CAYMAN ISLANDS
NATIONAL
MUSEUM

2018 Annual Report

Cayman Islands National Museum

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Cayman Islands

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Foreword

This Annual Report is for the Cayman Islands National Museum (the 'Museum'). The report outlines the Museum's performance during the period from January 1, 2018 to December 31, 2018 and compares it to the budgeted performance for the corresponding year.

The requirement for an Annual Report is prescribed under section 52 of the Public Management and Finance Law (2018 Revision) ("PMFL"). Section 52 states:

(1) In respect of each financial year, each statutory authority and government company shall prepare an annual report.

(2) An annual report shall report the performance of the authority or company and compare it with that proposed in the ownership agreement for that financial year and shall include -

(a) a summary of the nature and scope of the activities of the authority or company during that financial year;

(b) a summary of the extent to which the strategic goals and objectives of the authority or company described in the annual ownership agreement were achieved;

(c) a summary of the extent to which the ownership performance targets set out in the authority's or company's annual ownership agreement for that financial year have been achieved in that financial year;

(d) for the financial years -

i. *2004/5 to 2007/8, unaudited financial statements; or*
ii. *2008/9 and onwards, audited financial statements,*

which shall be prepared on a basis consistent with the forecast financial statements in the authority's or company's annual ownership agreement for that financial year and contain the statements and information set out in Schedule 4.

(e) the amount of any equity investment made by the Cabinet in the authority or company during the financial year;

(f) the amount of any capital withdrawals made by the Cabinet from the authority or company during the financial year;

(g) the amount of any dividends or profit distributions paid by the authority or company during the financial year;

(h) the amount of any loans to the authority or company by the Cabinet during the financial year; and

(i) details of any guarantees relating to the authority or company made by the Cabinet during the financial year.

(3) The financial statements referred to in subsection (2)(d) shall be prepared within two months of the end of the financial year.

(3A) The financial statements referred to in subsection (2)(d)(ii) shall be submitted to the Auditor General for auditing, and the Auditor General shall express an opinion within two months of receipt of the financial statements.

The annual report covers three main areas:

- Service Delivery;
- Financial performance; and
- Governance.

The service delivery section outlines the contributions made by the Museum in furtherance of the Government's policy outcome goals. It also provides commentary which explains material variances in performance when compared to budget.

The financial performance section shows the financial resources the Museum was afforded in the 2018 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the supporting notes to those financial statements.

The report also includes a section on Governance which outlines the Museum's efforts in the areas of risk management, audit, and freedom of information.

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Report Guide

This report has been prepared in accordance with the requirements stipulated in the Public Management and Finance Law (2018 Revision) for Statutory Authorities and Government Companies.

General Information

This chapter summarizes the Museum's overall responsibilities, describes the functions and activities of the Museum, and shows the Museum's organisational structure.

Achievements

The Museum's accomplishments in 2018 and detailed explanations on key objectives achieved over the year are provided.

Human Resources Management

This section reports on key information and statistics relating to the Museum's work force.

Financial Statements

This section includes the Auditor General's report, a Management Discussion and analysis of the financial results for the Museum over the year, and the corresponding statements of Financial Position, Performance and Net Worth.

Appendices

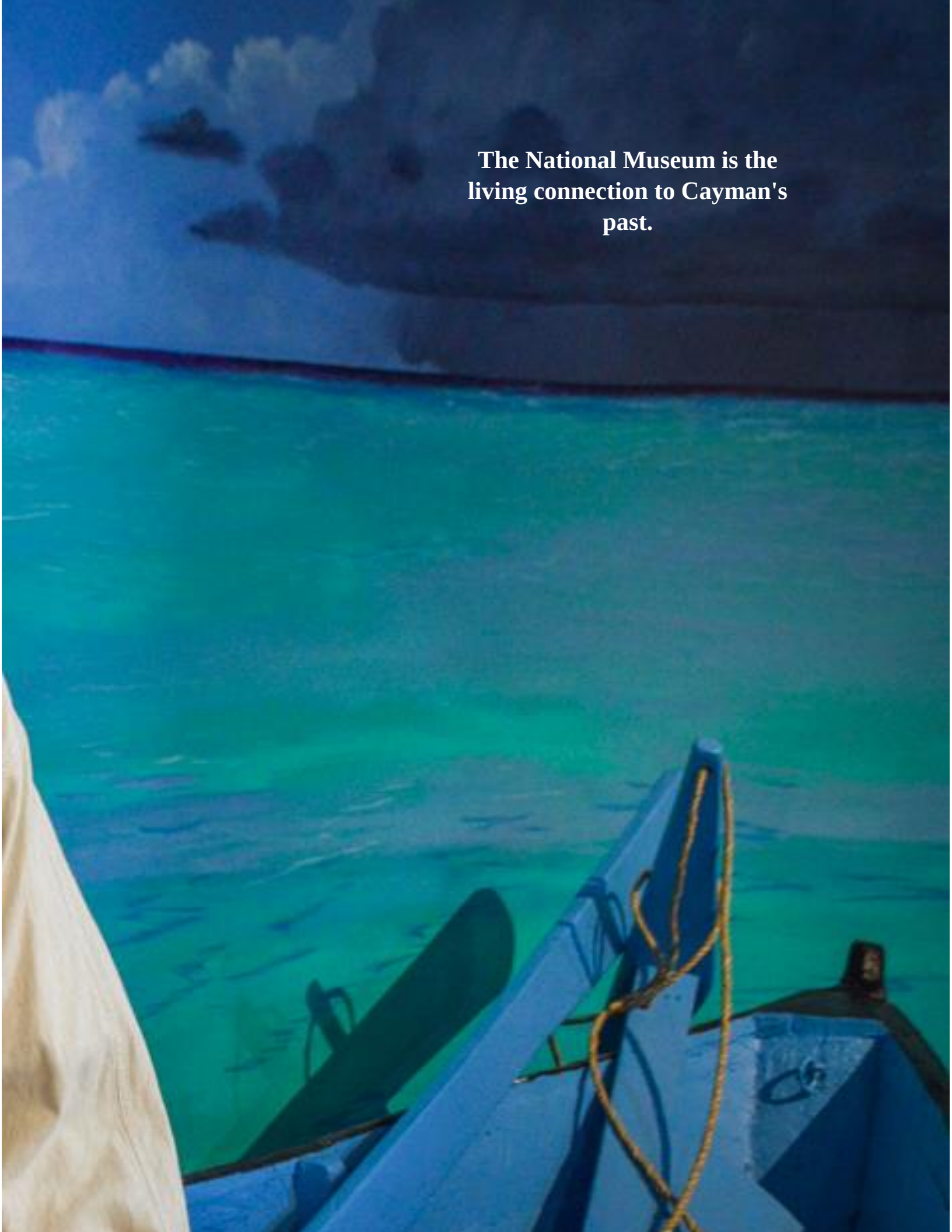
This chapter summarizes major laws impacting the Museum and other information regarding the governance and risk management framework under which the Museum operates.

Glossary of Terms

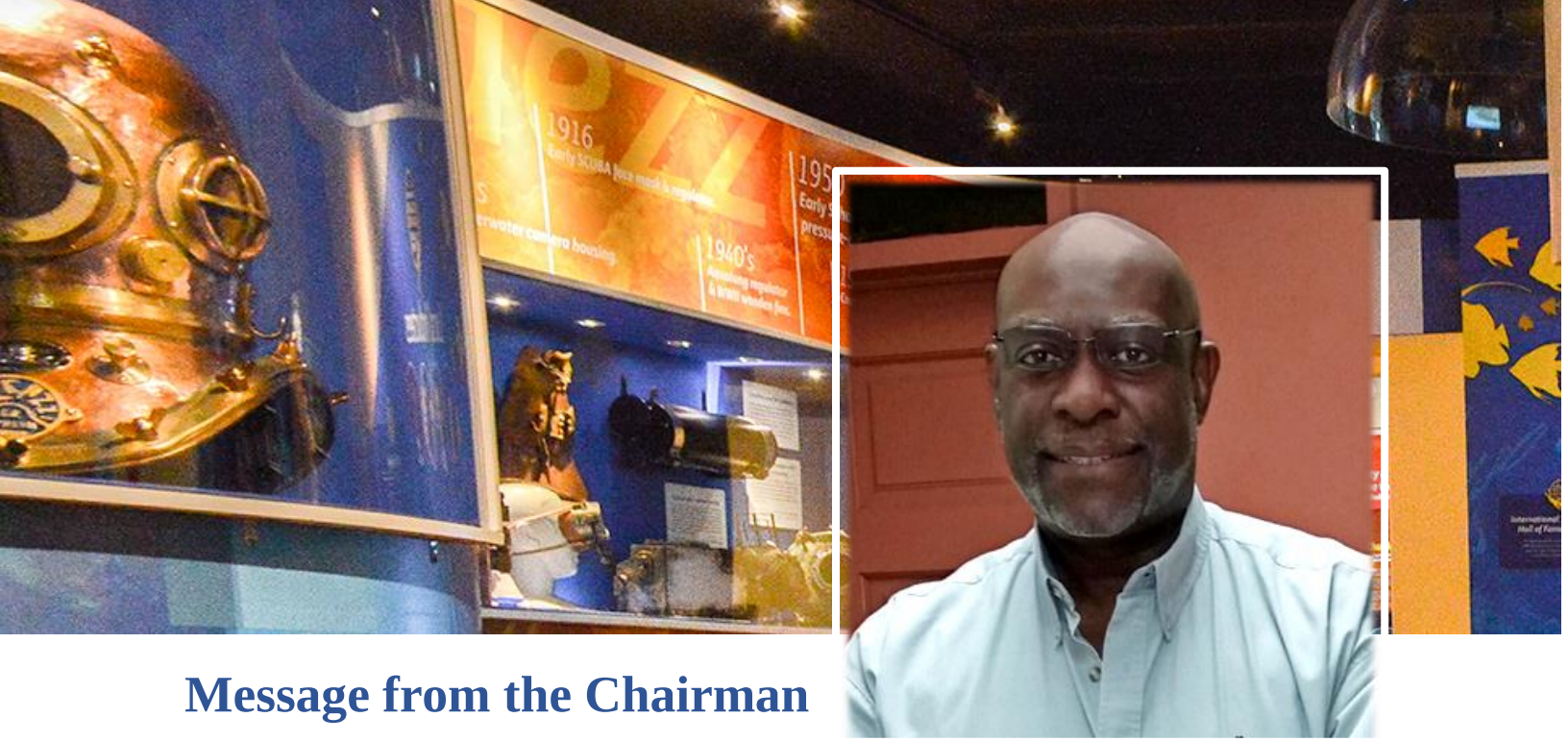
This section provides definitions and explanations for abbreviations.

Contact Information

Telephone and website information is provided for each Section under the Museum.



The National Museum is the living connection to Cayman's past.



Message from the Chairman

I am pleased to present the annual report for the Cayman Islands National Museum for the period from January 1st, 2018 to December 31st, 2018.

The report highlights the achievements of the Museum and outlines the progress made to deliver services to our community while supporting the Government's policy outcome goals.

Continuing our record of fiscal prudence, the Museum was able to exceed service delivery expectations in several key areas while realizing efficiency savings in our day-to-day operations.

Through key partnerships, and the hard work and dedication of staff, the Museum also hosted several exhibits in 2018 honoring individuals who made key contributions to our Islands' history, and through the commemoration of matters of historical importance.

The implementation of the procurement law placed new responsibilities on Statutory Authorities and Government companies in the procurement of goods and services. We were also impacted by the passage of the Non-Profit Organization Law, and its associated compliance requirements.

We embraced these changes by amending our internal processes to ensure alignment, adherence to the law, and continued good governance.

The Board supports management's ongoing efforts to improve and modernize our museum offerings by ensuring we have facilities that are fit for purpose and welcoming to our residents and visitors.

I would like to take this opportunity, on behalf of the Board, to recognize our partners in the public and private sectors as well as the management and staff of the Museum for their impressive work in 2018.

I would especially like to extend my sincere gratitude and appreciation to the curatorial team for all the work carried out in partnership with the Celebrate Cayman Committee to mark the 60th anniversary of our Coat of Arms.

Together, your service and contributions are providing important links to our Islands' past and are making a worthwhile difference in our Community.

Yours sincerely,

Alfonso Wright
Chairman

Message from the Director

The Museum delivered another successful year in 2018. We welcomed thousands of visitors to our facilities, engaged in dozens of local events and programmes, and enhanced our collection of artefacts for preservation.

In many ways, the Museum has become a cultural hub within the Cayman Islands Community. Through our work we create a platform where our history and culture can be shared with residents, and visitors to our Islands through vibrant exhibits, stories and educational programmes.

While the museum's purpose is primarily geared toward collection, conservation, exhibition, communication and research, we also act as a significant cultural bridge linking past generations, and the history of our people, to our modern society.

2018 was an embodiment of this important role as we were honored to participate in milestone anniversaries for our Islands' Coat of Arms and our national airline Cayman Airways. We celebrated these milestones through various exhibits and events which were held locally and overseas. Our Curatorial team did a tremendous job to ensure that we captured the authenticity and detail that was befitting of two anniversaries.

The work on the Coat of Arms and Cayman Airways exhibits are just two projects delivered by Museum staff in 2018. During the year, staff also participated in numerous community engagement programmes, upgrades to facilities, and delivering their roles as cultural and historical ambassadors.

I am very proud of the work our team continues to deliver and the dedication and passion shown in their work. It was therefore gratifying that our Board and Ministry supported a well-deserved Cost of Living Adjustment for staff during the year.

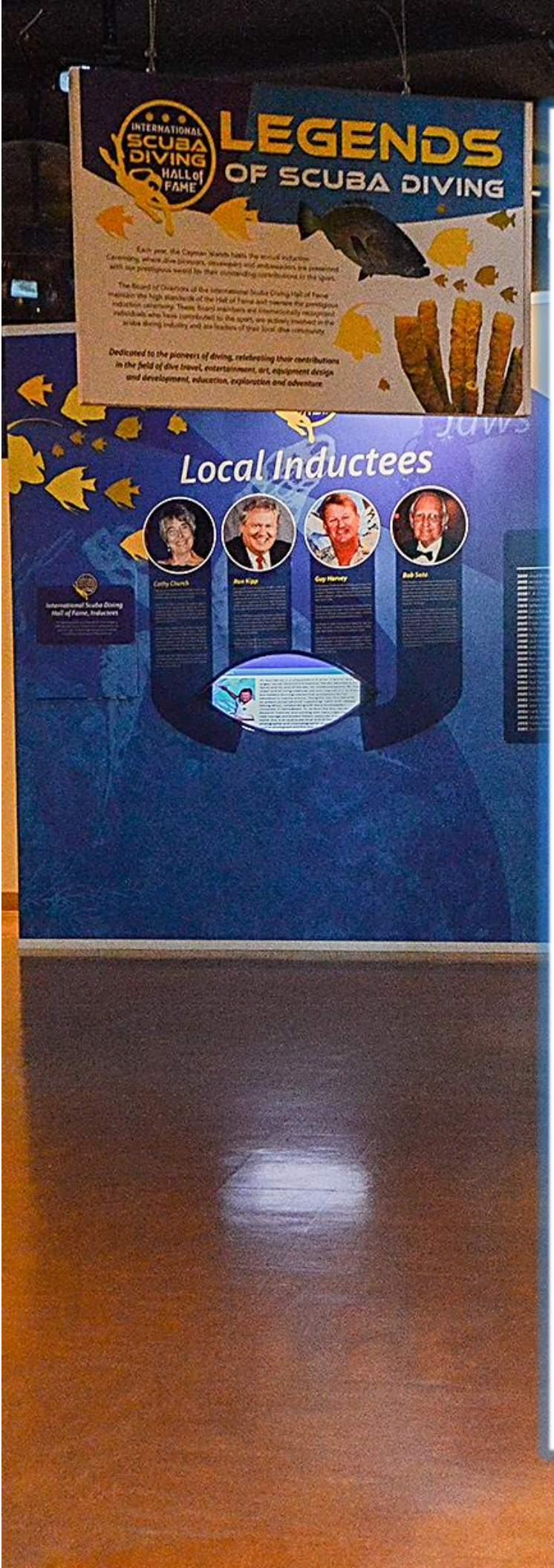
In 2018, we received the first clean audit opinion for the Museum under the Public Management and Finance Law in respect of the 2016-17 annual accounts. It was a milestone achievement for the organization as we strive for excellence in our operations and our programmes.

Looking ahead, I am excited about 2019 and the opportunity to build on the successes of 2018. Though it will be a challenging year of rebuilding and expansion, I am confident that with the support of our dedicated and hardworking staff, we will make another successful one.

Yours sincerely,

Dr. Peggy (Margaret E.) Leshikar-Denton
Director

General Information



Nature & Scope of Activities

General Nature of Activities

The **Cayman Islands National Museum** was established as a permanent institution committed to the preservation of the tangible and intangible cultural and natural heritage of the Cayman Islands: to collect, care for, conserve, research, interpret and display objects of historical, cultural, environmental, artistic, or scientific value to the Cayman Islands, both terrestrial and underwater, for the benefit of present and future generations.

Through the organisation's dynamic programmes, exhibits, and collections the National Museum is the living connection with the Cayman Islands' past and ensures that future generations value our unique natural and cultural heritage

Scope of Activities

The scope of the **Cayman Islands National Museum** activities is as follows:

- Collection and preservation of material evidence significant to our culture, history and heritage, including:
  - Collection, documentation and preservation of material; and
  - Protection, scientific research of, and limited (controlled) public access to Museum Collections, and materials of Caymanian Heritage
- Public access to and educational services from displays, exhibitions, library, publications, research collections and programmes of the Cayman Islands National Museum including:
  - Providing museum facilities, exhibitions and displays, and general public access to them
  - Provision of a land-based Maritime Heritage Trail and Shipwreck Preserves
  - Provision of restaurants, shops and other facilities for the use by the public and in furtherance of the mission and purposes of the Museum
  - Liaising with local and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information
- Services to support the Ministry, Cabinet, and Other Departments:
  - Direct, manage and assist the National Museum in fulfilling its mission and purposes
  - Support Government's requests for information to further the cultural well-being of the Cayman Islands
  - Assist the Ministry in creating National Culture Policies and plans; and any necessary legislation
  - Provide reports and other documentation requested by the Ministry, Cabinet and other Government Departments

2018 at a Glance

Financial Performance Measures	12-Month Target Ending Dec-18	12-Month Actual Ending Dec-18
Revenue from Cabinet	821,000	821,000
Revenue from others	198,000	196,144
Total Revenue	1,019,000	1,017,143
Expenses	1,019,000	938,211
Surplus	-	78,931

Net-Worth		
Net Worth	2,967,252	1,724,873

Cash Performance		
Cash Flow from Operating activities	115,652	284,532
Cash Flows from Investing activities	-	(60,356)
Cash Flows from Financing activities	60,300	59,525
Change in cash balances	115,652	283,701

Financial Performance Ratios		
Current Assets: Current Liabilities	26:1	17:1
Total Assets: Total Liabilities	71:1	26:1

Human Capital Measures		
Total Full Time Equivalent Staff Employed	7.5	6.5

Physical Capital Measures		
Value of total assets	3,009,500	1,742,137
Asset replacements: total assets	n/a	1.47%
Book value: initial cost	n/a	33.14%
Depreciation: cash flow on asset purchases	n/a	8.33%

Our Highlights

Achieved our first ever clean audit opinion for the 2017 accounts

Celebrated the 60th anniversary of the Coat of Arms

Produced over 8 Radio Shows

Increased membership to over 400 including 5 Corporate Members

Celebrated the 50th Anniversary of Cayman Airways

Achieved the highest closing cash balance ever recorded

Profile of the Cayman Islands National Museum

The Cayman Islands National Museum was created via The Museum Law (1979, 1999 Revision), which mandates the Museum to collect "historical, natural, and scientific objects of interest." Opened to the public in 1990, the Museum is the only institution in the Cayman Islands officially entrusted to preserve, research, and disseminate all aspects of the Caymanian heritage and culture.

The Ira Thompson Collection, consisting of artifacts which Ira Thompson collected as a hobby back in the 1930's, is the nucleus of the National Museum's Collection. The Natural History segment of the Collection includes fossils from the sea which were discovered on land, forms of land-life retrieved from the sea and everything in between. The Art Collection showcases an extensive collection of Caymanian arts and crafts. The Cultural History Collection offers tangible evidence of our social development; it includes objects as diverse as shipbuilding tools and equipment, cannons, writing implements, furniture and hats.

The Museum's current collection contains over 9,500 items ranging from tiny coins to a 14-foot catboat, to natural history specimens and rare documents.

The Museum is governed by an appointed Board of Control, and is classified as a charitable organisation, held in trust by the Cayman Islands Government (CIG) on behalf of the people of the Cayman Islands.

The Museum achieves additional income through Museum admissions, gift shop sales, lease of the Old Gaol Café, membership, sponsorship and donations.

Currently, there are seven full-time, and two part-time employees, as well as numerous volunteers and members who contribute to the on-going success of the Museum.

Purpose:

The National Museum was established as a permanent institution committed to the preservation of the tangible and intangible cultural and natural heritage of the Cayman Islands: to collect, care for, conserve, research, interpret and display objects of historical, cultural, environmental, artistic, or scientific value to the Cayman Islands, both terrestrial and underwater, for the benefit of present and future generations.

Our Mission Statement:

Through our dynamic programmes, exhibits and collections, the National Museum is the living connection to Cayman's past; it ensures that future generations have the opportunity to experience the territory's unique, natural and cultural heritage.

The Museum's vision is to be a bustling, vital cultural centre for Caymanians and residents, and a must-see destination spot for visitors to the Islands. It will be recognised as the cornerstone cultural institution, providing leadership in the preservation and awareness of Caymanian heritage and culture.

VISON STATEMENTS

1. Cultivate pride and celebrate Caymanian cultural heritage and natural history by educating Caymanians, residents, and visitors of all ages about the uniqueness and commonalities of the three Cayman Islands.

2. Nurture children to become the caretakers and architects of preservation for Caymanian culture and the natural history of the Cayman Islands.

3. Present the many voices of the people of the Cayman Islands in order to reflect the Islands' diverse cultures and cultural values.

4. Participate in honest and open dialogue with community and visitors.

5. Synthesise and present the diverse influences impacting Caymanian culture, including the natural history, prehistoric and early historic eras, as well as contemporary issues.

6. Aid in the inevitable evolution of Caymanian society by helping people understand the importance of interpreting cultural values and beliefs in order to make informed decisions for the future.

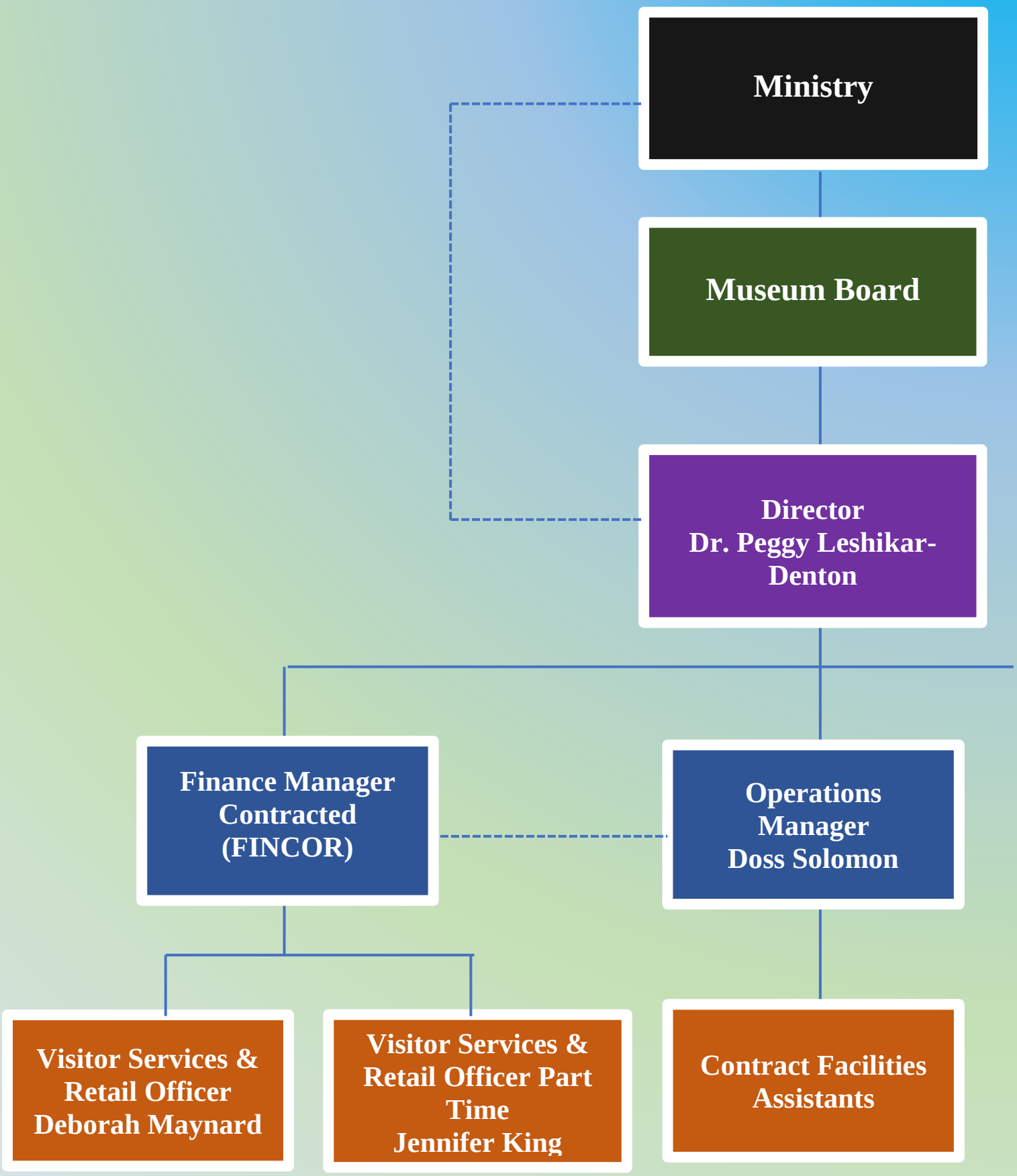
Customers and Location of Activities:

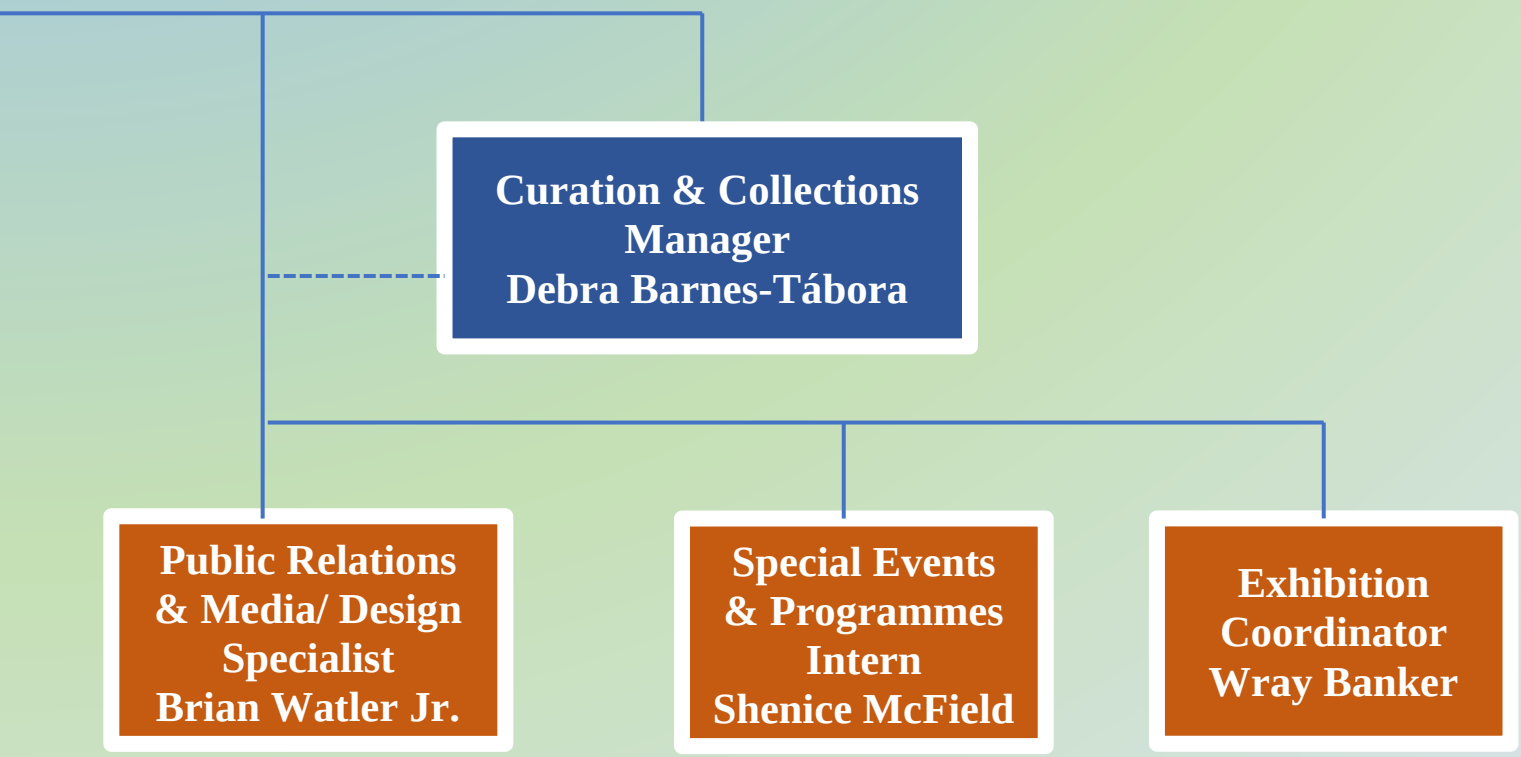
The Museum serves the general public of the Cayman Islands, and also provides support to the Ministry of Culture.

The Museum's exhibitions are housed in one of Cayman's oldest public buildings in central George Town. Almost 200 years old, this landmark structure is one of the few surviving 19th century structures in the country. The present Museum Support Facility is located in a leased building at Pasadora Place, which serves as a support, storage and conservation facility for the extensive National Collection of objects.

The Administration & Education Centre is located across the street from the National Museum in the Cayside Complex.

Organisational Chart




Curation & Collections Manager
Debra Barnes-Tábora
Public Relations & Media/ Design Specialist
Brian Watler Jr.
Special Events & Programmes Intern
Shenice McField
Exhibition Coordinator
Wray Banker

Achievements


1994 Centennial Coat of Arms

Overview

The Museum celebrated another successful year in 2018 through its Community engagement and outreach programmes, exhibits, collections, partnerships and preservations. The year also saw marked improvements in governance and administration including the implementation of new measures to further strengthen internal controls, and a clean audit opinion on our most recent financial statements.

As we celebrated our 28th Anniversary in 2018, we were extremely pleased to partner with other public agencies who were also celebrating milestones. These include the Celebrate Cayman Committee who marked the 60th anniversary of the Cayman Islands Coat of Arms through a year-long celebration that featured a special exhibit at the Museum, and a traveling exhibit through all the Islands' districts.

Our Islands' national flag carrier also celebrated a significant milestone with their 50th anniversary celebration. A special event was held at the Museum for this momentous occasion, with the unveiling of the CAL exhibit chronologizing 50 years of bringing families and visitors to our Islands.

Through the support of our Ministry, we were able to enhance our collection with the acquisition of some 365 objects comprising the Alvin McLaughlin Collection. These, and other items collected during the year, will now form part of our National Collection numbering over 9,500 artefacts.

Museum staff, like many others within the Public Service, have been experiencing pay stagnation for many years. We were therefore grateful for the Government's policy decision to award a 5% cost of living adjustment to staff in 2018. The financial relief was very welcome and has had a positive impact on the morale for staff.

Our Museum Building is among our largest and most important artefacts. Whilst its location is ideal for our visitors, the high salt from the Caribbean Sea can take a toll on the building thereby requiring steady maintenance. In 2018 we were advised that the roof will require replacement ahead of the 2019 rainy seasons. We swiftly procured a reputable contractor through our partners at the Public Works Department and have executed an agreement for the works to be carried out before May of 2019.

Our 2018 year was filled with vibrant Community engagement and outreach programmes. These included our annual summer camp, a Speakers Series, honoring older people within our community, our annual Mango season and Pirates Week events and our ongoing monthly radio programme.

Several other exciting exhibits were also presented during the year including those for the 80th anniversary of the Oxford Expedition, Ocean Conservation and Olive Miller. Sadly, we had to say goodbye to our previous exhibits for the International Scuba Diving Hall of Fame.

The year also saw the introduction and or full implementation of several pieces of Legislation. These include the Non-Profit Organization Law and the Procurement Law and Regulations. Consequential amendments have been made to our systems and processes to ensure full and continued compliance.

Looking ahead to 2019, the Museum is excited about our continued partnerships to improve community awareness for our history and culture through preservation and display. With the support of our partners and stakeholders, we look forward to another programme filled year and the opportunity to continue preserving and showcasing that which makes us uniquely Caymanian.


IN THE BEGINNING...
1503
1700
TURTLING
1794
1800
1937
1962
1968
SIR TURTLE

Strategic direction and performance against objectives

The key strategic goals and objectives for the **Cayman Islands National Museum** for the 2018 and 2019 financial years are as follows:

CINM 1 – COLLECTIONS, CONSERVATION, CURATION & RESEARCH

1.1 Continue to collect, conserve, protect, research, and manage material evidence of artistic, historic, or scientific significance to the Cayman Islands, both terrestrial and underwater

(*Note - The Museum would like to re-establish and revitalise the Museum Conservation Programme by employing a Conservator and developing a Conservation Policy and revitalised Conservation Plan - see supporting funding request document as this would be dependent upon the CINM additional funding request).

1.2 As common practice incorporate on-going research findings on collections, terrestrial and underwater archaeological sites into public exhibitions, programmes and publications.

1.3 Liaise with local, regional and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information.

CINM 2 – OPERATIONS, EDUCATION & EXHIBITS

2.1 Enhance the effectiveness of the Board in support of the vision, mission and goals.

2.2 Align organisational structure in support of vision, mission and core values.

2.3 Acquire a purposed Collections facility (*Note – This is dependent upon Governmental Capital Funding being granted & supplemental fundraising)

2.4 Assess and evaluate non-Collections items (e.g. old furniture and equipment; old exhibition panels and props; old maintenance equipment) currently housed at the Museum Support Facility at Pasadora Place.

2.5 Move the Collections to the purposed Collections facility (*Note – This is dependent upon capital funding for acquisition of a purposed facility).

2.6 Provide exhibitions and displays and general public access to them.

2.7 Develop and promote a variety of educational programmes in support of the Museum's mission, vision and goals (*Note – see supporting funding request document as this would be enhanced & enlarged dependent upon the CINM additional funding request to employ educational staff) .

2.8 Re-establish and revitalise the Museum Archaeology Programme by employing an Archaeologist, developing an Archaeology Policy, and updating a National Archaeology Plan (*Note- see supporting funding request document as this would be enhanced/dependent upon the CINM additional funding request).

2.9 Continue to partner with our Maritime Heritage Trail Partners in initiatives of the Cayman Islands Maritime Archaeology Programme (CIMAP): National Archive, National Trust and the Department of Environment on maritime related issues in the protection, research, legislation, and educational programmes and activities relating to the Islands maritime heritage e.g. shipwrecks. Work with all partners to develop a marketing plan that maximises learning and visibility.

2.10 Continue to partner with cultural organisations: Cayman National Cultural Foundation, National Trust, National Archive, National Gallery, and the Cayman Brac Museum to promote Cayman Islands cultural heritage.

2.11 Assist the Department of Tourism and other related organisations/institutions in marketing the cultural product of the Cayman Islands.

2.12 Coordinate the following special events: Looky Ya! (bi-monthly), International Museums Day (May), VIP Pirates Landing and Parade Event (November), Museum Anniversary (November), Museum Friends & Volunteers Christmas Party (December), Kitchen Dance.

2.13 Continue to assist the Sister Islands and the districts in Grand Cayman with Museum related issues and activities as needed.

2.14 Provide a Cafe, a Gift Shop, and other facilities to include a Museum Library (reference and research books and digital/virtual images of the Collection), Education & Research Centre, and Interpretive Gardens for the benefit and enjoyment of the public, and to enhance income streams for the Museum.

2.15 Maintain an up-to-date Emergency Management Plan that addresses professional standards of protection and security for Museum visitors, staff, collections, building contents, and facilities, and that addresses continuity of business in the event of an emergency or disaster.

2.16 Continue to develop a robust Membership plan and network to ensure appreciation of the Museum, its mission, vision and goals, and to provide income to the Museum.

2.17 Regularly update Gift Shop and Visitor Services Policies.

CINM 3 – MINISTRY AND GOVERNMENTAL DEPARTMENT SUPPORT

3.1 Continue to prepare and support Government's requests for information in a timely manner to further the cultural well-being of the Cayman Islands.

3.2 Provide reports and other documents requested by the Ministry on a monthly, quarterly and annual basis, and as needs arise.

3.3 Assist the Ministry in creating a National Cultural Policy, a National Youth Policy, and other culture-related plans as requested.

3.4 Assist the Ministry and Board in review or development of any necessary legislation.

3.5 Seek Cabinet approval for extending the lease for the Old Courts Building to 99 years (Current 50-year lease term is 5 June 1990 – 5 June 2040).

The Museum achieved most of its strategic goas for the year

Community Engagement and Outreach

Honoring Older Persons in our Community – Our seniors are an important part of the Fabric that is our Cayman Culture. In partnership with the Department of Children and Family Services, we were honored to host a special event at the Museum on October 10th to celebrate the Older Persons in our Community. The event featured District Booth displays, live music, local food and much more.

International Museum Day – the worldwide community of museums celebrated International Museum Day in 2018 under the theme "Hyperconnected Museums". We hosed a public event on May 18th to mark the occasion which also featured the opening of the OxEx80 Exhibition. The event featured local artisans, special guests and visitors to the Museum.

See Wha Ah Sayin – Our monthly radio show takes a light-hearted look at Caymanian Language, Culture and History. The show is aired on Radio Cayman and features the Museum's Wray Banker and host Sterling Dwayne Ebanks.

The programme allows for the discussion of topics of cultural and historical importance in a light hearted manner.

Topics in 2018 included

- "Caymanian Games & Pastimes";
- "Schooner – the Goldfield";
- "WWII US Naval Base";
- "Texas-Caymanians: Port Arthur";
- "Patterson – Farm Soldier";
- "Breadfruit"; and
- "Decemba"

CoCo Fest – The third annual Coco Fest was held on February 22nd at Pedro St. James Castle. The event showcased some of the best traditional, locally made coconut food on the island, ranging from coconut fish rundown and coconut chicken to fry fish, cake, ice cream, kombucha, tarts, marshmallows, yogurt, and coconut calamari and attracted more than 1,200 visitors. The Museum participated by setting up its own booth where our staff showed kids how to make their own coconut husk boat. Building husk boats is a local tradition where kids were encouraged to build their own toys, by playing with whatever was available at the time.

Red Sky at Night –The sixth annual Red Sky At Night fair, presented by the Cayman National Cultural Foundation as part of Cayfest was held on March 3rd, at the Harquail Cultural Centre. The festival featured live dance, musical and drama performances, as well as displays of visual arts, crafts and featured films.

We were happy to take part in this cultural event through a museum booth where we offered items from our Giftshop including crafted items, flags and other souvenirs.

Our **Speaker Series** continued in 2018 with presentations from Mr. Craig Merren, a former Olympian, who spoke on Olympic Cycling on 23 January 2018; and Mr. Steve Broadbelt who gave a talk on March 6th on Recreational Scuba Diving in the Cayman Islands titled, "Small Island Big Business". The events were held in the Museum's Audiovisual theatre and were well received by attendees.

Preserving local traditions – We launched our very first "Yo Turn!" event in the Museum Courtyard on January 30th. Yo Turn! is a live demonstration of traditional Cayman art/cuisine where visitors can interact and be a part of the demo. This educational programme is geared towards local students; however, visitors to the Harbour are always welcome to join in!

On March 26th, we invited Ms Rose Myles to demonstrate how to make Peppermint candies. Students from Wesleyan Christian Academy, the Department of Tourism, as well as visitors to the Museum watched as this fascinating art took place in the Museum Courtyard.

Educational Outreach – Our 2018 educational outreach programmes included a special event for attendees of the assessment of current and future Invasive Alien Species in Caribbean Overseas Territories. Local and international attendees also enjoyed the Oxford University Biological Expedition exhibition.

In recognition of Child's Month, we showed "A Bug's Life" for the various classes of Bodden Town Primary and participated in the John Gray High School Career Day.

Mango Season at the Museum –We hosted our third annual Looky Ya! "Mango Season at the Museum" on July 14th. The event attracted over 200 guests who were treated to free admissions to the museum while they enjoyed local food and mango products, live entertainment, bungee jumping, a Mango Peeling Competition and lots of other activities.

Museum Summer Camp "Immerse Cayman Nature" – Our annual summer camp is becoming a favorite among our local children. This year's Camp was held from July 16th-20th with the theme "Cayman Nature - Safeguarding Biodiversity".

Attendees enjoyed a week-long study of Cayman's natural history including visits to our Museum building, Cayman Crystal Caves, Queen Elizabeth II Botanic Park, Mr. Willie's Farm, the Mastic Trail, Stingray City, and also kayaked in the mangroves.

Attendees also learned about the different habitats, flora and fauna of the Cayman Islands the importance of protecting our unique natural environment.

Exhibits

Oxford Expedition Exhibit The 1938 Oxford University Biological Expedition to the Cayman Islands was the first natural history survey of all three islands, Grand Cayman, Little Cayman and Cayman Brac, and reports were written about the flora, fauna, geology and wetlands.

In May 2018, the Museum, in recognition of the 80th anniversary of this expedition opened a special exhibit to mark the occasion.

We were pleased to work with guest curators Christine Rose-Smyth & Ann Stafford along with partners at the National Trust, Department of Environment, and the National Archive to feature an exhibit showcasing items from the expedition.

The exhibit ran through to December 2018 and was popular among our residents and visitors.

The **International Scuba Diving Hall of Fame (ISDF)** was founded by the Cayman Islands Ministry of Tourism to recognize those who have furthered the sport locally and internationally. We were honored to be the home of this Hall of Fame for two years during which local and international visitors were able to view unique scuba diving items including the camera housing that filmed the world's first scuba movie – 1951's "Under the Red Sea". Our exhibit for the ISDF closed in November 2018.

Captain Chuckie Exhibit Our exhibit featuring the life of our local Tourism Ambassador continued in 2018. The exhibit, titled "Shaped by the Sea" takes viewers through the life of Captain Chuckie, an iron man with an iron smile, who was a father, master model boat builder, rod maker, tourism ambassador, and protector of the environment. Simply, Capt. Chuckie was an island man unapologetically proud of his heritage and unafraid to proclaim it.

"**Shark Talk - Ocean Conservation Exhibit**" – in partnership with the Guy Harvey Foundation and sponsored by DART, our North Stairwell exhibit featured artwork designed to educate and inspire generations across the Cayman community to actively support and participate in ocean conservation initiatives. The exhibit specifically focuses on protecting the shark species as an important part of our natural ecosystem.

Cayman Airways 50th Anniversary – Cayman Airways has been proudly serving as the National Airline of the Cayman Islands since August 7, 1968. The airline contributes more than $200

million annually to the Cayman economy, and offers more nonstop international flights to and from the Cayman Islands than any other airline.

Our exhibit commemorating the 50th anniversary of Cayman Airways opened in November 2018 and chronicles the history of the Airline from humble beginnings in 1968, to its current state where it employs more than 400 people, and offers nonstop flights to 10 international gateways, with Cayman Airways Express offering up to 10 flights daily to and from the Sister Islands.

60th Anniversary of the Coat of Arms -- On May 14th the Islands commemorated the 60th Anniversary of the conferral of the Cayman Islands' Coat of Arms by her Majesty Queen Elizabeth II.

The Coat of Arms is a visible representation of a critical juncture in the Cayman Islands history. It is our first internationally recognised symbol of identity, and its rich imagery tells the story of who we are, our culture, history, earliest industries, constitutional relationship, and our faith.

In many ways, the grant of the Coat of Arms represents a pivotal moment that started the chain of events that placed the Cayman Islands on the path to modernity. It is therefore fitting that we should recognize this important milestone by sharing important aspects of the development of our Coat of Arms through a year-long celebration filled with activities focused on engaging, educating, and inspiring our youth.

In 2018, our Curatorial Team worked closely with Celebrate Cayman to create a design and display exhibit for the event held in the United Kingdom as part of the celebration. The team was also instrumental in the development of a special Coat of Arms Travelling Exhibit providing tours throughout all Districts.

On Saturday, June 23rd, we joined in celebrating the Cayman Islands Coat of Arms at the Celebrate Cayman Summer Festival. During the event, we welcomed over 300 guests at the Museum who enjoyed free tours and other activities.

The Coat of Arms exhibit was formally opened at the Museum on December 15th during a fun and entertaining evening featuring local food, traditional crafts, fun and entertainment.

Olive Miller Exhibition – Ms. Olive Miller is a special friend of the Museum and was one of three Cayman residents who were recognized in the U.K.'s New Year's Honors for 2018. We were therefore extremely pleased to partner with the Cayman Islands Public Library to showcase a special tribute exhibition In honour of Ms. Olive. The exhibit was well received by the public, and was on display until the end of July.

Upgrades to Exhibits – In 2018, we carried out a major upgrade to the "Mr. Harvey" exhibit. The work replaced the older electronic system with a solid-state configuration, reprogramming of the animatronic and refurbishment of worn parts, actuators and valves. Mr. Harvey is now back to chatting with our visitors from his boat and sharing stories about the 1932 storm.

Pledge from the Water Authority: Ms. Annie Huldah Bodden was a Caymanian pioneer in many respects. She was the first Caymanian woman to become an Attorney, the Islands' first female Chief Government Auditor, and the first Caymanian to earn an Order of the British Empire (OBE).

Ms. Bodden was also pivotal in the passage of the Water Authority Law in 1982. To honor and recognize the outstanding achievements of this Caymanian stalwart, the Water Authority – Cayman pledged co-sponsorship for the acquisition and display of an animatronic exhibition figure at our Museum building.

We expect to progress the acquisition of this figure in 2019. The figure will enhance the experience of our visitors and aid in ensuring the preservation of the legacy of the old courts building, and the early pioneers of the Cayman Islands judiciary.

We are very grateful to the Water Authority for their pledge and look forward to working with them to bring this exhibit to life.

Governance and Administration

Clean Audit – Following an extensive review process which involved retrieving contracts and documents from as far back as 2008; the Museum received its first clean audit opinion under the Public Management and Finance Law. This means, the Auditor General has certified the Museum's account as fairly reflecting its results of operation and financial position in all material respects for the fiscal period ended December 31st, 2017.

New Legislation – *The Procurement Law, 2016 and Procurement Regulations 2018*, went into effect during May 2018. This law brought about changes to many of our procurement processes including the establishment of an Entity Procurement. The legislation also replaced the previous Central Tender Committee with the new Public Procurement Committee.

The Public Authorities law, introduced in 2017 was in full effect for 2018. This law is considered overarching legislation or the Statutory Authorities and Government Owned companies and serves to clarify the Government's expectations of its various bodies outside of the central Government.

The Non-Profit Organization Law also impacted the Museum in 2018. It required the organization to formally register as a non-profit entity and provide additional due diligence documents for Directors and Senior Managers of the organization. The new Legislation is part of the Cayman Islands implementation of the recommendations from the Financial Action Task Force to facilitate the investigation and enforcement of anti-money laundering and terrorism financing. The Museum now a registered entity.

Organisational Chart – Work continued in 2018 with proposed changes to the organizational structure at the Museum. A new organizational chart was presented to the Board for consideration along with key duties and responsibilities for the positions outlined.

The proposed organizational structure is expected to address staffing resource matters, allow the Museum to expand community and preservation programmes, and bring greater clarity to the role and functions of staff at various levels. The proposal remains under consideration and will likely be considered by the new Board that will be appointed in 2019.

Cost of Living Adjustment –The central Government awarded a 5% Cost of Living Adjustment (CoLA) for Civil Servants effective July 2018. The award was not automatically extended to SAGCs as each had to make their individual cases for staff to receive the award. The Museum submitted its request outlining the changes in cost of living over the past 8 years and how those changes compared to movements in salary for Museum staff.

The Cabinet considered the submission and authorized the extension of the CoLA to Museum staff in December 2018. We are grateful for the support of our Ministry and Board in supporting this request which was a welcome relief for our staff.

State of Collections – The Museum preserves, conserves, manages, and houses a collection of over 9,300 artefacts, which are digitally entered into a Collections Management Programme, most with photographs. 118 new acquisitions were acquired in 2018 inclusive of two ceremonial swords; a wall hanging; ceremonial uniforms; and personal dresswear from musical icon, Julia Hydes. This is exclusive of the full physical transfer of the Alvin McLaughlin Collection in progress at year-end, bringing the Collection to over 9,500.

Other Achievements

Alvin McLaughlin collection – Acquisition work began on a list of some 365 objects from the "Alvin McLaughlin's Collection". Many of the objects in this anthropological collection are family heirlooms averaging some 60 - 70 years of age and serve as records in the lives of 20th century East Enders – in particular, the McLaughlin and Jackson families. These include functioning audio equipment and a gramophone.

The Collection has aesthetic merit, relevance, significance to Caymanian cultural heritage, is reflective of the community's attributes, and has supported multi-cultural communities. We are looking forward to the full transfer of these items in 2019.

Commensurate with the management of an historical building in a high salt environment, our main Museum building requires consistent repairs to ensure it is safe and functional for our visitors. Several important interventions were carried out or commenced in 2018 to maintain this historic and important asset.

Museum Roof – The Museum's roof was structurally assessed by the Public Works Department and recommended for replacement. In 2018, we issued a Request for Proposal for contractors to submit bids to carry out this work. The submissions were assessed, and a contract was awarded in December 2018. We expect the work to be completed before the end of the 2nd quarter of 2019.

Museum balcony & stairs –Work was also carried out to replace timbers on the Museum's exterior staircases and reinforce the balcony and footings. This will allow visitors and staff to safely traverse these areas during normal business and during special events.

Pasadora Lease – Our medium-term strategic goal is to secure property and construct a purposed facility to secure our collections. In the interim, the Museum leases space at the Pasadora Place in George Town. Our lease for this space expired in 2018; however, through successful negotiations by the Lands & Survey Department, we were able to secure a new lease without an increase in annual costs.

Asset replacements – In 2018, we replaced most of our fully depreciated desktop computers as well as the Museum's van. The new computers will improve our data security, resiliency and staff efficiency.

Museum Van – The Museum's van became inoperable during the fiscal year. It was taken to the Government's Department of Vehicle and Equipment Services (DVES) who assessed it and recommended it for disposal.

Using the services of (DVES), quotes were obtained, and a new Hyundai H1 Panel Van was acquired to replace the previous fully depreciated vehicle. The new van will allow us to more safely transport Museum items between locations.

Memberships – The Museum had over 400 loyal members, including 5 Corporate members during the fiscal year.

The ongoing support of our private and corporate donors allows us to expand our outreach programmes spreading educational and cultural information to our residents and visitors.

Human Resource Management


GUEST
HOME
CAYMAN ISLANDS
NATIONAL
MUSEUM

Leadership Profile

Name: Alfonso Wright

Title: Board Chairman

Former Member of the Legislative Assembly
Past President and Life Member of the Lions Club of Grand Cayman

Name: Dr. Peggy Leshikar-Denton, Ph.D.

Title: Director

Dr. Leshikar-Denton holds a B.F.A. and an M.A. from the University of Texas at Austin, and received her PhD in anthropology (nautical archaeology) from Texas A&M University. She has worked in Latin America, the Caribbean, the United States, Spain, and Turkey. Her research interests include seafaring, ships, and shipwrecks in the Caribbean, including the 1794 loss of HMS Convert and her convoy.

Name: Ms. Debra Barnes-Tábora

Title: Curation & Collections Manager

Ms.Barnes-Tábora holds a Master of Arts Degree in Museum Studies with Merit from Leicester University in 2015. In 2008 she qualified as a Certified Institutional Protection Manager, and in 1990, she received her first certificate in Museum Studies from the Barbados Museum and Historical Society. She is also the recipient of a number of Culture and Heritage Awards.

Name: Mr. Doss Solomon

Title: Operations Manager

Mr. Doss Solomon, former Acting Director at the National Museum, is now its Operations Manager. Mr. Solomon joined the Museum in 2007 following six years as Assistant Secretary with the Ministry of Education and Culture.

Our People

The Museum operated with 8 full time officers and 1 outsourced contracted position for most of the 2018 fiscal year. Most of the Museum's staff has served in the public sector for over 10 years which means we have a relatively low turn-over except for personnel in our Visitor Services and Retail areas.

In the 4th quarter of 2018, we welcomed Mrs. Deborah Maynard as our Visitor Services and Retail Officer. This follows the departure of Ms. Amy Scott who left to pursue further studies.

Ms. Maynard brings a wealth of experience in the local retail and visitor services industry and has quickly made her mark putting forward recommendations for product changes and giving the Giftshop a facelift.

Following another successful tour with the Museum, our Special Events and Programmes Intern Ms. Shenice McField left in July 2018 to continue her education in the United States. We look forward to welcoming Shenice back to the Museum in 2019 when she returns to Cayman.

Work continued in 2018 with the updating of the Museum's staff handbook. We are grateful for the assistance of Board member Ms. Lois Kellyman who is lending her expertise in Human Resources to ensure we have a final document that will be effective for the Museum.

The Museum continued in 2018 with development of its performance and accountability programme with each staff member required to agree a set of annual performance goals and objectives and submit monthly reports on their accomplishments as the year progressed. This allows management to measure the effectiveness of our human resources deployment and ensure public sector accountability.

The Museum supports training and professional development for staff. As part of the performance management framework, each staff will collaboratively set their professional development goals each year. The Museum will consider these goals and provide support financially and through time off, where such development opportunities are relevant to the staff member's line of work.

Our staff remain our biggest asset, they are dedicated, hard-working and exemplify the core values of a public servant and what it means to be cultural ambassadors for our Island.

Financial Statements

Management Discussion and Analysis of Financial Results

The Museum closed the fiscal year with an operating surplus of $78,931 and a closing cash position of some $843,413. The closing cash position is an improvement of $283,701 when compared with the 2017 results. This is primarily due to the collection of outstanding receivables as well as our operating surplus.

The Museum continues to maintain a strong fiscal position with sufficient funding to meet our ongoing programme agenda, and sufficient reserves to adequately manage financial risk in the event of unforeseen circumstances such as hurricanes.

We were very pleased to have achieved our first clean audit under the Public Management and Finance Law (2018 Revision).

This result was achieved in regards to our 2016-17 audit, and required significant effort by management with input of the Accountant General, Audit Office and other stakeholders to resolve the recognition and accounting treatment for the Museum's leasehold improvements.

The audit and resulting changes had material impacts on the Museum's asset base and its overall net-worth position.

Monies received as insurance settlement following the passage of hurricane Ivan were receipted by the Museum as an Equity Investment from the Government and used to repair the Museum.

The monies expended were then accounted for as leasehold improvements. Our auditors asked for these amounts to be removed from our records as the Museum is still owned by the central Government and is insured as part of its overall asset base.

The work resulted in greater clarity for the assets that are owned by the Museum, and those belonging to the Central Government. However, the resultant changes had a material impact on our annual depreciation which is now significantly lower than our initial budget.

In 2019, management will be making representations to the Ministry and the Cabinet for the museum building to be vested with the National Museum.

As an item of significant cultural and historical importance, we feel that ownership and responsibility should be placed with the Museum to ensure it is maintained and preserved for the benefit of future generations.

The Museum did not make any significant acquisition of fixed assets during the period under review.

Minimal investments were made to refresh the computer network and to improve other aging assets; however, planned investments to carry out repairs to the roof of the Museum, install an elevator lift and a fire suppressant system did not progress during the year due to the delayed funding from the Ministry.

In 2019, the Museum will be putting forward plans and seeking budgetary support to install a wheel-chair lift to the building to make it more accessible for individuals requiring the use of a wheelchair.

The Museum will also be seeking to install a fire suppression system to reduce the likelihood of severe damage to our artefacts in the event of a fire.

The Museum's contingency reserve remained at CI$200,000 as at December 31st, 2018. In 2019 the organization will seek to increase this reserve to cover 90 days of operating expenses in line with the practice of other Government agencies.

The results of operations and financial position show continued fiscal prudence with the stewardship of the funds entrusted to the Museum. Efforts will continue to ensure value for every dollar spent in delivering services.

Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Cayman Islands National Museum in accordance with the provisions of the *Public Management and Finance Law (2018 Revision).*

I 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 (2018 Revision).*

As Director, I am 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 authorised by law, and properly record the financial transactions of the Cayman Islands National Museum.

As Director, I am responsible for the preparation of the Cayman Islands National Museum's financial statements and for the judgements made in them.

The financial statements fairly present the financial position, financial performance, changes in equity and cash flows for the year ended December 31, 2018.

To the best of my knowledge I represent that these financial statements:

(a) are complete and reliably reflect the financial transactions of the Cayman Islands National Museum for the year ended December 31, 2018;

(b) fairly reflect the financial position as at December 31, 2018 and performance for the year ended December 31, 2018;

(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. 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.

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 have been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Margaret E. Leshikar-Denton

Dr. Peggy (Margaret E.) Leshikar-Denton
Director
Cayman Islands National Museum

Date: 30 April 2019

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CAYMAN ISLANDS

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Auditor General's Report

To the Chief Officer of the Ministry of Health, Environment, Culture & Housing

Opinion

I have audited the financial statements of the Cayman Islands National Museum (the "Museum"), which comprise the statement of financial position as at 31 December 2018 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 24.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at 31 December 2018 and its financial performance and its cash flows for the year ended 31 December 2018 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards for Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Museum in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As outlined in note 20 of the financial statements, the Cabinet of Ministers authorized a reallocation of appropriations of $60,300 from the Ministry of Health, Environment, Culture & Housing to the Cayman Islands National Museum for exceptional circumstances in accordance with section 11 (5) of the *Public Management and Finance Law (2018 Revision)* ("PMFL"). As at the date of this report, a Supplementary Appropriation Bill for the reallocation has not been passed into Law by the Legislative Assembly as required by section 11(6) of the PMFL. My opinion is not qualified with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Museum or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Museum's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Museum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museum's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Museum to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2018 Revision).* I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sue Winspear
Auditor General

30 April 2019
Cayman Islands

Statement of Financial Position

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note(s)	Current Year Actual	Final Budget	Variance	Prior Period Actual
		expressed in Cayman Islands Dollars			
Assets					
Current Assets					
Cash and cash equivalents	3	843,413	1,030,248	(186,835)	559,712
Accounts receivable	4	210,929	8,000	202,929	416,788
Deposits and prepaid expenses	5	63,792	17,115	46,677	12,811
Inventories	6	71,015	45,000	26,015	45,643
Total Current Assets		**1,189,149**	**1,100,363**	**88,786**	**1,034,954**
Non-Current Assets					
Property, plant and equipment	7	604,828	1,909,128	(1,304,300)	607,278
Total Assets		**1,793,977**	**3,009,491**	**(1,215,514)**	**1,642,232**
Liabilities and Equity					
Current Liabilities					
Accounts payable and accrued liabilities	9	69,105	42,239	26,866	55,815
Total Current Liabilities		**69,105**	**42,239**	**26,866**	**55,815**
Equity					
Accumulated surplus (deficit)		287,145	1,407,582	(1,120,436)	208,214
Restricted funds	8	102,517	-	102,517	103,292
Contingency reserve	10	200,000	287,300	(87,300)	200,000
Contributed Capital		1,135,211	1,272,370	(137,159)	1,074,911
Total Equity		**1,724,873**	**2,967,252**	**(1,242,378)**	**1,586,417**
Total Liabilities and Equity		**1,793,977**	**3,009,491**	**(1,215,514)**	**1,642,232**

The Notes to the Financial Statements on page 44 to 59 form part of these financial statements.

Approved on behalf of the Board of Control on 30 April, 2019:

Dr. Peggy (Margaret E.) Leshikar- Denton, Director

Statement of Financial Performance

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended December 31, 2018

	Note(s)	Current Year Actual	Final Budget	Variance	Prior Period Actual
			expressed in Cayman Islands Dollars		
Revenue					
Sales of outputs to Cabinet	11	821,000	821,000	-	1,231,200
Product Sales	12	90,853	100,000	(9,147)	136,448
Admissions		55,116	45,000	10,116	71,233
Rental income		19,050	18,000	1,050	27,000
Fundraising income and donations		24,564	26,000	(1,436)	34,437
Membership dues		5,060	9,000	(3,940)	9,595
Interest income		1,500	-	1,500	353
Total Revenue		**1,017,143**	**1,019,000**	**(1,857)**	**1,510,266**
Expenses					
Staff costs	15,16,17	389,428	436,364	(46,936)	564,118
Facility expenses	13	141,982	135,000	6,982	236,325
Administration and other expenses	14	174,297	150,955	23,342	222,142
Rent expenses	19	116,629	131,029	(14,400)	174,943
Cost of goods sold		53,070	50,000	3,070	81,305
Depreciation	7	62,806	115,652	(52,846)	103,028
Total Expenses		**938,211**	**1,019,000**	**(80,788)**	**1,381,861**
Net Surplus for the period/year	**CI$**	**78,931**	**-**	**78,932**	**128,405**

The Notes to the Financial Statements on page 44 to 59 form part of these financial statements

Statement of Changes in Equity

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2018

	Accumulated Surplus	Contingency Reserve (Note 8)	Restricted Funds (Note 8)	Contributed Capital	Total	Budget	Variance
				expressed in Cayman Islands Dollars			
Balance at June 30, 2016, as restated	**79,809**	**200,000**	**99,300**	**1,074,911**	**1,454,020**	**2,967,252**	**(1,513,232)**
Net surplus for the year	128,405	-	-	-	128,405	-	128,405
Contribution to restricted funds	-	-	3,992	-	3,992	-	3,992
Balance at Dec 31, 2017	**208,214**	**200,000**	**103,292**	**1,074,911**	**1,586,417**	**2,967,252**	**(1,380,835)**
Net surplus for the period	78,932	-	-	-	78,932	-	78,932
Equity Injection	-	-	-	60,300	60,300	60,300	-
Disbursement from restricted funds	-	-	(775)	-	(775)	-	(775)
Balance at December 31, 2018 CI$	**287,146**	**200,000**	**102,517**	**1,135,211**	**1,724,874**	**3,027,552**	**(1,302,678)**

The Notes to the Financial Statements on page 44 to 59 form part of these financial statements

Statement of Cash Flows

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CASH FLOWS

For the year ended December 31, 2018

	Note	Current Year Actual	Final Budget	Variance	Prior Period Actual
			expressed in Cayman Islands Dollars		
Cash provided by:					
Operating Activities					
Net surplus for the period/ year		78,932	-	78,932	128,404
Use of restricted funds				-	
Adjustment for items not involving cash:					
Depreciation	7	62,806	115,652	(52,846)	103,028
Net changes in operating assets and liabilities:					
Accounts receivable		205,859	(766)	206,625	(209,038)
Deposits and prepaid expenses		(50,982)	6,262	(57,244)	37,721
Inventories		(25,373)	6,122	(31,495)	1,737
Accounts payable and accrued liabilities		13,290	(11,618)	24,908	(26,657)
Cash provided by operating activities		**284,532**	**115,652**	**168,880**	**35,195**
Investing Activities					
Purchase of property and equipment	7	(60,356)	-	(60,356)	(35,849)
Cash used in investing activities		**(60,356)**	**-**	**(60,356)**	**(35,850)**
Financing Activities					
Disbursement from restricted fund balances		(775)	-	(775)	3,992
Additional capital injection		60,300	60,300	-	-
Cash provided by financing activities		**59,525**	**60,300**	**(775)**	**3,992**
Net increase in cash and cash equivalents		283,701	115,652	168,049	3,338
Cash and cash equivalents at beginning of period/year		559,712	914,596	(354,884)	556,374
Cash and cash equivalents at end of period/year		**843,413**	**1,030,248**	**(186,835)**	**559,712**

The Notes to the Financial Statements on page 44 to 59 form part of these financial statements

Notes to the Financial Statements

For the year ended December 31, 2018
(expressed in Cayman Islands dollars)

1. Background information

The Cayman Islands National Museum (the "Museum") was established on May 3, 1979 by enactment of the Museum Law, 1979. Its purpose is to establish for posterity a collection of material evidence concerning man and his environment, with primary but not exclusive reference to the Cayman Islands, and to arouse public interest in Caymanian heritage and, through proper use of the collection, to increase knowledge and appreciation of, and respect for Caymanian heritage.

The Museum holds a collection in excess of 9,500 (December 31st, 2017: 9,189) artefacts that have been donated, transferred, purchased or found, with the majority being donations. Artefacts are documented in the Museum's Accession Register, and are used in research or are held in exhibition for public service. The research collections (those that are not on exhibit at the Museum) are kept at the Museum Support Facility in an environmentally controlled vault for preservation. The Museum also operates a gift shop and leases a space to a third party, which operates a cafe.

The Museum is funded primarily by an annual grant from the Cayman Islands Government (the "Government") through the Ministry of Health, Environment, Culture and Housing (the "Ministry"). The Museum would not be able to continue as a going concern without ongoing support from the Government and as a result the Museum is economically dependent on the Government.

The administrative office of the Museum is located at 10 Cayside, George Town, Grand Cayman.

2. Significant accounting policies

(a) Reporting periods

In compliance with the *Public Management and Finance Law (2018 Revision)*, the current financial statements are prepared for 12 months from January 1, 2018 to December 31, 2018. The prior period financial statements covered an 18-month period from July 1, 2016 to December 31, 2017 as a result, the current years and the prior period financial statements are not entirely comparable.

(b) Basis of preparation

These financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2018 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2018 reporting period and have not been early adopted by the Museum. The Museums' assessment of the impact of these new standards are set out below.

IPSAS 40, Public Sector Combinations was issued in January 2017 and shall be applied for annual financial statements covering period beginning on or after 1 January 2019. It is not anticipated in the future that the Museum will be combined with any other public sector entity and therefore it is anticipated this standard will not be applicable to the Museum in future periods.

2. Significant accounting policies (continued)

(b) Basis of preparation (continued)

ISPAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. ISPAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Museum's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Museum's financial statements, but this will be assessed more fully closer to the effective date of adoption.

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting.
As outlined in Note 1, the continued existence of the Museum is contingent on the ongoing support from the Government. As management considers that this support will be ongoing and there are no indications which suggest otherwise, management considers the preparation of the financial statements under the going concern assumption to be appropriate.

These financial statements are presented in Cayman Islands dollars ("CI$"), which is the Museum's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

The measurement base applied to these financial statements is the historical cost basis.

(c) Use of estimates

The preparation of financial statements in accordance with ISPAS requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements, relate to estimating the useful lives of property, plant and equipment and management's assessment of whether an impairment is required to be recognized in respect of property and equipment (Note 7) and whether an impairment provision is required in respect of inventory (Note 6).

(d) New and revised standards and interpretations that are not yet effective

Certain new, revised and amended standards and interpretations were issued during the current financial period that is not yet effective. No material impact on the financial statements is anticipated as a result of these amendments.

2. Significant accounting policies (continued)

(e) Cash and cash equivalents

The Museum considers all cash and short-term deposits with a maturity of three months or less to be cash or cash equivalents.

(f) Inventories

Inventories consist of products sold in the Museum gift shop and are valued at the lower of cost or net realisable value, using an average cost basis less an allowance for obsolete and slow-moving items.

(g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.

Depreciation is charged to write off the cost of the asset over their estimated useful life, using the straight-line method.

Estimated useful lives are as follows:

Computer hardware and software	3-5 years
Furniture, fixtures and equipment	5-8 years
Leasehold improvements	10-25 years
Permanent exhibits	30 years
Vehicles	5 years

Cost comprises the purchase price of an asset and any directly attributable costs of bringing the asset to working condition for its intended use such as import duties, initial delivery and storage cost.

Repairs and maintenance are charged to expenses as incurred.

(h) Income recognition

Income on the sale of goods is recognized in the statement of financial performance at the point of the sale. Rental income, interest and other income are recognized on an accrual basis. Income earned from admissions, membership dues, fundraising, and donations are recorded in the period in which the payment is received.

(i) Government grants

Government grants are recognised and accrued quarterly. Certain grants cover staff costs and related expenditures of the Museum. Grant income and expenditures are recorded gross in the financial statements.

Notes to the Financial Statements
For the year ended December 31, 2018
(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(j) Foreign currency translation

Transactions during the year and assets and liabilities at the statement of financial position dates denominated in United States dollars are translated into Cayman Islands dollars at a fixed rate of US$1.00 = CI$0.80. Gains and losses on foreign currencies, if any, are included in administration and other expenses.

(k) Collections, exhibits and artefacts

Consistent with the practice followed by many museums, collections, exhibits (excluding permanent exhibits) and artefacts purchased and donated are not recorded in the statement of financial position. The costs of all objects purchased are recorded as an expense in the statement of financial performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation of these items.

(l) Contributed services

During the course of the period covered by these financial statements, unpaid volunteers make contributions of their time and resources to support the Museum's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(m) Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Recognition

The Museum recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortised cost are recognised in the statement of financial performance.

Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Museum has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2018 and December 31st, 2017, there were no assets or liabilities reported on a net basis.

2. Significant accounting policies (continued)

(m) Financial assets and liabilities (continued)

(v) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of financial performance.

(vi) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

(vii) Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(n) Restricted funds

Restricted funds are derived from gifts, grants, and contracts received by the Museum for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. As these funds have traditionally not been reimbursable, and the Museum does not consider there to be a legal or constructive obligation to do so, they form a part of the Museum's equity position as reflected on the statement of financial position. Contributions that are restricted for specific purposes by the donor must be used as intended and cannot fund other activities or general operations without the proper consent of the original donor.

(o) Operating leases

Operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term.

(p) Budget amounts

The budget amounts for the financial year are presented in the 2018-19 Ownership Agreement and were approved by the Legislative Assembly on the 27th October 2017. The Final Budget is adjusted for the additional budget amounts approved in The Supplementary Appropriation (January 2018 to December 2018) Law, 2018. The Final Budget also includes appropriations approved by Cabinet on 20th December 2018 that had not yet been ratified by the Legislative Assembly at the date when the financial statements were approved for issuance.

Notes to the Financial Statements
For the year ended December 31, 2018
(expressed in Cayman Islands dollars)

3. Cash and Cash Equivalents

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Cash		631,966	1,030,248	(398,282)	349,766
Fixed Deposits		211,446	-	211,446	209,946
Total	**CI$**	**843,413**	**1,030,248**	**(186,835)**	**559,712**

4. Accounts Receivable

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Sale of goods and services to Cabinet		205,400	-	205,400	410,400
Sale of goods and services to SAGCs		168	-	168	165
Sale of goods and services to third parties		676	10,000	(9,324)	1,537
Sale of goods and services to Ministries/ Portfolios		4,685	-	4,685	4,686
Less: Provision for doubtful debts		-	(2,000)	2,000	-
Total	**CI$**	**210,929**	**8,000**	**202,929**	**416,788**

5. Deposits and prepaid expenses

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Property deposits		5,115	5,115	-	5,115
Deposit on acquisition of artefacts		50,000	-	50,000	-
Prepaid orders for inventory		5,101	5,000	101	-
Prepayment for services		3,576	7,000	(3,424)	7,695
Total	**CI$**	**63,792**	**17,115**	**46,677**	**12,811**

6. Inventories

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Inventory at average cost		72,021	45,000	27,021	48,233
Less: provision for slow moving stock		(1,006)	-	(1,006)	(2,590)
Total	**CI$**	**71,015**	**45,000**	**26,015**	**45,643**

7. Property and equipment

As at December 31, 2018 and 2017, property and equipment consisted of the following:

December 31, 2018		Furniture, fixtures & equipment	Computer & Office Equipment	Leasehold improvements	Permanent exhibits	Vehicles	Total	Budget	Variance
Cost									
Balance at beginning of year		400,677	225,851	679,432	428,855	24,900	1,759,715	3,470,272	(1,710,557)
Additions		-	-	35,056	-	25,300	60,356	-	60,356
Balance at end of year		**400,677**	**225,851**	**714,488**	**428,855**	**50,200**	**1,820,071**	**3,470,272**	**(1,650,201)**
Accumulated Depreciation									
Balance at beginning of year		(392,105)	(204,570)	(416,422)	(114,440)	(24,900)	(1,152,437)	(1,445,492)	293,055
Depreciation		(2,767)	(6,889)	(36,548)	(14,494)	(2,108)	(62,806)	(115,652)	52,846
Balance at end of year		**(394,872)**	**(211,459)**	**(452,970)**	**(128,934)**	**(27,008)**	**(1,215,243)**	**(1,561,144)**	**345,901**
Net Book value at December 31, 2018	**CI$**	**5,805**	**14,392**	**261,518**	**299,921**	**23,192**	**604,828**	**1,909,128**	**(1,304,300)**

December 31, 2017		Furniture, fixtures & equipment	Computer Hardware & software	Leasehold improvements	Permanent exhibits	Vehicles	Total
Balance at beginning of period		392,521	133,741	678,361	428,855	24,900	1,658,378
Additions		8,156	26,622	1,071	-	-	35,849
Balance at end of period		**400,677**	**160,363**	**679,432**	**428,855**	**24,900**	**1,694,227**
Accumulated Depreciation							
Balance at beginning of period		(381,221)	(128,604)	(356,496)	(92,700)	(24,900)	(983,921)
Depreciation		(10,884)	(10,478)	(59,926)	(21,740)	-	(103,028)
Balance at end of period		**(392,105)**	**(139,082)**	**(416,422)**	**(114,440)**	**(24,900)**	**(1,086,949)**
Net Book value at December 31, 2017	**CI$**	**8,572**	**21,281**	**263,010**	**314,415**	**-**	**607,278**

8. Restricted funds

Fund balances are restricted for:

Acquisitions
On February 3rd, 2017, the Museum received US$5,000 from the Prize Charitable Trust for the acquisition of local carvings, artwork and craftwork for the national collection. $775 (2017 nil) of these funds were expended during the 2018 fiscal year, the balance is restricted until the intent of the donor has been fulfilled. At December 31, 2018, CI$3,217 remained in the restricted funds account.

Archaeology
During the period ended December 31, 1994, a fundraiser was held to provide funds for marine archaeological research and equipment. The net proceeds from the fundraiser were placed in a restricted account for similar expenditures. At December 31, 2018 and 2017, CI$12,812 remained in the restricted funds account.

Powell's
During the period ended June 30, 1998, the Museum received a government grant of CI$25,000 for specific projects including creating a business plan, architectural surveys, condition reports, and maintenance planning. At December 31, 2018 and 2017, CI$20,250 remained in the restricted funds account.

McCoy Prize Award
During the period ended June 30, 2003, Harris McCoy donated CI$1,000 to hold for the winner of the McCoy prize. A further CI$20,900 was donated by the chairman during the period ended June 30, 2006. At December 31, 2018 and 2017, CI$1,918 remained in the restricted funds account.

New Building
During the period ended June 30, 2004, the Museum received donations in the amount of CI$9,840 for the new museum building. At December 31, 2018 and 2017, CI$9,840 remained in the restricted funds account.

Maritime Heritage Trail
During the period ended June 30, 2004, the Department of Tourism donated CI$20,000 for the Maritime Heritage Trail. At December 31, 2018 and 2017, CI$191 remained in the restricted funds account.

Educational Programme
During the period ended June 30, 2012, the Museum received a donation of CI$3,041. This was to be applied to the Museum's Educational Fund. At December 31, 2018 and 2017, CI$1,588 remained in the restricted funds account.

Renovations and Recovery
During the period ended June 30, 2006, the Museum received donations in the amount of CI$20,701 for the recovery of any material evidence of artistic, historic or scientific significance to Cayman Islands. At December 31, 2018 and 2017, CI$20,701 remained in the restricted funds account.

8. Restricted funds (continued)

Webster Foundation

During the period ended June 30, 2012, the Museum received a donation of CI$20,000 for the acquisition of artefacts, and the costs of displaying such artefacts. At December 31, 2018 and 2017, CI$20,000 remained in the restricted funds account.

Collections Preservation

During the period ended June 30, 2016, the Museum received CI$12,000 for collections preservation. At December 31, 2018 and 2017, CS$12,000 remained in the restricted funds account.

The movements in restricted fund balances during the year ended December 31, 2018 and period from July 1, 2016 to December 31, 2017 were as follows:

	Archaeology	Powell's	McCoy Prize	New Building	Maritime Heritage Trail	Educational Programme	Renovations & Recovery	Webster Foundation	Collections Preservation	Acquisitions	Total
Balance at June 30, 2016	12,812	20,250	1,918	9,840	191	1,588	20,701	20,000	12,000	-	99,300
Additions / (Disbursements)	-	-	-	-	-	-	-	-	-	3,992	3,992
Balance at December 31, 2017	**12,812**	**20,250**	**1,918**	**9,840**	**191**	**1,588**	**20,701**	**20,000**	**12,000**	**3,992**	**103,292**
Additions / (Disbursements)	-	-	-	-	-	-	-	-	-	(775)	(775)
Balance at December 31, 2018 CI$	**12,812**	**20,250**	**1,918**	**9,840**	**191**	**1,588**	**20,701**	**20,000**	**12,000**	**3,217**	**102,517**

9. Accounts Payable and Accrued Liabilities

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Third party creditor		11,591	15,239	(3,648)	10,504
Refundable Deposit		1,500	-	1,500	1,500
Accrued Expenses		37,714	15,000	22,714	25,000
Accrued Leave		16,528	12,000	4,528	16,671
Health insurance withholding		-	-	-	368
Pension Withholding		1,772	-	1,771	1,772
Total	**CI$**	**69,105**	**42,239**	**26,866**	**55,815**

10. Contingency reserve

At December 31, 2018, the Museum's equity includes a contingency reserve of CI$ 200,000 (2017: CI$200,000). The contingency reserve was established by the Board of Control as a precautionary measure to meet the costs of overcoming any disaster that might befall the Museum in the future. Management intends to increase the contingency reserve to $250,000 in the 2019 fiscal year. This amount better reflects the potential cash flow that would be required to keep the Museum operational in the event of an unforeseen disaster.

11. Sales of outputs to cabinet

During the year ended December 31, 2018, grants totalling CI$821,000 (18-month end December 31st, 2017: CI$1,231,200) were received from Government, of which CI$206,000 (2017: CI$410,400) is included in accounts receivable at December 31, 2018.

As noted in Note 1, the Museum would not be able to continue as a going concern without ongoing support from the Government and as a result the Museum is economically dependent on the Government.

12. Product Sales

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Outputs to other government agencies		14,141	-	14,141	100
Outputs to others		-	-	-	815
Outputs to others: Merchandise Sales		2,346	-	2,346	24,192
Output to others: Gift shop sales		74,366	100,000	(25,634)	111,341
Total	**CI$**	**90,853**	**100,000**	**(9,147)**	**136,448**

13. Facility Expenses

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Supplies and consumables		30	50	(20)	19
Electricity		60,042	53,010	7,032	74,454
Insurance		18,329	18,274	55	28,268
Janitorial Services		12,566	12,000	566	18,955
Landscaping		1,800	1,800	-	2,700
Pest Control		1,554	1,500	54	1,125
Repairs & Maintenance		33,763	37,366	(3,603)	81,348
Security Services		4,747	5,000	(253)	7,523
Telephone		7,287	4,500	2,787	18,359
Water		1,864	1,500	364	3,574
Total	**CI$**	**141,982**	**135,000**	**6,982**	**236,325**

14. Administration and other expenses

Description		Current Year Actual	Final Budget	Variance	Prior Period Actual
Advertising		9,247	9,000	247	8,068
Audit Fees		20,000	25,000	(5,000)	25,000
Accounting Services		42,000	42,000	-	52,500
Bank service charges		4,427	5,000	(573)	5,335
Bottled water		258	250	8	372
Emergency preparedness		-	-	-	1,342
Fuel		274	250	24	223
IT expenses		18,306	12,000	6,306	18,680
Kitchen Supplies and Consumables		-	-	-	11
Meals and Entertainment		608	500	108	2,269
Membership Fees		1,136	1,000	136	787
Membership services		-	-	-	684
Motor Vehicle Operations		125	125	-	507
Office Supplies		2,260	2,500	(240)	5,257
Postage & Courier		358	400	(42)	294
Programme Expenses		68,286	50,000	18,286	93,264
Professional Services		1,050	1,000	50	4,200
Shop Supplies		798	1,000	(202)	1,056
Web Hosting		235	430	(195)	1,315
Write-offs		2,005	500	1,505	100
Cash (over)/short		(79)	-	(79)	1,065
Gains/(losses) on forex transactions		2,785	-	2,785	(1,112)
Miscellaneous		218		218	272
Total	**CI$**	**174,297**	**150,955**	**23,342**	**221,487**

15. Related party transactions

Controlling entity
The Museum is a wholly owned statutory entity of the Government within the Ministry.

Museum building
Under the terms of a fifty-year agreement with the Governor of the Cayman Islands dated June 5, 1990, the Museum leases its building, the Old Courts Building, and the accompanying land for annual consideration of a nominal amount.

Property insurance
The Government determines the insurance premium payable by the Museum, which covers the building and its contents, of the Old Courts Building in Grand Cayman.

During the year ended December 31, 2018, total insurance premium determined for the Museum amounted to CI$18,329 (2017: CI$28,268). This amount is included in facility expenses in the statement of financial performance.

At December 31, 2018, there were no outstanding amounts (2017, nil).

Ministry employees
The Curations Manager, who is an employee of the Ministry, works for the Museum on a secondment contract. A portion of the Curations Manager's remuneration, the details of which are not available to the Museum, formed part of the Ministry's expenditures and are not reflected in the statement of financial performance of the Museum.

The total salary and benefits paid by the Museum to the Curations Manager during the year ended December 31, 2018 amounted to CI$16,725 (18-month to December 2017: CI$24,388).

Gift shop sales
During the year ended December 31, 2018, total Museum sales to other Government entities for the provision of items such as national flags, pins and coat of arms amounted to CI$14,141 (2017: CI$65,207).

16. Pension plan

The Museum participates in a defined contribution pension plan in accordance with the provisions of the Cayman Islands National Pensions Law (2012 Revision). Contributions for the year ended December 31, 2018 included in staff costs in the statement of financial performance amounted to CI$15,750 (2017: CI$22,990). Pension contributions consist of 5% of the employee's salary made by the employee and are matched by the employer (2017: 5% employer 5% employee).

17. Key management remuneration

Total remuneration paid to the 3 (2017: 4) personnel considered to be key management during the year ended December 31, 2018 and from July 1, 2016 to December 31, 2017 was:

	Salaries CI$	Pension CI$	Health Insurance CI$	Other CI$	Total CI$
2018 Actual	167,444	9,035	24,780	-	201,258
2018 Budget	155,156	7,757	22,428	-	185,341
Variance	(12,288)	(1,278)	(2,352)	-	(15,917)
2017 Actual	260,803	12,191	36,823	-	309,817

Members of the Board of Control are voluntary and do not receive any type of remuneration for services rendered. There were no loans to key management at December 31, 2018 (2017: none). The terms of the board membership expired on December 31, 2018 for all members and no board has been appointed at the date these financials were approved for issuance.

18. Financial risk management

The Museum's activities expose it to various types of risk that are associated with the financial instruments and markets in which it operates. The Museum's Board of Control has overall responsibility for the establishment and oversight of its risk management framework. The Museum's risk management policies are established to identify and analyse the risks, set appropriate risk limits and controls, and to monitor risks and adherence to limits. The most important types of financial risk to which the Museum is exposed to are credit risk and liquidity risk. This note presents information about the Museum's exposure to each of these risks and the Museum's objectives, policies and processes for measuring and managing risk.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Museum. To mitigate this risk, the Museum has adopted a policy of dealing only with counterparties which it believes to be credit worthy. Financial assets which potentially subject the Museum to credit risk consist principally of cash and cash equivalents and accounts receivable.

At December 31, 2018, the Museum held CI$843,143 (2017: CI$559,712) in cash and cash equivalents at CIBC First Caribbean International Bank, a financial institution in the Cayman Islands and CI$210,929 (2017: CI$416,788) of accounts receivable, CI$206,000 (2017: CI$410,400) was due from the Government. As such, the Museum is exposed to credit related losses in the event of non-performance by these parties. Given the high credit rating of this financial institution and the Museum's relationship with the Government, the Board of Control does not anticipate any material losses as a result of these concentrations.

18. Financial risk management (continued)

Liquidity risk
Liquidity risk is the risk that the Museum will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, ensuring the availability of funding from the Government and the ability to predict and manage the Museum's expected cash outflows. Throughout the year and subsequent to the year end, the Museum has relied significantly on the support from the Government, to provide funds in the form of grants. The ability of the Museum to meet its obligations is dependent on the ongoing financial support provided by the Government (refer Note 11).

Accounts payable and accrued liabilities are expected to mature within 12 months of the date of the statement of financial position.

19. Commitments and contingencies

The Museum entered into a contract with LaLev Construction on December 20th, 2018 for the repair of the Museum's roof. The total contract sum was $114,161. As at December 31st, 2018 $102,745 remain outstanding on the contract.

The Museum leases premises at Pasadora Place to store its collection and artefacts. As at December 31, 2018, the lease is being finalized.

The Museum leases premises at 10 Cayside House for administration, education and library purposes. The lease expired on December 31, 2018.

	Current Year Actual	Final Budget	Variance	Prior Period Actual
Minimum lease payments				
Payable within one year	-	116,629	116,629	116,629
Payable from one to two years	-	116,629	116,629	116,629
Payable from two to three years	-	116,629	116,629	116,629
CI$	-	349,887	349,887	349,887

20. Explanations of material variance against budget

Statement of financial position

Variances in cash and cash equivalents, and accounts receivable are due to delays in the receipt of output payments from the Ministry. Deposits and prepaid expenses were higher due to payments made for items not received at the fiscal year-end (Alvin McLaughlin Collection).

The variance in inventory reflects increased amounts carried to maximize sales opportunities from the high season.

Property and equipment was lower than budgeted due to reclassification of leasehold improvements as part of the 2017 audit and also because the Museum did not receive its approved Equity Injection for 2016-17. This meant that planned works and acquisitions could not be carried out. The Ministry required the Museum to have signed contractual commitments prior to the release of the funding; however, this requirement was not explicitly communicated until after the fiscal year closed.

Variances in accounts payable and accrued liabilities is due to the accrual of the audit fees for 2018 and invoices received for settlement after the fiscal year end.

Accumulated surplus, restricted funds and contributed capital were due to reclassifications resulting from the 2017 where the Museum received an unqualified audit opinion.

The variance in Contributed Capital is directly linked to the non-payment of the Equity Injection for the Museum that was approved in the 2016-17 Budget and the receipt of contributed capital in 2018.

Statement of financial performance

Revenues were largely in line with budget expectations. Staff costs were lower than expected due to vacancies carried during the year. Savings in lease costs is due to effective renegotiation of the lease for the Passadora place whereby the Museum was able to secure an extension at nil increase in cost.

The variance in depreciation is partially due to the assets planned but not acquired stemming from the non-payment of the Museum's Equity Injection. The Museum also updated its fixed asset register during the period and made material adjustments for leasehold improvements and permanent exhibits.

Variance shown for facility expense reflects increased activities in 2018 where several air-condition replacement projects were carried out along with repairs to the museum building. Variances in cost-of goods sold and "Administration and other expenses" are due to budget classification errors.

Statement of Cash Flows

Operating cash was $168,880 higher than budget due to an operating surplus of $78,932 and a reduction in accounts receivables of $206,625 from timely settlement of Output invoices by the Ministry of Health. These increases were partially offset by increases in prepaid expenses ($57,244) largely relating to the acquisition of artefacts, and increased investment in inventories ($31,495) due to changes in the year-end where the Museum keeps higher levels of stock on hand to match the high season. Cash flow from depreciation was lower due to a reduction in the plant asset base and consequential lower depreciation expense.

20. Explanations of material variance against budget (continued)

Statement of Cash Flows (continued)

The Museum replaced its transport van along with several major pieces of air-condition equipment in 2018. The acquisition of these new assets resulted in expenditures of $60,356 which were not initially budgeted.

The Museum also received $60,300 in equity injection from the Ministry of Health during 2018. This was not part of the originally approved budget. Funds were used towards acquisition of artefacts, and replacement of the Museum's transport van.

On December 20, 2018, Cabinet authorized a reallocation of $60,300 from the Ministry of Health, Environment, Culture & Housing to the Museum under Section 11(5) of the Public Management and Finance law (2018 Revision. A supplementary Appropriation Bill with the proposed changes had not been introduced in the Legislative Assembly at the date the financial statements were approved for issuance.

21. Capital

The Museum's objective when managing its working capital is to safeguard the ability to continue as a going concern, (through the on-going support from the Government (Notes 1 and 2), and to ensure that adequate cash flows are generated to fund its programmes. Management assesses the Museum's capital needs by evaluating financial risk and responding to changes in those risks and the market. The Museum is not subject to any externally imposed working capital requirements by third parties or the Government. There have been no changes to the strategy adopted by management to control capital of the Museum since the previous year.

22. Subsequent events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to April 30, 2019, being the date that the financial statements were available to be issued.

Appendices

Governance and Risk Management

The Museum is subject to normal risks associated with most Public Agencies. For 2018 those risks include:

KEY RISKS FACED BY THE MUSEUM	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
1. Loss or damage to the non-renewable National Collection by:		N.B. see note (h) on accounting policies regarding the Collection
a) Fire	Sufficient fire extinguishers that are regularly serviced. Hired security during after-hours events i.e. street dances. Determine the feasibility of installing fire sprinklers in the Museum and any purpose-built facilities.	Replacement or restoration cost of items lost or damaged as a result of the event
b) Hurricane or Severe Storm **Due to the close proximity to the water the National Collection is at risk throughout the year**	Annual hurricane preparedness exercises and updating of the plan and supplies. Removal and/or safe storage of artefacts when a hurricane is approaching. Continuous internal and external building maintenance.	Replacement or restoration cost of items lost or damaged as a result of the event
c) Pest infestation **The building's materials and construction increase its vulnerability**	Regular pest control management	Replacement or restoration cost of items lost or damaged as a result of the event
d) Insurance	Basic insurance coverage is in place for the buildings and their contents. Need to review and revise as needed. Seek the expertise of a certified art appraiser to establish the replacement values of the Museum's National Art Collection for insurance purposes.	Financial loss of the replacement value of the Museum's art collection and other measurable items
2. Inadequate shelving and storage facilities and inactive conservation programme result in gradual deterioration of the National Collection	The collection is in new rental storage post Ivan. Plan and build a purpose-built facility to accommodate the current and future needs of the National Collection.	Replacement or restoration cost of items lost or damaged as a result of the event.
3. The Museum needs specialized staff in the areas of conservation, curation, collections management, design, archaeology, business, public relations, programmes and operations.	Staffs are being encouraged to undertake studies and obtain qualifications. The Museum is working to improve professional staffing of the organization to create a positive professional environment and to address the specialized needs of the Museum.	Inability to professionally manage, research, care for, curate, interpret, and exhibit the Museum's collections – resulting in replacement or restoration cost of items lost.

The Museum has measures in place to manage these risks, as such, these risks did not materially impact operations during the 2018 fiscal year. The Museum will continue to implement appropriate risk management strategies as part of an overall risk management framework.

Legal Framework

Legal Framework for the Cayman Islands National Museum

- The Museum Law (1999 Revision);
- The Public Management and Finance Law (2018 Revision);
- The Public Authorities Law;
- The Non-Profit Organization Law;
- The Procurement Law and Regulations;
- The Public Service Management Law; and
- The Cayman Islands Labor Law


CAYMAN IS
NATIO

Contact Information

Museum Main Line
(345) 949-8368

Extensions for
Gift Shop x 2031
Director x 2027
Financial Manager x 2029
Curations & Collections Manager x 2023
Operations Manager x 2022
Exhibitions Coordinator x 2026
Research & Special Projects Assistant x 2024

Opening Hours are:
9am to 5pm Monday to Friday
10am to 2pm on Saturdays and select Public Holidays

We're thankful for our ***Beautiful Islands, Welcoming people, Rich Culture & Heritage, and our Forefathers*** *who paved the way so we could have a better way of life.*

CAYMAN ISLANDS
NATIONAL
MUSEUM