

**BARBADOS
NATIONAL INSURANCE BOARD**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

UNEMPLOYMENT FUND

Index to the Financial Statements

For the Year ended December 31, 2006

	Page
Auditor General's Report	1
Balance Sheet	2
Statement of Income and Expenditure and Fund Reserves	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6



**AUDITOR GENERAL'S OFFICE
BARBADOS**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

I have audited the accompanying balance sheet of the Unemployment Fund as well as the related income and expenditure statement and fund reserves, and cash flows for the financial year ended December 31, 2006.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting practices; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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.

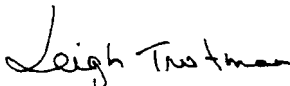
An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In 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 for 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.

Because the nature of the Department's system of receipting and recording contributions did not allow adequate audit verification, I was unable to assess the reasonableness of contributions reported in the financial statements.

Opinion

In my opinion, except for the matter mentioned in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Unemployment Fund as at December 31, 2006 and the results of its operations and cash flows for the year then ended.



L. E. TROTMAN
Auditor General


2013-04-11


UNEMPLOYMENT FUND

Balance Sheet as at December 31, 2006 (with comparative figures for 2005)

	Notes	2006 \$	2005 \$
Current Assets:			
Cash and bank balances		929,078	7,830,891
Interest receivable	4	1,174,030	843,606
Other receivables	4	4,685,069	4,153,236
Short-term investments	3	<u>59,409,069</u>	<u>46,712,272</u>
		<u>66,197,246</u>	<u>59,540,005</u>
Other Assets			
Long-term investments	3	<u>52,600,000</u>	<u>52,600,000</u>
Total Assets		<u>118,797,246</u>	<u>112,140,005</u>
Current liabilities:			
Accounts payable	5	<u>2,618,133</u>	<u>2,363,419</u>
Total current liabilities		<u>2,618,133</u>	<u>2,363,419</u>
Fund reserve		<u>116,179,113</u>	<u>109,776,586</u>
		<u>118,797,246</u>	<u>112,140,005</u>


.....
Dr. Justin Robinson
Chairman,
National Insurance Board


.....
Jennifer Hunte
Director (Ag.),
National Insurance Office


.....
Janice Estwick
Financial Controller (Ag.),
National Insurance Office

UNEMPLOYMENT FUND

Statement of Income and Expenditure and Fund Reserves **year ended December 31, 2006** **(with comparative figures for 2005)**

	Notes	2006 \$	2005 \$
Income			
Contributions		28,024,806	26,355,710
Investment Income		<u>6,226,308</u>	<u>5,058,884</u>
		<u>34,251,114</u>	<u>31,414,594</u>
Expenses			
Unemployment Benefits		26,078,774	31,312,468
Administration expenditure	6	<u>1,769,813</u>	<u>1,784,193</u>
		<u>27,848,587</u>	<u>33,096,661</u>
Net income (loss)		6,402,527	(1,682,067)
Fund Reserve at January 1		<u>109,776,586</u>	<u>111,458,653</u>
Fund Reserve at December 31		<u>116,179,113</u>	<u>109,776,586</u>

UNEMPLOYMENT FUND

Statement of Cash Flows
year ended 31 December, 2006

	Notes	2006 \$	2005 \$
Operating activities:			
Net income (loss) for the period		6,402,527	(1,682,067)
Items not affecting cash:			
(Increase) Decrease in receivables		(862,257)	2,688,606
Increase (Decrease) in payables		<u>254,714</u>	<u>(1,798,335)</u>
Cash generated from (used in) operating activities		5,794,984	(791,796)
Investing activities:			
Cash (used in) investing activities		<u>(12,696,797)</u>	<u>(6,059,042)</u>
Increase (decrease) in cash		(6,901,813)	(6,850,838)
Cash at January 1		<u>7,830,891</u>	<u>14,681,729</u>
Cash at December 31		<u>929,078</u>	<u>7,830,891</u>

Notes to Financial Statements

1. The Unemployment Benefit Account (Fund) was legally established as a separate entity from the National Insurance Fund effective January 1, 1997 - Section 30A National Insurance and Social Security Act, Cap. 47 Laws of Barbados.

The purpose of the Account is to pay or meet all claims for unemployment benefits and all expenses properly incurred in its administration.

2. Significant accounting policies are as follows:

(a) Basis of accounting

These financial statements are prepared under the historical cost convention and no account is taken of the effects of inflation.

(b) Recognition of revenue and expenses

- i Unemployment contributions, as well as contributions for all other Funds administered by the National Insurance Board, are collected by the National Insurance Fund and later transferred. Contributions are recognized as income on receipt by the National Insurance Fund and shown as a receivable until transferred. Contributions are reported net of the refunds made during the period.

	2006	2005
	\$	\$
Contributions	28,142,544	26,562,772
Less refunds	<u>(117,738)</u>	<u>(207,062)</u>
Net Contributions	<u>28,024,806</u>	<u>26,355,710</u>

- ii. Investment income is recognized on the accrual basis.
- iii. Benefit expenses which are recognized at the time of payment by the National Insurance Fund, are shown as a liability until reimbursed.
- iii. Administration expenditure is recognized as incurred. As an administrative arrangement, the National Insurance Fund conducts all business on behalf of the Unemployment Fund and charges a fee for those services. The amount approved by the National Insurance Board for 2006 was \$1,769,798.

(c) Valuation of investments

Term deposits are stated at the amount of principal outstanding. Other investments are stated at cost since there are no instruments in the portfolio that were purchased at a discount or premium.

3. The investment portfolio at 2006-12-31:

	%	2006	%	2005
Treasury Bills	3.5	3,958,140		-
Deposits	49.5	55,450,929	47.1	46,712,272
Debentures	19.7	22,100,000	22.3	22,100,000
Treasury Notes	<u>27.2</u>	<u>30,500,000</u>	<u>30.6</u>	<u>30,500,000</u>
Total	<u>100.0</u>	<u>112,009,069</u>	<u>100.0</u>	<u>99,312,272</u>

4. The receivables consist of the following:

- \$ 1,174,030 – Interest accrued and receivable from financial institutions.
- \$4,685,069 – Other receivables comprise contributions, matured investments, interest received by the National Insurance Fund on behalf of the Unemployment Fund.

5. The Accounts Payable balance represents the Unemployment Fund's indebtedness to the National Insurance Fund in respect of benefits paid on its behalf.

6. Amount paid to the National Insurance Fund for the administration of the Unemployment Fund for 2006.

**BARBADOS
NATIONAL INSURANCE BOARD**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

UNEMPLOYMENT FUND

Index to the Financial Statements

For the Year ended December 31, 2007

	Page
Auditor General's Report	1
Balance Sheet	2
Statement of Income and Expenditure and Fund Reserves	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6



AUDITOR GENERAL'S OFFICE BARBADOS



REPORT ON THE AUDIT OF THE ACCOUNTS OF THE UNEMPLOYMENT FUND FOR THE YEAR ENDED DECEMBER 31, 2007

I have audited the accompanying balance sheet of the Unemployment Fund as well as the related income and expenditure statement and fund reserves, and cash flows for the financial year ended December 31, 2007.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting practices; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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.

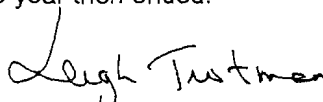
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I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Because the nature of the Department's system of receipting and recording contributions did not allow adequate audit verification, I was unable to assess the reasonableness of contributions reported in the financial statements.

Opinion

In my opinion, except for the matter mentioned in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Unemployment Fund as at December 31, 2007 and the results of its operations and cash flows for the year then ended.

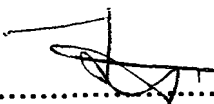

L. E. TROTMAN
Auditor General

2013-04-11

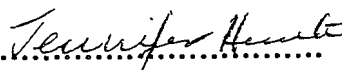
UNEMPLOYMENT FUND

**Balance Sheet as at
December 31, 2007
(with comparative figures for 2006)**

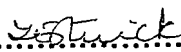
	Notes	2007 \$	2006 \$
Current Assets:			
Cash and bank balances		1,376,519	929,078
Interest receivable	4	1,568,743	1,174,030
Other receivables	4	6,629,025	4,685,069
Short-term investments	3	<u>64,243,319</u>	<u>59,409,069</u>
		<u>73,817,606</u>	<u>66,197,246</u>
Other Assets			
Long-term investments	3	<u>51,600,000</u>	<u>52,600,000</u>
Total Assets		<u>125,417,606</u>	<u>118,797,246</u>
Current liabilities:			
Accounts payable	5	<u>2,156,520</u>	<u>2,618,133</u>
Total current liabilities		<u>2,156,520</u>	<u>2,618,133</u>
Fund reserve		<u>123,261,086</u>	<u>116,179,113</u>
		<u>125,417,606</u>	<u>118,797,246</u>



Dr. Justin Robinson
Chairman,
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Jennifer Hunte
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National Insurance Office



Janice Estwick
Financial Controller (Ag.),
National Insurance Office

UNEMPLOYMENT FUND

Statement of Income and Expenditure and Fund Reserves
year ended December 31, 2007
(with comparative figures for 2006)

	Notes	2007 \$	2006 \$
Income			
Contributions		28,874,348	28,024,806
Investment Income		<u>7,208,895</u>	<u>6,226,308</u>
		<u>36,083,243</u>	<u>34,251,114</u>
Expenses			
Unemployment Benefits		27,163,188	26,078,774
Administration expenditure	6	<u>1,838,082</u>	<u>1,769,813</u>
		<u>29,001,270</u>	<u>27,848,587</u>
Net income		7,081,973	6,402,527
Fund Reserve at January 1		<u>116,179,113</u>	<u>109,776,586</u>
Fund Reserve at December 31		<u>123,261,086</u>	<u>116,179,113</u>

UNEMPLOYMENT FUND

Statement of Cash Flows year ended 31 December, 2007

	Notes	2007 \$	2006 \$
Operating activities:			
Net income for the period		7,081,973	6,402,527
Items not affecting cash:			
(Increase) Decrease in receivables		(2,338,669)	(862,257)
(Decrease) Increase in payables		<u>(461,613)</u>	<u>254,714</u>
Cash generated from (used in) operating activities		4,281,691	5,794,984
Investing activities:			
Cash (used in) investing activities		<u>(3,834,250)</u>	<u>12,696,797</u>
Increase (decrease) in cash		447,441	(6,901,813)
Cash at January 1		<u>929,078</u>	<u>7,830,891</u>
Cash at December 31		<u>1,376,519</u>	<u>929,078</u>

Notes to Financial Statements

1. The Unemployment Benefit Account (Fund) was legally established as a separate entity from the National Insurance Fund effective January 1, 1997 - Section 30A National Insurance and Social Security Act, Cap. 47 Laws of Barbados.

The purpose of the Account is to pay or meet all claims for unemployment benefits and all expenses properly incurred in its administration.

2. Significant accounting policies are as follows:

(a) Basis of accounting

These financial statements are prepared under the historical cost convention and no account is taken of the effects of inflation.

(b) Recognition of revenue and expenses

- i Unemployment contributions, as well as contributions for all other Funds administered by the National Insurance Board, are collected by the National Insurance Fund and later transferred. Contributions are recognized as income on receipt by the National Insurance Fund and shown as a receivable until transferred. Contributions are reported net of the refunds made during the period.

	2007	2006
	\$	\$
Contributions	28,950,074	28,142,544
Less refunds	<u>(75,726)</u>	<u>(117,738)</u>
Net Contributions	<u>28,874,348</u>	<u>28,024,806</u>

- ii. Investment income is recognized on the accrual basis.
- iii. Benefit expenses which are recognized at the time of payment by the National Insurance Fund, are shown as a liability until reimbursed.
- iii. Administration expenditure is recognized as incurred. As an administrative arrangement, the National Insurance Fund conducts all business on behalf of the Unemployment Fund and charges a fee for those services. The amount approved by the National Insurance Board for 2007 was \$1,838,007.

(c) Valuation of investments

Term deposits are stated at the amount of principal outstanding. Other investments are stated at cost since there are no instruments in the portfolio that were purchased at a discount or premium.

3. The investment portfolio at 2007-12-31:

	%	2007	%	2006
(a) Short Term				
Treasury Bills	5.66	6,557,390.00	3.53	3,958,140.00
Deposits	<u>49.80</u>	<u>57,685,929.00</u>	<u>49.51</u>	<u>55,450,929.00</u>
	<u>55.46</u>	<u>64,243,319.00</u>	<u>53.04</u>	<u>59,409,069.00</u>
(b) Long Term				
Debentures	18.21	21,100,000.00	19.73	22,100,000.00
Treasury Notes	26.33	30,500,000.00	27.23	30,500,000.00
	<u>44.54</u>	<u>51,600,000.00</u>	<u>46.96</u>	<u>52,600,000.00</u>
Total Assets	<u>100</u>	<u>115,843,319.00</u>	<u>100</u>	<u>112,009,069.00</u>

4. The receivables consist of the following:

- \$ 1,568,743 – Interest accrued and receivable from financial institutions.
- \$6,629,025 – Other receivables comprise contributions, matured investments, interest received by the National Insurance Fund on behalf of the Unemployment Fund.

5. The Accounts Payable balance represents the Unemployment Fund's indebtedness to the National Insurance Fund in respect of benefits paid on its behalf.

6. Amount paid to the National Insurance Fund for the administration of the Unemployment Fund for 2007.

**BARBADOS
NATIONAL INSURANCE BOARD**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

UNEMPLOYMENT FUND

Index to the Financial Statements

For the Year ended December 31, 2008

	Page
Auditor General's Report	1
Balance Sheet	2
Statement of Income and Expenditure and Fund Reserves	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6



**AUDITOR GENERAL'S OFFICE
BARBADOS**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

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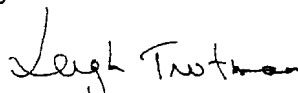
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Opinion

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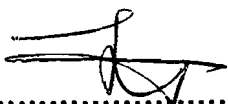

L. E. TROTMAN
Auditor General

2013-04-11

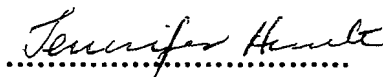
UNEMPLOYMENT FUND

Balance Sheet as at December 31, 2008 (with comparative figures for 2007)

	Notes	2008 \$	2007 \$
Current Assets:			
Cash and bank balances		5,122,728	1,376,519
Interest receivable	4	1,735,830	1,568,743
Other receivables	4	10,292,637	6,629,025
Short-term investments	3	<u>49,284,035</u>	<u>64,243,319</u>
		<u>66,435,230</u>	<u>73,817,606</u>
Other Assets			
Long-term investments	3	<u>64,400,000</u>	<u>51,600,000</u>
Total Assets		<u>130,835,230</u>	<u>125,417,606</u>
Current liabilities:			
Accounts payable	5	<u>2,064,858</u>	<u>2,156,520</u>
Total current liabilities		<u>2,064,858</u>	<u>2,156,520</u>
Fund reserve		<u>128,770,372</u>	<u>123,261,086</u>
		<u>130,835,230</u>	<u>125,417,606</u>



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UNEMPLOYMENT FUND

Statement of Income and Expenditure and Fund Reserves year ended December 31, 2008 (with comparative figures for 2007)

	Notes	2008 \$	2007 \$
Income			
Contributions		31,749,050	28,874,348
Investment Income		<u>7,189,763</u>	<u>7,208,895</u>
		<u>38,938,813</u>	<u>36,083,243</u>
Expenses			
Unemployment Benefits		31,487,843	27,163,188
Administration expenditure	6	<u>1,941,684</u>	<u>1,838,082</u>
		<u>33,429,527</u>	<u>29,001,270</u>
Net income		5,509,286	7,081,973
Fund Reserve at January 1		<u>123,261,086</u>	<u>116,179,113</u>
Fund Reserve at December 31		<u>128,770,372</u>	<u>123,261,086</u>

UNEMPLOYMENT FUND

Statement of Cash Flows year ended 31 December, 2008

	Notes	2008 \$	2007 \$
Operating activities:			
Net income for the period		5,509,286	7,081,973
Items not affecting cash:			
(Increase) Decrease in receivables		(3,830,699)	(2,338,669)
(Decrease) in payables		<u>(91,662)</u>	<u>(461,613)</u>
Cash generated from (used in) operating activities		1,586,925	4,281,691
Investing activities:			
Cash generated from (used in) investing activities		<u>2,159,284</u>	<u>(3,834,250)</u>
Increase (decrease) in cash		3,746,209	447,441
Cash at January 1		<u>1,376,519</u>	<u>929,078</u>
Cash at December 31		<u>5,122,728</u>	<u>1,376,519</u>

Notes to Financial Statements

1. The Unemployment Benefit Account (Fund) was legally established as a separate entity from the National Insurance Fund effective January 1, 1997 - Section 30A National Insurance and Social Security Act, Cap. 47 Laws of Barbados.

The purpose of the Account is to pay or meet all claims for unemployment benefits and all expenses properly incurred in its administration.

2. Significant accounting policies are as follows:

(a) Basis of accounting

These financial statements are prepared under the historical cost convention and no account is taken of the effects of inflation.

(b) Recognition of revenue and expenses

- i Unemployment contributions, as well as contributions for all other Funds administered by the National Insurance Board, are collected by the National Insurance Fund and later transferred. Contributions are recognized as income on receipt by the National Insurance Fund and shown as a receivable until transferred. Contributions are reported net of the refunds made during the period.

	2008	2007
	\$	\$
Contributions	31,949,991	28,950,074
Less refunds	<u>(200,941)</u>	<u>(75,726)</u>
Net Contributions	<u>31,749,050</u>	<u>28,874,348</u>

- ii. Investment income is recognized on the accrual basis.
- iii. Benefit expenses which are recognized at the time of payment by the National Insurance Fund, are shown as a liability until reimbursed.
- iii. Administration expenditure is recognized as incurred. As an administrative arrangement, the National Insurance Fund conducts all business on behalf of the Unemployment Fund and charges a fee for those services. The amount approved by the National Insurance Board for 2008 was \$1,941,684.

(c) Valuation of investments

Term deposits are stated at the amount of principal outstanding. Other investments are stated at cost since there are no instruments in the portfolio that were purchased at a discount or premium.

3. The investment portfolio at 2008-12-31:

	%	2008	%	2007
(a) Short Term				
Treasury Bills	13.64	15,509,035.00	5.66	6,557,390.00
Deposits	29.71	33,775,000.00	49.80	57,685,929.00
	43.35	49,284,035.00	55.46	64,243,319.00
(b) Long Term				
Debentures	41.43	47,100,000.00	18.21	21,100,000.00
Treasury Notes	15.22	17,300,000.00	26.33	30,500,000.00
	56.65	64,400,000.00	44.54	51,600,000.00
Total Assets	100	113,684,035.00	100	115,843,319.00

4. The receivables consist of the following:

- \$ 1,735,830 – Interest accrued and receivable from financial institutions.
- \$10,292,637 – Other receivables comprise contributions, matured investments, interest received by the National Insurance Fund on behalf of the Unemployment Fund.

5. The Accounts Payable balance represents the Unemployment Fund's indebtedness to the National Insurance Fund in respect of benefits paid on its behalf.

6. Amount paid to the National Insurance Fund for the administration of the Unemployment Fund for 2008.

**BARBADOS
NATIONAL INSURANCE BOARD**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

UNEMPLOYMENT FUND

Index to the Financial Statements

For the Year ended December 31, 2009

	Page
Auditor General's Report	1
Balance Sheet	2
Statement of Income and Expenditure and Fund Reserves	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6



**AUDITOR GENERAL'S OFFICE
BARBADOS**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

I have audited the accompanying balance sheet of the Unemployment Fund as well as the related income and expenditure statement and fund reserves, and cash flows for the financial year ended December 31, 2009.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting practices; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 for 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.

Because the nature of the Department's system of receipting and recording contributions did not allow adequate audit verification, I was unable to assess the reasonableness of contributions reported in the financial statements.

Opinion


In my opinion, except for the matter mentioned in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Unemployment Fund as at December 31, 2009 and the results of its operations and cash flows for the year then ended.


L. E. TROTMAN
Auditor General

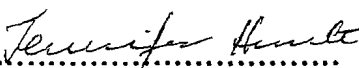
UNEMPLOYMENT FUND

**Balance Sheet as at
December 31, 2009
(with comparative figures for 2008)**


	Notes	2009 \$	2008 \$
Current Assets:			
Cash and bank balances		598,005	5,122,728
Interest receivable	4	1,334,596	1,735,830
Other receivables	4	11,452,859	10,292,637
Short-term investments	3	<u>38,190,967</u>	<u>49,284,035</u>
		<u>51,576,427</u>	<u>66,435,230</u>
Other Assets			
Long-term investments	3	<u>73,608,000</u>	<u>64,400,000</u>
Total Assets		<u>125,184,427</u>	<u>130,835,230</u>
Current liabilities:			
Accounts payable	5	<u>4,084,051</u>	<u>2,064,858</u>
Total current liabilities		<u>4,084,051</u>	<u>2,064,858</u>
Fund reserve		<u>121,100,376</u>	<u>128,770,372</u>
		<u>125,184,427</u>	<u>130,835,230</u>



Dr. Justin Robinson
Chairman,
National Insurance Board



Jennifer Hunte
Director (Ag.),
National Insurance Office



Janice Estwick
Financial Controller (Ag.),
National Insurance Office

UNEMPLOYMENT FUND

Statement of Income and Expenditure and Fund Reserves year ended December 31, 2009 (with comparative figures for 2008)

	Notes	2009 \$	2008 \$
Income			
Contributions		31,820,763	31,749,050
Investment Income		<u>6,659,385</u>	<u>7,189,763</u>
		<u>38,480,148</u>	<u>38,938,813</u>
Expenses			
Unemployment Benefits		43,976,508	31,487,843
Administration expenditure	6	<u>2,173,636</u>	<u>1,941,684</u>
		<u>46,150,144</u>	<u>33,429,527</u>
Net (loss) income		(7,669,996)	5,509,286
Fund Reserve at January 1		<u>128,770,372</u>	<u>123,261,086</u>
Fund Reserve at December 31		<u>121,100,376</u>	<u>128,770,372</u>

UNEMPLOYMENT FUND

Statement of Cash Flows
year ended 31 December, 2008

	Notes	2009 \$	2008 \$
Operating activities:			
Net (loss) income for the period		(7,669,996)	5,509,286
Items not affecting cash:			
(Increase) Decrease in receivables		(758,988)	(3,830,699)
Increase (Decrease) in payables		<u>2,019,193</u>	<u>(91,662)</u>
Cash (used in) generated from operating activities		(6,409,791)	1,586,925
Investing activities:			
Cash generated from (used in) investing activities		<u>1,885,069</u>	<u>2,159,284</u>
(Decrease) Increase in cash		(4,524,723)	3,746,209
Cash at January 1		<u>5,122,728</u>	<u>1,376,519</u>
Cash at December 31		<u><u>598,005</u></u>	<u><u>5,122,728</u></u>

Notes to Financial Statements

1. The Unemployment Benefit Account (Fund) was legally established as a separate entity from the National Insurance Fund effective January 1, 1997 - Section 30A National Insurance and Social Security Act, Cap. 47 Laws of Barbados.

The purpose of the Account is to pay or meet all claims for unemployment benefits and all expenses properly incurred in its administration.

2. Significant accounting policies are as follows:

- (a) **Basis of accounting**

These financial statements are prepared under the historical cost convention and no account is taken of the effects of inflation.

- (b) **Recognition of revenue and expenses**

- i Unemployment contributions, as well as contributions for all other Funds administered by the National Insurance Board, are collected by the National Insurance Fund and later transferred. Contributions are recognized as income on receipt by the National Insurance Fund and shown as a receivable until transferred. Contributions are reported net of the refunds made during the period.

	2009	2008
	\$	\$
Contributions	32,076,777	31,949,991
Less refunds	<u>(256,014)</u>	<u>(200,941)</u>
Net Contributions	<u>31,820,763</u>	<u>31,749,050</u>

- ii. Investment income is recognized on the accrual basis.
 - iii. Benefit expenses which are recognized at the time of payment by the National Insurance Fund, are shown as a liability until reimbursed.
 - iii. Administration expenditure is recognized as incurred. As an administrative arrangement, the National Insurance Fund conducts all business on behalf of the Unemployment Fund and charges a fee for those services. The amount approved by the National Insurance Board for 2009 was \$2,173,636.

- (c) **Valuation of investments**

Term deposits are stated at the amount of principal outstanding. Other investments are stated at cost since there are no instruments in the portfolio that

3. The investment portfolio at 2009-12-31:

	%	2009	%	2008
(a) Short Term				
Treasury Bills	8.39	9,380,967.00	13.64	15,509,035.00
Deposits	25.77	28,810,000.00	29.71	33,775,000.00
	<u>34.16</u>	<u>38,190,967.00</u>	<u>43.35</u>	<u>49,284,035.00</u>
(b) Long Term				
Debentures	34.97	39,100,000.00	41.43	47,100,000.00
Treasury Notes	30.87	34,508,000.00	15.22	17,300,000.00
	<u>65.84</u>	<u>73,608,000.00</u>	<u>56.65</u>	<u>64,400,000.00</u>
Total Assets	<u>100</u>	<u>111,798,967.00</u>	<u>100</u>	<u>113,684,035.00</u>

4. The receivables consist of the following:

- \$ 1,334,596 – Interest accrued and receivable from financial institutions.
- \$11,452,859 – Other receivables comprise contributions, matured investments, interest received by the National Insurance Fund on behalf of the Unemployment Fund.

5. The Accounts Payable balance represents the Unemployment Fund's indebtedness to the National Insurance Fund in respect of benefits paid on its behalf.

6. Amount paid to the National Insurance Fund for the administration of the Unemployment Fund for 2009.