1,095	4,595	4,713,656
Net worth	2,996,747	4,253,789	(25,016)	683,758	1,418	(392)	(3,595)	7,906,709
Capital expenditure	8,403	42,872	10,232	66,971	-	277,792	80,371	486,641

MINISTRY OF COMMUNITY AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

18. Subsequent events

As of the date of the audit report, there are no subsequent events to note.