

Ministry of District Administration, Tourism and Transport



MINISTRY OF
DISTRICT ADMINISTRATION,
TOURISM & TRANSPORT
CAYMAN ISLANDS GOVERNMENT

Annual Report for the Year Ended December 31, 2019

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CAYMAN ISLANDS

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Hon. Moses Kirkconnell, JP

Deputy Premier

Deputy Premier's Annual Report Message

As Minister for District Administration, Tourism and Transport I am pleased to report on the developments and progress of the portfolios under my stewardship for the fiscal year 1 January 2019 to 31 December 2019.

Tourism accounts for 25-30% of our Islands GDP and employs a significant percentage of the workforce. With external forces continuing to threaten the financial services sector, added pressure is placed on tourism performance to fuel the economy. I am pleased to report that the tourism sector is admirably rising to the challenge.

For the calendar year 2019, the Cayman island tourism sector registered 10.3% growth, placing our islands in the top 3 among the best performing Caribbean nations.

Air arrivals reached an historic 502,739 which represents an 8.6 per cent increase over the same period in 2018—or 39,738 additional persons. This is the first time that over half a million stayover tourists arrived on our shores in a single year, and represents the tenth consecutive year of annual growth in stayover visitation. To put this further into context, stayover arrivals have grown from 400K to 500K in just 2 years.

While air arrivals soared, cruise passenger arrivals dropped by 4.69%, ending the year with 1,831,011 passengers visiting our shores.

Tourism's contribution to the economy has increased over successive years in keeping with increased visitation. For 2019 the combined visitor spend from stayover and cruise amounted to US\$924.2M. This represents an increase of 5.50% growth or US\$48.5 million when compared to the same period in 2018.

Room stock at the close of the year amounted to approximately 7,000 guest rooms licensed and available to visitors. The home-share market across all three islands through online portals such as Airbnb and Vacation-by-Owner continues to show rapid growth and is providing enterprising Caymanians with an opportunity to participate in, and directly benefit from, our tourism industry.

Through partnership with Cayman Airways we continue to successfully expand our Islands reach into a growing list of international gateways. Strategic tourism routes like Denver which was launched in March 2019 generally performed well, while New York, which is a key source of tourism for the Cayman Islands, achieved 25% growth.

The National Tourism Plan commissioned by my Ministry has been delivered and provides guidance for sustainably managing and growing the tourism sector. The plan covers the five year period between 2019 -2023 and will assist public and private sector stakeholders with developing our tourism product, to retain economic viability, while conserving our natural resources and cultural heritage.

Deputy Premier's Annual Report Message (cont.)

Sister Islands

On 28 March 2019 the 25M swimming pool at the Cayman Brac Sports Complex was officially opened by HRH Prince Charles. The pool complies with International Swimming Federation specifications and will facilitate the hosting of international swim meets and tournaments.

The Ministry is also overseeing the construction of several new government offices in Cayman Brac. The new buildings will provide office space for government workers, as well as the Public Service Pensions Board and staff from Customs and Border Control and WORC. The Departments of Planning, Lands and Survey and a new vehicle inspection center will be accommodated separately.

Referendum

In July 2019 the Cayman Islands government was presented with a petition objecting to the proposed cruise berthing facility, and which triggered a peoples-initiated referendum. Government passed a Law to facilitate holding the referendum and the date was set for 19 December, 2019. These were subsequently challenged by the petitioners, who were granted leave by the Courts to apply for judicial review. The Court further ordered that the referendum be delayed pending the outcome of the judicial review.

*In April 2020 the Cayman Islands government confirmed that the proposed cruise berthing facility is no longer on this government's agenda.

2019 was an historic year for the tourism industry in many respects and as the Minister with oversight for this important pillar of our economy, I am proud of the many notable accomplishments and accolades that were attained. High performance has been maintained in the face of challenges and benchmarks that increase year over year have been exceeded.

I would like to thank my staff at the Ministry led by Chief Officer Bodden, the staff of the Department of Tourism, led by Director of Tourism Rosa Harris, as well as our private sector partners, attractions and businesses; and all who work within the tourism and hospitality industry for the role that they have played in the achievement of the tourism industry's outstanding results throughout 2019.

Stran Bodden, JP

Chief Officer

Chief Officer's Annual Report Message

The 2019 Financial Year proved to be a year significant achievement for the Ministry of District Administration, Tourism and Transport. As Chief Officer, I am pleased to present this Annual Report for the year ending 31 December 2019.

The Cayman Islands tourism industry has exceeded expectations and the people of these Islands have every reason to be proud of its performance. We all touch the tourism industry in some way and when the industry does well, we should all feel justifiably proud.

All of the key business indicators underscore that our tourism industry is making a greater contribution to our economy than ever before. Revenue generated from tourism is reinvested in our country to help with the provision of quality infrastructure, such as airport, roads, taxis and public transport, which in turn supports further tourism activity.

Today's traveler is shrewder and the competitive marketplace is fiercer, making it imperative that we exceed expectations and ensure visitors have meaningful and memorable experiences from all that they do. In keeping with this thinking the Ministry continues to work hard to ensure the visitor experience in general - from arrival to departure - is a positive one.

With the first phases of the redevelopment of the Owen Roberts International successfully completed, work is continuing to improve other aspects of this facility. A \$30M contract was signed in October 2019 for airside redevelopment works which are important next steps in the master plan for the airport's ongoing expansion.

The fact that we operate in an increasingly competitive market necessitates constant strengthening and refreshing of our advertising & promotions. A new advertising campaign entitled 'Dream in Cayman' was launched in March 2019 and has received wide international acclaim. Going forward our communications and marketing strategies will continue to be bold and innovative to drive demand for inbound travel to our Islands.

Against this backdrop of strong tourism performance, the Ministry has been working hard to increase opportunities for Caymanians in all three Cayman Islands to participate in, and benefit from, the industry's development.

Chief Officer's Annual Report Message (cont.)

We continue to invest in education, training and human capital development to ensure that Caymanians have opportunities to become qualified. We also work hard to encourage Caymanians of all ages to seek employment in the tourism and hospitality sectors and actively support the training programmes offered at the hospitality school and Johnson and Wales University, as these are helping to bridge the gap between skilled supply and demand. The ultimate objective over time is to enable more Caymanians to enter the industry in a variety of roles, from frontline to management.

The Ministry also continues to support the development of niche markets as a means of spreading arrivals more evenly throughout the year. Effective planning has led to an increase in conferences, destination weddings, medical and sports tourism activities in the shoulder season, which provide an incremental boost to tourism arrivals and revenue. The CARIFTA Games hosted in April 2019, accounted for 2.78 % of the tourism visitation registered for that month and generated approximately US\$1,941,000 in revenue.

In addition to the incremental economic boost, such events have the potential to reach millions of viewers via international and social media coverage, providing additional benefits for our islands. We continue to work closely with the Minister and Councillor for Sports to leverage other similar opportunities.

The Ministry, its Statutory Authorities, Companies and Departments continue to work hard to ensure that the mandate of the Cayman Islands Government is achieved in the most productive and cost effective way possible. I gratefully acknowledge and commend the respective senior management teams for their mutual cooperation and support and extend my sincere appreciation to all the staff within the Ministry for their dedication and professionalism throughout the year.

Overview

What we do

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

Strategic Management

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

Statistics

\$36 Million Spent

5 Departments

287 Employees

253 Caymanians

Authorities, Boards and Committees

Port Authority

Airports Authority

Cayman Turtle Centre Ltd.

Cayman Airways Board

Hotel Licensing Board

Miss Cayman Committee

Public Transport Board

Land & Sea Co-op

Tourism Advisory Council

Tourism Attractions Board

Cayman Islands Tourism Association

Sister Islands Tourism Association

Tourism Apprenticeship

Training Programme Council

National Tourism Management Policy

Steering Committee

Sister Islands Affordable Housing Development Corporation

Overview (cont.)

Human Resources Mission & Vision

The Ministry of DAT&T's Human Resources Division supports the Chief Officer and Heads of Departments through the development and administration of quality human resources systems, programs and services designed to enhance the work environment and increase organizational effectiveness. The vision is to provide strategic and operational human resources functions that are creative, customer-focused, quality-driven, and highly effective towards the pursuit of an exceptional and diverse workforce.

Recruitment

Human resources recruitment initiatives undertaken during the year centered on identifying well-qualified and experienced candidates to fill vacant positions. The Ministry is particularly pleased to confirm that through diligent and effective succession planning, many of these roles were filled internally, and 95% of our staff based in the Cayman Islands are Caymanian. In cases where there were no available internal candidates to fill vacant positions, effective recruitment exercises were performed which resulted in the successful hiring of qualified external Caymanian applicants.

Learning and Development

Several staff members have embraced opportunities to further their education and professional development by pursuing degrees at the Associates, Bachelors and Masters levels, while others are completing accounting or other certifications relevant to their respective roles within the organization. Senior Management continues to participate in the Continuous Professional Development seminars for Senior Leaders, facilitated by the Portfolio of the Civil Service, as part of Strategic Goal #2 (Leadership) of the CIG's 5-Year Strategic Plan to become a Work-Class Civil Service.

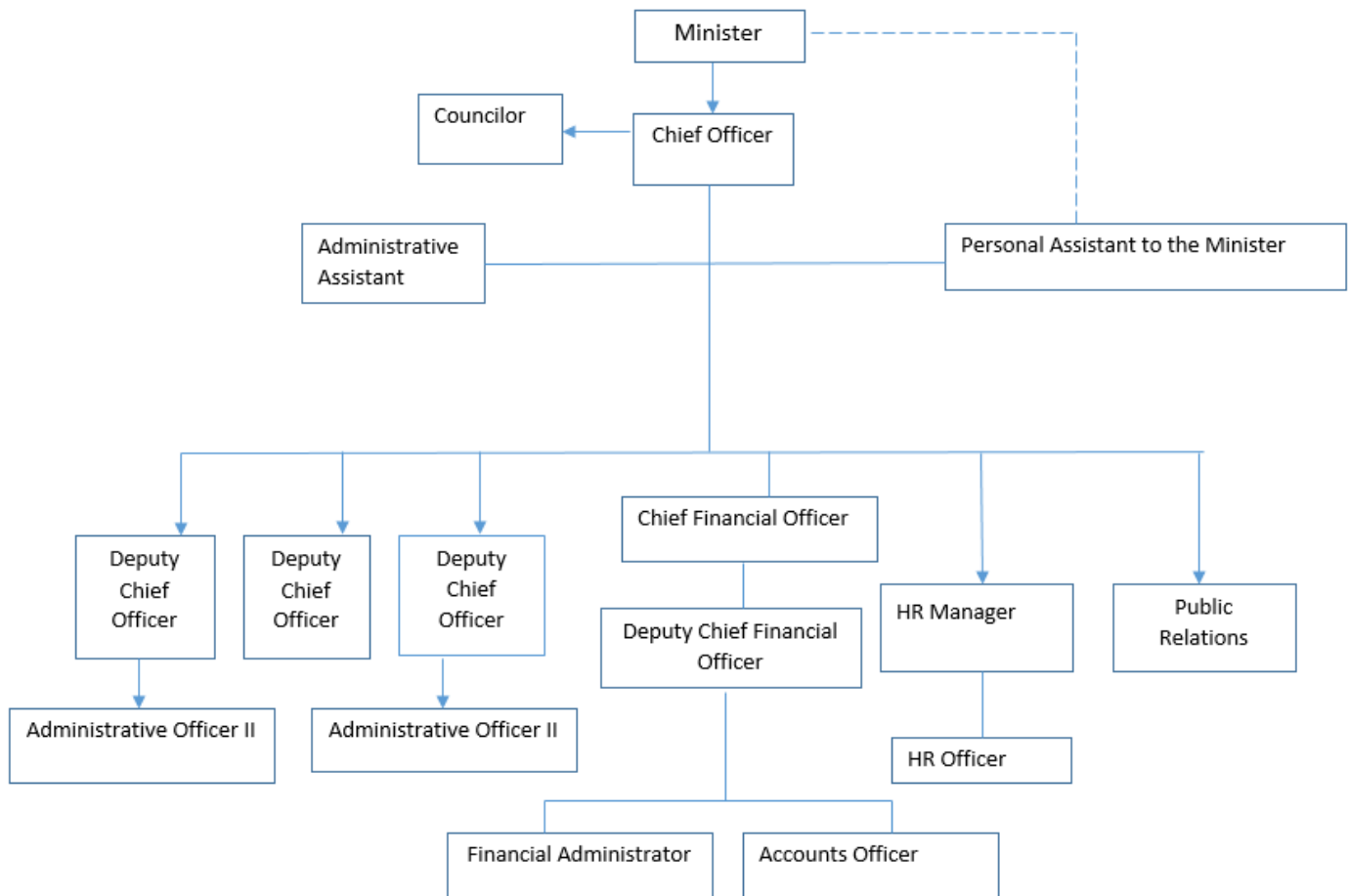
Performance Management

For the 2019 financial year, the Ministry ensured that all employees had Performance Agreements in place, as part of its performance management strategy to increase accountability and drive performance across all sectors.

Cost Center	Caymanians	PR or Married to Caymanian	Non-Caymanians	Total Staff Complement	Percentage Caymanian
District Administration	163	4	2	169	96%
Core Ministry Administration	14	1	0	15	93%
Public Transport Unit	11	0	0	11	100%
National Weather Service	15	1	0	16	94%
Department of Tourism	50	0	3	53	94%
Total	253	6	5	264	96%

Organisational Chart

Ministry of District Administration, Tourism and Transport
Core Ministry Org Chart



Department of Tourism



About us

The Cayman Islands Department of Tourism (CIDOT) is a public sector agency charged with short and medium term responsibility for strategic planning and general destination management for the Cayman Islands tourism industry. The Department practices corporate business management acumen in the public sector environment and involves a close working relationship with a wide range of stakeholders. To be successful, the Department must maintain a global perspective and a parallel local sensitivity in order to meet its broadest objectives as identified in the National Tourism Plan to be implemented from 2019 onwards.

Scope of Activities

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

Our People

- Thirty-one (31) employees received Gallup Strengths Based Development training as part of leadership training and becoming a World Class Civil Service.
- Six (6) staff members advanced in continuing education and received their certificates for the ILM Level 3 award in Leadership and Management - a leadership programme delivered by City & Guilds of London through the Civil Service College.
- One (1) staff member successfully completed the Florida International University and UCCI Executive Certificate in Global Leadership course
- Director of Tourism received a Jerry Award from the Caribbean Tourism Organization (CTO) in June 2019. This award recognises an individual who has demonstrated a passion for the development of the region and has dedicated time, energy, financial, personal and professional resources to its development.
- Several DOT team members were also able to keep abreast of international tourism trends and advancements by attending tourism-related conferences, seminars and webinars organized by the Global Sustainable Tourism Council, CTO and University of the West Indies.
- One (1) staff member received the Deputy Governors Award and a Chief Officers Choice Award while another also received the latter.
- The Department of Tourism Grand Cayman Head Office is comprised of 94% Caymanians.

Department of Tourism (cont.)

Achievements:

Stayover Arrivals Highlights

- Over half million (502,739) stayover visitors for the first time in recorded history.
- The best year in recorded history for stayover visitation.
- Tenth consecutive year of annual growth in stayover visitation.
- Annual growth of over 5% for three consecutive years which is a first in recorded history.
- Destination received record arrivals from 35 countries, including USA, Canada and Republic of Ireland.
- Over 40,000 visitors for eight months.
- Over 50,000 stayover visitors travelled to the destination in three months; March, July and December.
- Record arrivals in 11 of the 12 months of 2019 (except September).
- The destination welcomed over 39,000 more visitors than 2018.
- In 2019, 117,361 more visitors were welcomed to the destination when compared to 2015 (i.e. 30.5% increase).
- Current room stock reached 7,098 rooms with 3,283 condos, 1,096 villas and 2,719 hotel rooms.

Destination Marketing and Promotion

- “Dream in Cayman” marketing campaign was launched in the USA including the South Florida Hispanic market
- Local awareness campaign was launched for “Dream in Cayman”.
- Launch of trade partnerships in Mexico.
- Announcement of the 20th anniversary of the International Scuba Diving Hall of Fame.
- Introduction of Cayman Calling - a cruise conversion programme to convert cruise visitors into stay over visitors by providing various incentives to return to the Cayman Islands.
- Successful participation in Florida Caribbean Cruise Association Trade Show and Conference in Puerto Rico.

Destination Accolades

- Cayman Islands #1 - Best Caribbean Islands to visit in 2019: Caribbean Journal.
- Cayman Islands #2 - Best Islands in the World: Conde Nast Traveler Readers’ Choice Awards 2019.
- Cayman Islands #6 - Best Places to visit in the Caribbean: Best Vacations US News and World Report Rankings.
- Seven Mile Beach #4 – Best Beach in the Caribbean: TripAdvisor Travelers’ Choice 2019.
- Seven Mile Beach #11 - The 24 Best Island Beaches in the World: Conde Nast Traveler.



Department of Tourism (cont.)

DOT Tourism Revenue

- DOT continues to collect significant revenue from the tourist accommodation sector. Approximately KYD 39,669,663 was collected in 2019, comprising KYD 38,622,550 for tourist accommodation charges, KYD 737,844 for timeshare ownership charges and KYD 309,269 for hotel licenses.

Tourism Education and Training

- Staged Aquila Font Line and Customer Service Workshop – (3) workshops with (637) participants trained.
- Promises Customer Service Excellence Workshops – (37) workshops with (526) participants trained.
- Know Your Cayman Islands Workshops – (35) workshops, (428) participants trained.
- CIDOT Homeshare Summit 2019 to promote the Airbnb market in Cayman Islands - approximately (50) registered.
- FoundEd (Tourism Business Acumen) Seminars – (2) workshops with (14) participants trained.
- (15) Local school visits to promote tourism awareness.
- (10) Career fairs were conducted.
- (9) Scholarships were awarded with majors ranging from Strategic Communication, Commercial Pilot, Tourism/ Hospitality Management. Scholarship amounts ranged from USD \$18,000 to \$25,000.



Department of Tourism (cont.)

Looking Forward

As the Cayman Islands Department of Tourism looks to future expansion of the Cayman Islands Tourism Product and responsible destination management, the following strategic and high priority initiatives are targeted for implementation in the 2020 fiscal year.

- Stay abreast of global travel treats to mitigate any Cayman Islands tourism industry impact, propose new business development trends under the disciplines of marketing and tourism management in order to provide strategic technical information to the Ministry of DATT.
- Continue implementation of 5-year National Tourism Plan 2019 – 2023 with focus on infrastructure and service enhancement, visitor experience and management and tourism talent development.
- Refine and/or begin implementation of key strategic projects focusing on aviation, economic measurement of tourism, public transportation, cruise tourism and small business incentives.
- Approval and implementation of modernized Tourism Law (1995 Revision) and Tourism Regulations (2002 Revision) and transitioning of the Hotels Licensing Board to a Tourism Licensing Board with an expanded mandate.
- Opening of the new International Scuba Diving Hall of Fame museum.
- Aviation development for Latin America market.
- Advance Aviation as a critical success factor, sustain visitation and diversify source markets by focusing on United Kingdom/Europe and Canada.
- Expand Global Destination Brand Awareness through delivery of increased visitation from the Cayman Islands' primary market (USA), secondary markets (Canada & United Kingdom/Europe) and new growth markets e.g. Latin America and China (in the long term).
- Further business development opportunities for stakeholders e.g. home sharing, new experiences.
- Launch of online revenue and inspections platform to better serve the accommodations sector.
- Destination Mystery Shopping assessment.
- Support the advancement of cruise and stayover tourism and the modernization of entry points.
- Build internal and external human resource capacity to enhance sustainable destination management and operation through the School of Hospitality Studies programme, support for tourism education and career development, DOT industry workshops, seminars and training tools as well as staff training and development.
- Continue to explore a Digital Tourism Tax Remittance solution to enhance revenue collection efficiency.
- Expand Global Destination Brand Awareness through sales, advertising, aviation relations and create marketing strategies and partnerships with the Cayman Island's primary market (USA), secondary markets (Canada & United Kingdom/Europe) and new growth markets e.g. Latin America and China.
- Continue to conduct research on Tourism Satellite Account development for economic measurement of tourism and reporting purposes.



District Administration



About us

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

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

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

Scope of Activities:

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

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

District Administration (cont.)

Customers and Location of Activities

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

Achievements - Cayman Brac & Little Cayman

- 25 houses repaired for Senior Citizens
- Roads repaired in West End and Spot Bay areas as Water Authority installed water pipelines
- Secondary public roads paved with asphalt in West End and Spot Bay area
- 25M Swimming Pool – completed and opened by His Royal Highness Prince Charles, Prince of Wales
- Sports Complex Multi-Purpose Hall Interior Fit-Out – Completed
- Salt Water Pond – Water level and pumps maintained/monitored
- Procured for major fleet replacement of PWD aged Heavy Equipment & Vehicles
- Procured for four (4) New Buildings by District Administration for much needed Office Space – Vehicle Licensing, Planning/Lands & Survey, Customs and Immigration and two new changing rooms plus a Public Restroom at the 25M Pool (currently under construction)
- Continuation of Brac & LCM Roadside Clean-Up Program in phases – January thru December
- Hired Architects for design and engineer - District Administration main building renovations with new elevator.

Forward looking – Cayman Brac & Little Cayman

- Repair approx. 30 additional houses for Senior Citizens
- Continue Paving with Asphalt, secondary roads, as well as repairs to main roads due to Water Authority pipeline installation
- Complete two new changing rooms plus a Public Restroom facility for the 25M Pool.
- Construct the parking Lots for the 25M Swimming Pool & Multi-Purpose Hall
- Start construction of renovations on the District Administration Building
- Continue Roadside Clean-Up Program
- Continue the maintenance/monitoring of Salt Water Pond water levels/pump
- Complete four (4) new Office space buildings by District Administration Building
- Continue road repairs in Little Cayman
- Construct two Public Docks on the western end of Little Cayman

National Weather Service



About us

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

Scope of Activities

CINWS provides the following services:

- Meteorological observing, monitoring and related services (manual observations, weather website, weather app and radar images),
- Range of weather information, forecast and warning services, (Aviation lightning Alerting and weather radio)
- Maintenance of systems for the collection and quality control of observational data, (Including Cayman Brac)
- Maintenance of the national climate archive. (For both Grand Cayman and Cayman Brac)

Governance

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

Our People

The Service operates with a staff of 15 officers, 14 of which are Caymanian. The staff operates on a shift system that covers 17 hours for the day. All staff is qualified through the regional training center in Barbados.

National Weather Service (cont.)

Achievements

- Advanced training for Goes-R weather satellite system.
- Support for special events such as KAABOO, Taste of Cayman and Royal Visit.
- Provision of a number of special presentations notably on Climate Change and Health at a local workshop and a presentation on the value of the weather service to farmers and the Agriculture Society and upcoming projects to support agriculture.
- Ongoing plans for new Cayman Islands National Weather Service Operational and Research Center including approval from the Planning Board.
- Involvement in the Energy Council and the Sargassum Seaweed Task Force.
- New aviation audit.
- Marine audit.
- Continued investment in succession planning by sending staff to international conferences and appropriate training.
- Continued implementation phases of the CINWS Strategic Plan 2018 – 2022
- Released 8 Public Education Articles to the media
- Production of products for weather forecasts for CIG TV since early September after the closure of CITN

Forward looking

- Weather Forecaster compliment increased with the addition of our first female weather forecaster – Kerrie Forbes
- Conclusion of planning, final building design and approval matters, and ground breaking of new Cayman Islands National Weather Service Operational and Research Center in September 2020.
- Continued work on salary structure of the organization through extensive work on upgrading job descriptions for each position.
- Training for Weather Observers in Cayman Brac – Involves one National Weather Service staff member and two Cayman Islands Airports Authority staff members.
- Purchase and installation of Mercury Thermometers replacement systems at Owen Roberts and Charles Kirkconnell International Airports.
- Purchase and installation of new Automatic Weather Station at Owen Roberts International Airport.
- Continued implementation phases of the CINWS Strategic Plan 2018 – 2022
- Purchase and implementation of wave modeling project: Delivery of specialized products to specific sectors
- Continued development of the CINWS Weather APP and look into the installation of a Weather Radio for the Sister Islands

Public Transport Unit

About us

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

The Transport Unit together with its stakeholders provide public transportation for residents, and tourist alike. The provision of best services includes customer service, hailing options, and routes circulation in a timely manner and care for older and handicaps passengers with various types of modern vehicles.

Scope of Activities

- Assist with the training of all public passenger operators and drivers.
- Conduct general knowledge test and reviews
- Conduct Inspections for customer assurance both on public passenger vehicles and drivers to ensure operators and drivers are compliant with the Laws, Regulations, PTB policies and guidelines.
- Prepare reports as requested for the PTB to assist in their decision making process.
- Prepare agendas, and minutes of the PTB meetings.
- Prepare and issue letters to applicants
- Prepare reports for the PTB at the Public Transport Appeals Tribunal meetings
- Investigate complaints.
- Queue and dispatch omnibuses from the Bus Depot.
- Co-ordinate with tourism stakeholders to enhance their businesses and our guest experience.
- Provide information and answers queries about all forms of transportation.
- Monitor all operators and drivers to ensure the travelling public receive quality of service.



Customers/Location of Activities/ Total Number of Person Employed as 31 Dec 2019

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

In 2019, 289,787 passengers took the public bus from the Bus Depot. This is a very small increase of approximately 211 passengers over 2019. Dispatching also increased to 90,197 compared to 72,642 per annum in 2018. This is an increase of 17,555 per annum or 19.46%.

Currently there are 854 persons employed in the transportation sector as of the 31st December 2019. This is an increase from 776 in 2018. Currently there are 670 Caymanians, an increase from 577 in 2018 or an increase from 78.5% up from 74.22% being Caymanian. This represents an increase from 778 in 2017 with 600 or 77.12% being Caymanians.

Caymanians participation in transportation has made a turn around due to the opportunity to become an operator. (In 2019, 87 new taxi operators were approved to operate from 4pm to 6am)

In 2019 the new CI:GO taxi fare app was launched to ensure accuracy of taxi fares for all passengers using taxi service in the Caymanian Islands. The app is free and is available for both android and apple products.



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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**

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Grand Cayman,
Cayman Islands
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MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of District Administration, Tourism and Transport in accordance with the provisions of the Public Management and Finance Law (2018 Revision) and International Public Sector Accounting Standards.

We are responsible for establishing; and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Ministry of District Administration, Tourism and Transport.

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

The financial statements fairly present the statement of financial position, statement of financial performance, statement of cash flows and statement of changes in net worth for the year ended 31 December 2019.

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

- (a) completely and reliably reflect the financial transactions of the Ministry of District Administration, Tourism and Transport for the year ended 31 December 2019;
- (b) fairly reflect the financial position as at 31 December 2019 and performance for the year ended 31 December 2019;
- (c) comply with the provisions of the Public Management and Finance law (2018 Revision) and International Public Sector Accounting Standards.

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

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

Stran Bodden
Chief Officer
Date: 30th April 2020

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

Neyka Webster
Chief Financial Officer
Date: 30th April 2020

AUDITOR GENERAL'S REPORT

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

Opinion

I have audited the financial statements of the Ministry of District Administration, Tourism and Transport (the "Ministry"), which comprise the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 26.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2019 and its financial performance and its cash flows for the year ended 31 December 2019 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 Ethics 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 and fair presentation 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

AUDITOR GENERAL'S REPORT (continued)

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

I have undertaken the audit in accordance with the provisions of section 60(1)(a) 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, CPFA
Auditor General

30 April 2020
Cayman Islands

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 December 2018 Restated \$'000		Note	31 December 2019 \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Current Assets					
13,269	Cash and cash equivalents	3	13,866	11,381	10,481	(2,485)
3,385	Trade receivables	4	4,815	2,657	2,657	(2,158)
99	Other receivables	4	188	13	13	(175)
321	Inventories	5	318	502	502	184
1,119	Prepayments	6	846	6	6	(840)
18,193	Total Current Assets		20,033	14,559	13,659	(5,474)
10,315	Property, plant and equipment	7	11,264	10,396	11,296	(868)
44	Intangible assets	7b	60	8	8	(52)
10,359	Total Non-Current Assets		11,324	10,404	11,304	(920)
28,552	Total Assets		31,357	24,963	24,963	(6,394)
	Current Liabilities					
324	Trade payables	8	189	221	221	32
1,578	Other payables and accruals	8	2,491	285	285	(2,206)
405	Employee entitlements	9	383	394	394	11
14,326	Repayment of surplus	22	15,218	-	-	(15,218)
16,633	Total Current Liabilities		18,281	900	900	(17,381)
16,633	Total Liabilities		18,281	900	900	(17,381)
11,919	Net Assets		13,076	24,063	24,063	10,985
	NET WORTH					
4,483	Contributed capital	23	5,641	24,317	24,317	18,676
7,436	Revaluation reserve		7,436	7,500	7,500	64
-	Accumulated surpluses		-	(7,752)	(7,752)	(7,752)
11,919	Total Net Worth		13,077	24,065	24,065	10,988

The accounting policies and notes on pages 9-26 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2019
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 December 2018 Restated \$'000		Note	31 December 2019 \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs actual) \$'000
	Revenue					
35,060	Sale of goods and services	10	36,580	34,771	36,551	(1,809)
35,060	Total Revenue		36,580	34,771	36,551	(1,809)
	Expenses					
15,816	Personnel costs	11	16,754	16,964	17,140	210
16,804	Supplies and consumables	12	18,022	16,856	18,399	(1,166)
764	Depreciation	7	811	766	811	(45)
11	Amortisation of Intangible Assets	7b	11	2	2	(9)
105	Legal costs	13	184	172	190	(12)
23	Losses on impairment of property, plant and equipment	14	10	-	-	(10)
(66)	Other gains	14	(123)	-	-	123
20	Losses on foreign exchange transactions	14	19	10	10	(9)
33,477	Total Expenses		35,688	34,770	36,552	(918)
1,583	Surplus for the year		892	1	(1)	(891)

The accounting policies and notes on pages 9-26 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 DECEMBER 2019
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

	Contributed Capital	Revaluation Reserve	Accumulated (deficits)/surplus (Restated)	Total Net worth (Restated)	Original Budget	Final Budget	Variance (Orig. vs. Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 31 December 2017	3,689	7,436	-	11,125	23,143	22,564	12,018
Changes in net worth for 2018:							
Equity Investment from/to Other Government Entity	-	-	-	-	-	-	-
Equity Investment from Cabinet	794	-	-	794	546	1,125	(248)
Net revenue / expenses recognised directly in net worth	794	-	-	794	546	1,125	(248)
Surplus for the period 2018	-	-	1,583	1,583	-	-	(1,583)
Repayment of surplus	-	-	(1,583)	(1,583)	-	-	1,583
Total recognized revenues and expenses for the period	794	-	-	794	546	1,125	(248)
Balance as at 31 December 2018	4,483	7,436	-	11,919	23,689	23,689	11,770
Changes in net worth for 2018:							
Prior Year Adjustments	27	-	-	27	-	-	(27)
Adjusted Balance as at 31 December 2018	4,510	7,436	-	11,946	23,689	23,689	11,743
Changes in net worth for 2019:							
Equity Investment from/to Other Government Entity	-	-	-	-	-	-	-
Equity Investment from Cabinet	1,131	-	-	1,131	375	1,275	(755)
Net revenue / expenses recognised directly in net worth	1,131	-	-	1,131	375	1,275	(755)
Surplus for the period 2019	-	-	892	892	-	-	(892)
Repayment of surplus	-	-	(892)	(892)	-	-	892
Total recognized revenues and expenses for the period	1,131	-	-	1,131	375	1,275	(755)
Balance as at 31 December 2019	5,641	7,436	-	13,077	24,064	24,964	10,988

The accounting policies and notes on pages 9-26 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2019
(EXPRESSED IN CAYMAN ISLANDS DOLLAR)

31 December 2018			31 December 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS USED IN OPERATING ACTIVITIES					
	<i>Receipts</i>					
41,360	Outputs to Cabinet		34,438	34,247	34,247	(191)
657	Sale of goods and services - third party		863	545	545	(318)
1,083	Other receipts		801	-	-	(801)
	<i>Payments</i>					
(10,263)	Personnel costs		(16,699)	(16,964)	(16,964)	(265)
(21,981)	Supplies and consumables		(18,348)	(17,038)	(17,939)	1,310
(1,066)	Other payments		(650)	-	-	650
<u>9,790</u>	Net cash flows used in operating activities		<u>405</u>	<u>789</u>	<u>(112)</u>	<u>385</u>
	CASH FLOWS USED IN INVESTING ACTIVITIES					
(1,028)	Purchase of property, plant and equipment	7	(1,067)	(375)	(1,275)	692
-	Proceeds from sale of property, plant and equipment	7	9	-	-	(9)
(686)	Advance payments for property, plant and equipment	7	-	-	-	-
<u>(1,714)</u>	Net cash flows used in investing activities		<u>(1,058)</u>	<u>(375)</u>	<u>(1,275)</u>	<u>684</u>
	CASH FLOWS USED IN FINANCING ACTIVITIES					
47	Equity Investment		1,250	375	1,275	(875)
(1,693)	Repayment of Surplus	22	-	-	-	-
<u>(1,646)</u>	Net cash flows used in financing activities		<u>1,250</u>	<u>375</u>	<u>1,275</u>	<u>(875)</u>
6,430	Net (decrease)/increase in cash and cash equivalents		597	789	(111)	192
<u>6,839</u>	Cash and cash equivalents at beginning of period		<u>13,269</u>	<u>10,592</u>	<u>10,592</u>	<u>(2,677)</u>
<u>13,269</u>	Cash and cash equivalents at end of period	3	<u>13,866</u>	<u>11,381</u>	<u>10,481</u>	<u>(2,485)</u>

The accounting policies and notes on pages 9-26 form an integral part of these financial statements.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1: Description and Principal Activities

The Ministry of District Administration, Tourism and Transport ("the Ministry") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2018 Revision) and it is domiciled in the Cayman Islands.

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

Note 2.1: Statement of Compliance and basis of preparation

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

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flows statement is prepared using the direct method.

Certain new accounting standards have been published that are not mandatory for the 31 December 2019 reporting period and have not been early adopted by the Ministry. The Ministry's assessments of the impact of these new standards are set out below:

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. Based on our assessment it is anticipated that these standards will not be applicable to the Ministry in future periods, however, we will reassess IPSAS 41, Financial Instruments more fully closer 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.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2.2: Significant Accounting Policies

(a) Changes in accounting policies

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

The Ministry has presented prior year comparative information in the financial statements in accordance with IPSAS 1, Presentation of Financial Statements.

(b) Budget amounts

The original budget amounts for the financial year are presented in the "2018-19 Annual Budget Statements" and were approved by the Legislative Assembly in December 2017. For 2019, there were some additional increases that were not in the original budget numbers. These are noted as followed:

Department	Description	Amount
All Depts	Increase in CINICO Premiums	259,621
Department of Tourism	Supplementary Increase to DAT8	1,000,000
Ministry Admin	Supplementary Increase to DAT1	400,000
Ministry Admin	Transfer from Exec to DAT1	60,000
Ministry Admin	Transfer from Cabinet Office to DAT1	60,000
	Total Increase to 2019 Budget	1,779,621

(c) Judgments and estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period affected by those revisions and future years, where applicable.

(d) Changes in accounting estimates

As at 31 December 2019 there were no material changes to accounting estimates as defined by IPSAS 3.

(e) Revenue

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

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

(f) Expenses

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

(g) Operating leases

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

(h) Cash and cash equivalents

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

(i) Prepayments

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2.2: Significant Accounting Policies

(j) Inventory

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

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

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

(k) Property, plant and equipment

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

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

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

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

Disposals

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

(l) Intangible assets

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2.2: Significant Accounting Policies (continued)

An intangible asset with a finite life is amortized over its useful life: Software 4 – 10 years

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

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

(m) Employee benefits

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

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

Prior to 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees.

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

(n) Financial instruments

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

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

Classification

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

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

Recognition

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

Measurement

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

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2.2: Significant Accounting Policies (continued)

De-recognition

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

(o) Contingent liabilities and assets (including guarantees)

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

(p) Foreign currency

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

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

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

(q) Revenue from non-exchange transactions

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

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

Note 3: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry of District Administration, Tourism and Transport maintained at Royal Bank of Canada, Cayman National Bank, Barclays Bank (UK) and Bank of America (NY), and short term deposits invested with the Cayman Islands Government Treasury Department. As at 31 December 2019 the Ministry held restricted cash balances of \$114 thousand dollars payable to other Government departments. The District Administration Department acts as an intermediary for the other government departments as it is the only department in Cayman Brac with a bank account.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 3: Cash and cash equivalents (continued)

Actual 2018	Description	Foreign Currency	Exchange Rate	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
2	Cash on hand	-	-	2	1,309	1,309	1,307
-	Cash in transit	-	-	-	1	1	1
7,699	CI\$ operational current account	-	-	8,414	4,557	3,657	(3,857)
(67)	US\$ operational current account	580	0.8375	485	72	72	(414)
74	Payroll current account	-	-	102	435	435	334
330	US\$ bank accounts	(161)	0.8375	(135)	316	316	450
(62)	CDN\$ bank accounts	(285)	0.6480	(185)	(279)	(279)	(93)
195	GBP bank accounts	(37)	1.1148	(41)	(36)	(36)	5
5,098	Fixed Deposits	-	-	5,223	5,007	5,007	(217)
13,269	TOTAL			13,866	11,381	10,481	(2,485)

Note 4: Trade receivables and other receivables

As at 31 December 2019 all overdue receivables have been assessed and appropriate provisions made.

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
44	Sale of goods and services	30	79	79	49
3,341	Outputs to Cabinet	4,785	2,578	2,578	(2,207)
-	Other trade receivable	-	-	-	-
3,385	Total trade receivables	4,815	2,657	2,657	(2,158)

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
20	Advances (salary, official travel, etc.)	6	1	1	(5)
2	Dishonoured cheques	-	2	2	2
77	Other receivables	182	10	10	(171)
99	Total other receivables	188	13	13	(175)

Actual 2018	Description	Actual 2019	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3,348	Current	4,790	-	4,790	-	-	(4,790)
3	Past due 1-30 days	3	-	3	2,657	2,657	2,654
1	Past due 31-60 days	-	-	-	-	-	-
1	Past due 61-90 days	-	-	-	-	-	-
6	Past due 90 and above	-	-	-	-	-	-
4	Non-current	1	-	1	-	-	(1)
22	Past due 1 year and above	21	-	21	-	-	(21)
3,385	Total	4,815	-	4,815	2,657	2,657	(2,158)

The provision for doubtful debts has been calculated based on expected losses from a review of specific debtors, an analysis of the Ministry losses in previous periods. As at 31 December 2019 trade receivables were not impaired.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 5: Inventory

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
321	Inventory held for use in the provision of goods and services	318	502	502	184
321	Total Inventory	318	502	502	184

As at 31 December 2019 inventory was held at a net realizable value of \$318k. Management determined that no write down of inventory was required.

Note 6: Prepayments

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
1,119	Accrued Prepayments	846	6	6	(840)
1,119	Total Prepayments	846	6	6	(840)

As at 31 December 2019, the Ministry made payments in advance for several contracts for the delivery of services relating to the Department of Tourism. At 31 December 2019, the amounts paid in advance were for items of property, plant and equipment and for several contracts entered into for the provision of services also relating to the Department of Tourism.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 7: Property, plant and equipment

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Total	Original Budget 2018	Final Budget 2018	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	812	9,720	346	256	7	24	19	4,733	161	36	3	16,118	16,211	16,211	92
Additions	43	93	32	117	-	173	-	150	-	-	370	977	1,392	1,392	414
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(5)	(7)	-	-	(129)	-	-	-	(141)	-	-	141
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018	855	9,813	378	368	-	197	19	4,754	161	36	373	16,954	17,603	17,602	647

Cost	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Total	Original Budget 2019	Final Budget 2019	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2019	855	9,813	378	368	-	197	19	4,754	161	36	373	16,954	17,603	17,603	648
Additions	33	92	72	58	-	0	-	814	-	-	1,740	2,810	375	1,275	(2,435)
Revaluations	-	39	3	-	-	-	-	-	-	-	(17)	25	-	-	(25)
Disposals	(28)	(13)	(48)	(66)	-	(3)	-	(657)	-	-	(1,065)	(1,881)	-	-	1,881
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	860	9,931	405	360	-	194	19	4,911	161	36	1,031	17,908	17,978	18,878	69

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 7: Property, plant and equipment (continued)

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Total	Original Budget 2018	Final Budget 2018	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	573	711	287	196	1	18	1	4,216	31	2	-	6,036	6,050	6,050	14
Transfers	-	(42)	-	-	-	-	-	-	-	-	-	(42)	-	-	42
Impairment reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	56	449	21	60	1	16	0	148	12	1	-	764	763	763	(1)
Eliminate on disposal	-	-	-	(5)	(2)	-	-	(111)	-	-	-	(118)	-	-	118
Balance at 31 December 2018	629	1,118	308	251	0	33	1	4,253	43	3	-	6,640	6,813	6,813	173

Accumulated Depreciation	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Aircrafts	Assets under construction or development	Total	Original Budget 2019	Final Budget 2019	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2019	629	1,118	308	251	0	33	1	4,253	43	3	-	6,640	6,813	6,813	175
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	58	459	25	53	-	23	-	179	12	1	-	811	766	811	(45)
Eliminate on disposal	(28)	(5)	(47)	(66)	-	(3)	-	(657)	-	-	-	(806)	-	-	806
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	659	1,572	286	238	-	53	1	3,775	55	4	-	6,645	7,580	7,580	936
Net Book value 31 December 2018	226	8,695	70	117	-	164	18	501	118	33	373	10,314	10,789	10,789	474
Net Book value 31 December 2019	201	8,359	119	122	-	141	18	1,136	106	32	1,031	11,264	10,398	11,298	(867)

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 7b: Intangible Assets

Cost	Computer Software	Total	Original Budget 2018	Final Budget 2018	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	26	26	26	26	-
Additions	49	49	10	10	(39)
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 31 December 2018	75	75	36	36	(39)

Cost	Computer Software	Total	Original Budget 2019	Final Budget 2019	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2019	75	75	36	36	(39)
Additions	24	24	-	-	(24)
Revaluations	3	3	-	-	(3)
Disposals	(6)	(6)	-	-	6
Transfers	-	-	-	-	-
Balance at 31 December 2019	96	96	36	36	(60)

Accumulated Amortisation	Computer Software	Total	Original Budget 2018	Final Budget 2018	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	20	20	20	20	-
Transfers	-	-	-	-	-
Impairment reserve - movement	-	-	-	-	-
Amortisation expense	11	11	6	6	(5)
Eliminate on disposal	-	-	-	-	-
Balance at 31 December 2018	31	31	26	26	(5)

Accumulated Amortisation	Computer Software	Total	Original Budget 2019	Final Budget 2019	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2019	31	31	26	26	(5)
Transfers	-	-	-	-	-
Impairment reserve - movement	-	-	-	-	-
Amortisation expense	11	11	2	2	(9)
Eliminate on disposal	(6)	(6)	-	-	6
Other adjustments	-	-	-	-	-
Balance at 31 December 2019	36	36	28	28	(8)

Net Book value 31 December 2018	44	44	10	10	(34)
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Net Book value 31 December 2019	60	60	8	8	(52)
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MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 8: Trade payables, other payables & Accruals

Actual 2018	Description	Current	Non-current	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
191	Creditors	85	-	85	221	221	135
133	Creditors other government agencies	104	-	104	-	-	(104)
55	Payroll deductions	95	-	95	37	37	(58)
1,363	Accrued expenses	2,193	-	2,193	105	105	(2,088)
160	Other payables	202	-	202	144	144	(58)
1,902	Total trade payables, other payables & accruals	2,680	-	2,680	506	506	(2,174)

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

Note 9: Employee entitlements

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
Current employee entitlements are represented by:					
79	Comp time	53	112	112	59
325	Annual leave	330	282	282	(48)
1	Accrued Salaries	-	1	1	-
405	Total employee entitlements	383	394	394	11

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

Note 10: Sales of goods & services

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
34,483	Outputs to Cabinet ¹	36,002	34,226	36,005	(1,776)
328	Fees and charges ²	365	417	373	52
72	General sales	111	65	109	(46)
50	Rentals	27	37	37	10
127	Other	77	26	26	(51)
35,060	Total sales of goods and services	36,580	34,771	36,551	(1,809)

¹ Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government in accordance with the Plan and Estimates for the year ended 31 December 2019.

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

One revenue concession was granted during the financial year ended 31 December 2019. This concession relates to District Administration's day-care centre. Effective January 1, 2019 the Ministry made a decision that the department will no longer collect revenues for day-care fees.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
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Note 11: Personnel costs

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
12,725	Salaries, wages and allowances	13,408	13,833	13,734	425
2,368	Health care	2,623	2,422	2,691	(201)
640	Pension	679	691	694	12
52	Leave	(21)	-	-	21
31	Other personnel related costs	65	18	20	(47)
15,816	Total personnel costs	16,754	16,964	17,140	210

Note 12: Supplies and consumables

Actual 2018 (Restated)	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
270	Supplies and materials	276	429	429	154
13,296	Purchase of services	14,343	13,045	14,269	(1,298)
263	Maintenance of vehicles and equipment, roads, buildings, etc.	195	-	297	(195)
535	Lease of property and equipment	593	688	688	95
582	Utilities	588	627	650	39
9	General insurance	10	16	16	6
117	Interdepartmental expenses	114	154	154	39
833	Travel and subsistence	827	906	906	80
93	Recruitment and training	169	222	222	52
268	Local promotion / community sponsor	278	-	276	(278)
344	Programme support services	296	-	193	(296)
165	Research and development	233	-	281	(233)
28	Other	100	769	19	669
16,804	Total supplies and consumables	18,022	16,856	18,399	(1,166)

Note 13: Legal costs

The Attorney General's Office provides litigation services to the Ministry. During the year ended 31 December 2019 the use of legal services by the Department of Tourism was from legal firms outside of the Government for services such as contract reviews and human resources related matters. The Public Transport unit also paid a settlement in an appeal tribunal settlement. The costs were \$184 thousand for the year ended 31 December 2019 (31 December 2018: \$105 thousand).

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 14: Gains / (Losses)

Actual 2018	Description	Actual 2019	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
23	Net losses on impairment of property, plant and equipment	10	-	-	(10)
20	Net losses on foreign exchange transactions	19	10	10	(9)
(66)	Other (gains)/Losses	(123)	-	-	123
(23)	Total (gains)/ losses	(94)	10	10	104

Note 15: Contingent liabilities and assets

The Ministry has no contingent assets and liabilities as at 31 December 2019. (31 December 2018: NIL).

Note 16: Explanation of major variances against budget

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

Statement of financial position

Cash and cash equivalents

The actual year-end cash balance was \$2.4 million above budget primarily due to the monitoring of budgets, managed vacancies, delays in recruitment and ensuring value for money. A good portion is also related to the increase in EI68 capital budget by about \$900 thousand. Cash was used to purchase these assets and were recorded as receivables at year-end.

Trade receivables

The actual year-end trade receivables were \$2.1 million above budget primarily due to the delay in collection of funds related to cabinet funding and the delay in billing and collection of funds related to EI68 capital funds.

Inventories

Inventories were \$184 thousand below budget primarily due to the monitoring of inventories and ensuring we do not hold too much excess in inventory.

Prepayments

Prepayments were over budget by \$840 thousand due to the Department of Tourism, this department contributes significantly to the pre-payment balance due to the need of having to pay for items in advance, advance travels and subscriptions.

Property, plant and equipment

Property, Plant and Equipment was over-budget by \$866 thousand due to the need to increase the EI68 appropriation in order to complete project works at District Administration as well as the architectural design of the new National Weather Service building.

Current liabilities

Current liabilities were \$17.3 million above budget mainly due to the Ministry recognizing a surplus due to Cabinet of \$14.3 million as of 31 December 2018. This amount would not have been able to be budgeted for in 2019 as the 2018/2019 budget was approved together. The Ministry will continue to pay over current surpluses as payment of the historical surpluses will erode our cash completely.

Statement of financial performance

Sales of Goods and Services

Sales of goods and services from third parties were \$1.8 million above budget due to increases in the budget needed to cover Tourism advertising activities, CINICO premiums, Public Relations for the Cruise Berthing Facility project, Consultancy services for a review of Cayman Airways Ltd route schedule and aircraft fleet.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 16: Explanation of major variances against budget (continued)

Personnel Costs

Personnel costs were \$210 thousand below budget due to managed/delayed vacancies during the year.

Supplies and consumables

Supplies and consumables were \$1.1 million above budget due to increases in the budget needed to cover Tourism advertising activities, CINICO premiums, Public Relations for the Cruise Berthing Facility project, Consultancy services for a review of Cayman Airways Ltd route schedule and aircraft fleet.

Depreciation

Depreciation expense was under budgeted by \$45 thousand in the financial year due to the purchase of items not budgeted during the year.

Statement of changes in net worth

Net Worth was over budgeted by \$11 million due to a restatement from accumulated surpluses to Surplus repayment during the 16-17 audit at which time the 2018 and 2019 budgets were already approved. The Equity Injection received for the year amounts to appx. \$1.1 million which is what is known as an EI68. EI68 is a budgeted appropriation used for the purchase of capital assets. Once the capital assets are purchase Cabinet provides an equity injection for these amounts.

Statement of cash flows

Net cash flows from operating activities

The increase in cash from operating activities is \$385 thousand below budget this was due to the need to increase funding in supplies and consumables to help cover cost associated with Tourism advertising activities, CINICO premiums, Public Relations for the Cruise Berthing Facility project, Consultancy services for a review of Cayman Airways Ltd route schedule and aircraft fleet. The amount was off-set by revenues being collected above budgeted amounts.

Net cash flows from financing and investing activities

The increase in cash flow financing was as a result of spending in order complete project works at District Administration – Continuation of Architectural Design of DA Building Renovation; Day Care Building Renovation; Government Cottages Renovations; and Vehicle/Heavy Equipment Fleet Replacement; as well as National Weather Service – Continuation of Architectural Design of new NWS Office. This in turn led to an increase in the funds received from financing activities.

Note 17: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry transacts with other government entities on a regular basis. These transactions were provided free of cost during the 12 month financial year ended 31 December 2019 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel of the Ministry received the following remuneration;

Actual 2018	Description	Actual 2019	Number of persons
\$'000		\$'000	
1,332	Salaries & other short-term employee benefits	1,384	10
1,332	Total	1,384	10

No loans were granted to key management personnel and or their close relatives.
During the year, the entity had no transactions which are considered a related party to key management personnel.

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 18: Events occurring after reporting date

No events materially affecting these financial statements occurred after 31 December 2019. However, due to the COVID-19 pandemic, the following events may have a material impact on the 2020 fiscal year. They are as follows:

- Air arrival visitation is down by approximately 60% for the month of March 2020 therefore it is expected that the same level of reduction will impact tourism accommodation tax and time share tax remittances (executive revenue).
- Cabinet Revenue in March 2020 was slightly impacted. The Ministry and especially the Department of Tourism output activities will be significantly reduced starting in April 2020 due to many tourism activities being placed on hold as a result of the border closures in March 2020. A conservative ratio will be expected in the initial return of air arrivals for a minimum of 18 - 24 months until 2019 levels of 502,739 are achieved in the medium to long term future for air arrivals to the Cayman Islands. The Ministry will bill Cabinet on the reduced outputs and cover short falls by requesting Cabinet funding to cover any on-going expenses.
- Services will be scaled until international travel and the Cayman Islands border is reopened. Therefore, the Ministry strategy has refocused to support the sector, delivering the NTP strategy and ensuring to stay top of mind with global audiences through a softer no sell approach.
- Contracts will be repurposed for a later date to take advantage of underutilized agency hours for the global destination marketing relaunch plan.
- Due to employees working from home, no major impact on the continuity of operations or services.
- No major expenditures introduced to date and no significant loss of third party revenue since the Ministry does not collect significant operational third party revenue.
- A portion of 2020 budget underspend will be requested to be reallocated to 2021 in preparation for market rebound. However, a significant amount of the 2020 Department of Tourism's budget may be reallocated to financially assist the Tourism sector.

Note 19: Financial instrument risks

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

Credit risk

In the normal course of its business the Ministry is subject to credit risk from debtors other than the Cabinet. The Ministry does not have significant concentrations of credit risk for its other financial instruments.

Currency and interest rate risk

The Ministry has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Ministry maintains a target level of available cash to meet liquidity requirements.

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 20: Segment Reporting

	Department of Tourism - New York		Department of Tourism - Grand Cayman		Department of Tourism - London		Department of Tourism - Toronto		District Administration		National Weather Services		Ministry Administration		Public Transport Unit		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Revenue																		
Outputs from Cabinet	11,577	10,718	6,894	7,175	1,316	1,141	1,556	1,468	9,955	9,904	1,453	1,321	2,406	1,978	846	778	36,002	34,483
Revenue from External Sources	-	-	34	4	-	-	-	-	474	494	48	13	0	41	22	25	578	577
Total Revenue	11,577	10,718	6,927	7,179	1,316	1,141	1,556	1,468	10,429	10,398	1,501	1,334	2,406	2,019	868	803	36,580	35,060
Expenses																		
Personnel	1,309	1,090	3,688	3,501	282	276	141	136	8,114	7,771	1,123	1,029	1,520	1,479	577	534	16,754	15,816
Supplies & Consumables	10,421	9,528	2,739	3,053	1,524	1,211	1,145	997	1,204	1,322	263	259	611	326	114	108	18,022	16,804
Depreciation	-	-	37	34	1	1	-	-	710	681	52	39	5	5	17	16	822	776
Other expenses	54	12	62	64	(2)	15	(0)	8	(121)	23	(0)	-	8	(64)	90	24	90	83
Total Expenses	11,784	10,630	6,528	6,652	1,805	1,503	1,286	1,141	9,907	9,797	1,439	1,327	2,144	1,746	799	682	35,688	33,479
Surplus/(Deficit) from Operating Activities	(207)	342	400	527	(489)	(362)	269	327	521	601	62	7	263	273	70	121	892	1,583
Assets																		
Current Assets	101	520	1,058	1,064	60	277	(139)	(40)	6,405	6,812	54	18	12,469	9,539	26	3	20,034	18,193
Fixed Assets	-	-	69	128	3	3	-	-	10,286	10,092	86	217	748	(199)	71	74	11,263	10,315
Fixed Assets - Intangible	-	-	13	13	-	-	-	-	-	-	(2)	28	49	3	-	-	60	44
Total Assets	101	520	1,140	1,205	63	280	(139)	(40)	16,691	16,904	138	263	13,266	9,343	97	77	31,358	28,552
Liabilities																		
Current Liabilities	1,649	1,005	360	344	206	49	45	35	416	395	11	70	367	395	9	13	3,063	2,306
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-	-	-	15,218	14,326	-	-	15,218	14,326
Total Liabilities	1,649	1,005	360	344	206	49	45	35	416	395	11	70	15,585	14,721	9	13	18,281	16,633

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

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

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 21: Commitments

Future minimum lease commitments under non-cancellable operating leases:

Operating Commitments	One Year or Less	One to Five Years	Over Five Years	Total
	\$'000	\$'000	\$'000	\$'000
Total Operating Commitments	593	1,278	1,078	2,949

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

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

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

Note 22: Surplus repayment

As at 31 December 2019, the Ministry recorded a surplus payable of \$15.2 million (31 December 2018 as restated: \$14.3 million). As per section 39 3 (f) of the Public Management and Finance Law (2018 Revision), the entity shall "retain such part of its net operating surplus as is determined by the Minister of Finance". We confirm that as of year-end, the entity has not been advised that it may retain any operating surplus.

Note 23: Contributed capital

As at 31 December 2019, the Ministry recorded contributed capital of \$1.1 million (31 December 2018: \$794 thousand). Contributed capital is the contribution made from Cabinet at the inception of the Ministry and any additional funding requirements such as purchasing of assets.

Note 24: Revenue from non-exchange transactions

During the year ended 31 December 2019, the Ministry received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be reliably determined and therefore no expense has been recognised in these financial statements.

Note 25: Correction of 2018 figures

Prior year errors in the 2018 financial year were corrected in the corresponding figures of these financial statements and consist of:

- 2018 Unrecorded liabilities of \$254,586.53. These expenses related to the 2018 financial year but were not included as a part of the accruals.

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

	Prior Year Per 2018 Audited FS (Original)	Adjustments	Prior Year Actual in current FS (Restated)
Statement of financial position:			
Liabilities			
Other payables and accruals	1,323	255	1,578
Repayment of surplus	14,581	255	14,326
Statement of financial performance:			
Supplies and Consumables	16,549	255	16,804
(Deficit)/Surplus for the period	1,838	(255)	1,583

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 26: Explanation of Appropriation Changes

In 2019, Cabinet authorized a reallocation of funds to MDATT under section 11(5) Public Management and Finance Law (2018 Revision) ("PMFL"). A supplementary Appropriation Bill with the proposed changes had not been introduced in the Legislative Assembly at the date the financial statements were authorized for issuance. The appropriation reallocations are as follows:

Nature	Date	FS Note	Purpose	Amount \$000	Approval Status
Section 12	Jan. 2019	10, 11	Increase appropriation to DAT 1 through to DAT 14 in order to fund increases in employee health care CINICO Premiums.	260	Pending LA approval
Section 11.5	Jan. 2019	7, 10, 12, 13	Increase appropriation to DAT 8 in order to accommodate additional work entailed in Creative Destination Filming necessary for tourism advertising; additional marketing of the CAL Denver Route Launch; and additional Canada promotions.	1,000	Pending LA approval
Section 11.5	Jan. 2019	7, 23	Increase appropriation to EI 68 in order to complete project work for District Administration - Continuation of architectural design of DA building renovation; Day Care building renovation; Government cottages renovations; and vehicle/heavy equipment fleet replacement; National Weather Service - Continuation of architectural design of new NWS building.	900	Pending LA approval
Section 11.5	Aug. 2019	10, 12	Increase appropriation to DAT 1 in order to fund additional expenses relating to public relations for the Cruise Berthing Facility project and consultancy services for a review for the Cayman Airways Ltd. Route schedule and aircraft fleet.	400	Pending LA approval
Section 11.5	Nov. 2019	10, 12	Increase appropriation to DAT 1 in order to fund additional expenses relating to public relations for the Cruise Berthing Facility project.	120	Pending LA approval
				2,680	