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# Sister Islands Affordable Housing Development Corporation

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*Annual Financial Statements*

*For the Year Ended 30 June 2014*

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P.O. Box 141  
Cayman Brac KY2-2101  
Telephone: 948-8177 Email: siahdc@candw.ky

### Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Sister Islands Affordable Housing Development Corporation (SIAHDC) in accordance with the provisions of the Public Management and Finance Law, (2013 Revision). The financial statements comply, in all material respects, with generally accepted accounting practice as defined in International Public Sector Accounting Standards.

The Board of Directors accepts responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law, (2013 Revision).

As the Board of Directors, we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorized by law, and properly record the financial transactions of the Sister Islands Affordable Housing Development Corporation.

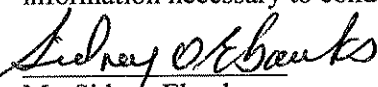
As the Board of Directors, we are responsible for the preparation of the Sister Islands Affordable Housing Development Corporation's financial statements and for the judgments made in them.

The financial statements fairly present the statement of Financial Position, statement of Financial Performance, statement of Cash Flows and statement of Changes in Equity for the financial year ended 30 June 2014.

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

- (a) Completely and reliably reflect the financial transactions of the Sister Islands Affordable Housing Development Corporation for the year ended 30 June 2014;
- (b) Fairly reflect the financial position as at 30 June 2014 and financial performance for the year ended 30 June 2014; and
- (c) Comply with International Public Sector Accounting Standards under the responsibility of International Accounting Standards Board.

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

  
Mr. Sidney Ebanks

Chairman, on behalf of the Board of Directors

Date: 1 June 2015

## AUDITOR GENERAL'S REPORT

### To the Board of Directors of The Sister Islands Affordable Housing Development Corporation

I have audited the accompanying financial statements of The Sister Islands Affordable Housing Development Corporation, which comprise the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in net worth and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 21 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013 Revision)*.

#### ***Management's Responsibilities for the Financial Statements***

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

#### ***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 about 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 on 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.

***Opinion***

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Sister Islands Affordable Housing Development Corporation as at 30 June 2014 and 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, CFE  
Auditor General

1 June 2015  
Cayman Islands

**Sister Islands Affordable Housing Development Corporation**

**Statement of Financial Position**

**As at 30 June 2014**

(Expressed in CI\$'000)

Prior Year Actual	Description	Notes	Current Year			Original Revised Budget Budget Variance
			Actual	Budget	Budget	
<b>Assets:</b>						
<b>Current Assets:</b>						
918	Cash and cash equivalents	3	926	491	491	(435)
74	Accounts receivable	4	0	878	878	878
1	Security deposits	5	1	0	0	(1)
156	Construction - in - progress	6	0	0	0	0
0	Housing to be sold	10	116	0	0	(116)
<b>1,149</b>	<b>Total Current Assets</b>		<b>1,043</b>	<b>1,369</b>	<b>1,369</b>	<b>326</b>
<b>Non-Current Assets:</b>						
767	Land	7	707	647	647	(60)
<b>1,916</b>	<b>Total Assets</b>		<b>1,750</b>	<b>2,016</b>	<b>2,016</b>	<b>266</b>
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
52	Accruals	8	30	15	15	(15)
0	Deferred revenue	9	19	0	0	(19)
<b>52</b>	<b>Total Current Liabilities</b>		<b>49</b>	<b>15</b>	<b>15</b>	<b>(34)</b>
<b>1,864</b>	<b>Total Net Assets</b>		<b>1,701</b>	<b>2,001</b>	<b>2,001</b>	<b>300</b>
<b>Equity:</b>						
<b>Accumulated Deficit</b>						
(413)	At the beginning of the period		(448)	(211)	(211)	237
(35)	Surplus/(deficit) for the year		(104)	(150)	(150)	(46)
(448)	At the end of the period		(552)	(361)	(361)	191
2,312	Contributed Capital		2,253	2,362	2,362	109
<b>1,864</b>	<b>Total Owner's Net Worth</b>		<b>1,701</b>	<b>2,001</b>	<b>2,001</b>	<b>300</b>
<b>1,864</b>	<b>Total Owner's Net Worth</b>		<b>1,701</b>	<b>2,001</b>	<b>2,001</b>	<b>300</b>

*The accompanying notes form an integral part of these financial statements*

**Sister Islands Affordable Housing Development Corporation**

**Statement of Financial Performance**

**For the year ended 30 June 2014**

(Expressed in CI\$'000)

Prior Year Actual	Description	Notes	Current Year		Original	Revised	Variance
			Actual	Budget	Budget	Budget	
<b>Revenues:</b>							
74	Outputs to Cabinet	9	55	74	74		19
1	Interest and other income	10	1	0	0		(1)
792	Housing Sales	11	0	1,230	1,230		1,230
<b>867</b>	<b>Total Revenues</b>		<b>56</b>	<b>1,304</b>	<b>1,304</b>		<b>1,248</b>
<b>Cost of Goods Sold:</b>							
58	Construction materials	11	0	1,130	1,130		1,130
712	Subcontractor expenses	11	0	0	0		(0)
49	Other construction costs	11	15	0	0		(15)
<b>819</b>	<b>Total Cost of Goods Sold:</b>		<b>15</b>	<b>1,130</b>	<b>1,130</b>		<b>1,115</b>
<b>48</b>	<b>Gross Profit</b>		<b>41</b>	<b>174</b>	<b>174</b>		<b>133</b>
<b>Expenses:</b>							
53	Staff costs	12	55	53	53		(2)
6	Rent expense	13	6	0	0		(6)
19	Audit Fees	14	25	26	26		1
2	Accounting consulting fees	15	3	0	0		(3)
0	Project management services	15	8	0	0		(8)
0	Janitorial services	15	1	0	0		(1)
3	Utilities	16	3	0	0		(3)
0	Other miscellaneous expenses	16	4	0	0		(4)
0	Write-off of WIP asset	17	40	0	0		(40)
<b>83</b>	<b>Total Expenses</b>		<b>145</b>	<b>79</b>	<b>79</b>		<b>(66)</b>
<b>(35)</b>	<b>Surplus/(Deficit)</b>		<b>(104)</b>	<b>95</b>	<b>95</b>		<b>199</b>

*The accompanying notes form an integral part of these financial statements*

**Sister Islands Affordable Housing Development Corporation**

**Statement of Cash Flows**  
**For year ended 30 June 2014**

*(Expressed in C\$'000)*

Prior Year Actual	Description	Notes	Current Year Actual	Original Budget	Revised Budget	Variance
<b>Cash Flow from Operating Activities:</b>						
(35)	Surplus/ (deficit) from ordinary activities		(104)	(75)	(75)	29
(63)	(Increase)/decrease in accounts receivable		74	(762)	(762)	(836)
25	Increase/(decrease) in liabilities		(21)	(74)	(74)	(53)
0	Deferred revenue		19	0	0	(19)
<u>(73)</u>	Net Cash Provided by Operating Activities		<u>(32)</u>	<u>(911)</u>	<u>(911)</u>	<u>(879)</u>
<b>Cash Flow from Investing Activities:</b>						
	Housing to be Sold		(116)	1,070	1,070	1,186
792	Construction - in - progress		156	0	0	(156)
<u>792</u>	Net Cash Provided by Investing Activities		<u>40</u>	<u>1,070</u>	<u>1,070</u>	<u>1,030</u>
<b>Cash Flow from Financing Activities:</b>						
160	Equity injection		0	0	0	0
<u>160</u>	Net Cash Provided by Financing Activities		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Reconciliation of Movement in Cash to Cash at End of Period</b>						
879	Net cash movement		8	159	159	151
39	Cash and cash equivalents at beginning of period		918	331	331	(587)
<u>918</u>	Cash and cash equivalents at the end of the period	3	<u>926</u>	<u>490</u>	<u>490</u>	<u>(436)</u>

*The accompanying notes form an integral part of these financial statements*



**Sister Islands Affordable Housing Development Corporation**

**Statement of Changes in Net worth**

**For year ended 30 June 2014**

*(Expressed in CI\$'000)*

	<b>Accumulated Surplus/(Deficit)</b>	<b>Contributed Capital</b>	<b>Total Net worth</b>
Balance as at 1 July 2012	(413)	2,152	1,740
Contributed capital	0	160	160
Surplus/(deficit) for the year	(35)	0	(35)
<b>Balance at 30 June 2013</b>	<b>(448)</b>	<b>2,312</b>	<b>1,865</b>
	<b>Accumulated Surplus/(Deficit)</b>	<b>Contributed Capital</b>	<b>Total Net worth</b>
Balance as at 1 July 2013	(448)	2,253	1,806
Contributed capital	0	0	0
Surplus/(deficit) for the year	(104)	0	(104)
<b>Balance at 30 June 2014</b>	<b>(552)</b>	<b>2,253</b>	<b>1,701</b>

*The accompanying notes form an integral part of these financial statements*

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

1. Establishment and principal activities

The SIAHDC was incorporated as a non-profit company on 1 June 2006 and is a wholly-owned Government entity.

The main purpose of the Organization is to promote affordable home ownership on Cayman Brac and Little Cayman. Two properties are currently owned on Cayman Brac: Watering Place and West End with spaces for 15 homes and 20-30 homes respectively.

The SIAHDC aims to provide quality concrete construction freehold homes which are owned outright by the successful applicants. The Organization works closely with the Public Works Department and the Ministry of District Administration, Tourism & Transport.

The main office is located at the Avistar Building III, Unit# 48, West End, Cayman Brac and correspondences may be sent to P.O. Box 141, Cayman Brac KY2-2101.

2. Significant accounting policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Accounting Standards Board (IASB). The significant accounting policies adopted by the SIAHDC in these financial statements are as follows:

(a) Basis of preparation

The Financial Statements of the SIAHDC are presented in Cayman Islands Dollars and comply with International Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluations of assets.

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

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Significant accounting policies cont'd

(b) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of income and expense during the year. 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 could differ from these estimates.

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

(c) 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 financial statements show comparison of actual amounts with amounts in the original and final budget. Explanations of material differences between original budget and actual amounts are provided as required by IPSAS 24. There was no change to the accounting policies in 2013/2014.

(d) Budget amounts

The original budget amounts for the financial year are as presented in the 2013/2014 Annual Budget Statement and were approved by the Legislative Assembly. The budget was prepared based on the accrual accounting concept and the going concern basis.

(e) Reporting Period

The reporting period is the year ended 30 June 2014.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Significant accounting policies cont'd

(f) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statement date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of Financial Performance.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(h) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collected by the SIAHDC according to the agreed terms, a provision for bad debt is established.

(i) Property, plant and equipment/depreciation

In keeping the accounting policies of the Government of the Cayman Islands, who is the sole shareholder, all fixed asset purchases under CI\$1,000 are immediately expensed. Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization and any impairment losses.

Depreciation is charged to the statement of Financial Performance on a straight-line basis based on the estimated useful life of the Asset.

(j) Revenue recognition

Revenue is recognized at the point the Organization meets the obligations to the purchaser. Revenue from housing sales is recognized at the point of sale.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Significant accounting policies cont'd

(k) Expense

Expenses are recognized when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

(l) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

(m) Construction in Progress

This account consists of costs incurred or attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. It is categorized as non-current assets for the actual cost related to each project. When the SIAHDC houses are completed, the infrastructure costs will be allocated by parcel.

(n) Land

Land was acquired from the Government at no cost and is recorded at fair market value at the date of acquisition. A revaluation of the land was done as at 30 June 2014.

(o) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognized 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 SIAHDC are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Board.

Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration. Saxon Pensions are the Client Services Agent and Coutts Cayman are the Investment Managers.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Significant accounting policies cont'd

(p) Financial Instruments

i. 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 favorable or an equity instrument of another enterprise. Financial assets are comprised 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 unfavorable. Financial liabilities are comprised of accounts payables and accrued expenses.

ii. Recognition

The SIAHDC recognizes 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 or liabilities are recognized in the statement of Financial Performance.

iii. 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.

iv. De-recognition

A financial asset is derecognized when the SIAHDC realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Significant accounting policies cont'd

(q) Provisions and Contingencies

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

(r) Subsequent Events

No events materially affecting these financial statements occurred after 30 June 2014.

3. Cash and cash equivalents

The Corporation maintains bank accounts at Cayman National Bank. as at 30 June 2014, the following balances were held:

Prior Year Actual 30 June 2013	Current Year Actual 30 June 2014
<u>CI\$'000</u>	<u>CI\$'000</u>
318 Operating accounts	323
600 Fixed Deposit	603
<b><u>918</u> Cash and cash equivalent</b>	<b><u>926</u></b>

No restricted cash balances were held by the SIAHDC as at 30 June 2014.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

4. Accounts receivable

As at 30 June 2014, the SIAHDC had accounts receivable of zero (2012/13: \$74,000).

5. Security deposits

The SIAHDC entered into a rent agreement with the University College of the Cayman Islands (Brac Campus) for accommodations (See *Note 14- Rent Expense*) in 2010. A rent deposit of \$500 was paid over to the Landlord, an amount which is refundable upon vacating the premises or the agreement coming to an end. Similarly, a deposit was paid over to Cayman Brac Power and Light of \$500 as required in their standard contract for the supply of electricity. Security deposits remained unchanged at \$1,000 since 2012/2013.

6. Construction in progress

For the year ended 30 June 2014 the SIAHDC did not construct housing units to be sold. One housing unit was held in construction in progress at 30 June 2013 but was transferred to inventory in the 2013/14 financial year.



**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

7. Land

The following properties were vested with the SIAHDC by the Cayman Islands Government for nil consideration.

Block/ Parcel	Sq. ft.	Acre	Value
96E 277REM1	439,956	10.1	\$140,000
96E 284	38,176	0.8764	\$ 6,000
96E 525	10,167	0.2334	\$ 28,000
96E 526	10,001	0.2296	\$ 27,500
96E 531	10,141	0.2328	\$ 28,000
96E 532	10,014	0.2299	\$ 27,500
96E 535	10,014	0.2299	\$ 27,500
96E 536	10,010	0.2298	\$ 27,500
96E 537	10,014	0.2299	\$ 27,500
96E 538	10,014	0.2299	\$ 27,500
96E 539	10,023	0.2301	\$ 27,500
96E 540	37,126	0.8523	\$ 2,350
106E 48	4,356	0.1	\$ 5,000
106E 49REM1	1,742	0.04	\$ -
106E 175	10,018	0.23	\$ 17,000

Block/ Parcel	Sq. ft.	Acre	Value
106E 194	11,364	0.26	\$ 25,000
106E 196	13,636	0.3032	\$ 30,000
106E 197	11,818	0.2697	\$ 26,000
106E 198	11,818	0.2734	\$ 26,000
106E 199	41,068	0.9428	\$ -
106E 201	10,682	0.244	\$ 23,500
106E 205	32,234	0.74	\$ 5,000
106E 206	10,000	0.2297	\$ 22,000
106E 207	10,000	0.2297	\$ 22,000
106E 208	10,000	0.2295	\$ 22,000
106E 209	9,773	0.2256	\$ 21,500
106E 210	9,773	0.2247	\$ 21,500
106E 211	9,773	0.2241	\$ 21,500
106E 212	10,227	0.2331	\$ 22,500
<b>Total value of land</b>			<b>\$ 707,350</b>

Block 106E Parcel 49REM1, the land register indicates that this parcel provides a 16 feet Vehicular Right of Way to Block 106E Parcels 48, 177 & 178. It comprises a small gravel road of poor quality. This implies that it has a restricted use, and therefore, it only has a nominal value. No value is listed in the valuation report produced by the Lands & Survey Department.

Block 106E Parcel 199 is an asphalt road, which provides access to sub-divided plots. This implies that it has a restricted use, and therefore, it only has a nominal value. No value is listed in the valuation report produced by the Lands & Survey Department.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

8. Accruals

This amount represents Audit and Professional fees due as of 30 June 2014.

9. Outputs to Cabinet

The SIAHDC provides general management and administration of affordable housing for the Cayman Islands Government. These services are based on terms outlined in the Annual Purchase Agreement.

The current year actual output to Cabinet was \$19,567 different than the budgeted amount. This variance was due to the fact that the number of hours of general management and administration did not meet the expected hours budgeted in the purchase agreement. The \$19,567 was accounted as deferred revenue.

10. Interest income

The Corporation receives interest on fixed deposit accounts held at Cayman National Bank. For the year ended 30<sup>th</sup> June 2014, SIAHDC earned a total of \$1,042.57 from fixed deposits.

11. Housing sales

The SIAHDC earns income by selling the houses it produces. During the 2013/14 fiscal year, there were no houses sold.

As at the end of 30 June 2014, there was one completed unit to be sold. A purchaser has received bank finance approval to purchase the unit. The unit will be sold for \$115,975.96.

The completed housing unit was sold subsequent to year-end for \$115,975.96.

12. Staff costs

SIAH had one full time employee for the year ended 30 June 2014. The staff costs are laid out as follows:

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Staff costs cont'd

Prior Year Actual 30 June 2013 <b>CI\$'000</b>	Current Year Actual 30 June 2014 <b>CI\$'000</b>
34 Basic Salary	35
4 Pension Contribution	4
15 Employee Health Care	16
<b>53 Total</b>	<b>55</b>

13. Rent Expense

The corporation is subject to a lease agreement with the University College of the Cayman Islands (UCCI-Brac Campus). The details of that agreement entail a monthly payment of \$500.00. This agreement, which covers the rental of office space, is an operating lease as defined by International Public Sector Accounting Standards.

14. Audit fees

The SIAHDC incurred \$25,000 with respect to audit fees for fiscal 2013-14 as agreed in the engagement letter with the Office of the Auditor General.

15. Administration & Other Expenses

SIAHDC has expenses related to the Administration and day to day running of the Corporation. These expenses are detailed as below:

Prior Year Actual 30 June 2013 <b>CI\$'000</b>	Current Year actual 30 June 2014 <b>CI\$'000</b>
2 Professional fees	11
0 Janitorial services	1
<b>2 Total</b>	<b>12</b>

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

16. Utilities

The following amounts were charged to the utilities account for the fiscal year:

Prior Year Actual 30th June 2013		Current Year Actual 30th June 2014
<b>CI\$'000</b>		<b>CI\$'000</b>
2	Electricity	2
1	Telephone Charges	1
0	Other miscellaneous expenses	4
<b>3</b>	<b>Total</b>	<b>7</b>

17. Write-off of work in progress asset

\$40,000 was written-off to the Statement of Financial Performance since the Board agreed that the house was to be sold at \$115,975.96.

18. Related party transactions

SIAHDC is a wholly government company from which it derives a major source of revenue through the process of Output Funding. Key management personnel transact with other government departments and entities on a regular basis.

The SIAHDC also periodically engages the services of other government departments of the Cayman Islands Government. Such services are provided at prevailing market prices on an arm's length basis. Services to the value of nil were provided to other Cayman Islands Government departments during 2013/14.

Due to the uniqueness and design of the SIAH operations, SIAH relies on the Board of Directors. The Directors offer their services through the Board and Committee meetings. These services are provided free of charge.

During the year end 30<sup>th</sup> June 2014, the Board of Directors who have made formal declarations of their interest as required by the Public Management and Finance Law (2013) as well as generally accepted accounting practices are Mr. Larry Bryan, Mr. Temple Tatum and Mr. Sydney Ebanks, Chairman.

**Sister Islands Affordable Housing Development Corporation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

*(Expressed in Cayman Islands Dollars)*

Related party transactions cont'd

**Key Management personnel**

No loans were made to key management personnel during the year. The entity had one full time clerical employee during the course of the year.

19. Comparison of Budget to Actual

The 2013/14 Annual Accounts were prepared on a basis consistent with the 2013/14 Budget. The budget covers the fiscal period from 1<sup>st</sup> July 2013 to 30<sup>th</sup> June 2014.

The original budget was approved by the Legislative Assembly. There were no supplementary changes to the budget for the SIAHDC during the 2013/14 financial year.

The difference in planned expenditures of \$1,209,000 vs. actual expenditures of \$160,000 is due to zero units being produced for the fiscal 2013/2014 year.