



Annual Financial Statements
For the

Ministry of Community Affairs, Gender
and Housing
2011/12 Financial Year

CONTENTS

	Page
1. Statement of Responsibility for Financial Statements	3
2. Auditor General Report	4 - 5
3. Statement of Financial Position	6
4. Statement of Financial Performance	7
5. Statement of Changes in Net Worth	8
6. Cash Flow Statement	9
7. Statement of Accounting Policies	10 - 13
8. Notes to the Financial Statements	14 - 23



Cayman Islands

Cayman Islands Government
Government Administration
Building
Grand Cayman,
Cayman Islands
Tel: 345-949-7900 ext. 2424
Fax: 345-949-3896

Ministry of Community Affairs, Gender and Housing

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Community Affairs, Gender and Housing in accordance with the provisions of the Public Management and Finance Law (2012 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2012 Revision).

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Community Affairs, Gender and Housing for the financial year ended 30 June 2012.

To the best of our knowledge we represent that these financial statements except as otherwise indicated;

- (a) Completely and reliably reflect the financial transactions of Ministry of Community Affairs, Gender and Housing for the year ended 30 June 2012;
- (b) fairly reflect the financial position as at 30th June 2012 and performance for the Year ended 30th June 2012;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

A blue ink signature of Dorine Whittaker, consisting of a large, stylized loop followed by a horizontal line.

Dorine Whittaker
Chief Officer
Date-

A blue ink signature of Stephanie Azan, consisting of a stylized 'S' followed by a horizontal line.

Stephanie Azan
Chief Financial Officer
Date- June 25th 2013

**Auditor General's Report
To the Members of the Legislative Assembly of the Cayman Islands**

I have audited the accompanying financial statements of the **Ministry of Community Affairs, Gender & Housing** (the "Ministry"), which comprise the statement of financial position as of 30 June 2012, and the statement of financial performance, statement of changes in net worth and cash flow statement, for the year then ended and a summary of significant accounting policies and other explanatory notes, in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2012 Revision)*.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of qualified opinion

Property & Equipment

The Ministry has not revalued its buildings within five (5) years preceding the year ended June 30 2012 in accordance with The Financial Regulations (2010 revision) and as required by IPSAS 17. This is despite suggestive evidence of the need for a revaluation since most of the buildings had suffered significant damages and subsequently been renovated and improved at significant cost. I am thus unable to satisfy myself that the property and equipment are fairly stated in the financial statements.

Surplus Payable

I am unable to verify the amount presented as Surplus Payable due to the uncertainties surrounding the value of the entity's fixed assets and the effect any adjustments, if they were found to be necessary, would have on this balance.

Qualified Opinion

In my opinion, except for the effects of the matters described in the basis of qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Ministry as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
Date 25 June 2013

Ministry of Community Affairs, Gender and Housing
STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2012

	Note	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Cash and cash equivalents	1	1,183,435	983,623	199,812	1,486,953
Trade and other receivables	2	1,318,404	1,107,583	210,821	850,605
Inventories and other current assets	3	19,278	3,000	16,278	18,275
Total Current Assets		2,521,117	2,094,207	426,911	2,355,833
Non-Current Assets					
Property, plant and equipment	4	3,714,614	2,806,246	908,368	3,859,252
Total Non-Current Assets		3,714,614	2,806,246	908,368	3,859,252
Total Assets		6,235,731	4,900,453	1,335,279	6,215,085
Current Liabilities					
Trade payables	5	91,492	26,480	65,012	132,505
Other payables and accruals	5	376,014	659,687	(283,673)	344,949
Employee entitlements	6	72,131	253,184	(181,053)	(25,773)
Repayment of surplus		1,255,682	-	1,255,682	1,278,534
Total Current Liabilities		1,795,319	939,351	855,968	1,730,215
Noncurrent liabilities		-	-	-	-
Total Liabilities		1,795,319	939,351	855,968	1,730,215
Net Assets		4,440,412	3,961,102	479,310	4,484,869
Net Worth					
Contributed capital		4,440,412	3,961,102	479,310	4,484,869
Total Net Worth		4,440,412	3,961,102	479,310	4,484,869

The accounting policies and notes on pages 10 to 23 form part of these financial statements.

Ministry of Community Affairs, Gender and Housing
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2012

	Note	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Revenue					
Sale of goods and services	1	12,666,130	13,291,000	(624,870)	13,304,556
Donations		78,023	-	78,023	64,685
Other revenue		-	-	-	88,026
Total Revenue		12,744,153	13,291,000	(546,847)	13,457,267
Expenses					
Personnel costs	2	10,531,707	10,895,115	(363,408)	10,198,453
Supplies and Consumables	3	2,052,512	2,253,123	(155,839)	2,834,181
Depreciation	6	182,584	142,762	39,822	192,575
(Gains)/losses on disposal/revaluation of property, plant and equipment		203	-	203	83,090
Total Expenses		12,767,006	13,291,000	(523,994)	13,308,299
Surplus or (Deficit) for the period		(22,853)	-	(22,853)	148,967

The accounting policies and notes on pages 10 to 23 form part of these financial statements.

Ministry of Community Affairs, Gender and Housing
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 June 2012

		2010/11 Actual	2010/11 Budget	Variance	2009/10 Actual
At 01 July 2010		4,484,869	2,663,325	1,821,544	4,257,649
Prior year adjustment**	7	(107,122)	-	(107,122)	-
Restated Closing balance net worth		<u>4,377,647</u>	<u>2,663,325</u>	<u>1,714,422</u>	<u>4,257,649</u>
		2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
At 01 July 2011 (restated)		4,377,647	3,925,102	559,767	4,257,649
Equity investment from Cabinet	7	62,765	36,000	26,765	155,728
		-	-		71,492
Closing balance net worth		<u>4,440,412</u>	<u>3,961,102</u>	<u>479,310</u>	<u>4,484,869</u>

***The restatement of opening balance of net worth is to reclassify prior years' audit expenses of CI\$ 107,122 to the correct accounting periods.*

The accounting policies and notes on pages 10 to 23 form part of these financial statements.

Ministry of Community Affairs, Gender and Housing
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 June 2012

		2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
CASH FLOWS FROM OPERATING ACTIVITIES	Note				
Outputs to Cabinet		12,126,169	12,183,417	(57,248)	13,285,420
Other receipts		151,185	498,105	(346,920)	147,953
Personnel costs		(10,434,182)	(10,641,931)	207,749	(10,259,861)
Operating expenses		(2,186,854)	(1,566,957)	(619,897)	(3,131,428)
Other payments		31,154	-	31,154	(65,579)
Net cash flows from operating activities		(312,528)	472,634	(785,162)	(23,495)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(17,711)	(36,000)	18,289	48,488
Net cash flows from investing activities		(17,711)	(36,000)	18,289	48,488
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity Investment		26,721	36,000	(9,279)	151,962
Net cash flows from financing activities		26,721	36,000	(9,279)	151,962
Net increase/(decrease) in cash and cash equivalents		(303,518)	472,634	(776,152)	176,955
Cash and cash equivalents at beginning of period		1,486,953	510,989	975,964	1,309,999
Cash and cash equivalents at end of period		1,183,435	983,623	199,812	1,486,953

The accounting policies and notes on pages 10 to 23 form part of these financial statements.

Ministry of Community Affairs, Gender and Housing
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 June 2012

Description and principal activity

The Ministry of Community Affairs, Gender and Housing ("the Ministry") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2010 Revision) and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Ministry as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ended 30 June 2012.

SIGNIFICANT ACCOUNTING POLICIES

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

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements. These financial statements have been prepared on a going concern basis.

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

(a) Basis of Preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis.

(a) Basis of preparation

In conformity with the Public Management and Finance law (2010 revision), the financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Financial Reporting Standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

Ministry of Community Affairs, Gender and Housing
STATEMENT OF ACCOUNTING POLICIES (Cont'd)
FOR THE YEAR ENDED 30 June 2012

Changes in Accounting Policies

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

The presentation of the prior year financial statements has been changed to include comparison actual amounts with amounts in the original and final budget as required by IPSAS 24 including explanations of material difference between original budget and actual amounts.

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

Segment reporting has been included in accordance with IPSAS 18.

Reporting Period

The annual reporting period is for the twelve months ended 30 June 2012.

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2011/12 Annual Budget Statement and approved by the Legislative Assembly in June 2011. The Final Budget is those budget amounts approved in Supplementary Budget Law in March 2012.

(c) Judgments and Estimates

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

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

(d) Changes in Accounting Estimates

There were no changes in accounting estimates.

(e) Revenue

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

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

Ministry of Community Affairs, Gender and Housing
STATEMENT OF ACCOUNTING POLICIES (Cont'd)
FOR THE YEAR ENDED 30 June 2012

(f) Expenses

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

(g) Operating leases

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

(h) Cash and Cash Equivalents

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

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as an expense in the Statement of Financial Performance.

(i) Prepayments

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

(j) Inventories

Inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

Costs are assigned to inventories using specific identification as appropriate.

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

Ministry of Community Affairs, Gender and Housing
STATEMENT OF ACCOUNTING POLICIES (Cont'd)
FOR THE YEAR ENDED 30 June 2012

(k) Property, Plant and Equipment

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

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

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

Disposals

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

Impairment

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

Ministry of Community Affairs, Gender and Housing
STATEMENT OF ACCOUNTING POLICIES (Cont'd)
FOR THE YEAR ENDED 30 June 2012

Work in Progress

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

(l) Employee Benefits

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

Pension contributions for employees of the Ministry of Community Affairs, Gender and Housing are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12.384% - employer 6.192% and employee 6.192% are made to the fund by the Ministry of Community Affairs, Gender and Housing.

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

(m) Financial Instruments

The Ministry of Community Affairs, Gender and Housing is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

Classification

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

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

Recognition

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

Ministry of Community Affairs, Gender and Housing
STATEMENT OF ACCOUNTING POLICIES (Cont'd)
FOR THE YEAR ENDED 30 June 2012

Measurement

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

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

(n) Contingent Liabilities and Assets (including guarantees)

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

(n) Contingent Liabilities and Assets (including guarantees) (continued)

De-recognition

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

(o) Foreign Currency

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

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

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

(p) Comparative Figures

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

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

1: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry of Community Affairs, Gender & Housing maintained at Royal Bank of Canada; and short term deposits invested with the Cayman Islands Government Treasury. As at 30 June 2011 and 30 June 2012 the Ministry Community Affairs, Gender & Housing unrestricted cash balances were as presented below. No restricted cash balances were held by the Ministry.

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Cash on hand	2,016	2,000	16	-
Bank accounts	1,181,419	982,000	199,419	1,486,953
	<u>1,183,435</u>	<u>984,000</u>	<u>199,435</u>	<u>1,486,953</u>

Explanation of major variance

The actual year-end cash balances were \$199,435 above budget due mainly to higher than projected accounts payable.

2: Trade receivables and other receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the Ministry of Community Affairs, Gender and Housing and review of specific debtors. Expected losses have been determined based on an analysis of the Ministry losses in previous periods.

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Outputs to Cabinet	1,317,404	1,108,000	209,404	850,560
Other				45
	<u>1,317,404</u>	<u>1,108,000</u>	<u>209,404</u>	<u>850,605</u>

Explanation of major variance

The actual year-end debtors and other receivables balances were higher than the original budget due to cabinet funding receivable being higher than initially projected. The actual cabinet funding receivable was \$1,317,404 which represented one month's cabinet revenue earned but not received by June 30th 2012 and was higher than budgeted receivable by \$209,404.

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

3: Inventories

The carrying amount of inventories held for distribution as at 30 June 2012 was \$19,278. There were no write-down of inventories held for distribution. There have been no reversals of write-downs. No inventories are pledged as security for liabilities.

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Consumable Stores	19,278	3,000	16,278	18,275
	19,278	3,000	16,278	18,275

Inventory consists of consumables mainly used for the provision of services. No inventory is held for re-sale.

4: Property, plant and equipment

	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer s	Motor Vehicles	Work In progress	Total
Cost	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	100	5,650	268	111	154	83	6,366
Additions	1	6	9	10	-	16	41
Disposals	-	-	-	-	-	(3)	(3)
Transfers	-	96	-	-	-	(96)	-
Balance at 30 June 2012	101	5,751	276	121	154	0	6,404
Depreciation Expense							
Balance as at 1 July 2011	37	2,089	163	94	124	-	2,506
Depreciation Expense	13	129	25	9	6	-	183
Balance at 30 June 2012	50	2,219	188	103	130	-	2,689
Net Book value 30 June 2012	51	3,533	89	18	25	-	3,715
Net Book value 30 June 2011	63	3,561	105	18	30	83	3,859

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

5: Trade payables, other payables and accruals

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Trade Creditors	91,492	26,480	65,012	132,505
Accrued expenses	376,014	659,687	(283,673)	344,949
Surplus payable	1,255,682	-	1,255,682	1,278,934
	<u>1,723,188</u>	<u>686,167</u>	<u>855,968</u>	<u>1,756,491</u>

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

Explanation of major variance

Accounts payable was higher than budgeted due mainly to a surplus payable at the end of the fiscal year totalling \$1,278,534 that was not budgeted and is to be repaid to core government.

6: Employee entitlements

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Annual leave	72,131	-	72,131	(25,773)
Total	<u>72,131</u>	<u>-</u>	<u>72,131</u>	<u>(25,773)</u>

Explanation of major variance

Employee annual leave entitlement varied against budget due mainly to the inherent nature of employee leave time taken, which will vary throughout the fiscal year and between fiscal years as it is difficult to project exactly when employees will take annual leave.

7: Revenue

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Revenue from Cabinet	12,666,130	13,291,000	(624,870)	13,304,556
Revenue from Third Parties	78,023	-	78,023	152,711
Total	<u>12,744,153</u>	<u>13,291,000</u>	<u>(546,847)</u>	<u>13,457,267</u>

Explanation of major variance

Revenue from cabinet was \$624,870 below budget due mainly to identified budget reductions made during the fiscal year due to austerity measures.

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

8: Personnel costs

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Salaries, wages and allowances	8,464,813	8,697,896	(233,083)	7,962,909
Health care	1,498,603	1,706,978	(208,375)	1,365,499
Pension costs	449,243	479,508	(30,265)	939,965
Other personnel costs	119,048	10,732	108,316	(69,920)
	<u>10,531,707</u>	<u>10,895,115</u>	<u>(363,407)</u>	<u>10,198,453</u>

Explanation of major variance

Personnel costs were \$363,407 below budget due mainly from a delay in recruiting vacant posts and non-recruitment of some posts that were in original budget. The budgeted head count for the 2011/12 fiscal year was approximately 224 persons, inclusive of full-time and part-time posts. However, the average actual number of persons employed during the fiscal year totalled 214.

9: Supplies and consumables

	2011/12 Actual	2011/12 Budget	Variance	2010/11 Actual
Supplies and materials	338,693	321,944	16,749	548,117
Purchase of services	277,489	331,545	(54,056)	874,667
Lease of Property and Equipment	563,623	690,509	(126,886)	615,647
Utilities	549,624	552,433	(2,809)	593,213
General Insurance	183,441	173,960	9,481	167,546
Travel and Subsistence	29,876	22,684	7,192	34,991
Other	109,766	160,049	(50,283)	
	<u>2,052,512</u>	<u>2,253,124</u>	<u>(200,612)</u>	<u>2,834,181</u>

Explanation of major variance

Operating expenses were \$155,840 below budget due mainly to austerity measures undertaken during the 2011/12 fiscal year.

10: Finance costs (Bank Overdraft)

Ministry of Community Affairs, Gender and Housing did not incur any finance costs during 2011/12 as it did not utilize the facility.

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

11: Financial Risk Management

The Ministry is exposed to a variety of financial risks including credit risk and liquidity risk. The Ministry's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2010 Revision).

Credit Risk

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

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

The Ministry is also exposed to a significant concentration of credit risk in relation to accounts receivables, most of which are due from Cabinet. No credit limits have been established. As at 30 June 2012 no provision for doubtful debts has been made as none of these assets are anticipated to be impaired and management considers these debts to be recoverable in full.

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

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

Liquidity Risk

Liquidity risk is the risk that the Ministry is unable to meet its payment obligations associated with its financial liabilities when they are due. The ability of the Ministry to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to the Ministry in a timely basis. Management manages liquidity risk through monitoring cash flows from debtors, maximizing day's credit taken from suppliers, and if the circumstances required it to obtain funding from Cabinet to temporarily fund any shortfalls. As at 30 June 2012, all of the financial liabilities were due within three months of the year end dates.

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

Financial Instruments – Fair Values

As at 30 June 2012, the forecasted carrying value of cash and cash equivalents, accounts receivable, work in progress, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

12: Contingent liabilities and assets

There were no contingent liabilities reported for the Ministry of Community Affairs, Gender and Housing for the year ended June 30th 2012.

13: Commitments

The Ministry of Ministry of Community Affairs, Gender and Housing has medium to long term accommodation leases for the premises it occupies at the Flagship Building, Windjammer Building and Cayman Brac Counselling Service Office. The annual leases range from 1 year to 5 years. The amounts disclosed above as future commitments are based on the current rental rates.

Type	One year or less	One to five Years	Over five Years
Operating Commitments			
Non-cancellable accommodation leases	286,000		
Total Commitments	286,000		

14: Revenue from Non-Exchange Transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodation in the central government building, computer repairs and software maintenance by the Computer Services department and human resources management by the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23 – Revenue from non-exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognised in the cost of the fixed asset.

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

15: Related party and key management personnel disclosures

Related party disclosure

The Ministry of Community Affairs, Gender and Housing is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry of Community Affairs, Gender and Housing and its key management personnel transact with other government entities on a regular basis. transactions were provided free of cost during the financial year ended 30 June 2012 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Description	2011/12 Actual	2010/11 Actual
Salaries and other benefits	376,307	365,878
Number of persons	3	3

Key Management Personnel

Key management personnel are defined to include Ministers of the Government, Chief Officer, Deputy Chief Officer and the Chief Finance Officer. No loans were offered to key management or their relatives during the year. The Minister of Community Affairs, Gender and Housing personnel allowances were paid through the Deputy Governor's Office. All other key management personnel were paid for directly by the ministry.

16: Events occurring after reporting date

The Ministry of Community Affairs, Gender and Housing experienced a change in political leadership with the removal of the now former Minister Michael Adam and the appointment of the now Minister Dwayne Seymour. However, the Ministry's subjects were not affected.

Ministry of Community Affairs, Gender and Housing
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 June 2012

17: Segment reporting

	Ministry Administration	Department of Children and Family Services	Department of Counseling Services	Total
Revenue				
Sale of goods and services	1,091,996	8,472,292	3,028,680	12,592,968
Other revenue	6,000	114,910	30,275	151,185
Total Revenue	1,097,996	8,587,202	3,058,955	12,744,153
Expenses				
Personnel costs	1,331,204	6,997,848	2,202,655	10,531,707
Other expenses	92,187	1,401,850	786,034	2,280,071
Total Expenses	1,423,391	8,399,698	2,988,689	12,811,778
Surplus	(325,395)	187,504	70,266	67,625
Current Assets	1,328,539	733,931	458,647	2,521,117
Property and equipment	6,638	2,563,109	1,144,867	3,714,614
Total Assets	1,335,177	3,297,040	1,603,514	6,235,731
Current liabilities	1,315,873	331,496	147,950	1,795,319
Total liabilities	1,315,873	331,496	147,950	1,795,319
Net Worth	19,304	2,965,544	1,455,564	4,440,412

The Ministry's segment report is prepared on the basis of 3 major areas, being the two distinct departments under the Ministry and the administrative arm which coordinates their activities.

18: Appropriations Used

	2011/12 Actual	2011/12 Budget	Variance
CAH 1 - Policy Advice and Support to the Minister of Community Affairs, Gender & Housing	1,346,797.71	1,681,639.00	334,841.29
CAH 2 - Administration of Community Assistance Programmes	4,211,731.00	4,212,247.00	516.00
CAH 3 - Public Education on Social Issues	167,051.00	167,051.00	0.00
CAH 4 - Counselling and Support Services	4,828,962.93	4,940,585.00	111,622.07
CAH 5 - Supervision and Support of Children	1,515,485.00	1,515,519.00	34.00
CAH 6 - Community Development Services	522,940.00	568,245.00	45,305.00