



Financial Statements of

**UNIVERSITY COLLEGE OF THE
CAYMAN ISLANDS**

For the Year Ended 30 June 2006

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

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University College of the Cayman Islands

CERTIFICATE OF THE AUDITOR GENERAL

To the Shareholder and Board of Governors of the University College of the Cayman Islands

I have audited the financial statements of the University College of the Cayman Islands for the year ended 30 June 2006 as set out on pages 2 to 17 and in accordance with the Section 11(3) of the University College law (2005 Revision) and Section 52 (3) of the Public Management and Finance Law (2005 Revision).

Respective Responsibilities of Management and the Auditor General

These financial statements are the responsibility of the University College's management. My responsibility is to express an opinion on the financial statements based on my audit.

Basis of Opinion

My examination was made in accordance with International Standards on Auditing which require that I plan and perform my audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University College of the Cayman Islands as at 30 June 2006, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the University College Law (2005 Revision)

A handwritten signature in cursive script that reads "Dan Duguay".

Dan Duguay, MBA, CGA
Auditor General

05 March 2007

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
BALANCE SHEET AS AT 30 JUNE 2006

(Stated in Cayman Islands Dollars)

	NOTE	2006	2005
ASSETS			
Fixed assets	2b,3,4		
Land		\$ 273,090	\$ 273,090
Buildings		6,000,597	6,213,274
Furniture and Equipment		50,794	38,889
Computers		47,808	24,132
Library Books		87,236	91,179
Total fixed assets		6,459,525	6,640,564
Current assets			
Inventory	2c	114,873	81,219
Accounts Receivable	5	111,737	63,874
Receivable from Endowment Fund		1,500	380
Prepayments		21,999	4,560
Unrestricted Cash Balance	6a	1,586,769	1,704,761
Restricted Cash Balance - Capital Fund	6b	1,381,220	862,722
Total current assets		3,218,097	2,717,516
TOTAL ASSETS		\$9,677,622	\$9,358,080
EQUITY AND LIABILITIES			
Capital and reserves			
Donated Capital	7	\$3,117,333	\$3,117,333
Capital Fund	8	1,383,859	864,117
Accumulated Surplus		2,005,689	2,105,224
		6,506,881	6,086,674
Long term liabilities	9	2,487,300	2,520,315
Current liabilities			
Accounts Payable		489,132	504,033
Payable to Endowment Fund		20,457	5,556
Current Maturities of Long Term Liabilities	9	167,657	241,502
Prepaid Course Fees	10	6,195	-
Total Current Liabilities		683,441	751,091
TOTAL EQUITY AND LIABILITIES		\$9,677,622	\$9,358,080

Approved on behalf of the Board of Governors:

Danny Scott
Chairman

Date: 5-3-07

Dr. Hassan Syed
President

The accompanying notes form an integral part of these financial statements

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2006

(Stated in Cayman Islands Dollars)

	NOTE	2006	2005
INCOME			
Government Grant	11	2,246,500	2,150,000
Tuition Fees		1,128,420	928,939
Book Sales		162,564	136,244
Other Income	12	158,233	137,464
Total Income		3,695,717	3,352,647
EXPENSES			
Salaries and Wages		2,090,723	1,983,398
Depreciation	2b,3	317,015	298,821
Utilities		220,809	175,716
Operating and Maintenance		195,277	186,518
Supplies and Materials		192,437	177,070
Pension Expense	13	191,376	169,463
Insurance		119,133	76,017
Travelling and Subsistence		88,714	49,902
Foreign Exchange Gain / (Loss)	2d	67,555	3,703
Health Insurance		59,600	53,543
Bad Debts		18,557	9,103
Loan Interest and Bank Charges		13,296	15,126
Loss on Disposal of Fixed Assets		-	9,127
Total Expenses		3,574,492	3,207,505
Surplus for the Year		121,225	145,142
Insurance Proceeds Net of Expenses	18	261,212	(286,318)
Net Surplus / (Deficit) for the Year after Ivan Related Expenses		382,437	(141,177)
Surplus at Beginning of the Year		2,105,224	2,246,401
Transfer to Capital Fund	8	(481,972)	-
Accumulated Surplus at end of the Year		2,005,689	2,105,224

The accompanying notes form an integral part of these financial statements

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2006
(Stated in Cayman Islands Dollars)

	Capital Fund	Donated Capital	Accumulated Surplus	Total
Balance as at June 30, 2004	\$ 851,368	\$ 2,917,333	\$ 2,246,401	\$ 6,015,102
Interest earned on capital fund balance	12,749	-	-	12,749
Capital Donation Rec'd During the Year		200,000		200,000
Net (Deficit) for the year	-	-	(141,177)	(141,177)
Balance as at June 30, 2005	\$ 864,117	\$ 3,117,333	\$ 2,105,224	\$ 6,086,674
Interest Earned on Capital Fund Balance	37,770	-	-	37,770
Transfer to Capital Fund During the Year	481,972	-	(481,972)	-
Net Surplus for the year	-	-	382,437	382,437
Balance as at June 30, 2006	\$ 1,383,859	\$ 3,117,333	\$ 2,005,689	\$ 6,506,881

The accompanying notes form an integral part of these financial statements

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006
(Stated in Cayman Islands Dollars)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Surplus / (Deficit) for the Year	382,437	(141,177)
Adjustment to reconcile Net Surplus / (Deficit) for the year to Net Cash Provided by Operating Activities		
Depreciation	317,015	298,821
Unrealised loss (gain) on foreign currency translation	67,797	2,183
Interest Income	(39,163)	(13,818)
Loan Interest	13,296	13,565
Gain / Loss on disposal of Fixed Assets	(1,000)	9,127
Operating Profit before Working Capital Changes	740,383	168,701
Net Changes in Non-Cash Working Capital Balances Related to Operations		
(Increase) / Decrease in Accounts Receivable	(48,983)	9,356
(Increase) / Decrease in Prepayments	(17,439)	74,190
(Increase) / Decrease in Inventory	(33,654)	10,010
Increase / (Decrease) in Accounts Payable	(14,901)	54,189
Increase / (Decrease) in payable to Endowment Fund	14,901	2,500
(Increase) / Decrease in Prepaid Course Fees	6,195	(13,061)
Cash Generated from Operations	646,502	305,886
Interest Received	38,261	13,032
Interest Paid	(12,395)	(13,565)
Net Cash Provided by Operating Activities	672,369	305,352
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(135,976)	(68,520)
Proceeds from Sale of Fixed Asset	1,000	-
Net Cash Used In Investing Activity	(134,976)	(68,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Donated Capital (CIG)	-	200,000
Repayment of Long Term Loans	(174,657)	(252,518)
Interest Received on Capital Fund Balance	37,770	11,354
Net Cash (Used in) Financing Activities	(136,887)	(41,164)
Net increase in cash and cash equivalents during the year	400,506	195,668
Cash and cash equivalents at beginning of year	2,567,483	2,371,815
Cash and cash equivalents at end of year	\$2,967,989	\$2,567,483

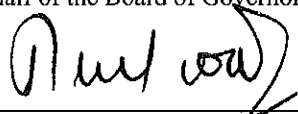
The accompanying notes form an integral part of these financial statements

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
BALANCE SHEET AS AT 30 JUNE 2006 - ENDOWMENT FUND

(Stated in Cayman Islands Dollars)

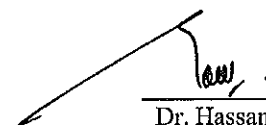
	NOTE	2006	2005
CURRENT FUNDS			
Cash at Bank		\$33,782	\$28,460
\$US Fixed Deposit		62,501	60,223
Receivable from General Fund		20,455	5,556
Payable to General Fund		(1,500)	(380)
Total Funds	6c	\$115,238	\$93,858
Represented by:			
FUND BALANCE		\$115,238	\$93,858

Approved on Behalf of the Board of Governors:



Danny Scott
Chairman

Date: 5-3-07



Dr. Hassan Syed
President

The accompanying notes form an integral part of these financial statements

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF INCOME AND EXPENDITURE - ENDOWMENT FUND
FOR THE THE YEAR ENDED 30 JUNE 2006

(Stated in Cayman Islands Dollars)

	NOTE	2006	2005
INCOME			
Donations		\$20,457	\$4,000
Interest on Savings Account		146	598
Interest on Fixed Deposit Account		2,277	724
Total Income		22,880	5,322
EXPENSES			
Funds Utilised: Scholarships Awarded		1,500	7,230
Total Expenses		1,500	7,230
Net Increase / (Decrease) in Fund Balance		21,380	(1,908)
Fund Balance at Beginning of the Year		93,858	95,766
Fund Balance at end of the Year	6c	\$115,238	\$93,858

The accompanying notes form an integral part of these financial statements

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

ESTABLISHMENT AND PRINCIPAL ACTIVITY

The University College of the Cayman Islands (University College) is a corporate body established under the Community College (Amendment) Law 2004 (Law 17 of 2004). Its principal activity is to provide full and part-time education, training, and education services, including teaching and research relevant to the needs of the Islands.

The University College is located at 168 Olympic Way, P.O. Box 702 GT, Grand Cayman, Cayman Islands, B.W.I.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Committee (IASC), and interpretations issued by the Standing Interpretations Committee of the IASC. The significant accounting policies adopted by the University College are as follows:

a. Basis of Accounting

The financial statements of the University College are prepared on the accruals basis under the historical cost convention.

b. Depreciation

Fixed assets are recorded at cost and with the exception of freehold land, are depreciated using the straight line method estimated to write-off the cost of the assets over their expected useful lives as follows:

Item	Useful Life
Buildings	40 years
Furniture and Equipment	5 – 10 years
Computers	3 years
Vehicles	4 years
Library Books	2 – 8 years

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Inventory

Inventory represents textbooks on hand and in-transit, at 30 June 2006, which are purchased by the University College for resale to students. They are valued at the lower of cost and net realisable value on a first-in, first-out basis.

d. Foreign Currency Translation

Assets and liabilities denominated in currencies other than Cayman Islands Dollars are translated at exchange rates in effect at the balance sheet date. Revenue and expense transactions denominated in currencies other than Cayman Islands Dollars are translated at exchange rates ruling at the time of these transactions. Gains and losses on exchange are included in the Statement of Income and Expenditure.

e) Borrowing Cost

Borrowing cost is recognised as an expense in the period in which they are incurred, regardless of how the borrowings are applied.

f) Revenue Recognition

Income from contracts and for services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the Statement of Income and Expenditure in the period in which it is earned.

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

3. FIXED ASSETS

Description	Freehold Land	Buildings	Furniture & Equipment	Vehicles	Computers	Library Books	Total
Cost:							
At 01 July 2005	273,090	8,507,072	828,049	27,900	226,493	340,663	10,203,267
Additions	-	-	28,748	-	61,021	46,207	135,976
Disposals				(13,650)			(13,650)
At 30 June 2006	273,090	8,507,072	856,797	14,250	287,514	386,870	10,325,593
Accumulated Depreciation:							
At 01 July 2005	-	2,293,798	789,160	27,900	202,360	249,486	3,562,704
Depr. Charge	-	212,677	16,843	-	37,346	50,148	317,014
Depr. Charge on Disposals	-	-	-	(13,650)	-	-	(13,650)
At 30 June 2006	-	2,506,475	806,003	14,250	239,706	299,634	3,866,068
Net Book Value:							
At 30 June 2006	273,090	6,000,597	50,794	-	47,808	87,236	6,459,525
At 30 June 2005	273,090	6,213,274	38,889	-	24,133	91,177	6,640,564

4. FREEHOLD LAND

The Government acquired 15.8 acres of land for the construction of the University College through compulsory acquisition in 1988 and 1995. The property, consisting of land and buildings, has not yet been vested with the University College of the Cayman Islands and is registered in the name of the Crown. The cost of land has been classified as Donated Capital (See Note 7).

5. ACCOUNTS RECEIVABLE

	<u>30.06.06</u>	<u>30.06.05</u>
Trade Receivable:		
Tuition	\$46,242	\$73,257
Less: Provision for Bad Debts	(6,230)	(12,309)
	<u>40,012</u>	<u>60,948</u>
Insurance Claim	67,968	-
Interest Receivable	3,756	2,926
Total	<u>\$111,736</u>	<u>\$63,874</u>

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

6. BANK BALANCES

- a) Unrestricted Balances:** Represents the College's current account and fixed deposit balances, which use is not restricted for any specific purpose.

<u>Account Type</u>	<u>30.06.06</u>	<u>30.06.05</u>
Unrestricted Balances:		
Current Account - \$C.I.	212,312	664,904
Current Account - \$U.S.	13,538	4,486
Cashier's Float	400	400
Total Current Accounts and Cash	226,250	669,790
Total Fixed Deposits - \$ C.I.	1,360,519	1,034,971
Total Unrestricted Balances	1,586,769	1,704,761

- b) Restricted Balances - Capital Fund:** The Board of Governors has placed restrictions on the use of this bank account balance, which is to be used for future capital projects of the College.

Restricted Balances		
Capital Fund - Fixed Deposit Accounts	948,454	555,995
Insurance Fund - Fixed Deposit Account	352,766	226,727
Donated Capital - Fixed Deposit Account	80,000	80,000
Total Restricted Balances	1,381,220	862,722
Total Cash & Cash Equivalents	\$2,967,989	\$2,567,483

- c) Endowment Fund:** This balance comprises donations from the Board of Governors and the private sector plus interest thereon, which are dedicated to be used for the purpose of providing local scholarships or other resources net of amount payable to the College.

	<u>30.06.06</u>	<u>30.06.05</u>
Fund Balance	\$115,238	\$93,858

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

7. DONATED CAPITAL

The Cayman Islands Government has provided Donated Capital for the following purposes:

	<u>30.06.06</u>	<u>30.06.05</u>
Equity Injection to Fund Post Ivan Recovery	200,000	200,000
For the continuation of the College's Building programme	\$1,250,990	\$1,250,990
For the purchase of land	264,585	264,585
For the Capital works programme carried out by PWD during 1994	24,904	24,904
For the development of a playfield for the College	80,000	80,000
For the construction of the multi-purpose Hall/Hurricane Shelter	1,250,000	1,250,000
	<u>2,870,479</u>	<u>2,870,479</u>
Private sector donations	46,854	46,854
Total	<u>\$3,117,333</u>	<u>\$3,117,333</u>

8. CAPITAL FUND

This represents the balance of funds restricted by the Board of Governors to be used for future capital projects of the College. Transfers into this fund during the year amounted to \$ 481,972.00 plus interest of \$37,770.

	<u>30.06.06</u>	<u>30.06.05</u>
Fund Balance	<u>\$1,383,859</u>	<u>\$864,117</u>

9. LONG TERM LIABILITIES

	<u>30.06.06</u>	<u>30.06.05</u>
Cayman Islands Government:		
a. Assets Vested	\$1,316,893	\$1,365,119
b. CIBC Capital Projects Loan	70,478	141,809
	<u>1,387,371</u>	<u>1,506,928</u>
c. European Development Fund	1,264,255	1,242,813
	<u>2,651,626</u>	<u>2,749,741</u>
d. Public Service Pensions Board		
Past Service Pension Liability	3,331	12,076
TOTAL LIABILITIES	<u>2,654,957</u>	<u>2,761,817</u>
Less Current Maturities:		
a. Assets Vested	48,225	48,225
b. CIBC Capital Projects Loan	70,478	141,809
c. European Development Fund	45,623	45,623
d. Cayman Islands Government	3,331	5,845
TOTAL CURRENT LIABILITIES	<u>167,657</u>	<u>241,502</u>
TOTAL LONG TERM LIABILITIES	<u>\$2,487,300</u>	<u>\$2,520,315</u>

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

LONG TERM LIABILITIES (Continued)

The loans from the Cayman Islands Government comprise:

- a. The loan of CI\$1,316,893 is interest free and repayable in yearly instalments until the year 2033. Loan repayments commenced in 1993. It relates to the cost of land, buildings, furniture and equipment financed by the Cayman Islands Government prior to the Community College becoming a Statutory Authority. The formal vesting of these assets has not yet been finalised.
- b. The loan of CI\$70,478 forms part of a CIBC Capital Projects Loan of CI\$12,833,333 (US\$15,480,000) and is repayable in yearly instalments until the year 2007. Loan repayments commenced February 1992 at an annual interest rate of New York prime plus 0.5%. The loan is in the name of the Cayman Islands Government and is on lent to the Community College. Loan repayments which are made by the Government are reimbursed by the College in annual instalments of US\$85,171.
- c. The Loan from the European Development Fund of CI\$1,264,255 (ECU 1,180,223) commenced in October 1999 and is repayable in 60 semi-annual instalments until the year 2029. The loan attracts an interest rate of 1% per annum on the principal amount outstanding and has been guaranteed by the Cayman Islands Government.
- d. Refer to Note 13 for explanation of the Public Service Pensions Fund's Past Service Liability.

10. PREPAID COURSE FEES

Prepaid Course Fees represent amounts received in advance from students, for courses to be undertaken during the 2005/2006 school term. Funds received from Government departments and corporate sponsors will be used for the benefit of specific scholarship holders.

11. GOVERNMENT GRANT

During the year the Cayman Islands Government's grant to the University College of the Cayman Islands was \$2,246,500 (2005: \$2,150,000). To continue as a going concern the University College will require annual assistance from the Government for the foreseeable future. This grant is based on the expected performance of the College during the current year.

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

12. OTHER INCOME

Description	<u>30.06.06</u>	<u>30.06.05</u>
Miscellaneous Receipts	\$ 58,005	\$ 82,536
Rental Income	49,852	32,740
Examination Fees	11,213	8,370
Interest Income	39,163	13,818
Total	<u>\$158,233</u>	<u>\$137,464</u>

13. PENSIONS

The University College carried three separate classes of pension contributions for an average of thirty (35) employees during the year ended 30 June 2006.

Public Service Pensions Fund - Defined Benefits

The Public Service Pensions Law, 1999 (Law 6 of 1999) re-organised existing public service pensions provisions into separate defined benefit and defined contribution schemes with effect from January 1, 2000. Only employees who were enrolled in the former public service pension scheme at that date were permitted to join the revised defined benefit scheme. The cut-off date for admission to the defined benefit scheme was extended to 31 December 1999.

An actuarial valuation for the College was carried out as of 1 January 2002, using the projected unit credit method of measuring costs and obligation. The College has accepted the new unfunded past service liability of \$36,950 and contribution rate of 15.99% (employers 6%, employee 6.0% and past service liability 3.99%). This is supposed to be amortised over a 20-year period.

The main actuarial assumptions used in the 1 January 2002 valuation were: a retirement age of 55 years, inflation rate of 3%, expected rate of return on the Fund's assets of 8%, expected salary and pension increase rates of 5% and 3% respectively. One employee was on this plan during the Financial Year ended 30 June 2006.

Public Service Pensions Fund – Defined Contributions

Caymanian employees who are not participating in the defined benefit plan shall be enrolled in the defined contribution scheme. No employees were on this plan during the Financial Year ended 30 June 2006.

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

PENSIONS (continued)

Expatriate Officers – Defined Contributions

In order to standardise employment practices, with effect from March 1999 the Board agreed that the 15% Contracted Officers Supplement payable to expatriate officers of the College would be replaced by an employer's contribution equivalent to 10% of salary to a private pension plan. The remaining 5% of salary is now paid as a gratuity upon completion of employment. Thirty-four (34) employees were on this plan during the year ended 30 June 2005/6.

The total amount recognised, as a pension expense during 2005/6 was \$191,376, (2004/5: \$169,463)

14. COMMITMENTS

As at 30 June 2006 the College had no commitments for which provisions have not been made in these financial statements.

15. RELATED PARTY TRANSACTIONS

The University College retains the services of Government's Legal Department to advise on all legal matters at an agreed fixed fee of \$5,000 per annum. (2004/05: \$5,000).

The Auditor General has statutory responsibility for the audit of the University College's financial statements. The fee for 2005/6 was \$20,000 (2004/05: \$14,000).

As disclosed in Note 11, the University College is dependent on an annual grant from the Cayman Islands Government. The University also relies on the Cayman Islands Government to provide or arrange long-term finance for capital development projects.

16. FINANCIAL INSTRUMENTS

i. Fair values:

At 30 June 2006 the following methods and assumptions were used by management to estimate the fair value of each financial instrument:

a) Bank Balances

The carrying amount approximates fair value.

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

FINANCIAL INSTRUMENTS (continued)

b) Accounts Receivable, Other Receivables, Accounts Payable, and Other Payables

The above items are substantially short term and do not bear interest. As such, their carrying amount approximates their fair value.

c) Current and Long Term Debt

The Cayman Islands Government Loan for Assets Vested does not attract interest. The carrying amount of this loan represents the principal balance owing.

The CIBC loan is at a floating interest rate and therefore bears interest at the market rate. The carrying value of this loan approximates its fair value.

The loan from the European Development Fund attracts an annual interest rate of 1% on the principal amount outstanding. The anticipated future principal repayments have not been discounted, as it would not provide any additional relevant information.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

ii Credit risk

Financial assets that potentially subject the University to credit risk consist principally of current and fixed deposits, accounts and interest receivable, and other receivables and prepayments. The University's current and fixed deposits are placed with high credit quality institutions. Credit risk with respect to accounts and interest receivable and other receivables and prepayments is limited because the University only transacts business with counterparts it believes to be reputable and capable of performing their contractual obligations. Accordingly, the University has no significant concentration of credit risk.

iii Interest rate risk

The University's deposits are at fixed interest rates. The ranges of interest rates and period of maturity are 0.5% to 1.875% and 31 to 33 days respectively.

University College of the Cayman Islands
Notes to the Financial Statements
For the Year Ended 30 June 2006
(Stated in Cayman Islands Dollars)

17. Hurricane Ivan Expenses

In September 2004, extensive damage was caused to most of the buildings at the University, following the devastation of the Cayman Islands by hurricane Ivan. The Administration Block, Hotel and Business Studies, Technical Studies and General Studies buildings were extensively damaged while Library and Site Works sustained lesser damage. The Multipurpose Hall building sustained minimal damage. In addition, contents were also destroyed. The estimated cost of property restoration amounted to CI\$944,800, and has been submitted to the insurers, Risk Management Unit of the Cayman Islands Government. In May 2006, Risk Management Unit released the sum of \$301,800. towards settlement of this claim. Though restoration has been completed sufficiently to facilitate the continuation of classes, there remains much repairs to be done to fully restore the University to its pre-Ivan state. An additional amount of \$67,968 was released in November 2006 by Risk Management Unit, in final settlement of the College's insurance claim.

Insurance Claim	\$ 944,800.
Insurance Receipt (May '06)	(\$301,800)
Insurance Receipt (Nov. '06)	<u>(\$ 67,968)</u>
Unsettled Balance on Insurance Claim	\$575,032
Insurance Deductible	\$211,059
Claims Excluded (including Mould Remediation Work \$235,000)	\$363,973

18. Insurance Proceeds Net of Expenses

	<u>30.06.06</u>	<u>30.06.05</u>
Insurance Proceeds	\$369,768	\$ -
Hurricane Ivan Expenses	<u>(\$108,556)</u>	<u>(\$286,318)</u>
Total	<u>\$261,212</u>	<u>(\$286,318)</u>