



2025

PRE-ELECTION ECONOMIC AND FINANCIAL UPDATE

Government of the Cayman Islands

For the financial years ending 31 December 2025 and 2026

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

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1. Introduction

Purpose and Content

Section 26 of the Public Management and Finance Act (2020 Revision) (the “PMFA” or the “Act”) provides for the Chief Officer of the Ministry responsible for Finance to publish in the Gazette a Pre-Election Economic and Financial Update (the “PREFU”), not more than forty-two days, nor less than twenty-eight days, before the date of a General Election. The Cayman Islands’ next General Election will be held on 30 April 2025.

The purpose of the PREFU is to provide updated information on the economic and financial outlook for the current financial year ending 31 December 2025 and the next year (i.e. financial year ending 31 December 2026) (together, the “forecast period”), inclusive of forecast financial statements for the Core Government and the Entire Public Sector (the “EPS”). The EPS consists of Core Government (made up of 21 Ministries, Portfolios and Offices) and 25 Statutory Authorities and Government Companies (“SAGCs” or “Public Authorities”). The information in the report considers, to the fullest extent possible, all Government decisions made before the 2025 General Election and all other circumstances that may have a material effect on the economic and financial outlook.

The PMFA requires that the PREFU provide:

- economic forecasts for the current financial year and for the next financial year;
- forecast financial statements for the Core Government and the EPS for the current financial year and for the next financial year;
- a statement specifying the date on which the economic forecasts and forecast financial statements were prepared; and
- an explanation of how the Core Government forecast financial statements accord with the Principles of Responsible Financial Management, which are specified in Section 14 of the PMFA.

Dates on which the Forecasts and Information were Finalised	
Economic Forecasts	25 March 2025
Economic Data	25 March 2025
Financial Forecasts	25 March 2025
Specific Financial Risks	25 March 2025
Text Finalised	31 March 2025

The PREFU allows for the assessment of the Government’s financial performance against the financial policy objectives and strategies set out in the Plan and Estimates document for the 2024-2025 two-year financial period.

The PREFU has the 2024 unaudited actual results as its foundation - which allows comparison to be made in respect of projected results for the 2025 and 2026 financial years. It incorporates modifications to the 2025 budget as approved by Cabinet and/or the Finance Committee under Sections 11(5) and 12 of the Act, respectively.

This update reflects representations and financial assessments provided by Chief Financial Officers of Ministries, Portfolios, Offices, and SAGCs, along with the professional judgment of staff within the Ministry of Finance and Economic Development. These assessments are based on current economic conditions, financial performance trends, and the estimated outturn for 2025 and 2026.

Additionally, the PREFU contains forward-looking projections that are based on existing policies, economic assumptions, and known fiscal commitments. While these projections consider known risks, unforeseen circumstances and economic uncertainties could lead to actual results that may differ materially from projected results.

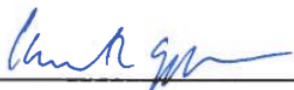
2. Statement of Responsibility

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

We attest that, to the fullest extent possible, the information contained herein reflects the best professional judgment of the Ministry of Finance and Economic Development applied to financial information submitted by Core Government’s Ministries, Portfolios and Offices and considers all Government decisions and available economic and financial information as at 25 March 2025.

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

- (a) complete and reliable;
- (b) fairly reflect the forecast financial positions and performance for the financial years ending 31 December 2025 and 2026;
- (c) include all policy decisions and other circumstances that have, or may have, a material effect on the forecast statements; and
- (d) comply with generally accepted accounting practices as defined by International Public Sector Accounting Standards (IPSAS), except for IPSAS 39 – Employee Benefits as it relates to postretirement health care, IPSAS 43 – Leases, and IPSAS 45 – Property, Plant and Equipment as it relates to heritage and infrastructure assets.



Kenneth Jefferson, JP

Financial Secretary and Chief Officer

Ministry of Finance and Economic Development

2 April 2025



Matthew Tibbetts

Accountant General

Ministry of Finance and Economic Development

2 April 2025

3. Executive Summary

Real economic growth of 2.6 percent is forecast for the financial year ending 31 December 2025. Thereafter, the economic growth is expected to moderately decline to 2.4 percent in 2026. Inflation is expected to decrease from 2.9 percent in 2025 to 2.5 percent in 2026. Over the corresponding period, the unemployment rate is estimated to decline slightly from 3.0 percent in 2025 to 2.9 percent by December 2026.

For the 12-month period ending 31 December 2025, **Core Government's Operating Deficit*** is forecast to be \$26.2 million. This represents a negative shift of \$80.9 million from the \$54.7 million Operating Surplus originally budgeted. The components of an Operating Surplus or Deficit can be found on page 31.

For the 12-month period ending 31 December 2026, **Core Government's Operating Deficit** is forecast to be \$44.0 million.

Core Government is forecast to have **closing bank account balances** totalling \$395.0 million at 31 December 2025. This amount is \$8.6 million less than the \$403.6 million shown in the 2025 original budget. Thereafter, closing bank account balances are forecast to be \$246.8 million at the end of financial year 2026.

Core Government debt is forecast to be \$501.9 million at 31 December 2025. This amount is expected to decrease to \$451.5 million at the end of financial year 2026.

For the **EPS**, **closing bank account balances** are forecast to be \$815.3 million at 31 December 2025; this amount is \$51.2 million less than the \$866.5 million shown in the 2025 budget. For financial year 2026, EPS closing bank balances are forecast to be \$659.5 million, at 31 December 2026.

For the **EPS**, the **closing debt balance** for 2025 is forecast to be \$514.0 million, thereafter, this balance is forecast to decrease to \$461.5 million at the end of 2026.

For the forecast period ending 31 December 2025, the Government is forecast to be **compliant with five (5) of the six (6) Principles of Responsible Financial Management**. The Government will not achieve compliance with the requirement for an Operating Surplus during the forecast period.

For the forecast period ending 31 December 2026, the Government is forecast to be **compliant with four (4) of the six (6) Principles of Responsible Financial Management**. The Government will not achieve compliance with the requirement for an Operating Surplus and minimum 90 Cash Days during the forecast period.

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

*See further explanation of the Operating Deficit on pages 10, 11 and 31

Table 1- Summary of the Main Economic and Financial Forecasts

	2025 Forecast	2026 Forecast
Economic Forecast (%)	%	%
Real GDP Growth	2.6	2.4
Consumer Price Index (Inflation)	2.9	2.5
Overall Unemployment Rate	3.0	2.9
Financial Forecast (\$ millions)		
Core Government Operating Deficit	26.2	44.0
EPS Operating Deficit	27.5	41.2
Core Government Closing Bank Account Balances	395.0	246.8
EPS Closing Bank Account Balances	815.3	659.5
Core Government Debt	501.9	451.5
EPS Debt	514.0	461.5

4. Financial Outlook

Introduction

This section provides the Government's financial forecasts for 2025 and 2026.

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

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

In accordance with the requirements of the PMFA, the forecast financial statements are provided in respect of: the Core Government; and the EPS. Both sets include the financial activity (Statement of Financial Performance, Financial Position Statement and Statement of Cash Flows), of SAGCs.

The Core Government comprises:

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

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

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

Forecast Statement of Financial Performance

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
	Revenue			
1,043,505	Coercive Revenue	1,076,023	1,057,718	1,066,705
48,948	Sales of Goods and Services	50,970	46,230	46,115
29,129	Investment Revenue	9,414	16,809	11,304
2,260	Donations	30	411	412
1,401	Other Revenue	96	96	96
1,125,243	Total Revenue	1,136,533	1,121,264	1,124,632
	Expenses			
468,223	Personnel Costs	522,299	496,666	510,631
168,964	Supplies and Consumables	177,985	176,964	182,364
52,780	Depreciation and Amortisation	59,521	61,833	63,201
17,181	Finance costs	24,661	20,128	23,431
1,389	Litigation Costs	2,039	1,723	1,723
193,223	Outputs from Statutory Authorities and Government Companies	186,162	206,470	206,924
81,066	Outputs from Non-Governmental Suppliers	39,080	83,640	79,584
78,996	Transfer Payments	62,801	91,496	92,033
(3,724)	Other (Gains)/Losses	43	(23)	(26)
6,754	Other Operating Expenses	7,254	8,561	8,768
1,064,852	Total Expenses	1,081,846	1,147,457	1,168,634
60,391	Core Government Net Surplus/(Deficit)	54,687	(26,194)	(44,002)
(4,766)	Profit / (Loss) of Statutory Authorities and Government Companies	(1,986)	(1,303)	2,810
55,625	Entire Public Sector Net Surplus/(Deficit)	52,700	(27,496)	(41,191)

For the 12-month financial period ending 31 December 2025, Government's **Operating Deficit** is forecast to be \$26.2 million. This amount is \$80.9 million less than the \$54.7 million Operating Surplus, originally budgeted for 2025*.

Revenue for 2025 is projected to be \$15.3 million lower than originally budgeted for 2025, primarily due to the non-implementation of planned legislation that was expected to generate additional revenue. This shortfall highlights the fiscal risks associated with delays in policy execution.

The overall revenue forecast remains tied to economic expansion – particularly of the tourism and financial services sectors - major development projects, and retail trade growth.

To enhance an understanding as to why a projected Operating Deficit for 2025 can arise even though an Operating Surplus was experienced for the 2024 financial year, the table on the following page explains this forecast movement between 2024 and 2025.

*2025 Budget was approved by Parliament in December 2023.

RECONCILIATION OF THE 2024 OPERATING SURPLUS TO THE 2025 PROJECTED OPERATING DEFICIT			
	CI\$ 000s	CI\$ 000s	CI\$ 000s
Unaudited Operating Surplus for 2024			60,391
Summary of Possible Changes between 2024 and 2025:			
Net decrease in 2025 projected revenues compared to actual revenues for 2024		3,979	
Additional Costs Likely to Arise in 2025:			
Full-Year Cost of the 5% Cost of Living Adjustment to Civil Servants , effective 1 January 2025 and, the minimum salary uplift to \$3,000 per month for civil servants	20,000		
\$10 million Honorarium paid in 2024, not expected to recur in 2025	(10,000)		
Finance Cost increase due to expected borrowing in 2025 whereas, borrowing did not occur 2024	2,947	12,947	
Supplementary Expenditure Approved by Cabinet in 2025:			
Personnel Cost (recruitments connected to public safety and public service pensioners' uplift)	11,443		
Supplies and Consumables (additional costs related to public safety, and professional fees for tourism and financial services)	5,677		
Increased Outputs to Government by Statutory Authority and Government Companies (for enhanced educational services)	3,145		
Transfer Payments (reflecting the cost of widening the scope of assistance offered to members of the public in need and, the additional cost of increasing the previous \$1,250 per month threshold to \$1,500 per month)	12,500	32,765	
Other Estimated Increases:			
Projected Growth in Personnel (arising from anticipated hiring in 2025 for recruitments in areas other than public safety)	7,000		
Supplies and Consumables (additional costs to support delivery of services in 2025)	2,323		
Litigation cost	334		
Depreciation and Amortisation (increase due to additional fixed assets, such as buildings and roads)	9,053		
Increased Outputs to Government by Statutory Authority and Government Companies (for the regulation of the financial services sector)	10,102		
Local and Overseas Tertiary Healthcare (additional costs estimated to arise in 2025 over and above the 2024 cost levels)	2,574		
Other Gains and Losses	3,701		
Other Operating Expenses	1,807	36,893	
Total Possible Changes Arising in 2025			86,584
2025 Forecast Operating Deficit			26,193

Total Possible Changes Arising in 2025	
Reduction in revenue from 2024 to 2025	3,979
Personnel Costs	28,443
Outputs from Statutory Authorities and Government Companies	13,247
Transfer Payments	12,500
Depreciation and Amortisation	9,053
Supplies and Consumables	8,000
Outputs from Non-Governmental Suppliers	2,574
Other (Gains)/Losses and Operating Expenses	5,508
Litigation Costs	334
Finance costs	2,947
Total Possible Changes Arising in 2025	86,584

The decline in operating performance is primarily due to an increase in Operating Expenditure compared to the original 2025 Budget.

Total Operating Expenses and Non-Operating Expense of Core Government is forecast to be \$1,147.5 million for the financial year ending 31 December 2025. The following are the forecast material variances that contribute to increased expenditure during the year:

- **Personnel Costs** are forecast to be \$496.7 million for the 2025 financial year. This projection consists of a 5% CoLA which took effect on 1 January 2025; planned recruitments in 2025 to bolster public safety; the implementation of the salary equalisation review in a particular agency; and public service pensioners' uplift to increase the minimum cumulative pension (of \$1,500 per month). Despite the above-related increases for 2025, there is a \$25.6 million forecast underspend in personnel expenditure compared to the 2025 original budget.
- **Supplies and Consumables Costs** are forecast to be \$177.0 million for the 2025 financial year, with increases (from the \$168.9 million level in 2024) primarily due to additional costs related to public safety, and professional fees for tourism and financial services.
- **Outputs from Public Authorities** are forecast to be \$206.5 million for the 2025 financial year. The increase of \$13.2 million compared to actual costs incurred in 2024, is primarily due to increased utilisation at the Health Services Authority, enhanced educational services, and increased funding to the Cayman Islands Monetary Authority for the effective regulation of the financial sector.
- **Outputs from Non-Governmental Organisations** are forecast to be \$83.6 million for the 2025 financial year. This amount is only \$2.6 million higher than actual costs incurred in 2024, and such an increase is primarily due to the provision of additional Tertiary Medical Care at Local and Overseas Institutions over and above the level of care in 2024.
- **Transfer Payments** are forecast to be \$91.5 million for the 2025 financial year. The increase of \$12.5 million compared to actual cost incurred in 2024 is primarily driven by the Government initiative to widen the scope of assistance offered to members of the public in need. Some of the increase is also attributed to enhancements in educational scholarships, and an uplift in ex-gratia benefits to seamen and veterans.

As a sector, SAGCs, collectively also called **Public Authorities**, are forecast to make a Net Operating Deficit of \$1.3 million in 2025.

Core Government is forecast to have closing **bank account balances** totalling \$395.0 million for the financial year ending 31 December 2025. EPS closing bank account balances for financial year 2025 are forecast to be \$815.3 million; this amount is \$51.7 million less than the \$867.0 million shown in the 2025 original budget.

The Government's **capital expenditure programme** is determined by the specific policies of the Government and consists of Equity Investments into Public Authorities, Ministries, Portfolios and Offices, and construction of planned Executive Assets.

Core Government is forecast to spend \$90.0 million on **investing activities** for the financial year 2025. Major capital projects include improvement to education facilities and the expansion of the road network infrastructure.

Planned Equity Investments to be made by Government into Public Authorities are forecast to be \$30.2 million in 2025.

The Government is expected to fully draw down on the loan facility of CI\$150.0 million (US\$182.9 million), in 2025, in order to provide additional financial resources to support the Government's capital expenditure projects.

Forecast Financial Performance for Financial Year 2026

For the financial year ending 31 December 2026, **Core Government's Operating Deficit** is forecast to be \$44.0 million. Expenditures are forecast to increase by a growth rate of approximately 2% over 2025.

The **Public Authorities** are forecast to have a Surplus in operating performance of \$2.8 million in 2026.

Core Government closing **bank account balances** are forecast to be \$246.8 million at the end of the 2026 financial year.

For financial year 2026, the EPS closing cash balances are forecast to be \$659.5 million.

Core Government debt is forecast to be \$451.5 million at the end of financial year 2026. No additional borrowing is expected in 2026.

For the EPS, the forecast debt is \$461.5 million as at 31 December 2026.

Equity Investments made by Government into Public Authorities are forecast to be \$30.2 million in 2026.

Core Government is forecast to spend \$89.5 million on **investing activities** for the financial year 2026 on ongoing capital projects

These forecasts consider, to the fullest extent possible, all Government decisions made up to 25 March 2025. Therefore, there is a risk of variations to the forecasts by any policy decisions taken after the finalisation of the PREFU.

The table on the following page summarises the financial outlook for the Core Government and the EPS during the forecast financial period.

Table 2 – Fiscal Outlook for the Financial Years Ending 31 December 2025 and 2026

Government of the Cayman Islands Fiscal Outlook for Core Government and Entire Public Sector For the Financial Years Ending 31 December 2025 and 2026						
	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Original Budget FY 2025	Forecast for FY 2025	Forecast for FY 2026	Original Budget FY 2025	Forecast for FY 2025	Forecast for FY 2026
Operating Statement						
Operating Revenue	1,136,533	1,121,264	1,124,632	1,517,495	1,507,420	1,528,890
Operating Expenses	1,057,142	1,127,352	1,145,229	1,435,899	1,515,148	1,546,785
Financing Expense & (Gains)/Losses on foreign exchange transactions	24,704	20,105	23,405	28,896	19,768	23,296
Net Surplus/(Deficit) of Core Government	54,687	(26,194)	(44,002)	52,700	(27,496)	(41,191)
Net Surplus/(Deficit) of Public Authorities	(1,986)	(1,303)	2,810			
Net Surplus/(Deficit) of Entire Public Sector	52,700	(27,496)	(41,191)	52,700	(27,496)	(41,191)
Balance Sheet						
Debt Balance at Period-End	495,106	501,905	451,526	507,249	514,046	461,530
Net Assets	2,230,849	2,235,864	2,196,439	2,230,849	2,235,864	2,196,438
Cash Flow						
Net Operating Cash Flows	85,158	(812)	1,458	160,765	68,237	56,278
Net Investing Cash Flows	(115,080)	187,325	(99,268)	(151,356)	108,233	(156,840)
Net Financing Cash Flows	54,908	75,957	(50,380)	50,248	91,144	(56,720)
Cash Balance at beginning of period	378,662	132,523	394,992	735,685	485,532	753,146
Net Increase/ (Decrease) in Cash	24,986	262,470	(148,189)	59,657	267,614	(157,282)
Cash and cash equivalents at end of period (Deposits held < 90 Days)	403,648	394,992	246,803	795,342	753,146	595,864
Fixed Deposits (Maturity > 90 Days)	-	-	-	71,184	62,187	63,615
Total Cash and Deposits	403,648	394,992	246,803	866,527	815,333	659,480

Graphical Depiction of Forecast Financial Performance

These forecasts have been prepared using a “constant policy” assumption which means that all Government policies in the 2025 Budget that have been implemented, and all Cabinet decisions made up to 25 March 2025, are reflected in these forecasts.

Figure 1 and 2 summarises the 2025 and 2026 financial forecasts for the Core Government and the EPS, respectively.

Figure 1
Core Government Forecast Operating Revenues and Expenses

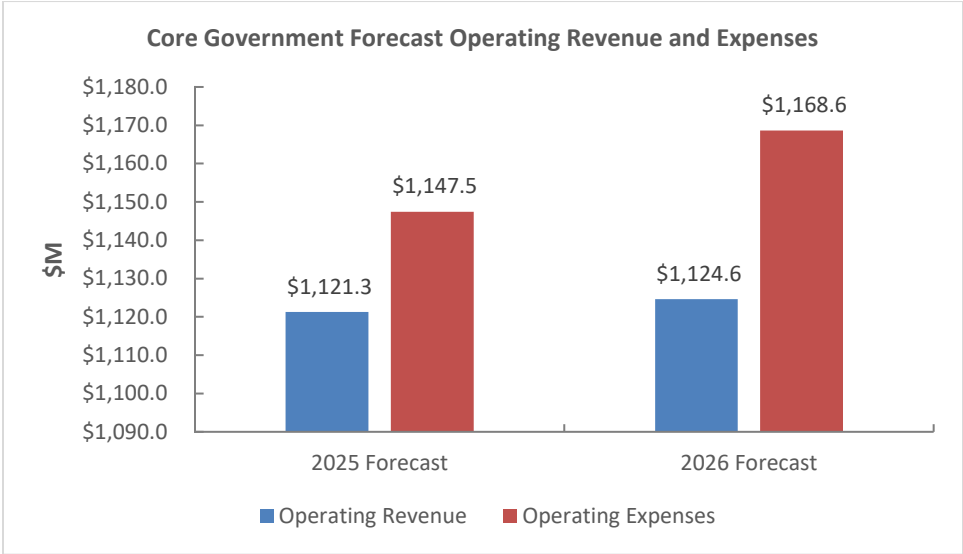
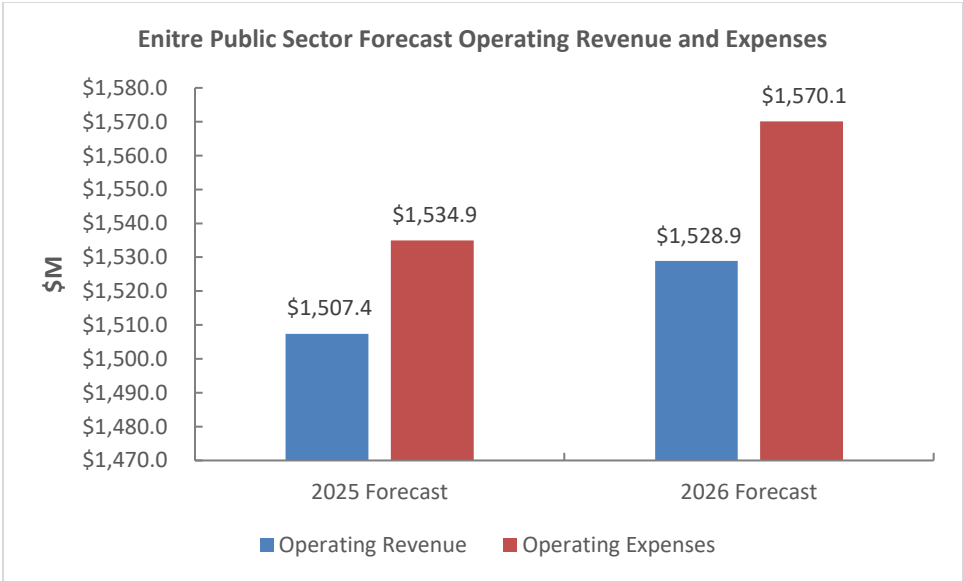


Figure 2
Entire Public Sector Forecast Operating Revenues and Expenses



5. Economic Outlook

This economic update provides a review of the Islands' macroeconomic performance for the Financial Year that ended 31 December 2024 and details the forecast and associated assumptions for the succeeding three years. The report focuses on four core indicators:

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

2024 Macro-economic Performance

GDP Growth: Available indicators up to September 2024, with some indicators available for the full year, suggest that Cayman's Gross Domestic Product (GDP) expanded by 3.1 percent in 2024 relative to a growth of 5.8 percent in 2023. The indicators highlight a pattern of persistent economic growth for the year despite a slowdown in the growth of tourism services which is approaching its pre-pandemic levels. Notwithstanding the deceleration in tourism services, robust domestic demand for construction, utilities and government services supported the moderate growth for the period.

The moderation in the pace of growth for 2024 was due to a deceleration in the growth of stayover arrivals for the year and a reduction in cruise arrivals. During the year, stayover arrivals increased by 2.0 percent, a significant deceleration from the 51.0 percent increase in 2023. Notably, the most recent increase brought stay-over arrivals to approximately 87 percent of the 2019 pre-pandemic record levels. The hotel and restaurant sector is estimated to have expanded by 2.0 percent for the year, aligning with the growth observed in stay-over arrivals. Despite the continued recovery in stay-over tourism, cruise arrivals decreased by 15.3 percent for the year, a significant shift from the growth of 71.0 percent in 2023. The contraction in cruise arrivals can be partly attributed to major cruise lines repositioning their Caribbean itineraries around the larger classes of vessels in their fleets. The slower growth in tourism and the decline in cruise arrivals tempered the expansion in the transportation sector, which is estimated to have grown by 1.4 percent in 2024.

While the growth in tourism activity slowed during the year, the delayed effects of the recovery coupled with domestic demand contributed to growth in auxiliary services. The rise in domestic demand for the year was supported by a 4.8 percent increase in the population for 2024. During the year the demand for electricity and water services rose by 4.6 percent. Growth in electricity consumption was also driven by rising temperatures which resulted in the average consumption of each customer rising for the period. Similarly, the wholesale and retail sector expanded by 3.4 percent. The growth in the industry was precipitated by a 9.1 percent increase in merchandise imports for the first nine months of the year. The demand for communication services is estimated to have expanded by 2.7 percent, while "other services" is estimated to have expanded by 3.1 percent. Growth in the "other services sector", which includes recreation and culture was impacted by the slowdown in demand for tourism services.

The construction sector is estimated to have expanded by 3.0 percent in the year, driven by several large-scale projects in the hotels, commercial and apartment space. The industry also benefited from a 2.9 percent increase in loans for domestic properties for the first three quarters of the year. Consistently the real estate sector also expanded by 3.3. The financing and insurance services sector is estimated to have risen by 2.7 percent for the year, while business services increased by 2.9 percent. During the year the United States' Federal Reserve Bank (FED) transitioned from the tight monetary policy stance of increasing interest rates which was adopted in the prior years, and begun reducing its policy rate by a cumulative 1.5 percentage points in the third and fourth quarter of 2024. Similar rate reductions were also adopted by central banks in Canada, the UK and Europe. The reduction in rates transitioned directly through Cayman's economy with data from the Cayman Islands Monetary Authority showing that Cayman's prime interest rate fell by 50 basis points in the third quarter of 2024. It is expected that the results for the fourth quarter will be consistent with the reductions adopted by the FED. Notably, the industry continued to innovate and expand its suite of services which resulted in growth in private funds and insurance licenses.

As demand for auxiliary sectors spurred expansions in services, government activities and health services also expanded for the year. The health and social work sector is estimated to have grown by 4.3 percent. Similarly, the Government services sector is estimated to have increased by 3.8 percent for the period.

Inflation: The average consumer price index moderated in 2024, as improved supply and tight monetary policy added downward pressures to global inflation. Specifically, CPI inflation slowed to 2.6 percent for 2024 relative to a peak of 9.5 percent in 2022. Inflation in the year was largely driven by demand for domestic services with indices for education, communication and health reflecting the highest increases of 10.4 percent, 9.75 percent and 3.2 percent, respectively. The demand-pull inflationary pressures were partly tempered by moderating imported inflation. Specifically, according to the World Bank Commodity prices indices, global crude oil prices fell by 2.5 percent, while the international food price index fell by 7.6 percent. The tempered international prices supported the moderate increase in several core sub-indices of the CPI basket. The index for food rose by 2.2 percent, while transport and housing & utilities increased by 1.3 percent and 2.7 percent, respectively.

Employment³: Consistent with the growth in economic activity for 2024 and the growth levels in tourism services, the demand for and supply of labour increased and converged during the period. The total labour force rose to 60,660, an increase of 0.2 percent over the previous year. The marginal increase in the labour force reflected a rise in the labour force of permanent residents as both the Caymanian and expatriate labour force contracted. Specifically, the Caymanian labour force declined by 0.8 percent, while the non-Caymanian labour force fell by 1.0 percent. The labour force of Permanent Residents (with rights to work) rose by 11.8 percent.

Total employment for 2024 increased by 1.2 percent from the 2023 level, reaching 59,187 in 2024. Caymanian employment fell by 0.4 percent, while non-Caymanian employment rose by 0.7 percent. With the rise in labour demand outweighing the increase in the labour force, the overall unemployment rate fell to 2.4 percent at the end of the year.

³ The labour force indicators are taken from the Labour Force Survey Fall (October) 2024, with the comparable indicators taken from the Labour Force Survey in Fall (October) 2023.

Current Account of the Balance of Payments⁴: The expansion in imports and other outflows during the year are expected to have outweighed inflows from tourism and financial services inflows. Consequently, the deficit on the current account of the Balance of Payments is estimated to have increased for the year. During 2024, total merchandise imports increased by 9.1 relative to a 2.0 percent growth in stay-over arrivals for the year. The Islands' current account deficit balance for 2024 is projected at \$797.5 million or 12.4 percent of GDP.

Table 3: Key Economic Variables

	2023	2024	2025	2026	2027
			Forecast		
Real Gross Domestic Product (GDP) % ^P	5.8	3.1	2.6	2.4	2.3
Consumer Price Index (CPI) %*	3.8	2.6	2.9	2.5	2.2
Number of Employed	58,504	59,187	59,867	61,341	62,880
Caymanian	21,563	21,487	21,684	21,955	22,333
Permanent Residents (WRW)	5,217	5,746	6,045	6,438	6,758
Non-Caymanian	31,724	31,954	32,138	32,949	33,789
Unemployment Rate %	3.3	2.4	3.0	2.9	2.8
Caymanian	5.0	4.6	5.0	4.9	5.0
Permanent Residents (WRW)	2.3	3.8	3.6	2.9	2.5
Non-Caymanian	2.3	0.6	1.4	1.6	1.4
Current A/C Balance (\$M) ^P	(593.9)	(797.5)	(882.4)	(1,045.1)	(1,102.7)
Current A/C (% of GDP) ^P	(9.8)	(12.4)	(13.1)	(14.9)	(15.1)

P - The GDP growth for 2024 is a preliminary estimate based on actual indicators as of September 2024 with some indicators for December 2024. The current account balance for 2024 takes into account actual trade data as of September 2024, and projections of the other current account components.

Source: Cayman Islands Government's Economics and Statistics Office

Forecasts and Assumptions for 2025 to 2027

GDP Growth: As the demand for tourism services moderate, its high growth contribution to output is expected to dissipate. Over the medium term the Islands economy is expected to transition from the recovery phase of the last four years to a steady growth phase as economic fundamentals continue to attract investments and drive demand. The economy is expected to record growth of 2.6 percent in 2025 before decelerating to 2.4 percent in 2026 and 2.3 percent in 2027. It is worth mentioning that increasing geopolitical tensions and the proposed rise in tariff usage globally could negatively impact the performance of Caymans' economy over the forecast horizon.

The financial services sector is expected to sustain its recent performance over the medium term. The domestic banking system is likely to benefit from lower interest rates. Additionally, financial listings should benefit from an increased appetite for the islands' insurance services and continued uncertainty stimulating demand for financial services. Efforts by the government and sector representatives to update several key legislations should also position the islands as a favourable supplier of financial services. Notwithstanding, the continuous evolution of regulations remains a key risk exacerbated by elevated geopolitical tensions. Given these assumptions, the finance and insurance sector is projected to expand by 2.0 percent in 2025, with an average growth of 2.1 percent in 2026 and 2027.

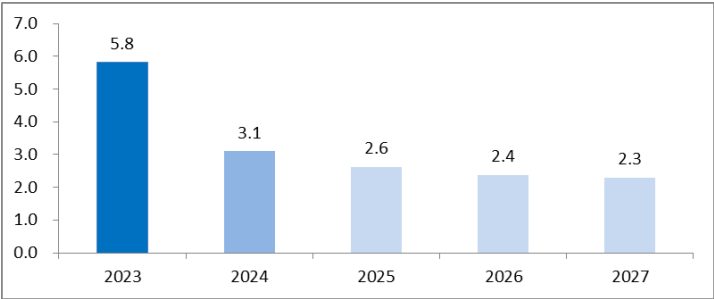
⁴ The current account of the Balance of Payments measures the total value of the Islands' transactions against the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from these transactions.

The anticipated completion of up to four new hotel projects of the forecast period should stimulate some growth in the sector and counter some of the slowdown expected as the pandemic recovery ends. Tourism services are expected to benefit from this impetus with sustained growth. Consequently, the hotels and restaurants sector is expected to expand by 3.0 percent in 2025. The industry is then expected to grow at an average rate of 3.5 percent in 2026, and 2027 as additional rooms come onstream. The additional demand associated with the additional room stock is expected to also benefit the transportation sector. However, it is anticipated that continued declines in cruise arrivals will offset some of the benefits. The transportation sector is projected to expand by 1.8 percent in 2025. The sector is then expected to record an average growth of 2.0 percent in the ensuing two years.

The construction sector is expected to contribute moderately to economic growth over the medium term as hotel projects are finalized in the near term and road and apartment construction continue into the medium term. The extension of the East-West Arterial and the construction of a new high school in Cayman Brac are two large-scale public sector projects expected over the medium term. The sector is projected to expand by 3.5 percent in 2025 before growing at 2.8 percent and 2.3 percent in 2026 and 2027, respectively.

The multiplier effect of the growth in financial services, tourism and construction, is expected to support demand for other auxiliary services. The electricity and water supply sector is projected to expand by an average of 2.8 percent over the three years, while the wholesale and retail sector is expected to rise by an average of 2.7 percent over the three forecast years.

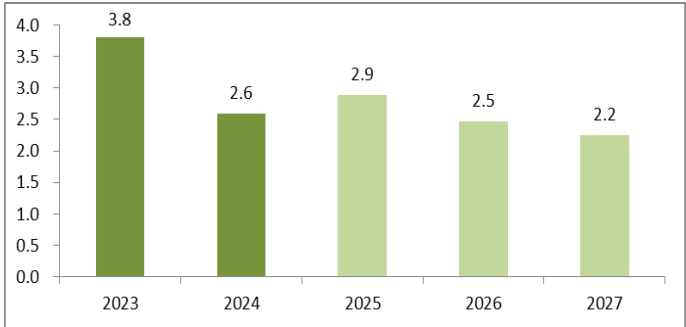
Figure 3: Cayman Islands’ Real GDP Growth (%)



Note: Data for 2023 is an actual estimate; 2024 is a preliminary estimate; 2025-27 are forecasts
Source: Cayman Islands Government’s Economics and Statistics Office

Inflation rate: International commodity prices are projected to remain subdued over the near term amidst steady supply. The IMF projects crude oil prices to fall by a cumulative 14.1 percent between 2025 and 2027, supporting the expectation of low and stable commodity prices. While the IMF projects that inflation in the USA will average 2.3 percent over the near term, the FED’s decision to pause interest rate reductions and the higher-than-expected inflation outturn for January 2025 suggests that US inflation could remain sticky over the near term. Additionally, some demand-pull inflation is anticipated from the domestic market. Continued economic expansion and rising demand are likely to keep costs for some core services such as rent high, given the slow growth in supply. The average inflation rate is forecast at 2.9 percent for 2025, 2.5 percent for 2026 and 2.2 percent for 2027 (see Table 3 and Figure 4).

Figure 4: Cayman Islands’ Inflation Rates (%)

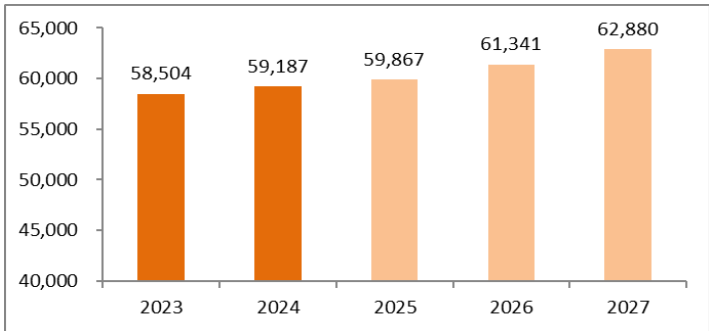


Note: CPI inflation rates for 2023 and 2024 are actual estimates; 2025-27 are forecasts
Source: Cayman Islands Government’s Economics and Statistics Office

Employment and labour force: The demand for labour is expected to track the GDP growth forecasts. Additional growth in tourism services and planned construction projects are expected to increase employment opportunities. Over the medium term, new employment is expected from the Islands’ hotel industry as new rooms come onstream within the context of the added capacity created by current construction projects.

The Government's continued efforts to integrate more Caymanians into the workforce should continue to support the overall narrowing of the labour gap. The local labour supply is assumed to increase at the working-age population's average historical growth rate. Hence, the forecast increase in local labour supply (Caymanians and Permanent Residents with rights to work), is expected to stem mainly from the natural increase in the working-age population (see Table 3 and Figure 5).

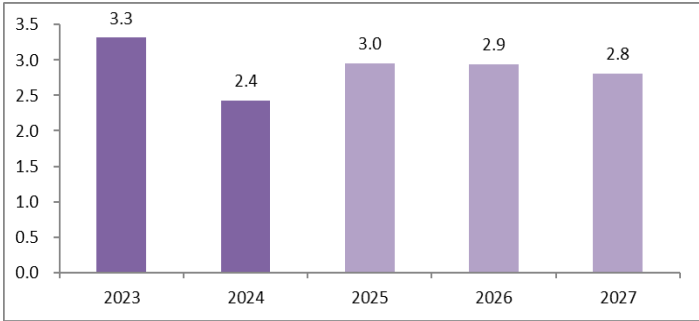
Figure 5: Cayman Islands’ Total Employment



Note: Employment for 2023 and 2024 are actual estimates; 2025-27 are forecasts
Source: Cayman Islands Government’s Economics and Statistics Office

Given the projected rise in the labour force and employment, the unemployment rate is forecast at 3.0 percent of the labour force in 2025. The unemployment rate is then expected to improve to 2.9 percent in 2026 and 2.8 percent in 2027 (see Table 3 and Figure 6).

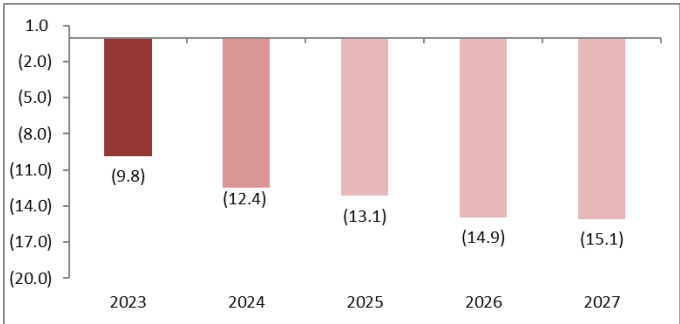
Figure 6: Cayman Islands’ Unemployment Rates (% of Labour Force)



Note: The rates for 2023 and 2024 are actual estimates; 2025-27 are forecasts
Source: Cayman Islands Government’s Economics and Statistics Office

Current Account of the Balance of Payments: The current account deficit is forecast to be higher at 13.1 percent of GDP in 2025, as the rise in imports and other outflows outweigh growth in tourism services. The current account balance is projected to deteriorate to 14.9 percent of GDP in 2026 and 15.1 percent in 2027 (see Table 3 and Figure 7). These are in the context of assumed increases in payments for the importation of goods and assumed improvements in receipts from new tourism-related projects.

Figure 7: Cayman Islands’ Current Account of the Balance of Payments (% of GDP)



Note: Data for 2023 is an actual estimate; 2024 is a preliminary estimate; 2025-27 are forecasts
Source: Cayman Islands Government’s Economics and Statistics Office

6. Risks and Scenarios

Introduction

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

The Cayman Islands will hold its next General Election on 30 April 2025. The financial and economic performance of the Cayman Islands is largely influenced by the policies of the Government of the day. Any changes to Cabinet following the General Election outcome therefore poses some risk to the forecast projections outlined in this document.

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

Economic Risks

The PREFU is premised on a constant-policy assumption and considers major global factors that may have a material impact on the economy. The Cayman Islands' two main economic pillars (Financial Services and Tourism) are dependent on the global economy and significant changes to the global economic landscape could have the potential to materially change the PREFU's forecast results and position.

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

General Financial Risks

Revenue: The revenue forecasts for 2025 are based on anticipated economic growth and do not incorporate any new revenue measures. Projected revenue is driven by sustained performance in tourism sector and financial services, the completion of major development projects, and growth in the wholesale and retail trade industry.

However, any adverse changes in these economic factors—such as a slowdown in tourism, fluctuations in the financial services sector, delays in major developments, weakened consumer spending, or adverse changes in geopolitical climate — could negatively impact revenue performance. As a result, there remains a level of uncertainty in the forecast, requiring close monitoring and potential fiscal adjustments to mitigate risks and maintain financial stability.

Expenditure: The expenditure forecast considers current policies and plans of the Government which may change during the forecast period, and as a result there is a risk that forecast expenditure could be higher or lower than projected.

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

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

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

Credit risk: The Government is exposed to credit-related losses in the event of non-performance by counter parties to trade and other receivables.

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

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

7. Principles of Responsible Financial Management

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

The following definitions accord with the FFR:

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

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

Public Borrowing includes:

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

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

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

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

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

Statement on Compliance with the Principles of Responsible Financial Management

<i>Compliance with Principles of Responsible Financial Management</i>			
Principle	Degree of Compliance Original Budget 2025	Degree of Compliance Forecast 2025	Degree of Compliance Forecast 2026
Operating Surplus : should be positive (Operating surplus = core government operating revenue – core government operating expenses)	Complies Surplus = \$54.7 million	Does Not Comply Deficit = \$26.2 million	Does Not Comply Deficit = \$44.0 million
Net Worth: should be positive (Net worth = core government assets – core government liabilities)	Complies Net Worth = \$2.2 billion	Complies Net Worth = \$2.2 billion	Complies Networth = \$2.2 billion
Borrowing: Debt servicing cost for the year should be no more than 10% of core government revenue (Debt servicing = interest + other debt servicing expenses + principal repayments for core government debt, public authorities debt and self financing loans + or - contributions to Sinking Fund)	Complies Debt Servicing = 8.1 %	Complies Debt Servicing = 6.7 %	Complies Debt servicing = 8.3 %
Net Debt: should be no more than 80% of core government revenue (Net debt = outstanding balance of core government debt + outstanding balance of self financing loan balance + weighted outstanding balance of statutory authority/government company guaranteed debt - core government liquid assets)	Complies Net Debt = 19.8 %	Complies Net Debt = 19.4 %	Complies Net debt = 29.4 %
Cash Reserves should be no less than estimated executive expenses for 90 Days: (Cash reserves = core government unrestricted cash and general reserves)	Complies Cash Reserves = 105.0 days	Complies Cash Reserves = 99.4 days	Does Not Comply Cash reserves = 51.7 days
Financial risks should be managed prudently so as to minimize risk	Complies Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.	Complies Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.	Complies Insurance cover exists for all government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.

For the financial year ending 31 December 2025, the forecast financial statements included in this PREFU show that the Government is forecast to be compliant with five (5) of the six (6) Principles of Responsible Financial Management relating to **Net Worth, Net Debt Ratio, Debt Servicing Ratio, Cash Reserve Days**, and the management of **Financial Risks**.

For the financial year ending 31 December 2026, the Government is projected to be compliant with four (4) of the six (6) Principles of Responsible Financial Management.

8. Conclusion

As required by the Public Management and Finance Act (2020 Revision), this PREFU presents the financial and macroeconomic forecasts and assumptions for the current financial year 2025, and the following financial year (2026), and related commentary on the current trajectory of Government's finances.

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

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

For the financial year ending 31 December 2025, the Government is projected to have an Operating Deficit of \$26.2 million. The 2025 forecast Operating Deficit is \$80.9 million lower than the \$54.7 million Operating Surplus, originally budgeted for 2025. This variance is primarily driven by increases in financial assistance to members of the public and, forecast increases in the value of outputs produced by SAGCs. Additionally, the original budget for 2025 did not fully account for the rising demand and increased costs associated with providing medical services to financially vulnerable individuals and overseas tertiary healthcare expenses—which cover specialised medical treatments not available locally.

Revenue for 2025 is projected to be \$15.3 million lower than originally budgeted for 2025, primarily due to the non-implementation of planned legislation that was expected to generate additional revenue. This shortfall highlights the fiscal risks associated with delays in policy execution.

Core Government is forecast to have closing bank account balances totalling \$395.0 million for the year ending 31 December 2025. This amount is \$8.6 million less than the \$403.6 million shown in the 2025 original budget. The closing bank balance for 2026 is forecast to be \$246.8 million.

For the EPS, closing bank account balances for the 2025 financial year are forecast to be \$815.3 million; this amount is \$51.2 million less than the \$866.5 million shown in the 2025 original budget. The closing bank balance for 2026 is forecast to be \$659.5 million.

Core Government debt is forecast to be \$501.9 million and \$451.5 million at the end of financial years 2025 and 2026, respectively. For the EPS, the closing debt balance is forecast to be \$514.0 million and \$461.5 million at the end of financial years 2025 and 2026, respectively.

The Government is forecast to be compliant with five (5) of the six (6) Principles of Responsible Financial Management during the 2025 financial year: there is projected non-compliance with the requirement to have an Operating Surplus.

For the financial year ending 31 December 2026, the Government is projected to be compliant with four (4) of the six (6) Principles of Responsible Financial Management: there is projected non-compliance with the requirement to have an Operating Surplus and Cash Reserves that cover a minimum of 90 days of Operating Expenditures.

In order to regain compliance with the six (6) Principles of Responsible Financial Management, the Government needs to undertake deliberate actions to avert projected Operating Deficits for 2025 and 2026 – such deliberate actions could entail implementing revenue enhancement measures and re-examining the current Operating and Capital Expenditure plans with a view to achieving expenditure reductions.

A critical examination of the current fiscal trajectory needs to be of paramount importance to Government as it needs to present the following to Parliament before 31 December 2025:

1. a Strategic Policy Statement for 2026-2028; and
2. an Appropriation Bill (i.e., a Budget) for the two-year financial period of 2026-2027, both of which must comply with all of the six (6) Principles of Responsible Financial Management.

Non-compliance with any of the six (6) Principles of Responsible Financial Management will require the Government to prepare a plan to remedy the breach and obtain written approval from the Foreign Commonwealth and Development Office before:

- the 2026-2028 Strategic Policy Statement is finalised and presented to Parliament;
- any public borrowing or any refinancing of public borrowing is undertaken;
- proceeding with any project with a lifetime value of more than \$10 million;
- using public assets as collateral as part of any arrangement with a party external to the Government; and
- the hypothecation of any revenue stream; and the divestment of public assets.

9. Appendix 1

FORECAST FINANCIAL STATEMENTS FOR THE GOVERNMENT OF THE CAYMAN ISLANDS

for the Financial Years Ending 31 December 2025 and 2026

All Figures are Stated in CI\$000s

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General Accounting Policies

Reporting Entity

These forecast financial statements are in respect of for the Government of the Cayman Islands. The forecast financial statements encompass the Core Government and the Entire Public Sector (“EPS”) as required by the Public Management Finance Act (2020 Revision) (“PMFA” or the “Act”).

The reporting entity comprises of:

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

The Core Government accounts for Statutory Authorities and Government Companies (“SAGCs” or “Public Authorities”) on an equity accounting basis while the EPS accounts for them on a fully consolidated basis.

Basis of Preparation

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

To the best of our knowledge, the forecast financial statements comply with generally accepted accounting practices as defined by IPSAS, except for IPSAS 39 – Employee Benefits as it relates to postretirement health care, IPSAS 43 – Leases, and IPSAS 45 – Property, Plant and Equipment as it relates to heritage and infrastructure assets.

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

Reporting Period

The reporting period is the financial years ending 31 December 2025 and 31 December 2026.

Basis of Consolidation

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

Operating Surplus/(Deficit)

An Operating Surplus/Deficit is calculated as revenues of the Government minus its day-to-day Operating expenses such as salaries, financial assistance to those in need, services that Government requires from its Statutory Authorities and Government Companies, and the cost of utilities and other supplies.

If revenues exceed day-to-day expenses, an Operating Surplus exists. If expenses are greater than revenues then, Government suffers an Operating Deficit.

Capital expenditures are not included in the calculation of an Operating Surplus/Deficit.

It is a fundamental accepted accounting principle that Operating Expenditures and Capital Expenditures are different and, Operating Expenditures (but not Capital Expenditures), are used in the calculation of an Operating Surplus/ Deficit.

Examples of Capital expenditures include spending in the development of roads, the purchase of land and construction of buildings.

The factor that distinguishes day-to-day Operating expenses from Capital Expenditures is, the duration of benefit that arises from those expenditures: Capital expenditures produce benefits that last longer than a one-year period whereas, operating expenditures produce benefits that do not persist for more than a one-year period.

Capital Expenditures do not feature in the Operating Surplus/Deficit calculation but, such expenditures are considered when calculating Government's bank account balances.

2024 Comparative Financial Information: Core Government

Section 26 (2) (b) of the Act requires financial statements for a current financial year (in this case 2025) and for the next financial year (2026). The Act does not require the Pre-Election Economic and Financial Update (PREFU) to include financial information with respect to the previous financial year (2024). However, to provide additional information this PREFU document does contain details of the unaudited results for the year ended 31 December 2024. The inclusion of financial information for Core Government results with respect to its 2024 financial year, adds credibility to the projections made for the 2025 and 2026 financial years.

Statement of Significant Assumptions

General Forecast Assumptions

These forecast financial statements were finalised on 25 March 2025. They have been prepared under a “constant policy assumption” and take into consideration all of the Assented legislation and Cabinet decisions made up to 25 March 2025.

The forecast uses the most recent estimate for the results of the 12-month financial period ending 31 December 2024 as its base.

The forecast excludes measures which are unlikely to come to fruition during the forecast period (2025-2026) due to the absence of policies or execution.

Unless stated otherwise in the specific forecast assumptions, revenues are expected to marginally increase by 1% from 2025 to 2026.

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

Macroeconomic and Financial Assumptions

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

Specific Forecast Assumptions

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

The revenue forecast does not include any new revenue measures. Revenues marginally increasing by 1% from 2025 to 2026 is a conservative outlook in light of GDP growth and expectations of 2.6% and 2.4%, respectively, for 2025 and 2026.

The projections established are underpinned by assumptions that growth in the local economy is expected to result in increased demand for goods and services;

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

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

The following specific assumptions are made with regards to **Borrowings** in the 2025 and 2026 financial years:

- Core Government will incur \$150.0 million borrowings throughout the forecast period;
- Public Authorities are not expected to incur any additional conventional borrowings over the forecast period;
- The following specific assumptions are made with regards to a total of \$240.0 million of **Investments** in the 2025 and 2026 financial year;
- \$60.4 million of capital investments into SAGCs to allow these agencies to meet their debt service obligations and to assist in the funding of operational losses; and
- \$179.5 million will be invested in various Ministries, Portfolios and Offices and on creation of Executive Assets primarily to fund the following major items:
 - Continued improvement to our education infrastructure and completion of the New High School in Cayman Brac;
 - Continued development of the Islands' Road Network infrastructure; and
 - Purchase of land for conservation.

Contingent Liabilities

On 7 December 2020 the Government entered into an agreement with five (5) participating local banks to guarantee a loan program to offer and provide new credit facilities (NCFs) to qualifying MSBs and LSBs that were under financial duress for the purpose of providing critical working capital, critical capital expenditures and loan restructuring necessary for the economic viability of the eligible borrowers. The amounts guaranteed by the Government equal 50% of the aggregate of the outstanding principal, unpaid interest and other NCF costs of the eligible borrowers, provided that at no time the guaranteed amount exceeds \$0.375 million for an MSB and \$1.5 million for an LSB. Ten (10) loans have been approved for NCFs under the GGLP amounting to \$5.3 million. The GGLP was closed on 31 January 2021 and thus Government's exposure will not increase.

The outstanding principal on these loans at 28 February 2025 was \$3.8 million; and the maximum Government exposure on these GGLP loans was \$1.9 million. For the life of this program one bank has called in the guarantee of one loan totalling \$21.3 thousand which has been paid. No provisions have been made in these financial results for the possibility of a default on the remaining loan amounts.

Loan to the Cayman Islands Airports Authority ("CIAA")

An interest free loan of CI\$50.0 million to the CIAA, in order to complete a number of additional capital works for the enhancement of airport facilities, was made available by Government.

As at 31 January 2025, the balance remaining on the loan is \$46.4 million.

Loan to Cayman Turtle Conservation and Education Centre ("CTC&EC")

An interest free loan of CI\$10.0 million to the CTC&EC was executed on 17 January 2022. As at 31 January 2025, the full amount of CI\$10.0 million has been drawn-down. The full amount of CI\$10.0 million is forecast to be repaid in 2026.

Environmental Remediation

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

Termination of Integrated Solid Waste Management Systems Project (“ReGen”)

Following the exit of the ReGen project agreement in July 2024, the Government has agreed to pay within the forecast period, \$17.7 million for works carried out on the project to date by the Dart Consortium.

Legal Proceedings and Disputes

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

The factors considered in developing legal provisions include merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject matter of the litigation, the likelihood of settlement and current state of settlement discussions, if any.

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

Post-Retirement Health Care

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

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

Based on the latest actuarial valuation completed in April 2024, the estimated post-retirement healthcare obligation as at 31 December 2023 was a net \$2.4 billion liability. This actuarial valuation has not been recognised in the Statement of Financial Position or in the Statement of Financial Performance for Core Government.

Therefore, the Government operates on a “pay-as-you go” plan in respect of post-retirement health care liabilities: which is typical of many national governments throughout the world. As an Indication of the magnitude of much annual health care costs met by Government for the Civil Service pensioners and their dependents. The 2025 budget contains an amount of \$47.5 million. Currently, no assets are set aside off-balance sheet in respect of the Government’s post-retirement healthcare liability.

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CORE GOVERNMENT

2025 AND 2026 FORECAST FINANCIAL STATEMENTS

FOR THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025
AND THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026

ALL FIGURES ARE STATED IN \$000s

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FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 AND 31 DECEMBER 2026

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
	Current Assets			
132,523	Cash and Cash Equivalents	403,648	394,992	246,803
297,155	Marketable Securities and Deposits	-	-	-
17,530	Trade Receivables	20,907	22,883	23,272
34,204	Other Receivables	22,966	38,135	39,105
6,767	Inventories	9,267	6,234	7,508
14,234	Prepayments	13,903	13,377	14,066
481	Loans	189	13,404	3,429
502,894	Total Current Assets	470,880	489,026	334,184
	Non-Current Assets			
277	Trade Receivables	427	2,551	2,516
56	Other Receivables	292	5,232	1,687
831	Investments	831	831	831
	Prepayments		190	190
57,153	Loans	60,203	40,695	37,253
2,127,433	Property, Plant and Equipment	2,218,239	2,167,158	2,197,595
7,562	Intangible Assets	20,940	20,958	21,022
594,700	Net Worth - Public Authorities	657,435	623,616	656,645
2,788,012	Total Non-Current Assets	2,958,367	2,861,231	2,917,738
3,290,906	Total Assets	3,429,247	3,350,257	3,251,922
	Current Liabilities			
7,888	Trade Payables	52,354	8,296	8,525
147,156	Other Payables and Accruals	82,907	146,473	137,715
114,955	Unearned Revenue	105,420	106,024	106,080
11,933	Employee Entitlements	14,346	14,742	15,184
	Unfunded Pension Liability	30,437	-	-
48,091	Current Portion of Borrowings	50,380	50,380	42,668
	Provisions		1,975	1,975
330,023	Total Current Liabilities	335,844	327,891	312,148
	Non-Current Liabilities			
-	Trade Payables	-	351	351
12,962	Other Payables and Accruals	-	6,971	6,471
-	Unearned Revenue	13,446	-	-
-	Employee entitlements	-	(0)	0
327,656	Unfunded Pension Liability	404,382	327,656	327,656
-	Currency Issued	-	-	-
356,905	Long Term Portion of Borrowings	444,726	451,525	408,858
697,523	Total Non-Current Liabilities	862,554	786,502	743,336
1,027,546	Total Liabilities	1,198,398	1,114,393	1,055,483
2,263,360	Net Assets	2,230,849	2,235,864	2,196,439
	Net Worth			
219,734	Reserves	209,022	202,362	204,128
854,158	Revaluation Reserve	893,277	854,158	854,158
55,625	Current Year Surplus/(Deficit)	52,701	(27,496)	(41,191)
1,133,843	Other Accumulated Surplus	1,075,849	1,206,840	1,179,344
2,263,360	Total Net Worth	2,230,849	2,235,864	2,196,439

GOVERNMENT OF THE CAYMAN ISLANDS

**FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR FINANCIAL YEARS ENDING 31 DECEMBER 2025 AND 31 DECEMBER 2026**

Unaudited Actual 2024			Original Budget 2025	Forecast 2025	Forecast 2026
\$000			\$000	\$000	\$000
	Revenue	Notes			
1,043,505	Coercive Revenue	1	1,076,023	1,057,718	1,066,705
48,948	Sales of Goods and Services	2	50,970	46,230	46,115
29,129	Investment Revenue	3	9,414	16,809	11,304
2,260	Donations	4	30	411	412
1,401	Other Revenue		96	96	96
1,125,243	Total Revenue		1,136,533	1,121,264	1,124,632
	Expenses				
468,223	Personnel Costs	5	522,299	496,666	510,631
168,964	Supplies and Consumables	6	177,985	176,964	182,364
52,780	Depreciation and Amortisation	7	59,521	61,833	63,201
17,181	Finance costs	8	24,661	20,128	23,431
1,389	Litigation Costs		2,039	1,723	1,723
193,223	Outputs from Statutory Authorities and Government Companies	9	186,162	206,470	206,924
81,066	Outputs from Non-Governmental Suppliers	10	39,080	83,640	79,584
78,996	Transfer Payments	11	62,801	91,496	92,033
(3,724)	Other (Gains)/Losses		43	(23)	(26)
6,754	Other Operating Expenses	12	7,254	8,561	8,768
1,064,852	Total Expenses		1,081,846	1,147,457	1,168,634
60,391	Core Government Net Surplus/(Deficit)		54,687	(26,194)	(44,002)
(4,766)	Profit / (Loss) of Statutory Authorities and Government Companies	13	(1,986)	(1,303)	2,810
55,625	Entire Public Sector Net Surplus/(Deficit)		52,700	(27,496)	(41,191)

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF CASH FLOWS
FOR FINANCIAL YEARS ENDING 31 DECEMBER 2025 AND 31 DECEMBER 2026

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
	CASH FLOWS FROM OPERATING ACTIVITIES			
	<i>Receipts</i>			
1,020,293	Coercive Receipts	1,050,440	1,025,986	1,034,704
48,051	Sale of Goods and Services - Third Party	50,557	46,230	46,115
2,590	Outputs to Other Government Agencies	2,563	2,563	2,563
29,887	Interest Received	9,354	16,809	11,304
-	Donations / Grants Received	30	412	412
21,073	Other Receipts	653	12,463	10,096
	<i>Payments</i>			
(463,546)	Personnel Costs	(522,482)	(491,666)	(505,631)
(134,006)	Supplies and Consumables	(172,054)	(180,613)	(182,364)
(191,340)	Outputs from Statutory Authorities and Government Companies	(186,164)	(206,470)	(206,924)
(93,155)	Outputs from Non-Governmental Organizations	(39,166)	(78,640)	(74,584)
(79,807)	Transfer Payments	(62,731)	(91,496)	(92,033)
(17,517)	Financing/Interest Payments	(21,151)	(20,128)	(23,431)
(47,938)	Other Payments	(24,691)	(36,261)	(18,768)
94,587	Net Cash Flows from/(used) by Operating Activities	85,158	(812)	1,458
	CASH FLOWS FROM INVESTING ACTIVITIES			
	<i>Cash Received</i>			
-	Proceeds from Sale of Property, Plant and Equipment	301	-	-
844,305	Proceeds from Sale of Loans/Investments/Maturity of Fixed Deposits	-	300,560	13,431
6,999	Receipt of Dividends/Capital Withdrawal from Public Authorities	2,716	7,000	7,000
	<i>Cash Used</i>			
(92,340)	Purchase of Property, Plant and Equipment	(93,682)	(90,017)	(89,480)
(725,231)	Purchase of Loans/Investments/Placement of Fixed Deposits	(130)	-	-
(30,418)	Equity Investment paid into Public Authorities	(24,285)	(30,219)	(30,219)
3,314	Net Cash Flows from/(used) by Investing Activities	(115,080)	187,325	(99,268)
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Proceeds from Borrowings	123,000	150,000	-
(48,091)	Repayment of Borrowings	(58,092)	(53,091)	(50,380)
590	Deposits from Public Authorities	-	-	-
(25,970)	Repayment of Deposits from Public Authorities	(10,000)	(20,952)	-
(73,471)	Net Cash Flows from/(used) by Financing Activities	54,908	75,957	(50,380)
24,430	Net increase/(decrease) in Cash and Cash Equivalents	24,986	262,470	(148,189)
108,093	Cash and cash equivalents at beginning of period	378,662	132,523	394,992
132,523	Cash and cash equivalents at end of period < 90 days	403,648	394,992	246,803
297,155	Term Deposits (with maturity > 90 days but < 1 year)	-	-	-
429,678	Closing Cash balance and Term Deposits as at 31 December	403,648	394,992	246,803

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF CHANGES IN NET WORTH
AS AT 31 DECEMBER 2025 AND 31 DECEMBER 2026

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
2,191,880	Opening Balance Net Worth	2,178,148	2,263,360	2,235,864
-	Prior Year Adjustments	-	-	-
15,855	Movement in Reserves	-	-	1,766
-	Revaluation	-	-	-
-	Movement in Post Retirement Benefit	-	-	-
55,625	Net Surplus/(Deficit)	52,700	(27,496)	(41,191)
71,480	Total Changes in Net Worth	52,700	(27,496)	(39,425)
2,263,360	Closing Balance Net Worth	2,230,848	2,235,864	2,196,439

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF BORROWINGS
AS AT 31 DECEMBER 2025 AND 31 DECEMBER 2026

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
	<i>Foreign Currency Debt (stated in CI\$)</i>			
48,091	Not later than one year	50,380	50,380	42,668
40,380	Between one and two years	42,668	42,668	42,668
98,004	Between two and five years	128,004	128,003	128,004
218,521	Later than five years	274,054	280,854	238,186
404,996	Total Foreign Currency Debt	495,106	501,905	451,526
404,996	Total Outstanding Debt	495,106	501,905	451,526
404,996	Net Public Debt	495,106	501,905	451,526

	Original Budget 2025	Forecast 2025	Forecast 2026
Government guarantee of Medium and Large Business Loans, 50% of 5 Million	2,500	2,500	2,500
Government guarantee of upper 35% of \$57.2 million of mortgages under Government Guarantee Home Assistance Mortgage Scheme	2,000	2,000	2,000
Total Other Contingent Liabilities	4,500	4,500	4,500

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR FINANCIAL YEARS ENDING 31 DECEMBER 2025 AND 31 DECEMBER 2026

Note 1: Coercive Revenue

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
	<i>Levies on International Trade and Transaction</i>			
	<i>Import Duties</i>			
23,906	Alcoholic Beverages Duty	26,362	23,906	24,384
16,901	Gasoline Diesel Duty	17,146	16,901	17,239
21,869	Motor Vehicle Duty	26,779	21,869	22,306
168,580	Other Import Duty	196,777	168,580	171,951
7,529	Tobacco Products Duty	9,990	7,529	7,679
238,785	Total Import Duties	277,054	238,784	243,560
	<i>Other Levies on International Trade and Transactions</i>			
6,487	Cruise Ship Departure Charges	8,373	8,373	8,691
5,030	Environmental Protection Fund Fees	5,177	5,177	5,396
11,517	Total Other Levies on International Trade and Transactions	13,550	13,550	14,087
	<i>Domestic Levies on Goods and Services</i>			
	Annual fee for Certificate of Direct Investment - Fee equivalent to that payable for a workpermit	-	37	37
21,809	Annual Permanent Resident Work Permit Fee	23,382	21,809	21,809
2	Bank Charges Reimbursable	-	-	-
25,733	Banks and Trust Licenses	24,435	26,291	25,881
125	Births, Deaths & Marriages Registration	154	154	154
4,836	Building Permit Fees	8,112	8,112	8,112
49	Business Staffing Plan Board Fees	40	49	49
1,190	Caymanian Status Fees	821	1,190	1,190
11	Cinematographic Licenses	-	-	-
2,366	Court Fees	2,466	2,466	2,466
2,400	CUC - License	2,400	2,400	2,400
4,800	Debit Transaction Fees	4,938	4,938	5,125
5	Dependant of Caymanian Grant Fee	1	5	5
-	Directors Register Inspection Fees	7	-	-
-	EZG- Special Economic Zone Employment Certificate Grant Fee	676	725	725
85	Firearms Licenses	31	36	36
1	Fisheries Licenses	-	-	-
743	Foundation Companies	359	359	359
1	FPW - Final WP Non-renewal (90days) - Grant	1	1	1

Note 1: Coercive Revenue (Continued)

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
	Domestic Levies on Goods and Services Contd.			
2,290	General Search Fees	1,574	1,574	1,574
14	Grant of Temporary Work Permit - Seasonal Worker	14	14	14
2,502	Health Practitioners' Board Fee	966	2,757	3,033
368	Hotel Licences	360	372	379
8,960	ICTA Licences	9,422	9,422	9,422
2,145	Immigration Non-Refundable Repatriation Fee	2,600	2,145	2,145
9,655	Insurance Licenses	9,524	11,760	12,168
4,070	Insurance Stamp Duty	2,452	2,452	2,545
20	Issue Fee for Certificate of Direct Investment	-	20	20
60	Issue Fee for Specialist Caregiver Certificate	66	60	60
1,409	Land Registry Fees	1,078	1,078	1,078
3,751	Law Firm Operational	4,432	4,432	4,432
2,288	Legal Practitioner Fee	2,015	2,015	2,015
7,148	Limited Liability Companies	7,438	7,438	7,438
61	Limited Liability Partnership	48	48	48
850	Liquor Licenses	715	715	715
4,195	Local Company and Corporate Management Fees	4,268	4,000	4,100
1,433	Local Company Control License Grants/Renewals	2,400	2,400	2,400
23	Local Vessel Licenses	-	-	-
96	Miscellaneous Licenses	72	75	75
53	Money Services Licence	59	60	60
3,452	Money Transfer Fees	6,000	6,000	6,000
9,340	Motor Vehicle Charges	3,469	3,469	3,469
2,315	Motor Vehicle Drivers Licences	1,554	1,554	1,554
462	Motor Vehicle Environmental Tax	7,456	462	462
52,670	Mutual Fund Administrators	54,684	53,162	52,381
5	Non-Profit Organizations	5	5	4,712
488	Notary Public Fees	484	484	484
121,721	Other Company Fees - Exempt	123,910	123,910	123,910
11,631	Other Company Fees - Foreign	12,898	12,898	12,898
1,757	Other Company Fees - Non-Resident	2,142	2,142	2,142
3,217	Other Company Fees - Resident	2,833	2,833	2,833
19,121	Other Stamp Duty	12,560	13,872	13,872
1,331	Package Charges	1,373	1,331	1,331
75,907	Partnership Fees	71,428	71,428	71,428
2,367	Patents and Trademarks	-	2,367	2,402
	PCW - Provision for continuation of work permit -			
2,439	Grant	3,332	2,439	2,439
1,640	Planning Fees	1,915	1,915	1,915
68,980	Private Fund Fees	65,247	75,582	77,320
7,649	Proceeds of Liquidated Entities	8,432	8,681	11,248
5	Public Land Commission Permit Fees	-	-	-
134	Public Records	111	111	111
30	Public Transport - Drivers Licenses	-	-	-
9	Public Transport - Operator Licenses	-	-	-
	Residency & Employ. Rights Cert.- Surviving Spouse of a			
7	Caymanian	1	7	7
	Residency & Employment Rights Certificate by			
519	Dependent of a P.R	254	519	519
1,175	Residency & Employment Rights Certificate Issue Fee	1,082	1,175	1,175
	Residency and Employment Rights Certificate by			
261	Spouse of a Caymanian	136	261	261
	Residency Certificate for Persons of Independent			
654	Means Grant Fee	707	654	654
	RFI - Permanent Residence - Persons of Independent			
4,078	Means	7,456	4,078	4,078
	RJC - Residency Certificate (Substantial Business			
177	Presence)	123	177	177

Note 1: Coercive Revenue (Continued)

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
153	Royalties and Dredging	650	100	100
7,776	Security Investments Business Licenses	8,828	8,520	8,520
4	Spear Gun Licenses	5	5	5
725	Special Economic Zone Employment Certificate - Renewal (2016)	-	-	-
23	Special Marriage Licenses	37	26	26
9,243	Tax and Trust Undertakings	9,500	9,500	9,500
135	Tobacco Dealer Registration fees	120	120	120
-	Tourism Fines	3	3	3
43,405	Tourist Accommodation Charges	44,931	44,931	44,486
7,726	Traders Licenses	6,200	6,200	6,200
805	Trust Registration Fees	770	770	770
173	Virtual Assets (Service Providers)	336	336	336
37	W.I.Z. - Boat Licensing	20	20	20
348	Website - Recovery Fees	346	346	346
107,732	Work Permits Fees	98,971	107,746	107,746
53	Working Under Operation of Law Fees	134	53	53
-	Infrastructure Fund fee	6,761	6,761	6,761
-	DITC Filing Fee	16,890	16,890	16,890
687,463	Total Domestic Levies on Goods and Services	701,420	715,251	723,736

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
	Levies on Property			
5,146	Infrastructure Fund Fees	-	-	-
1,075	Land Holding Companies Share Transfer Charges	1,500	4,772	4,953
88,735	Stamp Duty - Land Transfers	76,150	80,150	75,094
665	Timeshare Ownership	1,849	671	671
95,621	Total Levies on Property	79,499	85,593	80,718
	Fines			
-	CIMA - Penalties and Fines	-	271	336
131	Compounded Penalties	192	131	131
2,308	Court Fines	2,801	2,801	2,801
300	DCI Penalties and Fines	150	150	150
6,348	DITC Penalties and Fines	-	-	-
345	General Registry - Penalties and Fines	500	500	500
339	Immigration Fines	342	339	339
348	Procedural Fines	515	348	348
10,119	Total Fines	4,500	4,540	4,605
1,043,505	TOTAL COERCIVE REVENUE	1,076,023	1,057,718	1,066,705

	Other Executive Revenue			
4	Hurricane Ivan Loans Received	-	-	-
192	Miscellaneous Income	-	-	-
372	MLAT Proceeds	-	-	-
539	Monies transferred from Defunct Companies	-	-	-
81	Save the Mortgage Loan Received	46	46	46
213	Recovery of Revenues			
-	Other Executive Revenue	50	50	50
1,401	Total Other Executive Revenue	96	96	96

Note 2: Sale of Goods & Services

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	<i>Fees and Charges</i>	\$000	\$000	\$000
229	Agricultural Department Fees	226	226	226
2,196	Annual Work Permit Application Fees (Entity)	2,971	8,334	8,334
17	APA - Appeal to Board against decision made by an Immigration Officer Application Fee	32	-	-
1	Application Fee for Certificate of Direct Investment	-	-	-
8	Application Fee for Specialist Caregiver Certificate	10	-	-
2,592	Audit Fees - Statutory - SAGC	3,845	1,528	1,681
2,054	Authentication and Apostille of Documents Fees	2,100	2,100	2,100
1	Bailiff Fees	-	-	-
18	Business Staffing Plan Application Fees (Entity)	13	-	-
19	Business Visitors Administration Fees	16	-	-
57	BVX - Business Visitors Permit - Express Determination Fee	32	-	-
156	Cabinet Appeal Fees (formerly Executive Council Appeal Fees)	66	66	66
	Cayman angel Investors Network	-	-	-
195	Caymanian Status Application Fees (Entity)	454	-	-
58	Customised Motor Vehicle Licence Plate Fees	47	46	46
686	Customs Special Attendance Fees	868	-	-
7	Dependant of a Caymanian Admin Fee	9	-	-
484	Drivers Examination Fees	468	468	468
68	Duplicate Vehicle Log Books	76	76	76
28	Electrical Inspection Fees	14	14	14
71	Electrical Licence Fees	87	87	87
74	Elevator Inspection Fees	52	52	52
41	Environmental Service Fees	25	25	25
2,362	Examination Fees	2,359	29	29
2,849	Express Fee - Work Permits	2,723	1,020	1,020
84	Express Land Registry	80	80	80
4	External Training	2	4	4
-	Funds Received From Department of Tourism (DOT) Events	4	4	4
2,791	Garbage Fees	2,741	2,741	2,741
16	Heavy Equipment Application Fees	18	18	18
260	Land Survey Fees	250	250	250
594	Law School Fees	625	625	625
27	Local Companies Administration Fees	15	15	15
414	Mail Terminal Credits	460	460	460
218	Mapping Services	180	180	180
2,042	Motor Vehicle Inspection Fees	2,318	2,318	2,318
431	Motor Vehicle Licence Plate Fees	464	464	464
641	Naturalisation and Registration Fees	464	464	508
196	Online Planning System Fees	207	207	207
178	Other Company Fees - Exempt (Entity)	212	212	212
68	Other Fees	160	188	188
157	Other Immigration Fees	2,098	157	157
611	Passport Fees	685	685	620
4	PCA - Provision for Continuation of WP - Amendment - Admin	4	-	-
-	PCG - Provision for Continuation of WP - Amend	0	-	-
1,832	Pension Plan Registration Fees	1,050	1,832	1,832
	Permanent Residence/Residency & Employment Rights			
208	Certificate/Residency Certificate for Persons of Independent Means Variation Fee	203	-	-
1	Planning Appeal Fees	-	-	-
146	Planning Inspection Call-Out Fee	46	46	46

Note 2: Sale of Goods & Services (Continued)

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	<i>Fees and Charges</i>	\$000	\$000	\$000
3,102	Private Sector Computing Fees	2,976	2,976	2,976
1	Public Land Commission Application Fee	1,262	-	-
18	Public Library Fees	25	25	25
127	PWA - Provision for continuation of work permit - Admin	133	-	-
3	REA - Extension to reside as a Dependent of a Caymanian Application Fee	-	-	-
11	Recycling Fees	25	25	25
28	Refund Processing Fees	13	13	13
2	Residency & Employment Rights Cert. - Surviving spouse of a Caymanian Application Fee	3	2	2
556	Residency & Employment Rights Certificate Admin Fee	536	556	556
51	Residency and Employment Rights Certificate by the Dependant of a Permanent Resident	32	51	51
124	Residency and Employment Rights Certificate by the Spouse of a Caymanian Admin Fee	147	124	124
20	Residency Certificate for Persons of Independent Means Admin Fee	21	20	20
-	Restoration of Seized Goods	12	-	-
18	RFA - Permanent Residence - Persons of Independent Means - Application Fee	-	18	18
17	RGA - Variation of Permanent Residence - Person of Independent Means - Application Fee	20	17	17
8	Sale of Custom Forms	-	-	-
800	School Fees	330	330	330
171	Special Econ. Zone - Trade Certificate Fee	170	170	170
7	Special Marriage License Application Fee	13	13	7
1,680	Temporary Work Permit Application Fees (Entity)	1,932	1,680	1,680
55	Tower Licence Fees	280	280	280
1,246	Trade and Business Administration Fees	950	950	950
6	Transcript Fees	3	3	3
76	Variation/Amendment Fee for BSP	67	-	-
162	Vault Sales (Cemetery Fees)	165	33	33
19	Vehicle And Equip. Maintenance Fees	-	-	-
62	Vehicle Bank Liens	48	48	48
242	Vehicle Change of Ownership	252	253	253
1,433	Vehicle Disposal Fees	1,894	1,894	1,894
1,785	VEA - Extension of a Visitor's Work Visa Application Fee	19	1,785	1,785
338	VWA - Visitor's Work Visa Application Fee	1,374	-	-
1,225	Warehousing	1,087	1,225	1,225
974	Web Receipts	700	627	556
4	Work Under Operation of Law Fees	7	-	-
37	RJA - Residency Certificate (Substantial Business Presence) Application Fee	-	-	-
-	Estate Management Fee	-	17	17
39,602	Fees & Charges	43,273	38,155	38,210

Note 2: Sale of Goods & Services (Continued)

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
		\$000	\$000	\$000
	General Sales			
58	Auction Receipts	-	-	-
-	Builders Board Registration Fees	12	-	-
123	Canteen Sales	100	100	100
42	Inventory Spare Parts	-	-	-
-	IT Infrastructure Services	-	202	202
12	Miscellaneous Sales	5	273	273
52	Other Postal Business	68	68	68
12	Philatelic Sales	12	12	12
13	Plumbers Examination Board Fees	167	12	12
1,179	Police Clearances	1,047	1,184	1,184
528	Postal Revenues / Stamps	640	640	640
11	Prison Craft Sales	20	20	20
17	Prison Sales	15	15	15
611	Sale Of Advertising Space	427	427	427
2,933	Sale of Agric. Supplies/Produce	2,365	2,365	2,365
858	Sale Of Gazettes And Subscriptions	750	750	750
19	Sale Of Laws	10	10	10
78	Sale of Planning Documents	62	62	62
1	Temporary Work Permit - Seasonal Worker	1	-	-
6,547	Total General Sales	5,701	6,141	6,140

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
	Rentals			
5	Equipment Rental - PWD (Cayman Brac)	9	9	9
1,012	Postal Box Rental Fees	1,055	1,055	1,055
127	Rental - School Canteens	144	144	144
83	Rentals - Craft Market	60	60	60
8	Rentals - Government Housing	13	13	13
97	Rentals - Other Properties	64	64	64
63	Rentals - Town Halls	31	31	31
1,395	Total Rentals	1,376	1,376	1,376

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
	Other Goods and Services Revenue			
24	GIS Applications	110	110	110
20	GPS Licenses Refund	20	20	20
117	Internal Audit Service Fees	170	170	-
83	Miscellaneous Licensing Receipts	67	66	66
1,160	Miscellaneous Receipts	253	192	193
1,404	Other Goods and Services Revenue	620	558	389
48,948	Total Goods and Services	50,970	46,230	46,115

Note 3: Investment Revenue

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	Revenue type	\$000	\$000	\$000
6	Interest on Loans	6	6	7
29,123	Interest on Marketable Securities, Deposits and Cash	9,408	16,803	11,297
29,129	Total Investment Revenue	9,414	16,809	11,304

Note 4: Donations

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	Source	\$000	\$000	\$000
2,260	Other Donations	30	411	412
2,260	Total Donations	30	411	412

Note 5: Personnel Costs

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	Description	\$000	\$000	\$000
346,229	Salaries, Wages and Allowances	377,443	366,818	378,661
80,072	Health Care - CINICO	101,178	105,493	107,822
-	Movement in Unfunded Pension Liability	19,210	-	-
39,218	Pension - Employer	22,313	18,492	19,938
1,251	Leave	528	2	2
1,453	Other Personnel Related costs	1,627	5,861	4,207
468,223	Total Personnel Costs	522,299	496,666	510,631

Note 6: Supplies and Consumables

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	Description	\$000	\$000	\$000
22,101	Supplies and Materials	22,213	24,161	25,921
87,945	Purchase of Services	92,082	89,113	90,807
17,757	Utilities	17,899	19,268	19,779
11,807	Lease of Property and Equipment	13,916	12,912	12,987
11,433	General Insurance	14,089	12,404	13,369
4,888	Travel and Subsistence	5,133	4,937	4,986
3,698	Recruitment and Training	5,680	4,712	4,803
9,335	Other Supplies and Consumables	6,973	9,457	9,711
168,964	Total Supplies and Consumables	177,985	176,964	182,364

Note 7: Depreciation and Amortization

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	Depreciation	\$000	\$000	\$000
1,392	Depreciation of aeroplanes	1,505	1,551	1,582
402	Depreciation of boats	391	458	463
27,874	Depreciation of buildings	25,566	32,789	33,263
5,299	Depreciation of computer hardware	5,985	5,725	5,793
2,006	Depreciation of computer software	2,809	1,522	1,684
482	Depreciation of furniture and fittings	482	537	555
852	Depreciation of leasehold	634	610	694
558	Depreciation of office equipment	684	530	541
528	Depreciation of other assets	708	3,382	3,768
621	Depreciation of other infrastructure assets	6,481	1,528	1,528
2,614	Depreciation of other plant and equipment	3,399	3,149	3,153
83	Depreciation water reticulation and sewerage	83	85	87
6,377	Depreciation of roads and sidewalks	6,849	6,490	6,585
3,692	Depreciation of vehicle	3,945	3,476	3,505
52,780	Total Depreciation	59,521	61,833	63,201

Note 8: Finance Costs

Unaudited Actual 2024	Description	Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
15,205	Interest on Borrowings	23,204	18,158	20,968
78	Other Borrowing Costs	91	90	602
1,898	Interest on Deposits from Statutory Authorities and Government Companies	1,366	1,879	1,861
17,181	Total Finance Cost	24,661	20,128	23,431

Note 9: Outputs from Statutory Authorities and Government Companies

Unaudited Actual 2024	Description	Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
318	Auditors Oversight Authority	318	318	318
18,569	Cayman Airways Ltd.	18,569	18,569	18,569
650	Cayman Islands Development Bank	650	650	1,045
25,318	Cayman Islands Monetary Authority	35,517	35,532	36,667
61,681	Cayman Islands National Insurance Company	64,226	64,226	63,013
1,160	Cayman National Cultural Foundation	1,160	1,160	1,195
3,180	Children and Youth Services Foundation	3,100	3,100	3,193
65,601	Health Services Authority	46,282	62,974	62,974
332	Maritime Authority of the Cayman Islands	332	332	332
750	National Gallery	750	783	783
710	National Housing and Development Trust	710	710	710
892	National Museum	892	892	892
862	National Drug Council	862	964	972
1,780	Utilities Regulations and Competition Office	1,779	1,779	1,779
-	Sister Islands Affordable Housing	75	75	75
1,980	Cayman Islands Attraction Authority	1,980	1,980	1,980
9,440	University College of the Cayman Islands	8,960	12,427	12,427
193,223	Total	186,162	206,470	206,924

Note 10: Outputs from Non-Government Suppliers

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000	Output Group	\$000	\$000	\$000
80	NGS 1 - Organize, Administer and Execute the Cayman Islands Fishing Tournament	-	80	30
2,793	NGS 2 - Legal Aid Services	2,900	2,793	2,900
39	NGS 4 - Aids and First Aid Education Program (Cayman Islands Red Cross)	39	39	39
230	NGS 7 - Management of Small Business Development	230	230	230
300	NGS 20 - Employee Assistance Programme	307	300	307
30	NGS 24 - Spaying and Neutering of Dogs and Cats	30	30	30
250	NGS 25 - Teaching of Tertiary Education Courses	250	250	250
1,950	NGS 34 - Primary and Secondary Education by Private Schools	2,000	1,950	2,900
1,172	NGS 38 - Services for Refugees	668	1,172	1,207
100	NGS 53 - Palliative Care Nursing - Hospice Care	100	100	100
57,938	NGS 55 - Tertiary Medical Care at Various Overseas and Local Providers	14,426	60,512	53,135
4	NGS 57 - Gardening Projects and Landscaping	4	4	4
51	NGS 59 - Youth Development Programmes	51	51	51
1,289	NGS 60 - Sports Programmes	1,289	1,289	1,289
2,252	NGS 64 - Care of the Indigent, Elderly and Disabled Persons	2,040	2,252	2,350
393	NGS 66 - Foster Care for Children	393	393	405
79	NGS 67 - Community Programmes - Afterschool	79	79	79
430	NGS 71 - Support for Battered Women and Children	430	430	443
570	NGS 74 - Preservation of Natural Environments and Places of Historic Significance	570	570	570
37	NGS 79 Cayman Islands Protective Services (K9-Security Services)	50	37	50
125	NGS 84 - Cayman Islands Agricultural Society	187	125	187
975	NGS 85 - Cayman Finance	975	975	975
175	NGS 86 - Community Programmes – Meals on Wheels	175	175	180
-	NGS 87- Gender Equality Cayman	14	-	-
-	NGS 89 - Cayman Islands Legal Practitioners Association Ltd	800	-	800
9,729	NGS 91 - Public School Meals Programme	10,998	9,729	10,998
75	NGS 92 - Alzheimer'S & Dementia Association of the Cayman Islands	75	75	75
81,066	Total	39,080	83,640	79,584

Note 11: Transfer Payments

Unaudited Actual 2024	Description	Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
1,040	TP 12 - Tourism Scholarships	915	1,040	1,040
97	TP 13 - Miss Cayman Scholarship	75	97	97
536	TP 27 - Pre-School Educational Assistance	723	536	536
23,255	TP 30 - Scholarships and Bursaries	22,255	23,255	23,255
26,239	TP 41 - Permanent Financial Assistance	12,000	35,217	35,217
20	TP 44 - Temporary Poor Relief Payments for Young Parents Programme (YPP) Students	70	20	20
39	TP 46 - Emergency Relief Payments	128	39	39
14,167	TP 47 Ex - Gratia Benefits to Seamen	10,835	16,537	16,537
1,239	TP 51 - Other Educational Assistance	800	1,239	1,239
565	TP 57 - Children and Family Services Support	350	565	565
70	TP 58 - Support for Services of the Red Cross	70	70	70
202	TP 60 - Housing Assistance	375	202	202
900	TP 61 - Student Enrichment & Support Services	900	900	900
68	TP 63 - Support to Local Business Associations	75	68	68
453	TP 66 - Sister Islands Home Repairs Assistance	600	453	453
1,067	TP 67 - Sports and Cultural Tourism Programmes Assistance	2,450	67	67
155	TP 69 - Support for the Bridge Foundation	155	155	155
385	TP 73 - Other Health & Cultural Program Assistance	1,000	385	385
982	TP 76 - Assistance for Infrastructure, Development & National Disaster Response	372	982	982
1	TP 80 - Support for Business Initiatives	350	1	1
1,747	TP 82 - Scholarships – Special Educational Needs	1,450	2,247	2,784
117	TP 83 - Medical Scholarships	600	117	117
150	TP 84 - Agriculture Sector Development	800	150	150
81	TP 85 - Support to Local Financial Services Associations	110	81	81
633	TP 86 - Sister Islands Beaches and Community Clean Up Programme	700	632	632
7	TP 90 - Assistance to GTR Committee	-	7	7
375	TP 93 - Private and Public School Grants	400	375	375
150	TP 94 - Superior Auto Apprenticeship Programme	150	150	150
63	TP 101 - Sister Islands Community programmes/projects	150	63	63
1,696	TP 107 - Youth, Sports, Culture and Heritage Programmes	1,653	1,696	1,696
71	TP 110 - Sustainability Programme Support	-	71	71
-	TP 112 - Community Support Programs	250	-	-
400	TP 114 - Cayman Finance	550	400	400
90	TP 115 - Hope for Today Foundation	90	90	90
663	TP 119 - Professional Development and Service Projects in the Communities	350	663	663
-	TP 122 - Visitor Experience Development Grant	500	-	-
354	TP 124 - Sponsorship and Scholarships - PAHI	400	354	354
774	TP 126 - Pirates week	-	774	774
149	TP 123 - Support For Community Development and Activities	150	149	149
-	TP 127 - Assistance for Community Enrichment and Wellbeing	-	1,650	1,650
78,996	Total	62,801	91,496	92,033

Note 12: Other Executive Expenses (OE's)

Unaudited Actual 2024 \$000	Description	Original Budget 2025 \$000	Forecast 2025 \$000	Forecast 2026 \$000
4,031	OE 1 - Personal Emoluments for the Judiciary	4,941	5,073	5,338
773	OE 2 - Personal Emoluments for H.E. the Governor, Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers, Elected Members of the Legislative Assembly and Deputy Governor	873	873	873
946	OE 4 - Judiciary Expenses	1,028	1,178	1,178
1,140	OE 5 - Constituency Allowances	1,405	1,405	1,405
84	OE 6 - Contribution to Caribbean Financial Action Task Force	84	84	84
227	OE 9 - Caricom Fees	170	227	227
84	OE 10 - Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	85	85	85
11	OE 11 - Subscription to Caribbean Examinations Council	13	13	13
543	OE 12 - University of the West Indies Membership Levy	559	559	559
10	OE 15 - Pan American Health Organisation Subscription	15	15	15
2,799	OE 19- Ex-Gratia Plan Recipients Plan Payments	1,240	1,240	1,240
22,681	OE 27 - Past Service Pension Liability Payments	22,313	22,313	22,313
-	OE 43 - Depreciation on Executive Assets	460	460	460
1,031	OE 54 - Caribbean Catastrophic Risk Insurance Facility - Annual Premium	1,000	1,087	1,108
93	OE 57 - Executive Bank Charges	128	22	22
1,041	OE 65 - Court of Appeal Expenses	1,224	1,246	1,290
-	OE 66 - United Nations Caribbean Environmental Program	7	7	7
150	OE 71 - Commonwealth Parliamentary Association	150	150	150
5	OE 81 - World Anti-Doping Agency	6	6	6
6	OE 82 - Regional Anti-Doping Agency	9	9	9
-	OE 91 - Depreciation of District Administration, Tourism & Transport Executive Assets	29	-	-
112	OE 93 - Caribbean Agricultural Research and Development Institute (CARDI)	122	122	122
43	OE 94 - OECD - Global Forum	55	55	55
355	OE 96 - Executive Salary Reimbursements	600	-	-
-	OE 100 - Executive Depreciation	2	2	2
-	OE 101 - Depreciation of Ministry of Commerce, Planning & Infrastructure Executive Assets	9,694	9,464	9,464
19	OE 103 - Caribbean Public Health Agency (CARPHA)	19	20	20
42	OE 105 - Settlement of Claims - Executive	-	-	-
91	OE 107 - Project Future Fund (Major Governance Projects)	170	138	125
9,797	OE 110 - General Insurance	13,135	11,462	13,411
74	OE 115 - Regional Security Initiatives	-	86	90
4,906	OE 116 - Pension Uplift	4,971	8,271	8,271
240	OE 117 - CIG Core Christmas Stipend	203	203	203
106	OE 119 - Second Chance Program	110	110	110
-	OE 120 - Repairs to Governor's Residence	25	50	-
-	OE 122 - Commonwealth Telecommunication Organisation	20	20	20
-	OE 123 - Global Island Partnership	5	5	5
-	OE 124 - Caribbean Telecommunication Union	12	12	12
-	OE 125 - CDEMA Membership	90	90	90
-	OE 126 - Anti-Gang and Child Safeguarding Support	100	100	100
2	OE 127 - Caribbean Association of Medical Councils (CAMC) NEW	2	2	2
4,083	OE 128 - Personal Emoluments for Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers, Elected Members of the Legislative Assembly	4,288	4,716	4,716

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

Unaudited Actual 2024	Description	Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
-	OE 129 - Executive Depreciation - Legislative Assembly	195	195	195
2,922	OE 130 - Administrative and Advisory Support to Members of the Legislative Assembly	2,987	3,137	3,137
-	OE 132 - Depreciation on Ministry of Sustainability and Climate Resiliency Executive Assets	350	350	350
60	OE 133 - Oil Spills Tier 3 Annual Fee	60	62	62
1,881	OE 134 - Depreciation of Executive Assets – Ministry of District Administration and Lands	6,461	1,900	1,995
93	OE 141 - Emerging Talent Programee	250	250	250
32	OE 147 - Strata Fees for Crown - owned Property	-	-	-
17	OE 148 - Lease Payment	18	18	18
-	OE 138 - Notice to Proceed Expenses – ISWMS	-	900	900
350	OE 151 - Contribution to the Relocation Costs of the Public Service Pensions Board	-	-	-
30	OE 150 - Repairs to Parliament Building	25	25	25
-	OE 175 - Maintenance of Remediate Phase 1	-	200	400
71	Other Expenses	86	-	-
60,983	Total	79,794	78,018	80,533

Other Executive Expenses (OE's) Categorisation

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
42,551	Personnel Costs	42,214	45,624	45,889
1,881	Depreciation	17,191	12,371	12,466
9,797	General Insurance	13,135	11,462	13,411
6,754	Other Operating Expenses	7,254	8,561	8,768
60,983	Total	79,794	78,018	80,533

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

Unaudited Actual 2024		Original Budget 2025	Forecast 2025	Forecast 2026
\$000		\$000	\$000	\$000
28	Auditors Oversight Authority	(85)	-	(93)
(19,598)	Cayman Airways Ltd.	(12,094)	(14,128)	(8,982)
11,589	Cayman Islands Airport Authority	21,092	19,720	20,164
136	Cayman Islands Development Bank	(71)	5	355
8,024	Cayman Islands Monetary Authority	43	43	503
1,813	Cayman Islands National Insurance Company	3,477	740	2,613
127	Cayman National Cultural Foundation	(349)	(126)	(267)
(9,096)	Cayman Turtle Centre	(10,088)	(10,038)	(10,009)
(54)	Children and Youth Services Foundation	(615)	(639)	(865)
4,837	Civil Aviation Authority	3,155	2,837	2,855
(11,249)	Health Services Authority	93	94	-
1,737	Maritime Authority of the Cayman Islands	803	803	1,070
(52)	National Gallery	(186)	(225)	(210)
(3,196)	National Housing and Development Trust	(3,874)	(1,925)	(2,398)
151	National Museum	6	6	6
2,207	National Roads Authority	(3,199)	(2,603)	(3,515)
214	National Drug Council	-	-	-
2,667	Port Authority	(2,225)	802	(1,274)
800	Utilities Regulations and Competition Office	2	90	239
8	Sister Islands Affordable Housing	(72)	-	-
2,731	Stock Exchange	1,615	1,691	1,691
319	Cayman Islands Attraction Authority	(334)	(251)	(78)
(713)	University College of the Cayman Islands	-	-	-
1,804	Water Authority	920	917	1,005
-	Public Service Pension Board	-	885	-
(4,766)	Total (Surplus)/Deficit in Public Entities	(1,986)	(1,303)	2,810

ENTIRE PUBLIC SECTOR

2025 AND 2026 FORECAST FINANCIAL STATEMENTS

FOR THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025
AND THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026

ALL FIGURES ARE STATED IN \$000s

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GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 AND 31 DECEMBER 2026

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Current Assets			
Cash and Cash Equivalents	795,850	753,146	595,864
Marketable Securities and Deposits	71,184	62,187	63,615
Trade Receivables	60,265	95,854	96,797
Other Receivables	61,136	51,766	55,938
Inventories	-	36,139	39,759
Prepayments	12,189	17,378	18,109
Loans	1,838	1,719	1,744
Biological Assets	465	-	-
Total Current Assets	1,002,927	1,018,189	871,826
Non-Current Assets			
Trade Receivables	2,272	5,222	4,948
Other Receivables	2,192	7,450	3,970
Investments	57,948	70,428	70,429
Prepayments	-	4,593	4,593
Loans	31,623	32,015	31,906
Property, Plant and Equipment	2,878,110	2,925,770	2,984,091
Intangible Assets	26,487	23,768	24,060
Investment Property	9,226	9,600	9,600
Total Non-Current Assets	3,007,858	3,078,847	3,133,598
Total Assets	4,010,785	4,097,036	4,005,424
Current Liabilities			
Trade Payables	42,777	27,487	20,469
Other Payables and Accruals	74,971	146,465	143,385
Bank Overdraft	508	-	-
Unearned Revenue	85,395	125,224	125,490
Employee Entitlements	17,766	15,611	16,067
Unfunded Pension Liability	63,881	-	-
Current Portion of Borrowings	52,282	48,947	41,359
Provisions	-	20,544	23,001
Total Current Liabilities	337,580	384,279	369,771
Non-Current Liabilities			
Trade Payables	2,113	2,237	2,247
Other Payables and Accruals	14,779	10,189	9,456
Unearned Revenue	13,425	704	433
Employee entitlements	-	36,619	36,133
Unfunded Pension Liability	402,243	353,220	352,996
Unfunded Post-Retirement Health Care	374,104	428,099	432,778
Currency Issued	180,726	180,726	185,000
Long Term Portion of Borrowings	454,967	465,099	420,171
Total Non-Current Liabilities	1,442,357	1,476,892	1,439,214
Total Liabilities	1,779,937	1,861,172	1,808,985
Net Assets	2,230,849	2,235,864	2,196,438
Net Worth			
Reserves	229,023	332,767	334,683
Revaluation Reserve	1,079,595	1,040,939	1,039,579
Current Year Surplus /(Deficit)	52,671	(27,496)	(41,191)
Other Accumulated Surplus	869,559	889,654	863,368
Total Net Worth	2,230,849	2,235,864	2,196,438

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR FINANCIAL YEARS ENDING 31 DECEMBER 2025 AND 31 DECEMBER 2026

		Original Budget 2025	Forecast 2025	Forecast 2026
		\$000	\$000	\$000
Revenue	Notes			
Coercive Revenue	1	1,076,023	1,057,718	1,066,705
Sales of Goods and Services	2	411,725	392,849	411,678
Investment Revenue	3	20,520	32,362	27,143
Donations	4	1,443	1,414	1,234
Other Revenue		7,784	23,077	22,130
Total Revenue		1,517,495	1,507,420	1,528,890
Expenses				
Personnel Costs	5	736,805	737,945	766,233
Supplies and Consumables	6	451,192	457,139	462,106
Depreciation and Amortisation	7	104,914	110,059	113,742
Finance costs	8	24,737	19,713	22,372
Litigation Costs		2,213	1,925	1,928
Outputs from Non-Governmental Suppliers	9	39,110	83,640	79,584
Transfer Payments	10	62,801	91,496	92,033
Other (Gains)/Losses		4,159	55	924
Other Operating Expenses	11	38,864	28,034	28,538
Total Expenses		1,464,795	1,534,916	1,570,081
Core Government Net Surplus/(Deficit)		52,700	(27,496)	(41,191)
Profit / (Loss) of Statutory Authorities and Government Companies				
Entire Public Sector Net Surplus/(Deficit)		52,700	(27,496)	(41,191)

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF CASH FLOWS
FOR FINANCIAL YEARS ENDING 31 DECEMBER 2025 AND 31 DECEMBER 2026

	Original Budget 2025 \$000	Forecast 2025 \$000	Forecast 2026 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Coercive Receipts	1,075,440	1,025,986	1,034,704
Sale of Goods and Services - Third Party	285,484	329,388	352,089
Interest Received	18,645	30,473	25,048
Donations / Grants Received	723	927	927
Other Receipts	34,147	59,228	47,701
<i>Payments</i>			
Personnel Costs	(737,417)	(705,146)	(731,962)
Supplies and Consumables	(362,927)	(428,627)	(430,647)
Outputs from Non-Governmental Organisations	(39,166)	(78,640)	(74,584)
Transfer Payments	(62,731)	(91,496)	(92,033)
Financing/Interest Payments	(15,771)	(20,843)	(24,164)
Other Payments	(35,662)	(53,012)	(50,799)
Net Cash Flows from/(used) by Operating Activities	160,765	68,237	56,278
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash Received</i>			
Proceeds from Sale of Loans/Investments/Maturity of Fixed Deposits	36,762	317,773	11,595
<i>Cash Used</i>			
Purchase of Property, Plant and Equipment	(173,116)	(194,298)	(152,396)
Purchase of Loans/Investments/Placement of Fixed Deposits	(15,002)	(15,242)	(16,039)
Net Cash Flows from/(used) by Investing Activities	(151,356)	108,233	(156,840)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash Received</i>			
Proceeds from Borrowings	123,000	150,000	-
Repayment of Borrowings	(72,752)	(58,856)	(56,720)
Net Cash Flows from/(used) by Financing Activities	50,248	91,144	(56,720)
Net increase/(decrease) in Cash and Cash Equivalents	59,657	267,614	(157,282)
Cash and cash equivalents at beginning of period	735,685	485,532	753,146
Cash and cash equivalents at end of period < 90 days	795,342	753,146	595,864
Term Deposits (with maturity > 90 days but < 1 year)	71,184	62,187	63,615
Closing Cash balance and Term Deposits as at 31 December	866,527	815,333	659,480

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF CHANGES IN NET WORTH
AS AT 31 DECEMBER 2025 AND 31 DECEMBER 2026

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Opening Balance Net Worth	2,178,178	2,263,361	2,235,864
Prior Year Adjustments	(30)	-	1,209
Movement in Reserves	-	-	1,916
Revaluation	-	-	(1,360)
Movement in Post Retirement Benefit	-	-	-
Net Surplus / (Deficit)	52,700	(27,496)	(41,191)
Total Changes in Net Worth	52,670	(27,496)	(39,426)
Closing Balance Net Worth	2,230,848	2,235,864	2,196,438

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF BORROWINGS
AS AT 31 DECEMBER 2025 AND 31 DECEMBER 2026

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Local Currency Debt			
Not later than one year	1,902	2,139	2,160
Between one and two years	2,024	2,160	2,190
Between two and five years	6,886	2,190	3,110
Later than five Years	1,331	5,654	2,544
Total Local Currency Debt	12,143	12,143	10,004
Foreign Currency Debt (stated in CI\$)			
Not later than one year	50,380	48,240	40,507
Between one and two years	42,668	40,508	40,478
Between two and five years	128,004	125,814	124,894
Later than five years	274,054	287,343	245,646
Total Foreign Currency Debt	495,106	501,905	451,526
Total Outstanding Debt	507,249	514,048	461,530
Local Currency Marketable Securities and Deposits			
Not later than one year	36,316	-	-
Total Local Currency Marketable Securities and Deposits	36,316	-	-
Foreign Currency Marketable Securities and Deposits			
Not later than one year	34,868	62,187	63,615
Between one and two years	40,010	-	-
Between two and five years	17,107	-	-
Total Foreign Currency Marketable Securities and Deposits	91,985	62,187	63,615
Total Marketable Securities and Deposits	128,301	62,187	63,615
Net Public Debt	378,948	451,861	397,915

	Original Budget 2025	Forecast 2025	Forecast 2026
	Outstanding Balance CI\$	Outstanding Balance CI\$	Outstanding Balance CI\$
	\$000	\$000	\$000
Public Authorities Debt			
Cayman Airways Ltd	12,144	12,143	10,004
Total Public Authority Debt	12,144	12,143	10,004

GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR FINANCIAL YEARS ENDING 31 DECEMBER 2025 AND 31 DECEMBER 2026

Note 1: Coercive Revenue

Revenue Description	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Alcoholic Beverages Duty	26,362	23,906	24,384
Annual fee for Certificate of Direct Investment - Fee equivalent to that payable for a workpermit	-	37	37
Annual Permanent Resident Work Permit Fee	23,382	21,809	21,809
Banks and Trust Licenses	24,435	26,291	25,881
Births, Deaths & Marriages Registration	154	154	154
Building Permit Fees	8,112	8,112	8,112
Business Staffing Plan Board Fees	40	49	49
Caymanian Status Fees	821	1,190	1,190
CIMA - Penalties and Fines	-	271	336
Compounded Penalties	192	131	131
Court Fees	2,466	2,466	2,466
Court Fines	2,801	2,801	2,801
Cruise Ship Departure Charges	8,373	8,373	8,691
CUC - License	2,400	2,400	2,400
DCI Penalties and Fines	150	150	150
Debit Transaction Fees	4,938	4,938	5,125
Dependant of Caymanian Grant Fee	1	5	5
Directors Register Inspection Fees	7	-	-
Environmental Protection Fund Fees	5,177	5,177	5,396
EZG- Special Economic Zone Employment Certificate Grant Fee	676	725	725
Firearms Licenses	31	36	36
Foundation Companies	359	359	359
FPW - Final WP Non-renewal (90days) - Grant	1	1	1
Gasoline Diesel Duty	17,146	16,901	17,239
General Registry - Penalties and Fines	500	500	500
General Search Fees	1,574	1,574	1,574
Grant of Temporary Work Permit - Seasonal Worker	14	14	14
Health Practitioners' Board Fee	966	2,757	3,033
Hotel Licenses	360	372	379
ICTA Licences	9,422	9,422	9,422
Immigration Fines	342	339	339
Immigration Non-Refundable Repatriation Fee	2,600	2,145	2,145
Infrastructure Fund fee	6,761	6,761	6,761
Insurance Licenses	9,524	11,760	12,168
Insurance Stamp Duty	2,452	2,452	2,545
Issue Fee for Certificate of Direct Investment	-	20	20
Issue Fee for Specialist Caregiver Certificate	66	60	60
Land Holding Companies Share Transfer Charges	1,500	4,772	4,953
Land Registry Fees	1,078	1,078	1,078
Law Firm Operational	4,432	4,432	4,432
Legal Practitioner Fee	2,015	2,015	2,015
Limited Liability Companies	7,438	7,438	7,438
Limited Liability Partnership	48	48	48
Liquor Licenses	715	715	715
Local Company and Corporate Management Fees	4,268	4,000	4,100
Local Company Control License Grants/Renewals	2,400	2,400	2,400
Miscellaneous Licenses	72	75	75
Money Services Licence	59	60	60
Money Transfer Fees	6,000	6,000	6,000

Note 1: Coercive Revenue (Continued)

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Motor Vehicle Charges	3,469	3,469	3,469
Motor Vehicle Drivers Licences	1,554	1,554	1,554
Motor Vehicle Duty	26,779	21,869	22,306
Motor Vehicle Environmental Tax	7,456	462	462
Mutual Fund Administrators	54,684	53,162	52,381
Notary Public Fees	484	484	484
Non-Profit Organizations	5	5	4,712
Other Company Fees - Exempt	123,910	123,910	123,910
Other Company Fees - Foreign	12,898	12,898	12,898
Other Company Fees - Non-Resident	2,142	2,142	2,142
Other Company Fees - Resident	2,833	2,833	2,833
Other Import Duty	196,777	168,580	171,951
Other Stamp Duty	12,560	13,872	13,872
Package Charges	1,373	1,331	1,331
Partnership Fees	71,428	71,428	71,428
Patents and Trademarks	-	2,367	2,402
PCW - Provision for continuation of work permit - Grant	3,332	2,439	2,439
Planning Fees	1,915	1,915	1,915
Private Fund Fees	65,247	75,582	77,320
Procedural Fines	515	348	348
Proceeds of Liquidated Entities	8,432	8,681	11,248
Public Records	111	111	111
Residency & Employ. Rights Cert.- Surviving Spouse of a Caymanian	1	7	7
Residency & Employment Rights Certificate by Dependent of a P.R	254	519	519
Residency & Employment Rights Certificate Issue Fee	1,082	1,175	1,175
Residency and Employment Rights Certificate by Spouse of a Caymanian	136	261	261
Residency Certificate for Persons of Independent Means Grant Fee	707	654	654
RFI - Permanent Residence - Persons of Independent Means	7,456	4,078	4,078
RJC - Residency Certificate (Substantial Business Presence)	123	177	177
Royalties and Dredging	650	100	100
Security Investments Business Licenses	8,828	8,520	8,520
Spear Gun Licenses	5	5	5
Special Marriage Licenses	37	26	26
Stamp Duty - Land Transfers	76,150	80,150	75,094
Tax and Trust Undertakings	9,500	9,500	9,500
Timeshare Ownership	1,849	671	671
Tobacco Dealer Registration fees	120	120	120
Tobacco Products Duty	9,990	7,529	7,679
Tourist Accommodation Charges	44,931	44,931	44,486
Tourism Fines	3	3	3
Traders Licenses	6,200	6,200	6,200
Trust Registration Fees	770	770	770
Virtual Assets (Service Providers)	336	336	336
W.I.Z. - Boat Licensing	20	20	20
Website - Recovery Fees	346	346	346
Work Permits Fees	98,971	107,746	107,746
Working Under Operation of Law Fees	134	53	53
DITC Filing Fee	16,890	16,890	16,890
Total Revenue	1,076,023	1,057,718	1,066,705

Note 2: Sale of Goods & Services

	Original Budget 2025	Forecast 2025	Forecast 2026
Revenue Description	\$000	\$000	\$000
Fees and Charges	172,722	163,736	167,795
General Sales	183,398	182,173	195,199
Rentals	4,357	3,587	3,588
Other	51,249	43,353	45,095
Total Revenue	411,726	392,849	411,678

	Original Budget 2025	Forecast 2025	Forecast 2026
<i>Fees and Charges</i>	\$000	\$000	\$000
Agricultural Department Fees	226	226	226
Annual Work Permit Application Fees (Entity)	2,971	8,334	8,334
APA - Appeal to Board against decision made by an Immigration Officer Application Fee	32	-	-
Application Fee for Specialist Caregiver Certificate	10	-	-
Authentication and Apostille of Documents Fees	2,100	2,100	2,100
Business Staffing Plan Application Fees (Entity)	13	-	-
Business Visitors Administration Fees	16	-	-
BVX - Business Visitors Permit - Express Determination Fee	32	-	-
Cabinet Appeal Fees (formerly Executive Council Appeal Fees)	66	66	66
Caymanian Status Application Fees (Entity)	454	-	-
Customised Motor Vehicle Licence Plate Fees	47	46	46
Customs Special Attendance Fees	868	-	-
Dependant of a Caymanian Admin Fee	9	-	-
Drivers Examination Fees	468	468	468
Duplicate Vehicle Log Books	76	76	76
Electrical Inspection Fees	14	14	14
Electrical Licence Fees	87	87	87
Elevator Inspection Fees	52	52	52
Environmental Service Fees	25	25	25
Examination Fees	2,359	29	29
Express Fee - Work Permits	2,723	1,020	1,020
Express Land Registry	80	80	80
External Training	2	4	4
Estate Management Fee	-	17	17
Funds Received From Department of Tourism (DOT) Events	4	4	4
Garbage Fees	2,741	2,741	2,741
Heavy Equipment Application Fees	18	18	18
Land Survey Fees	250	250	250
Law School Fees	625	625	625
Local Companies Administration Fees	15	15	15
Mail Terminal Credits	460	460	460
Mapping Services	180	180	180
Motor Vehicle Inspection Fees	2,318	2,318	2,318
Motor Vehicle Licence Plate Fees	464	464	464
Naturalisation and Registration Fees	464	464	508
Online Planning System Fees	207	207	207
Other Company Fees - Exempt (Entity)	212	212	212
Other Fees	160	188	188
Other Immigration Fees	2,098	157	157
Passport Fees	685	685	620
PCA - Provision for Continuation of WP - Amendment - Admin	4	-	-

Note 2: Sale of Goods & Services (Continued)

	Original Budget 2025	Forecast 2025	Forecast 2026
<i>Fees and Charges (continued)</i>	\$000	\$000	\$000
Pension Plan Registration Fees	1,050	1,832	1,832
Permanent Residence/Residency & Employment Rights Certificate/Residency Certificate for Persons of Independent Means Variation Fee	203	-	-
Planning Inspection Call-Out Fee	46	46	46
Private Sector Computing Fees	2,976	2,976	2,976
Public Library Fees	25	25	25
Public Land Commission Application Fee	1,262	-	-
PWA - Provision for continuation of work permit - Admin	133	-	-
Recycling Fees	25	25	25
Refund Processing Fees	13	13	13
Residency & Employment Rights Cert. - Surviving spouse of a Caymanian Application Fee	3	2	2
Residency & Employment Rights Certificate Admin Fee	536	556	556
Residency and Employment Rights Certificate by the Dependant of a Permanent Resident	32	51	51
Residency and Employment Rights Certificate by the Spouse of a Caymanian Admin Fee	147	124	124
Residency Certificate for Persons of Independent Means Admin Fee	21	20	20
Restoration of Seized Goods	12	-	-
RGA - Variation of Permanent Residence - Person of Independent Means - Application Fee	20	17	17
School Fees	330	330	330
Special Econ. Zone - Trade Certificate Fee	170	170	170
Special Marriage License Application Fee	13	13	7
Temporary Work Permit Application Fees (Entity)	1,932	1,680	1,680
Tower Licence Fees	280	280	280
Trade and Business Administration Fees	950	950	950
Transcript Fees	3	3	3
Variation/Amendment Fee for BSP	67	-	-
Vault Sales (Cemetery Fees)	165	33	33
VEA - Extension of a Visitor's Work Visa Application Fee	19	1,785	1,785
Vehicle Bank Liens	48	48	48
Vehicle Change of Ownership	252	253	253
Vehicle Disposal Fees	1,894	1,894	1,894
VWA - Visitor's Work Visa Application Fee	1,374	-	-
Warehousing	1,087	1,225	1,225
Web Receipts	700	627	556
Work Under Operation of Law Fees	7	-	-
Fees and Charges - Statutory Authorities & Government Companies	133,292	127,109	131,266
Fees & Charges	172,721	163,736	167,795

Note 2: Sale of Goods & Services (Continued)

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
General Sales			
Builders Board Registration Fees	12	-	-
Canteen Sales	100	100	100
IT Infrastructure Services	-	202	202
Miscellaneous Sales	5	273	273
Other Postal Business	68	68	68
Philatelic Sales	12	12	12
Plumbers Examination Board Fees	167	12	12
Police Clearances	1,047	1,184	1,184
Postal Revenues / Stamps	640	640	640
Prison Craft Sales	20	20	20
Prison Sales	15	15	15
Sale Of Advertising Space	427	427	427
Sale of Agric. Supplies/Produce	2,365	2,365	2,365
Sale Of Gazettes And Subscriptions	750	750	750
Sale Of Laws	10	10	10
Sale of Planning Documents	62	62	62
Temporary Work Permit - Seasonal Worker	1	-	-
General Sales - Statutory Authorities & Government Companies	177,697	176,032	189,059
Total General Sales	183,398	182,173	195,199

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Rentals			
Equipment Rental - PWD (Cayman Brac)	9	9	9
Postal Box Rental Fees	1,055	1,055	1,055
Rental - School Canteens	144	144	144
Rentals - Craft Market	60	60	60
Rentals - Government Housing	13	13	13
Rentals - Other Properties	64	64	64
Rentals - Town Halls	31	31	31
Rentals - Statutory Authorities & Government Companies	2,981	2,212	2,212
Total Rentals	4,357	3,587	3,588

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Other Goods and Services Revenue	110	110	110
Goods & Services Revenue	20	20	20
GIS Applications	170	170	-
GPS Licenses Refund	67	66	66
Internal Audit Service Fees	253	193	193
Miscellaneous Licensing Receipts			
Miscellaneous Receipts			
Other Goods & Services - Statutory Authorities & Government Companies	50,629	42,794	44,706
Total Goods and Services Revenue	51,249	43,353	45,095
Total Goods and Services	411,725	392,849	411,678

Note 3: Investment Revenue

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Revenue type			
Interest on Marketable Securities, Deposits and Cash	11,264	21,534	16,237
Interest on Loans	6	1,804	1,805
Royalties	2,024	2,024	2,100
Other Investment Revenue	7,226	-	-
Total Investment Revenue	20,520	25,362	20,142

Note 4: Donations

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Source			
Other Donations	1,443	1,414	1,234
Total Donations	1,443	1,414	1,234

Note 5: Personnel Costs

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Description			
Salaries, Wages and Allowances	627,040	638,093	662,081
Health Care - Other	33,909	31,172	32,889
Pension - Normal Cost Employer	42,026	20,070	21,446
Pension - Employer	22,313	33,949	36,154
Leave	628	446	445
Other Personnel Related costs	10,889	14,215	13,218
Total Personnel Costs	736,805	737,945	766,233

Note 6: Supplies and Consumables

	Original Budget 2025	Forecast 2025	Forecast 2026
Description	\$000	\$000	\$000
Supplies and Materials	98,049	99,145	105,914
Purchase of Services	97,676	112,846	114,381
Lease of Property and Equipment	16,255	19,268	19,779
Utilities	31,775	27,309	27,830
General Insurance	8,094	20,411	21,927
Travel and Subsistence	7,828	6,904	7,065
Recruitment and Training	10,602	6,859	7,029
Other Supplies and Consumables	180,913	164,397	158,181
Total Supplies and Consumables	451,192	457,139	462,106

Note 7: Depreciation and Amortization

	Original Budget 2025	Forecast 2025	Forecast 2026
Depreciation	\$000	\$000	\$000
Depreciation of aeroplanes	1,505	9,414	9,524
Depreciation of boats	391	458	463
Depreciation of buildings	40,706	53,956	55,348
Depreciation of computer hardware	7,927	7,529	7,677
Depreciation of computer software	3,778	3,039	3,038
Depreciation of furniture and fittings	902	1,024	1,085
Depreciation of leasehold	2,903	2,117	2,317
Depreciation of office equipment	1,300	1,204	1,226
Depreciation of other assets	7,081	5,809	6,400
Depreciation of other infrastructure assets	7,680	3,580	3,832
Depreciation of other plant and equipment	14,982	6,972	7,478
Depreciation water reticulation and sewerage	4,387	4,390	4,633
Depreciation of roads and sidewalks	6,955	6,596	6,699
Depreciation of vehicle	4,417	3,970	4,021
Total Depreciation	104,914	110,059	113,742

Note 8: Finance Cost

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Interest on Borrowings	24,619	19,600	21,754
Other Borrowing Costs	94	112	618
Overdraft Expenses	24	1	1
Total Finance Cost	24,737	19,713	22,372

Note 9: Outputs from Non-Government Suppliers

	Original Budget 2025	Forecast 2025	Forecast 2026
Output Group	\$000	\$000	\$000
NGS 1 - Organize, Administer and Execute the Cayman Islands Fishing Tournament	30	80	30
NGS 2 - Legal Aid Services	2,900	2,793	2,900
NGS 4 - Aids and First Aid Education Program (Cayman Islands Red Cross)	39	39	39
NGS 7 - Management of Small Business Development	230	230	230
NGS 20 - Employee Assistance Programme	307	300	307
NGS 24 - Spaying and Neutering of Dogs and Cats	30	30	30
NGS 25 - Teaching of Tertiary Education Courses	250	250	250
NGS 34 - Primary and Secondary Education by Private Schools	2,000	1,950	2,900
NGS 38 - Services for Refugees	668	1,172	1,207
NGS 53 - Palliative Care Nursing - Hospice Care	100	100	100
NGS 55 - Tertiary Medical Care at Various Overseas and Local Providers	14,426	60,512	53,135
NGS 57 - Gardening Projects and Landscaping	4	4	4
NGS 59 - Youth Development Programmes	51	51	51
NGS 60 - Sports Programmes	1,289	1,289	1,289
NGS 64 - Care of the Indigent, Elderly and Disabled Persons	2,040	2,252	2,350
NGS 66 - Foster Care for Children	393	393	405
NGS 67 - Community Programmes - Afterschool	79	79	79
NGS 71 - Support for Battered Women and Children	430	430	443
NGS 74 - Preservation of Natural Environments and Places of Historic Significance	570	570	570
NGS 79 Cayman Islands Protective Services (K9-Security Services)	50	37	50
NGS 84 - Cayman Islands Agricultural Society	187	125	187
NGS 85 - Cayman Finance	975	975	975
NGS 86 - Community Programmes – Meals on Wheels	175	175	180
NGS 87- Gender Equality Cayman	14	-	-
NGS 89 - Cayman Islands Legal Practitioners Association Ltd	800	-	800
NGS 91 - Public School Meals Programme	10,998	9,729	10,998
NGS 92 - Alzheimer'S & Dementia Association of the Cayman Islands	75	75	75
Total	39,110	83,640	79,584

Note 10: Transfer Payments

	Original Budget	Forecast	Forecast
	2025	2025	2026
	\$000	\$000	\$000
TP 12 - Tourism Scholarships	915	1,040	1,040
TP 13 - Miss Cayman Scholarship	75	97	97
TP 27 - Pre-School Educational Assistance	723	536	536
TP 30 - Scholarships and Bursaries	22,255	23,255	23,255
TP 41 - Permanent Financial Assistance	12,000	35,217	35,217
TP 44 - Temporary Poor Relief Payments for Young Parents Programme (YPP) Students	70	20	20
TP 46 - Emergency Relief Payments	128	39	39
TP 47 Ex - Gratia Benefits to Seamen	10,835	16,537	16,537
TP 51 - Other Educational Assistance	800	1,239	1,239
TP 57 - Children and Family Services Support	350	565	565
TP 58 - Support for Services of the Red Cross	70	70	70
TP 60 - Housing Assistance	375	202	202
TP 61 - Student Enrichment & Support Services	900	900	900
TP 63 - Support to Local Business Associations	75	68	68
TP 66 - Sister Islands Home Repairs Assistance	600	453	453
TP 67 - Sports and Cultural Tourism Programmes Assistance	2,450	67	67
TP 69 - Support for the Bridge Foundation	155	155	155
TP 73 - Other Health & Cultural Program Assistance	1,000	385	385
TP 76 - Assistance for Infrastructure, Development & National Disaster Response	372	982	982
TP 80 - Support for Business Initiatives	350	1	1
TP 82 - Scholarships – Special Educational Needs	1,450	2,247	2,784
TP 83 - Medical Scholarships	600	117	117
TP 84 - Agriculture Sector Development	800	150	150
TP 85 - Support to Local Financial Services Associations	110	81	81
TP 86 - Sister Islands Beaches and Community Clean Up Programme	700	632	632
TP 90 - Assistance to GTR Committee	-	7	7
TP 93 - Private and Public School Grants	400	375	375
TP 94 - Superior Auto Apprenticeship Programme	150	150	150
TP 101 - Sister Islands Community programmes/projects	150	63	63
TP 107 - Youth, Sports, Culture and Heritage Programmes	1,653	1,696	1,696
TP 110 - Sustainability Programme Support	-	71	71
TP 112 - Community Support Programs	250	-	-
TP 114 - Cayman Finance	550	400	400
TP 115 - Hope for Today Foundation	90	90	90
TP 119 - Professional Development and Service Projects in the Communities	350	663	663
TP 122 - Visitor Experience Development Grant	500	-	-
TP 124 - Sponsorship and Scholarships - PAHI	400	354	354
TP 126 - Pirates week	-	774	774
TP 123 - Support For Community Development and Activities	150	149	149
TP 127 - Assistance for Community Enrichment and Wellbeing	-	1,650	1,650
Total	62,801	91,496	92,033

Note 11: Other Executive Expenses (OE's)

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
OE 1 - Personal Emoluments for the Judiciary	4,941	5,073	5,338
OE 2 - Personal Emoluments for H.E. the Governor, Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers, Elected Members of the Legislative Assembly and Deputy Governor	873	873	873
OE 4 - Judiciary Expenses	1,028	1,178	1,178
OE 5 - Constituency Allowances	1,405	1,405	1,405
OE 6 - Contribution to Caribbean Financial Action Task Force	84	84	84
OE 9 - Caricom Fees	170	227	227
OE 10 - Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	85	85	85
OE 11 - Subscription to Caribbean Examinations Council	13	13	13
OE 12 - University of the West Indies Membership Levy	559	559	559
OE 15 - Pan American Health Organisation Subscription	15	15	15
OE 19- Ex-Gratia Plan Recipients Plan Payments	1,240	1,240	1,240
OE 27 - Past Service Pension Liability Payments	22,313	22,313	22,313
OE 43 - Depreciation on Executive Assets	460	460	460
OE 54 - Caribbean Catastrophic Risk Insurance Facility - Annual Premium	1,000	1,087	1,108
OE 57 - Executive Bank Charges	32	22	22
OE 65 - Court of Appeal Expenses	1,224	1,246	1,290
OE 66 - United Nations Caribbean Environmental Program	7	7	7
OE 71 - Commonwealth Parliamentary Association	150	150	150
OE 81 - World Anti-Doping Agency	6	6	6
OE 82 - Regional Anti-Doping Agency	9	9	9
OE 91 - Depreciation of District Administration, Tourism & Transport Executive Assets	29	-	-
OE 93 - Caribbean Agricultural Research and Development Institute (CARDI)	122	122	122
OE 94 - OECD - Global Forum	55	55	55
OE 96 - Executive Salary Reimbursements	600	-	-
OE 100 - Executive Depreciation	2	2	2
OE 101 - Depreciation of Ministry of Commerce, Planning & Infrastructure Executive Assets	9,694	9,464	9,464
OE 102 - New Court Building Project Costs	-	-	-
OE 103 - Caribbean Public Health Agency (CARPHA)	19	20	20
OE 105 - Settlement of Claims - Executive	-	-	-
OE 107 - Project Future Fund (Major Governance Projects)	170	138	125
OE 110 - General Insurance	13,135	11,462	13,411
OE 115 - Regional Security Initiatives	86	86	90
OE 116 - Pension Uplift	4,971	8,271	8,271
OE 117 - CIG Core Christmas Stipend	203	203	203
OE 118 - Placeholder for Civil Service CINICO Increase	-	-	-
OE 119 - Second Chance Program	110	110	110

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

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
OE 120 - Repairs to Governor's Residence	25	50	-
OE 122 - Commonwealth Telecommunication Organisation	20	20	20
OE 123 - Global Island Partnership	5	5	5
OE 124 - Caribbean Telecommunication Union	12	12	12
OE 125 - CDEMA Membership	90	90	90
OE 126 - Anti-Gang and Child Safeguarding Support	100	100	100
OE 127 - Caribbean Association of Medical Councils (CAMC) NEW	2	2	2
OE 128 - Personal Emoluments for Premier, Deputy Premier, Speaker of the Legislative Assembly, Ministers, Elected Members of the Legislative Assembly	4,288	4,716	4,716
OE 129 - Executive Depreciation - Legislative Assembly	195	195	195
OE 130 - Administrative and Advisory Support to Members of the Legislative Assembly	2,987	3,137	3,137
OE 132 - Depreciation on Ministry of Sustainability and Climate Resiliency Executive Assets	350	350	350
OE 133 - Oil Spills Tier 3 Annual Fee	60	62	62
OE 134 - Depreciation of Executive Assets – Ministry of District Administration and Lands	6,461	1,900	1,995
OE 140 - COVID-19 Response and Recovery	-	-	-
OE 141 - Emerging Talent Programme	250	250	250
OE 147 - Strata Fees for Crown - owned Property	-	-	-
OE 148 - Lease Payment	18	18	18
OE 138 - Notice to Proceed Expenses – ISWMS	-	900	900
OE 151 - Contribution to the Relocation Costs of the Public Service Pensions Board	-	-	-
OE 150 - Repairs to Parliament Building	33	25	25
OE 175 - Maintenance of Remediate Phase 1	-	200	400
Other Expenses	14,508	19,473	19,770
Total	94,214	97,491	100,303

Other Executive Expenses (OE's) Categorisation

	Original Budget 2025	Forecast 2025	Forecast 2026
	\$000	\$000	\$000
Personnel Costs	25,025	45,624	45,889
Depreciation	17,190	12,371	12,466
General Insurance	13,135	11,462	13,411
Other Operating Expenses	38,864	28,034	28,538
Total	94,214	97,491	100,303

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