



GOVERNMENT OF THE CAYMAN ISLANDS

Children and Youth Services (CAYS) Foundation

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2024**

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Nature and Scope of Activities

This section outlines the nature and scope of activities within which the Children and Youth Services (CAYS) Foundation operated.

Approved Nature and Scope of Activities

The Children and Youth Services (CAYS) Foundation focuses on providing trauma-informed 24-hour residential care to youth who have been referred by the Department of Children and Family Services or the Youth Courts into residential care due to care and protection needs or coming in to contact with the youth justice system. The Foundation adopts a strength-based approach to looking after all our young people.

During the 2024 financial year the Children and Youth Services (CAYS) Foundation performed the following functions:

- Operated Bonaventure Children's Home, Phoenix House, and Frances Bodden Children's Home; provided 24hr residential facilities for youth who required residential care due to being deemed in need of care and protection as well as those who have become involved with the youth justice system.
- Provided administration and supervision of the programmes offered.
- Provided policy advice to the Minister of Investment, Innovation and Social Development on the issue of children in care who regularly abscond from supervision, be it from school, CAYS facilities, or from their families. The therapeutic process utilized a strength-based approach and positive youth development to foster change in the lives of its participants. The programme also sought to engage families and the community in the rehabilitative process.
- Developed and delivered specific programmes to address behavioral problems (including drug and alcohol use, vulnerability to exploitation and other risky behaviors) and the educational needs of the youth. This included facilitating individual and group counseling.
- Continued to operate a specialized, semi-independent living arrangement for a young person with particularly challenging behaviors for whom the group setting was not effective.
- Prepared residents for independent living including pre-employment preparation and life-skills training.
- Maintained the Government owned residential facilities, namely Frances Bodden Children's Home (FBCH), Phoenix House, and Bonaventure Boys' Home (BBH), to facilitate the care of the young people to our best capabilities.

Service Users and Location of Activities

Those who benefit from the care of the Foundation are youth between the ages of 11 and 18 who have been referred by the Department of Children and Family Services or by the Youth Courts to the residential facility.

The services of the Children and Youth Services (CAYS) Foundation are primarily provided on behalf of the Ministry of Investment, Innovation and Social Development. The services cater to the youth and their parents/families, and collaborate with other Government Departments and Agencies, i.e., Department of Children and Family Services (DCFS), the Court, the Family Support Unit (FSU), Department of Counseling Services (DCS), and the Department of Education Services to facilitate care and reintegration into society.

The location of the activities is in the Cayman Islands, with the physical location of the residential Homes being in Grand Cayman.

Strategic Goals and Objectives

Approved strategic Goals and Objectives

The strategic goals and objectives (from an ownership perspective) for the **Children and Youth Services (CAYS) Foundation** for the 2024 financial year were developed and are as follows:

- CAYS implemented programmes that address the care needs and the anti-social attitudes, beliefs and behaviors of its residents in a safe nurturing therapeutic environment. It focused on changing residents' attitudes and behaviors by working to build trusting relationships between them and their peers and a trusting relationship with their parents. This assisted residents to develop appropriate behaviors and coping skills that would assist with their reintegration into their family, school, and the community.
- CAYS implemented programmes that promote the principles of individual growth, personal development and personal responsibility. The programmes assist residents in setting and meeting educational and vocational goals.
- CAYS assists residents with reintegration into the mainstream education system. This is accomplished by a care team meeting to develop a comprehensive plan. The team will consist of key stakeholders.
- CAYS addresses vocational issues for residents and partners with the public and private sector to afford the residents every opportunity to participate in some form of vocational training.
- CAYS develops comprehensive treatment plans to address core issues, issues relating to drug and alcohol use, also education and vocational issues, family issues and aftercare plans.

- CAYS advocated for improved working conditions for the Foundation's care staff to bring them in line with core government counterparts with regards to salary and benefits, in recognition of the increasingly challenging nature of the job role.

- CAYS provides ongoing training to staff to facilitate the delivery of strength-based, individualized treatment in order to ensure that the best practices are maintained.
- CAYS will enhance services to the families by providing family education groups to help improve family dynamics and create more supportive and productive relationships.
- CAYS will continue to enhance relationships with the private sector for fundraising and programme support.

Achievement during the Year

The Children and Youth Services (CAYS) Foundation continues to meet its goals and objectives during the year.

CAYS Foundation knows that to continue to provide high quality services to youth in care, it must have the necessary physical infrastructure in place. In 2024, the Foundation, with support from the board and community partners, finalized plans for the renovation of the Boys extension at Francis Bodden Children's Homes and submitted them to the relevant authorities for approval. Once approved, this renovation will transform the Boys Extension from a dormitory setting into an 8-bedroom (each with individual ensuite bathrooms) facility that is in keeping with best practice in trauma-informed residential care. The Foundation continues to fundraise to support this, and other similar renovations planned for the near future.

In 2024 the Foundation also conducted recruitment to create a pool of casual Youth Support Workers, all of whom are Caymanian or have the Right to Employment and Residency in the Cayman Islands. These casual Youth Support Workers worked part-time alongside full-time staff, to provide support and supervision to young people in care. The benefits of this recruitment are multifaceted. As well as supporting our core staff, this initiative will support the employment of increased numbers of Caymanian staff within the Foundation. Also, in a landscape where experience in this sector is very rare, the casual role will allow employees to build up that experience and learning on the job, equipping them to make the leap to a full-time career in youth support if they so choose. CAYS also conducted recruitment for full-time Youth Support Workers to fill vacancies that arose from resignations or terminations.

After the successful upgrade of an existing, unused building on the West Bay campus into a two-bedded accommodation, the Foundation was able to adjust its service delivery to provide one-on-one care to a young person for whom the larger scale environment was not suitable. This provision continued throughout 2024 and is an innovative use of resources that the Foundation hopes to be able to continue in future years, as needed.

CAYS Foundation continues to implement a Trauma Informed approach to looking after young people in our care. As part of the CAYS 5-Year Strategic Plan, we stated that we will provide services "within safe, structured, nurturing and trauma informed residential settings". Education and training provided by our expert partners has produced a shift in the approach of our caring adults and how we have supported young people whilst they resided with us, and beyond. In 2024 we provided training to staff on Self-Harm and Suicidal Ideation, Safe Crisis Management (SCM), Child Safeguarding/reporting requirements for

mandated reporters, Food Handling, and other topics designed to strengthen practice. All the Senior Team became certified trainers of SCM and are now able to deliver SCM training to the Foundation's staff.

Throughout the year the young people at CAYS were involved in various structured recreational, community, therapeutic, educational and vocational activities such as: Art Outreach, Music Appreciation, paid work experience, Greenhouse/Grow box programme, vocational work placement, various recreational and exercise outings off campus.

We continue to recognize the importance of spiritual development for the young people, so we ensured that they had the opportunity to attend Church at least twice per month. Church programmes continued to be huge supporters of CAYS Foundation. The young people also attended weekly Art classes offered through the National Gallery of Art Outreach programme.

As well as with social engagements, recreational outings and spiritual development, we recognized the importance of our young people reaching their academic goals. CAYS' staff worked hard to support young people who were out of education for a variety of reasons whether this be on a short-term or longer-term basis. Where our young people attended mainstream education, we built and maintained strong relationships with our colleagues in the schools to ensure we were aware of and supported their educational needs like any good parent does. In 2024, with Ministry support, The Foundation began conversations with the Department of Education Services to ensure that young people in care get access to the education to which they are entitled.

The therapeutic care we provided and facilitated, and the work with partners in Education was complemented by providing opportunities for our young people to have experience of the working world, develop a work ethic, and be a contributing member of society. Our young people took up both paid and unpaid employment opportunities in a variety of sectors like the agriculture, hospitality, and retail industries. The sense of achievement and self-esteem built through earning their own money and being part of a working team was of great benefit to the young people. Young people were also given "pocket money" in recognition of the chores they do in the home, allowing them to save and buy things they want, and learn how to manage their money.

We continued to develop our care planning with support from expert partners like Aspire and HSA Behavioral Health Services. As well as working with individuals and facilitating individual therapeutic interventions, we had regular group offerings at the different services. These were centered on healthy relationships, substance abuse awareness, and positive self-identity, and were facilitated in partnership with the Family Resource Centre, the National Drug Council, and Ms. World Cayman Islands, Latecia Bush, a past resident of the CAYS Foundation.

CAYS Foundation continued our journey towards becoming a trauma informed care service, and in 2024 reconsidered our physical environment and how we apply our staffing resources to support a sense of safety, the opportunity to build therapeutic relationships, and the chance to promote coping skills for our young people. With Ministry permission, we reallocated some of our young people previously housed at the Boys Extension in Savannah to the West Bay campus, thereby creating 2 smaller cohorts which is more in keeping with best practice in trauma-informed care. We have also looked at the living environments themselves and how we can make them feel more comfortable and homely rather than institutionalized. We are aware that details like this can have a settling effect on young people and send subconscious messages that they are loved and cared for. We ultimately hope to be able to shift the physical infrastructure to better reflect best practice in residential care.

To complement the approach in the Home and the developed practice, most of our young people attended 1-1 sessions with their respective counsellors. Key adults are often part of this therapeutic session, depending on its nature, which helped to build the relationship, improved communication between services and provided better overall support for the young person. In 2024, CAYS continued to work in partnership with other care professionals to provide the best package of support for our young people. We liaised closely with and facilitated appointments with Mental Health Services, Aspire, Multi-Agency Safeguarding Hub (MASH), and The Wellness Centre, among others involved with our young people.

The goal during the year continued to be that CAYS Foundation supported the young people to re-engage with their family and return home, assuming this is assessed to be in their best interest. This process can take anything from a few weeks to years and is dependent on the engagement in focused work from the family and the young person themselves. If this is not an option for the young person, or it is felt that they are at an age and stage where a level of independent living is more suitable, again, we sought to prepare them for this transition and continued to support it after the young person no longer resided with us. CAYS Family Support Counsellor continued to build relationships with the young person and their family from the moment they enter our care. For a period of up to 3 months (or longer if deemed necessary) after they successfully transitioned out of our care, the Family Support Counsellor continued to work with the family and the young person to maintain their relationships.

CAYS Foundation worked hard to provide other positive opportunities for engagement with the families of our young people. In 2024, there were 12 parenting sessions delivered, and topics covered included, connecting trauma with behavioral difficulties, understanding parenting styles, stress and anger management for parents, positive discipline, rewards and consequences, and how to speak to their children about substance use, amongst others. These sessions were open to all parents of past and present residents. The Foundation also created structured opportunities for children and families to interact in a constructive fashion and build lifelong positive memories through social activities organized by CAYS. In 2024, CAYS hosted a Valentine's Dinner, a Tea Party, a Family Fun Day, a Sports Day (for which we collaborated with RCIPS), a back-to-school banquet, and a Christmas Party.

Further opportunities for our young people to thrive were facilitated through engagement with same aged peers in the community at sports and social clubs. Cadet Corps, Football, Track and Field, Basketball and other such sports clubs are amongst the most popular pastimes our residents took part in. This, along with a group of residents who largely attended mainstream education provision, served to orientate the young people in their community and exposed them to life outside that of residential care. The Summer Programme for 2024 complemented this year-round approach to engaging them in pro-social developmental activities, with a packed itinerary including a variety of summer camps, cultural trips, and excursions. In addition, young people reaching the end of their school career were supported to attend their formal events, and we made sure that they were properly attired and ready to make positive memories with their peers.

Family Support Programme

The Family Support Counsellor (FSC) role ensured that families are engaged in activities that help them to develop a healthy, stable supportive home environment that allows children a smooth and safe reintegration to the family homes. FSC worked in partnerships with the Department of Children and Family Services (DCFS), Aspire, and the Family Resource Center (FRC) and advocated for clients/parents as needed with DCFS and the Needs Assessment Unit (NAU) and other agencies for needed resources. FSC facilitated parents' attendance at Case Conferences, Care Planning/review meetings as required, and their

involvement in individual parent coaching with our external partners.

As mentioned above, the FSC, along with Service Leads, facilitated monthly parent education sessions, covering several different topics aimed at upskilling and educating parents in understanding and dealing with the challenges they have been having with their son or daughter. Several interactive social activities, (previously outlined above), were also held to foster healthy social skills with the youths and their families.

FSC provided aftercare support and life skills to the parents, guardians and families. If needed, this is provided for up to six months after residents are discharged from the programme. FSC worked directly with youth and families to prepare for reintegration into the family homes. Families also receive assistance with budgeting, home organization, and other skills necessary for improved safety and management. This position also ensured that youths were involved in Life Skills activities to prepare them for independent living. During the aftercare period, FSC also worked to encourage youth and parents to continue to attend case conferences, therapeutic appointments and all other services relevant or helpful to the youth and families.

One significant achievement of the Family Support Programme in 2024 was the creation of a small “basic needs” pantry that serves to provide needed essentials to young people and their families. A past resident volunteered her time, labour and materials to refurbish an existing space at Frances Boddien Children's Home to serve as the pantry, and the Lions Club of Grand Cayman provides a monthly donation of essentials to the pantry. The FSC maintains regular contact with families whose young people are in care, and because of the pantry, each week the Foundation can provide a care package for young people going on home visits whose families struggle with providing the basic necessities. The Foundation is also able to respond with some limited food support and other needs when a family reaches out for assistance.

Whilst CAYS continued to achieve our goals in 2024, we are entering into a period of transition and development of our services. The early seeds have been sown as we continue our journey to becoming a Trauma Informed service for our young people. Trauma Informed Care is widely recognized as the gold standard for residential childcare across the globe and so it is important that Cayman’s young people receive the benefit of this approach. Paralleled with this process of developing staff to a high standard of knowledge and education, we will be looking to develop our facilities to match. We know that young people thrive more in smaller, more homely residences with ample support from caring adults to meet their physical, emotional and mental health needs. The development of our facilities is our aim for the coming months and years.

Performance Targets

FINANCIAL PERFORMANCE MEASURE	2024 Budget \$ 000'S	2024 Actual \$000'S
REVENUE FROM CABINET	3,100	3,217
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-
REVENUE FROM OTHERS PERSONS OR ORGANISATIONS	-	288
SURPLUS/DEFICIT FROM OUTPUTS	3,100	3,505
OTHER EXPENSES	(3,515))	(3,516)
NET SURPLUS DEFICIT	(415)	(11)
TOTAL ASSETS	1,821	2,491
TOTAL LIABILITIES	86	205
NET WORTH	1,735	2,286
CASH FLOWS FROM OPERATING ACTIVITIES	(345)	(246)
CASH FLOWS FROM INVESTING ACTIVITIES	(12)	(114)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
CHANGE IN CASH BALANCES	(356)	(360)

FINANCIAL PERFORMANCE RATIO	2024 Budget %	2024 Actual %
CURRENT ASSETS: CURRENT LIABILITIES	15.33:1	12.15:1
TOTAL ASSETS: TOTAL LIABILITIES	21.17:1	12.15:1

Performance Targets

HUMAN CAPITAL MEASURES	2024 Budget \$ 000'S	2024 Actual \$000'S
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	50	44
STAFF TURNOVER (%)		
SENIOR MANAGER	0%	0%
PROFESSIONAL AND TECHNICAL STAFF	0%	7%
ADMINISTRATIVE STAFF	0%	0%

PHYSICAL CAPITAL MEASURES	2024 Budget \$ 000'S	2024 Actual \$000'S
VALUE OF TOTAL ASSETS	1,821	2,491
ASSET REPLACEMENTS: TOTAL ASSETS	0.2:1	0.3:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.55:1	0.51:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	5.91:1	0.86:1
CHANGES TO ASSET MANAGEMENT POLICIES	-	-



GOVERNMENT OF THE CAYMAN ISLANDS

Children and Youth Services (CAYS) Foundation

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Children and Youth Services (CAYS) Foundation in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*. The Financial Statements comply with generally accepted accounting practice as defined in International Public Sector Accounting Standards.

We accept responsibility for the accuracy and integrity of the financial information in these Financial Statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

As members of the Management Board, we are responsible for establishing and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by Act and properly record the financial transactions of the Children and Youth Services (CAYS) Foundation.

As members of the Management Board, we are responsible for the preparation of the Children and Youth Services (CAYS) Foundation's Financial Statements and the judgements made in them.

The Financial Statements fairly present the financial position, financial performance, changes in net worth and cash flows of the Children and Youth Services Foundation for the financial year ended 31 December 2024.

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

- (a) completely and reliably reflect the financial transactions of the Children and Youth Services Foundation for the year ended 31 December 2024;
- (b) fairly reflect the financial position as at 31 December 2024 and performance for the year ended 31 December 2024; and
- (c) comply with the International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board.

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 on Auditing.

A handwritten signature in black ink, appearing to read "Garth Arch".

Garth Arch (Mr.)
Chairman of Board

Date: April 25, 2025

A handwritten signature in black ink, appearing to read "Keith Boyle".
Keith Boyle (Mr.)
General Manager

Date: April 25, 2025

AUDITOR GENERAL'S REPORT

To the Board of the Children and Youth Services (CAYS) Foundation

Opinion

I have audited the financial statements of Children and Youth Services (CAYS) Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2024, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 28.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2024 and its financial performance and its cash flows for the year ended 31 December 2024 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 Foundation 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.

Emphasis of Matter

As outlined in Note 1(m) of the financial statements, the Cabinet of Ministers authorized supplementary appropriations for the Foundation under section 11(5) of the Public Management and Finance Act (PMFA) in 2024. The impact of this was an increase of \$116,500 in the operational budget of the Foundation. A Supplementary Appropriations Bill for the reallocation was not introduced in Parliament by 31 March 2025 as required by section 11(5) of the PMFA. My opinion is not qualified with respect to this matter.

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 Foundation'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 Office or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 Foundation 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 Act (2020 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.



Patrick O. Smith, CPA, CFE
Acting Auditor General

25 April 2025
Cayman Islands

CHILDREN AND YOUTH SERVICES (CAYS) FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
Expressed in Cayman Island Dollars

		2024	2023	Original Budget	Final Budget	Budget Variance (Actual vs Original)
	<i>Note</i>					
Current Assets						
Cash and cash equivalents	2, 21	971,429	1,331,229	1,055,565	1,055,565	(84,136)
Trade receivables and	3, 21	779,810	523,471	258,333	258,333	521,477
Other receivables						
Prepayments	21b	2,360	4,804	5,000	5,000	(2,640)
Total Current Assets		1,753,599	1,859,504	1,318,898	1,318,898	434,701
Non-Current Assets						
Pension surplus	18, 21	88,000	72,000	60,000	60,000	28,000
Property, plant and equipment	4, 21	633,940	564,159	442,410	442,410	191,530
Total Non-Current Assets		721,940	636,159	502,410	502,410	219,530
Total assets		2,475,539	2,495,663	1,821,308	1,821,308	654,231
Current Liabilities						
Trade payables	12,21	164,385	94,033	20,000	20,000	144,385
Other payables and accruals	12,21	28,915	30,432	38,000	38,000	(9,085)
Unearned revenue	7, 21	-	63,965	-	-	-
Employee entitlements	5, 21	20,502	10,245	28,000	28,000	(7,498)
Total Current Liabilities		213,802	198,675	86,000	86,000	127,802
Total Liabilities		213,802	198,675	86,000	86,000	127,802
Net Assets		2,261,737	2,296,988	1,735,308	1,735,308	526,429
NET WORTH						
Contributed capital		466,667	466,667	466,667	466,667	-
Accumulated surpluses	21	1,795,070	1,830,321	1,268,641	1,268,641	526,429
Total Net Worth		2,261,737	2,296,988	1,735,308	1,735,308	526,429

The accounting policies and notes on pages 10 to 28 form an integral part of these financial statements.

CHILDREN AND YOUTH SERVICES (CAYS) FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2024
Expressed in Cayman Island Dollars

		2024	2023	Original Budget	Final Budget	Budget Variance (Actual vs Original)
	<i>Note</i>					
Operating Revenue						
Outputs to Cabinet	6	3,216,500	3,100,000	3,100,000	3,216,500	116,500
Donations	6	259,426	171,455	-	-	259,426
Total Revenue		3,475,926	3,271,455	3,100,000	3,216,500	375,926
Operating Expenses						
Personnel costs	8, 21	2,896,336	2,536,939	3,066,798	3,154,798	-170,642
Other expenses	9, 21	214,761	170,888	41,589	70,089	173,172
Supplies and consumables	10, 21	316,227	271,951	339,329	339,329	-23,102
Depreciation	4, 21	98,592	78,292	67,551	67,551	31,041
Total operating expenses		3,525,916	3,058,070	3,515,267	3,631,767	10,647
Other Revenue/(Expenses)						
Gain/(Loss) on disposal	4, 21	(3,194)	6,061	-	-	(3,194)
Total Other Revenue/(Expenses)		(3,194)	6,061	-	-	(3,194)
Surplus/(Deficit) for the year		(53,184)	219,446	(415,267)	(415,267)	362,085

The accounting policies and notes on pages 10 to 28 form an integral part of these financial statements.

CHILDREN AND YOUTH SERVICES (CAYS) FOUNDATION
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 DECEMBER 2024
Expressed in Cayman Island Dollars

	Accumulated Surplus	Contributed Capital	Total Net Worth	Original/ Final Budget	Budget Variance (Actual vs Original)
Balance at 01 January 2023 brought forward	1,599,875	466,667	2,066,542	543,288	1,523,254
Remeasurement of net defined benefit asset	11,000	-	11,000	-	11,000
Surplus/(deficit) for the year 2023	219,446	-	219,446	(834,653)	1,054,099
Net revenue and expenses for the year	230,446	-	230,446	(834,653)	1,065,099
Balance at 31 December 2023	1,830,321	466,667	2,296,988	(277,122)	2,019,866
	Accumulated Surplus	Contributed Capital	Total Net Worth	Original/Final Budget	Budget Variance (Actual vs Original)
Balance at 01 January 2024 brought forward	1,830,321	466,667	2,296,988	(277,122)	2,019,866
Prior period adjustment	5,933	-	5,933	-	5,933
Remeasurement of net defined benefit asset	12,000	-	12,000	1,000	11,000
Surplus/(deficit) for the year 2024	(53,184)	-	(53,184)	(415,267)	362,083
Net revenue and expenses for the year	(41,184)	-	(41,184)	(414,267)	373,083
Balance at 31 December 2024	1,795,070	466,667	2,261,737	(691,389)	1,570,348

The accounting policies and notes on pages 10 to 28 form an integral part of these financial statements.

CHILDREN AND YOUTH SERVICES (CAYS) FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
Expressed in Cayman Island Dollars

	2024	2023	Original Budget	Final Budget	Budget Variance (Actual vs Original)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
<i>Receipts</i>					
Outputs to Cabinet	2,965,167	2,941,667	3,100,000	3,216,500	(134,833)
Other receipts	139,608	55,380	-	-	139,608
<i>Payments</i>					
Personnel costs	(2,927,438)	(2,501,354)	(3,067,648)	(3,067,648)	140,211
Suppliers	(423,418)	(381,903)	(377,067)	(377,067)	(46,351)
Net cash flows used in/from operating activities (see Note 11)	(246,081)	113,790	(344,715)	(228,215)	98,635
CASH FLOWS USED IN INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(113,720)	(111,694)	(11,500)	(11,500)	(102,220)
Net cash flows used in investing activities	(113,720)	(111,694)	(11,500)	(11,500)	(102,220)
Net increase/(decrease) in cash and cash equivalents	(359,800)	2,096	(356,215)	(356,215)	(3,585)
Cash and cash equivalents at beginning of year	1,331,229	1,329,133	1,411,781	1,411,781	(80,552)
Cash and cash equivalents at end of year	971,429	1,331,229	(1,055,565)	(1,055,565)	(84,136)

The accounting policies and notes on pages 10 to 28 form an integral part of these financial statements

During the year, property, plant and equipment of \$8,036 (2023: \$16,680) were obtained from donations but had no cash flow impact.

Description and Principal Activities

Children and Youth Services Foundation (“CAYS”/or “Foundation”) is a non-profit Cayman Islands Government (“Government”) owned entity as defined by section 2 of the *Public Management and Finance Act (2020 Revision)* and it is domiciled in the Cayman Islands. It is established as a local company limited by guarantee with Cayman Islands Government as Guarantor. CAYS’ objectives are to manage and operate the youth rehabilitation, youth-at-risk, care and reporting facilities owned by the Government and to prepare and provide programmes of rehabilitation, education and social development skills for delinquent and at-risk children.

Note 1: Significant Accounting Policies

In conformity with the *Public Management & Finance Act (2020 Revision)*, these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

New and revised accounting standards were issued that are not yet effective for the financial year beginning 1 January 2024 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2024 reporting period and have not been adopted by CAYS early.

CAYS’s assessments of the impact of these new standards are set out below.

IPSAS 43, Leases was issued in December 2022 and shall be applied for financial statements covering periods beginning on or after January 2025. IPSAS 43 supersedes IPSAS 13, and aligns with IFRS 16. IPSAS 43 is expected to be published in January 2023 and requires Lessees to recognize financial and operating leases as leased assets and liabilities. It is anticipated that IPSAS 43 will have an impact on CAYS’s financial statements but will be assessed fully in the next financial year.

IPSAS 44, Non-current assets held for sale issued in January 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 defines non-current assets held for sale and determines the accounting, presentation and disclosure of the discontinued operations. It is anticipated that IPSAS 44 will not have an impact on CAYS’s financial statements, but this will be assessed fully in the next financial year.

IPSAS 45, Property, Plant and Equipment issued in May 2023, distinguishes infrastructure assets from other property, plant and equipment by adding new guidance for heritage assets, infrastructure assets and measurement of property, plant and equipment. IPSAS 45 has an effective date of January 1, 2025. Earlier application is however permitted. IPSAS 45’s impact on CAYS’s financial statements will be assessed more fully in the next financial year.

Note 1: Significant Accounting Policies (continued)

New and revised accounting standards were issued that became effective for the financial year beginning 1 January 2024 (continued)

IPSAS 46, Measurement (issued in May 2023 and effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. The impact of this standard on CAYS's financial statements will be assessed fully in the next financial year.

IPSAS 47, Revenue (issued in May 2023 and effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non- Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The impact of this standard on the Foundation financial statements will be assessed more fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses (issued in May 2023 and effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 will not have an impact on CAYS's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after January 1, 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. It is anticipated that IPSAS 49 will not have an impact on the Foundation financial statements.

IPSAS 50, Exploration for and Evaluation of Mineral Resources, and Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12), were issued in November 2024 and shall be applied for financial statements covering periods beginning on or after 1 January 2027 and relate to accounting by public sector mining entities. IPSAS 50 and the amendments to IPSAS 12 are not applicable to the Foundation.

(a) Basis of Preparation

The financial statements are presented in Cayman Islands dollars which is the functional currency and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis. These financial statements have been prepared on a going concern basis.

(b) Judgments and Estimates

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting year and in any future years that are affected by those revisions.

Note 1: Significant Accounting Policies (continued)

(c) Revenue

Outputs to Government

CAYS derives its revenue through the provision of services to Cabinet, to other agencies in Government and to third parties. The Cayman Islands Government has agreed to purchase certain outputs from CAYS. These outputs include providing 24-hour residential care to youth who have been committed by the Courts into residential treatments due to care and protection needs and/or offending behaviours. Revenue is recognised at fair value of services provided as the outputs in the purchase agreement are met.

Donations (Non-exchange)

Donations are recorded in revenue when they are received. Where conditions are attached to the donations a liability is recognised and revenue recognised as the conditions attached to the donation are satisfied. The Foundation has designated these non-exchange transactions as donations defined under IPSAS 23 - Revenue from Non-Exchange Transactions.

(d) Expenses

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

(e) Operating Leases

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

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of initial measurement. Although cash and cash equivalents at 31 December 2024 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised.

(g) Prepayments

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

(h) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognised initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

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

Note 1: Significant Accounting Policies (continued)

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Leasehold Improvement	4 years/ Lease agreement period of 25 years
• Computer equipment	3 years
• Office equipment and furniture	4 years
• Motor vehicles	4 years

Disposals

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

(i) 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.

(j) Financial Instruments

CAYS is party to financial instruments as part of its normal operations. When there is objective evidence that a financial asset or group of financial assets is impaired, the losses are recognised as an expense 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 or exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and trade 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 trade payables, other payables and accruals and employee entitlements.

Recognition

CAYS recognise financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD

Note 1: Significant Accounting Policies (continued)

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. CAYS assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are measured at amortised cost.

Cash and cash equivalents, trade receivables and payables are recorded at amortized cost using the effective interest method less any expected credit losses. The simplified approach to providing for expected credit losses as prescribed by IPSAS 41 is applied to trade and other receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses

De-recognition

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

(k) 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 realized.

(l) 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 year the following exchange rates are to be used to translate foreign currency balances:

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

(m) Budget Amounts

The original budget amounts for the financial year are as presented in the 2024 Ownership Agreement. Where the Budget is presented in a format that is different from the financial statements, a statement of comparison of budget and actual amounts are included in the financial statements. Refer to note 21.

The appropriations cover a budget period of two financial years. The 2024-2025 Ownership Agreement covers the two financial years commencing 1 January 2024 to 31 December 2025. During the two-year period, funds can be transferred between the financial years. Unused appropriations from the 2024 budget can be carried over to 2025 to increase budgeted amounts. The 2024-2025 appropriations will lapse at the end of the budget period ending 31 December 2025. Any surplus at the end of the budget period will be repayable to Government.

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

During the year the foundation received \$116,400 of additional funding (CAY 2), from the Cayman Islands Government to upgrade the security resources (\$28,500) at the Bonaventure Boys' Home ("BBH") and \$88,000 relating to Honorarium payments to CAYS foundation's employees. During the 2023 and 2024 financial year, \$100,000 was spent from the \$100,000 and this is included in donations at the year end.

(n) Trade Payables, Other Payables and Accruals

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

(o) Pension Surplus

Contributions towards pensions have been accrued in respect of current service (i.e. for the period since the employee was enrolled in the plan) are funded at rates periodically advised to CAYS by the PSPB and are recognised as expense in the period incurred. CAYS recognizes changes in the past service funding liability, adjusted for funding payments made, as an expense or gain in the period in which such changes are incurred.

(p) Unearned Revenue

Unearned Revenue is recognized as a liability until the revenue is then released to the Statement of Financial Performance when fully recognized as earned.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of CAYS maintained at Cayman National Bank. As at 31 December 2024, CAYS' cash balances were \$971,429 (31 December 2023: \$1,331,229). No restricted cash balances were held by CAYS at 31 December 2024 (31 December 2023: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3: Trade Receivables and Other Receivables

At year end, all overdue receivables have been assessed and appropriate provisions made.

The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision equal to lifetime expected credit losses. The provision for credit losses is \$Nil for the year ended 31 December 2024 (31 December 2023: \$Nil).

	2024	2023
Debtors	778,316	517,746
Less: Allowance for credit losses	-	-
Accrued Income	-	5,335
Staff loan	1,494	390
	779,810	523,471

	2024	2023
Debtor Aging		
Current	259,827	-
1-30 Days	-	264,058
31-60 Days	258,333	258,333
61-90 Days	-	-
> 90 Days	261,650	1,080
Total	779,810	523,471

Note 4: Property, Plant, and Equipment

COST

	Vehicles	Computers	Furniture	Equipment	Leasehold Improvement	Total
Balance as at 1 January 2023	77,310	31,332	103,454	171,712	582,564	966,372
Additions	8,500	-	17,229	54,795	47,850	128,374
Disposals	(5,912)	-	-	-	-	(5,912)
Balance as at 31 December 2023	79,898	31,332	120,683	226,507	630,414	1,088,834

	Vehicles	Computers	Furniture	Equipment	Leasehold Improvement	Total
Balance as at 1 January 2024	79,898	31,332	120,683	226,507	630,414	1,088,834
Additions	6,000	-	76,205	30,282	59,078	171,565
Disposals	-	-	(989)	(3,271)	-	(4,259)
Balance as at 31 December 2024	85,898	31,332	195,900	253,519	689,492	1,256,140

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 4: Property, Plant, and Equipment (continued)

ACCUMULATED DEPRECIATION

	Vehicles	Computers	Furniture	Equipment	Leasehold Improvement	Total
Balance as at 1 January 2023	65,309	28,016	93,986	91,452	173,532	452,295
Depreciation	8,516	2,834	6,102	30,823	30,017	78,292
Elimination on Disposal	(5,912)	-	-	-	-	(5,912)
Balance as at 31 December 2023	67,913	30,850	100,088	122,275	203,549	524,675
	Vehicles	Computers	Furniture	Equipment	Leasehold Improvement	Total
Balance as at 1 January 2024	67,913	30,850	100,088	122,275	203,549	524,675
Depreciation	6,391	281	8,017	37,980	45,922	98,592
Elimination on Disposal		(2)	(248)	(817)	-	(1,067)
Balance as at 31 December 2024	74,304	31,129	107,087	159,438	249,471	622,199
Net Book value 31 December 2023	11,985	482	20,595	104,232	426,865	564,159
Net Book value 31 December 2024	11,594	203	88,041	94,081	440,021	633,940

The gross amount of fully depreciated property, plant and equipment that are still in use is \$327,731 (2023: \$270,809). Of the additions in the year \$8,036 (2023: \$16,680) were from donations and had no cash flow impact.

Note 5: Employee Entitlements

Employee entitlements outstanding as at 31 December 2024 were \$20,502 (2023: \$10,245), which consisted of an accrual for annual leave and time off in lieu (TOIL). As at 31 December 2024, the accrual for TOIL amounted to \$18,586 (2023: \$3,613) and the accrual for vacation amounted to \$1,917 (2023: \$6,632).

Note 6: Revenue

Outputs to Cabinet

During the financial year ended 31 December 2024, outputs to cabinet of \$3,216,500 (31 December 2023: \$3,100,000) is comprised entirely of amounts derived from the Cayman Islands Government for the sale of outputs.

Donations

During the financial year ended 31 December 2024, donations of \$259,426 (31 December 2023: \$171,455) were received. Included in donations is \$70,965 that relates to funding from cabinet to renovate the Bonaventure Boys' Home.

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 7: Unearned Revenue

The unearned revenue as at 31 December 2024 is \$nil (31 December 2023: \$63,965). During the previous financial year, in accordance with sections 11(5) and 11(6) of the Public Management and Finance Act, Cabinet approved an increase in CAY 2 (Children and Youth Services) by \$100,000. Of this total \$36,035 was spent in the 2023 financial year and \$70,965 in the 2024 financial year which is included in donations at 31 December 2024.

Note 8: Personnel Costs

	2024	2023
Salaries, wages and allowances	2,253,382	1,922,645
Health care	405,705	393,858
Defined pension contribution	237,249	220,436
Total	2,896,336	2,536,939

Note 9: Other Expenses

	2024	2023
Professional services	36,226	41,001
Maintenance	82,607	58,021
Operational	69,936	57,786
Resident expenses	25,992	14,080
Total	214,761	170,888

Note 10: Supplies and Consumables

	2024	2023
Utilities	130,440	115,652
Resident supplies	107,866	80,733
Resident programs	9,359	18,868
Operational supplies	68,562	56,698
Total	316,227	271,951

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 11: Reconciliation of Surplus to Net Cash Flows from Operating Activities

	2024	2023
Surplus/(deficit) for the year	(53,184)	219,446
Non-cash movements:		
Pension interest income	(4,000)	(3,000)
Donation in kind income	(115,594)	(79,753)
Donation in kind expense	94,369	62,683
Depreciation expense	98,592	78,292
Increase in trade receivables and other receivables	(256,340)	(260,285)
Decrease in prepayments	2,443	2,057
(Decrease)/increase in trade payables	(70,352)	73,726
Increase/ (Decrease) in other payables	1,517	(36,166)
Increase in unearned revenue	63,965	63,965
Decrease in employee entitlements	(7,498)	(7,175)
Net cash flows (used in)/from operating activities	(246,081)	113,790

Note 12: Trade payables, Other payables and accruals

	2024	2023
Trade payables	164,385	94,033
Accruals	27,745	23,578
Insurance and pension payables	1,171	6,854
Total	193,301	124,465

Note 13: Commitments

As at 31 December 2024, CAYS had no capital, non-cancellable lease or other financial commitments (31 December 2023: \$Nil).

Note 14: Contingent Liabilities and Assets

The Foundation has no contingent assets or liabilities as at 31 December 2024.

Note 15: Waiver of Capital Charge

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with the public authority's board. Based on past practice, the Foundation expects that the applicable rate for the 2024 financial year will be set at 0% (2023: 0%) and that no capital charge will be payable for 2024 (2023: \$0). Going forward, the Foundation may be required to pay a capital charge in accordance with the PAA.

Note 16: Payment of Annual Dividends by Statutory Authorities and Government Companies (SAGCs)

Pursuant to the Public Authorities Act, section 39(3), a public authority shall pay dividends in accordance with the formulae established by the Minister of Finance. The policy for the Payment of Annual Dividends by Statutory Authorities and Government Companies (SAGCs) was issued in 2018 with an effective date of 1 January 2019 and applied to dividends payable in respect of the 2019 fiscal year and each fiscal year thereafter. The policy was approved by Cabinet on 8 January 2019. Per section 19(a) of the policy, CAYS is exempted from paying an annual dividend as the operations of CAYS is not self-sustainable (i.e. CAYS is reliant on core government subsidies, capital injections and charitable donations to fund its operating activities). In accordance with the Public Authorities Act, CAYS sent communication to the Accountant General seeking approval for the exemption from paying annual dividends on 18 January 2021. The Accountant General responded on the same date confirming that no dividend was required for 2020 and for future years, if CAYS Foundation finances change substantially at which time CAYS should only then re-apply. Cabinet granted approval pursuant to section 39(2) of the Public Authorities Act 2020, to exempt Statutory Authorities and Government Owned Companies from paying-over to Core Government surplus cash reserves for a period of more than ninety days as at December 31st.

Cabinet waived the requirement for the authority to pay over cash reserves over to the treasury as at 31 December 2024 in accordance with PAA S39(2).

Note 17: Related Party and Key Management Personnel Disclosures

CAYS is owned directly by the Government of the Cayman Islands. CAYS is economically dependent on the Ministry of Investment, Innovation and Social Development (the 'Ministry') for the purchase of its services in accordance with the Purchase Agreement with the Government. For the year ended 31 December 2024, CAYS billed \$3,216,500 (2023: \$3,100,000). Of the billed amount, \$775,000 was receivable at year end (2023: \$516,666).

Because of the Government's ownership, other government ministries, portfolios, statutory authorities, Government companies and other Government offices are considered related parties.

During the 2012/13 year, CAYS began operating on land and buildings owned by the Cayman Islands Government free of charge. As indicated in the approved 2024 Ownership Agreement, there were no inter-agency charges between core government entities, except for audit services revenue. As a result, CAYS was unable to make an estimate of the fair value of goods and services it has received from Government related parties for the 2024 and 2023 fiscal years and have not been recorded.

Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CAYS. Total key management personnel remuneration and other benefits amounted to \$412,211 (2023: \$305,113) which includes salary, allowances, pension, honorarium and health insurance.

Board of Directors

No stipend is paid to any of the members of the board of directors (2023 \$Nil). Garth Arch, Managing Director of Arch and Godfrey has in the past provided project management services in relation to the expansion of the Frances Bodden Children's Home free of charge.

Note 18: Provision for Pensions Payable and Severance Payable

CAYS and its employees participate in the Cayman Islands Public Service Pension Plan ("the Plan") on both a defined contribution and defined benefit parts as explained below. Each employee is enrolled in either of the Plan's parts. Pension contributions are paid for all eligible employees on their pensionable emoluments.

Pension contributions for eligible employees of CAYS are paid to the Public Service Pensions Fund (the "Fund"). The Fund is administered by the Public Service Pensions Board (PSPB) and is operated as a multi-employer Fund, except that surpluses or deficit related to the CAYS' Plan are not available to offset or be set off against other plan participants' deficits or surpluses. Prior to April 14, 1999, the scheme underlying the Fund was a defined benefit scheme. With effect from April 14, 1999, the Fund has both a defined benefit and a defined contribution part. Participants that joined after April 14, 1999, become members of the defined contribution element.

Defined contribution plan

For employees enrolled in the defined contribution plan, the Company contributes 12% (plus 0.4% for the Public Service Liability) of the employees' salary or wage each year. For the year ended December 31, 2024 the amount of \$237,249 (2023: \$223,436) was contributed by CAYS and included in the Statement of Financial Performance.

Defined benefit plan

Employees who served with CAYS prior to January 1, 2000 are enrolled in the defined benefit plan. The defined benefit plan is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on member's length of service and their salary in the final years leading up to retirement.

Contributions towards benefits accruing in respect of current service (i.e. for the period since the employee was enrolled in the plan) are funded at rates periodically advised to CAYS by the PSPB and are recognized as expense in the period incurred. CAYS is also required to make payments to the plan to fund benefits accruing in respect of past service (the "past service funding liability"). This past service funding liability, which is generally equivalent to the actuarially-determined present value of the defined benefit obligations less the value of the assets available to meet such obligations (plan assets), is calculated periodically by the Plan actuaries and advised CAYS through the PSPB. CAYS recognizes changes in the past service funding liability, adjusted for funding payments made, as an expense or gain in the period in which such changes are incurred.

The defined benefit portion of the Fund was valued by an Actuary engaged by the PSPB with most recent valuation performed as of 31 December 2024. The defined contribution part of the Fund is not subject to the actuarial valuations due to the nature of the benefits provided therein. The valuation is performed in accordance with IPSAS 39.

All members of the defined benefit scheme are deferred, and no employer contributions are expected in the current year or are expected in future years.

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 18: Provision for Pensions Payable and Severance Payable (continued)

The table below outlines where CAYS post-employment amounts and activity are included in the financial statements.

Table	(\$000's)	2024	2023
	P&L Charge/(credit)	(4)	(3)
	Changes in net worth	(12)	(11)
A.	Defined Benefit Obligation at end of year	23	24
B.	Fair Value of Plan Assets	(111)	(96)
C.	Net liability/ (asset) at the year end	(88)	(72)
D.	Components of Defined Benefit Cost	(16)	(14)
	Composite discount rate at year-end for all plans	5.75%	5.15%
A.	Change in Defined Benefit Obligation	2024	2023
	Defined Benefit Obligation at end of prior year	24	22
	Interest Expense	1	1
	Cash Flow (Benefit Payments)	-	-
	Cash Flow (Participant Contributions)	-	-
	Remeasurements (Effect of changes in Demographic Assumptions)	-	-
	Remeasurements (Effect of changes in Financial Assumptions)	(2)	1
	Remeasurements (Effect of Experience Adjustments)	-	-
	Defined Benefit Obligation at end of the year	23	24
B.	Change in Fair Value of Plan Assets	2024	2023
	Fair Value of Plan Assets at Beginning of Year	96	80
	Interest Income	5	4
	Employer Contributions	-	-
	Participant Contributions	-	-
	Adjust of prior years' cash flows allocations	-	-
	Remeasurements (Return on plan assets)	10	12
	Fair Value of Plan Assets at the end of the year	111	96
C.	Amounts Recognized in the Statement of Financial Position	2024	2023
	Defined Benefit Obligation	23	24
	Fair Value of Plan Assets	(111)	(96)
	Net liability (Asset) at the end of the year	(88)	(72)
D.	Components of Defined Benefit Cost	2024	2023
1	Service Cost	-	-
2	Net Interest Cost	(4)	(3)
3	Remeasurements of Other Long-term Benefits	-	-
4	Defined Benefit Cost Included in Surplus (deficit)	(4)	(3)
5	Remeasurements in changes in net worth	(12)	(11)
	Total defined benefit gain	(16)	(14)

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 18: Provision for Pensions Payable and Severance Payable (continued)

	2024	2023
Statement of financial position:		
Defined benefit obligation at end of period	23,000	24,000
Fair value of plan assets at end of year	(111,000)	(96,000)
Asset in the statement of financial position	(88,000)	(72,000)
Statement of Financial Performance income included in deficit for the year:		
Defined pension benefits – service cost, interest expense and interest income	4	3
Statement of Changes in Net Worth gains/(losses):		
Defined pension benefits – re-measurements on returns and assumptions	12	11

The principal actuarial assumptions at the date of valuation:

	2024	2023
	%	%
1. Discount Rate	5.75	5.15
2. Rate of price inflation	2.00	2.00
3. Rate of pension increase	2.00	2.00
4. Post-employment mortality table – 2024: RP-2014 scaled back to 2006 using MP-2014 then generationally projected from 2006 using Scale MP-2022. (2024: RP-2014 scaled back to 2006 using MP-2014 then generationally projected from 2006 using Scale MP-2022).		

Other Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each territory. The sensitivity of the defined benefit obligation at 31 December 2024 and 31 December 2023 to changes in the weighted principal assumptions is:

Impact on defined benefit obligation 2024			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 5.7%	Increase by 5.7%
Inflation rate	0.25%	Increase by 5.4%	Decrease by 5.4%
Mortality*	10%	Decrease by 5.4%	Increase by 5.4%
Impact on defined benefit obligation 2023			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 5.7%	Increase by 5.7%
Inflation rate	0.25%	Increase by 5.4%	Decrease by 5.4%
Mortality*	10%	Decrease by 5.4%	Increase by 5.4%

* The assumed life expectancy of a person retiring today at age 57 per the 2024 report is 28.78 (2023: 28.78).

Note 18: Provision for Pensions Payable and Severance Payable (continued)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension obligation recognised within the statement of financial position.

The significant plan assets are comprised of:

	2024	2023
Global Equity Securities	78%	81%
Debt securities	18%	18%
Infrastructure	3%	-
Cash and Receivables	<u>1%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>

Through its defined benefit pension plan CAYS is exposed to several risks, the most significant of which are detailed below:

Asset Volatility

The defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the defined benefit pension obligation. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

The plan is managed on behalf of CAYS by the PSPB with the aim of long-term growth through diversification and within the constraints of the act. The long-term bias towards equities is in place to achieve these long-term growth goals.

Changes in bond yields

A decrease in corporate bond yields will increase the defined benefit obligation, although this will be partially offset by an increase in the fair value of the plans' bond holdings.

Inflation Risk

CAYS pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the defined pension benefit obligation.

Life Expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the defined benefit obligation.

Note 19: Financial Instrument Risks

CAYS is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and cash equivalents, trade receivables, trade payables, other payables and accruals and employee entitlements. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. CAYS' main credit risk concentration is spread between cash and cash equivalents and receivables from the Government 2024: \$775,000 (2023: \$516,666). The credit risk of CAYS' assets is not considered significant since all the deposits are placed with highly reputable institutions in the Cayman Islands and receivables are owed to CAYS by the Cayman Islands Government.

Currency risk

CAYS has no significant exposure to currency exchange loss risk.

Interest rate risk

CAYS' interest rate risk is comprised entirely of cash and cash equivalents balances which are interest-bearing. As a result, CAYS is subject to amounts of risk due to fluctuations in the prevailing levels of market interest rates. All cash and cash equivalents are invested at short-term market interest rates therefore, this risk is insignificant.

Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that CAYS will encounter difficulty in raising funds to meet financial obligations when they fall due. CAYS' main liquidity risk relates to its current liabilities 2024: \$213,802 (2023: \$198,675) which are due within 90 days of the year-end date. CAYS maintains sufficient cash balances to meet these financial obligations.

Note 20: Leases of the Homes

During 2015 and 2016 the Frances Bodden Girls' Home was expanded, which is owned by the Government and leased to CAYS, together with Bonaventure Boys' Home and Phoenix House, free of charge for a period of 25 years. Alterations and renovations will be deemed part of the property owned by the Government of Cayman Islands at the end of this lease period. The costs of the expansion are included in leasehold improvements referenced in note 4.

Note 21: Reconciliation and comparison of the actual results versus the original budget

21 a) Reconciliation of actual versus the original budget

An appropriation bill for the additional funding was not introduced in Parliament by 31 March, 2025, as required by section 11 (5) of the Public Management and Finance Act PMFA. This is the only change between the original and final budget.

There are differences between the financial statements and the budgeted financial statements as presented to the Ministry of Investment, Innovation and Social Development (MIISD) in the caption used. Such differences identified have been reconciled in the following tables:

NOTES TO THE FINANCIAL STATEMENTS OF CHILDREN AND YOUTH SERVICES FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 21: Reconciliation and comparison of the actual results versus the original budget (continued)

Statement of Financial Position:

Financial Statement (FS) Caption	Original Budget Caption	FS Actual	Original Budget	Final Budget	Actual vs Budget Variance
Cash and cash equivalents	Cash and cash equivalents	971,429	1,055,565	1,055,565	(84,136)
Trade receivables and other receivables	Trade receivables	779,810	258,333	258,333	521,477
Prepayments	Prepayments	2,360	5,000	5,000	(2,640)
Pension Surplus	Pension Plan Surplus	88,000	-	-	88,000
Property, plant and equipment	Property, plant and equipment	633,940	442,410	442,410	191,530
Trade payables	Trade payables	164,385	20,000	20,000	144,385
Other payables and accruals	Other payables and accruals	28,915	38,000	38,000	(9,085)
Unearned revenue	Unearned revenue	-	-	-	-
Employee entitlements	Employee entitlements	20,502	28,000	28,000	(7,498)
Accumulated surpluses	Accumulated surpluses/(deficits)	1,795,070	1,268,641	1,268,641	526,429

Statement of Financial Performance:

Financial Statement (FS) Caption	Original Budget Caption	FS Actual	Original Budget	Final Budget	Actual vs Budget Variance
Donations	Donations	259,426	-	-	259,426
Personnel Cost	Personnel Cost	2,896,336	3,066,798	3,066,798	(170,462)
Other Expenses	Other Expenses	214,761	41,589	41,589	173,172
Supplies and consumables	Supplies and consumables	316,227	339,329	339,329	(23,102)
Depreciation	Depreciation & Amortisation	98,592	67,551	67,551	31,041

21b) Comparison of the approved budget versus actual

Statement of Financial Position

Cash and Cash Equivalents

As at the end of the financial year, cash and cash equivalents were under budget by \$84,136, which is due to the following:

- Increase in Accounts receivable – Amount due from the Ministry as at 31 December 2024. (\$799,397 versus \$258,333)
- Increase in other expenses (\$214,761 versus \$41,589)

Prepayments

Prepayments were lower than budgeted for due to less bills being paid in advance at the end of 2024.

Note 21: Reconciliation and comparison of the approved budget versus actual budget (continued)

Pension Surplus

The Defined Benefit Pension is more than budgeted due to the actuarial valuation provided by the Public Service Pension Board/Mercer. The decreased value recognized in the Statement of Financial Position in comparison to the approved budget shows that the defined benefit pension can decrease year over year, this has not been the case in previous years.

Property, Plant and Equipment

Property, Plant and Equipment is over budget by \$191,530 as there were more fixed assets donated during the year than budgeted for. Also, the renovations for the Bonaventure Boys' Home was completed in June 2024 and the remainder of donation received from the Ministry in the 2023 financial year was utilized. Therefore, there were additional additions due to this project that were not budgeted for.

Trade receivables and other receivables

Trade receivables were over budget by \$521,477 as there were three Government grant invoices due at end of 2024 while there was one invoice due in the 2024 financial year budget.

Trade Payables

Trade payables were over budget by \$144,385. The increase in accounts payable is primarily due to expenses incurred for sessional workers who were not initially budgeted for.

Other Payables and Accruals

Other payables and accruals are under budget by \$9,085 as costs of certain expense items were less than expected.

Employee Entitlements

Employee Entitlements were under budget by \$7,498 as the accrual for annual leave and TOIL were less than budgeted for. In previous years, accumulated TOIL was quite excessive and as such, management has been closely monitoring TOIL to reduce the TOIL hours as much as possible.

Accumulated Surpluses

The increase in accumulated surplus is due to the operating surplus at the end of the 2024 and 2023 financial year.

Statement of Financial Performance

Donations

Donations were budgeted at zero as donations are not guaranteed and are generally one-off items, which do not repeat from year to year, leaving little correlation from one year to the next. Included in donations is \$70,965 that relate to funding from cabinet to renovate the Bonaventure Boys' Home.

Personnel Costs

Personnel costs were under budget by \$170,462 due to the actual employee headcount (44) is lower than the budgeted headcount (50).

Note 21: Reconciliation and comparison of the approved budget versus actual budget (continued)

Other Expenses and Supplies and Consumables

Other Expenses are over budget by \$173,172. This is mostly due to increased expenditure related to repairs and maintenance.

Supplies and consumables were under budget by \$23,102. This decrease is due to actual utility cost (\$130,440) were lower than the budgeted amount (\$175,329).

Depreciation

Depreciation was over budget by \$31,041. CAYS received additional assets that were not budgeted for in 2024, therefore depreciation expense is greater than the budgeted amount.

Note 22: Events occurring after reporting date

In 2025, CAYS started planning upgrades for the Bonaventure Boys' Dormitory estimated to cost \$330,000. CAYS is also planning renovations for the Frances Bodden Girls' Home, estimated at \$1.2million. The renovation project of Bonaventure Boys' Dormitory is projected to be towards the final week in August 2025, while the work on the Frances Bodden Girl's Home is projected to begin in February 2026.

As a result, management will accelerate the useful life of the existing leasehold improvements. Consequently, the depreciation charge for the next financial year will be impacted by \$221,910 and for 2026, it will be \$18,493.