Final signed - submitted to ministry Friday 23 Oct 2020

Annual Report 2019

CAYMAN ISLANDS
NATIONAL MUSEUM







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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, 2019 to December 31, 2019 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.

This 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 2019 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, and audit, and freedom of information.

Welcome To Our 2019 Annual Report

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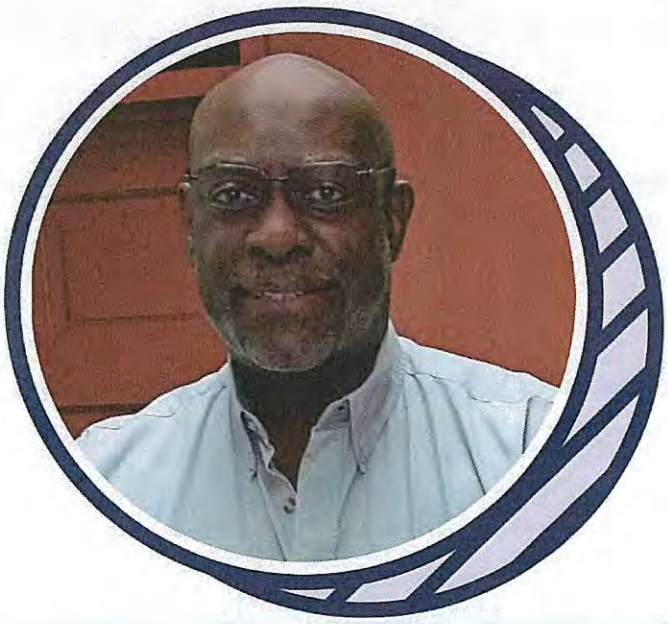
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Message from Our Chairman



It is my honour and privilege to present the Annual Report for the Cayman Islands National Museum, outlining its activities and achievements for the period 1st January, 2019 to 31st December, 2019.

The Annual report accords with the requirements set out in the Public Management and Finance Law, by comparing the key strategic goals shown in the approved budget against the Museum's performance during the past year.

Our achievements and activities are shown throughout the report and speak to the services we delivered to our Cayman Islands community while supporting the Government's policy outcome goals.

2019 was another successful year of service delivery for the Museum. Highlights of our programmes and events include exhibits honoring individuals who made key contributions to our Islands' history; the marking of key points in our modernization; and educational and community outreach programmes that benefitted our children and our elderly.

The year was also one of renewal and rebuilding. Our main Museum building got some much-needed repair work, staff remuneration were reviewed in line with the Public Authorities Law, and we also welcomed a few new faces to the Museum family.

I was especially pleased with the Museum's participation in the Celebrate Cayman events as we recognized and commemorated the 60th year of our first written constitution.

It was a fitting tribute to how far we've come as a country, and I'm pleased that the organization was able to give it the appropriate recognition.

On behalf of the Board, I would like to extend my gratitude and appreciation to the Ministry, and our private and public sector partners, for their support in 2019.

Your continued support of our National Museum is vital to its success and sustainability, and the outstanding results of 2019 would not have been possible without your oversight, generosity and participation.

I would also like to acknowledge and thank our staff, volunteers, and the community for their contributions to the National Museum. I look forward to the exciting things ahead in the upcoming year as we work in pursuit and support of the Government's outcomes to preserve, protect, and share our unique culture and heritage.

Yours Sincerely,

Alfonso Wright
Chairman

Message from Our Director



It is my pleasure to join our Chairman in presenting the 2019 Annual Report for the Cayman Islands National Museum and to share some of our more notable achievements during the year.

Much was achieved in 2019, as our staff worked especially hard throughout the year to deliver numerous cultural and heritage programmes, and to engage our residents and visitors through the sharing and preservation of our culture. I am proud of their continued dedication to the protection and preservation of our Cayman Islands Culture and Heritage.

Our collections increased by more than 10% in 2019 with the acquisition of key pieces from the Alvin McLaughlin collection as well as donations from Virginia Foster. Our collections now boast over 10,500 pieces which are being carefully curated for the benefit of current and future generations.

The National Museum building is the oldest standing public building in the Cayman Islands. Our ability to occupy this working artefact is a source of pride for the Museum; however, it also requires delicate attention to detail through a robust maintenance schedule.

In 2019, significant work was carried out to repair the roof, balconies, and air-conditioning systems in the main building. We also carried out work to improve the flooring and to protect the building from mold accumulation through the installation of ultra-violet lights.

We were also delighted by the acquisition of our new properly branded Museum van. This van, with its elaborate design features, will assist us in the transportation of Museum items between locations, and provide a mobile advertising billboard for the organization.

Our vibrant community programmes this year included our annual summer camp, a Speaker Series, Events honoring older people within our community, our annual Mango season and Pirates Week events and our ongoing monthly radio programme.

I am pleased that the Museum received another unqualified opinion on its 2019 Annual Accounts, the third straight clean result for the organization.

I was also pleased with the full implementation of the Public Authorities Law, and its impact of evaluating the jobs for all Museum staff to ensure parity with the central Government.

Our staff work tireless each day, and I am happy that they will be commensurately rewarded for their efforts.

We were delighted by the substantial donation received from the Water Authority as part of their 35th, anniversary celebration. We are even more excited by the animatronic display that will be acquired with that donation, and its addition to our visitor offerings in 2020.

I would like to express my sincere gratitude to our Board and Ministry for their support, our partners for their continued confidence in our organization, and to our staff for all their hard work and dedication. I would also like to thank our members, our volunteers, and our customers for their continued support of the Cayman Islands National Museum.

Yours Sincerely,

Margaret E. Leshikar-Denton

Peggy Leshikar-Denton,Ph.D.
Director

Who We Are

The Cayman Islands National Museum is 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.

About Us

Our Story

The Cayman Islands National Museum was established 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 artefacts 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.

Our Mission

Through our 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.

Our Vision Statements

- 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.
- Nurture children to become the caretakers and architects of preservation for Caymanian culture and the natural history of the Cayman Islands.
- Present the many voices of the people of the Cayman Islands in order to reflect the Islands' diverse cultures and cultural values.
- Participate in honest and open dialogue with community and visitors.
- Synthesise and present the diverse influences impacting Caymanian culture, including the natural history, prehistoric and early historic eras, as well as contemporary issues.
- 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.

What We Do



The National Museum:
The living connection to Cayman's past, ensuring that future generations experience our unique natural and cultural heritage

The Cayman Islands National Museum conducts the following scope of activities:

- 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

Where We Are

The National Museum is located at 3 Harbour Drive, George Town. Our administration and education centre is located at 10 Cayside House on the Waterfront in George Town.

Our Organization





Meet Our People....

They are committed to the protection and preservation of our Cayman Islands culture & heritage.

Curation & Collections Manager
Debra Barnes- Tabora

Public Relations & Media/Design Specialist
Brian Watler Jr

Exhibition Coordinator
Wray Banker

Special Events & Programmes Assistant
Shenice McField

2019 Year In Review



January 2019
Museum Get Facelift



February 2019
Quadrille dancers win gold



February 2019
The Museum brands our new van



March 2019
Northside Look Ya



May 2019
International Museum Day & Alvin McLaughlin Exhibition Preview



May 2019
Speaker Series: Alvin McLaughlin Exhibition



July 2019
New Board Appointed



July 2019
Annual Summer Camp



July 2019
Looky Ya Mango Season at the Museum



October 2019
Heritage Day



November 2019
WISTA Conference



November 2019
Pirates Week



November 2019
1st Annual Member Appreciation



See Wha Ah Saying?
Our radio show continued during 2019





March 2019
Speaker Series- Cayman Airways Firsts



March 2019
Red Sky at Night



April 2019
Debut of Muzey the Mascot



May 2019
Quilters social at the Governor's residence



August 2019
Carifesta in Trinidad & Tobago



September 2019
Speaker Series: Hurricane Ivan



September 2019
Museum Store Association (MSA) Florida Chapter in Cayman Conference



October 2019
Older person's Tour & breakfast at the Museum



November
29th Anniversary & Christmas Bazaar



December
Prelaunch & Signing of Ten Sail Book



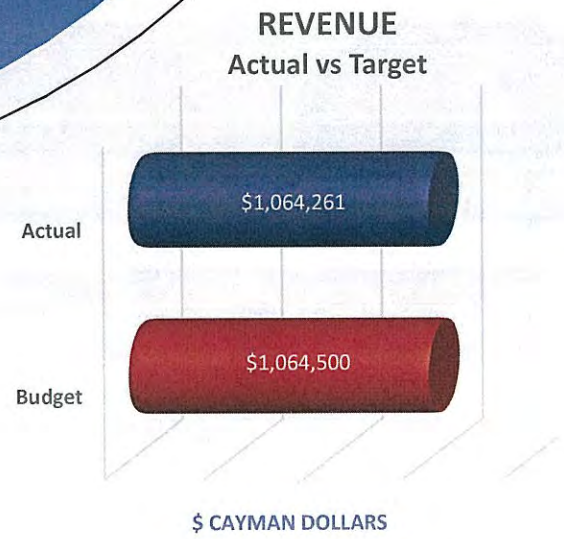
December
Leadership Cayman on Culture & Heritage

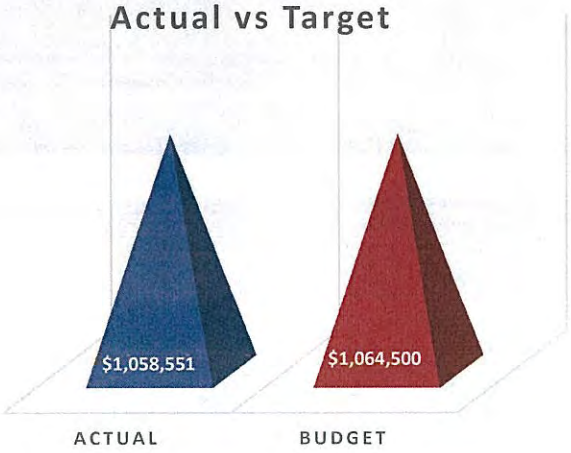


December
Nixon House Relocation Project underway

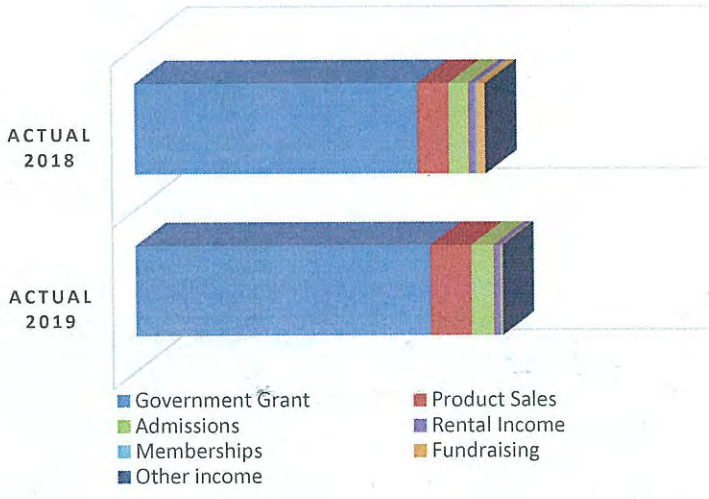
Financial Snapshot



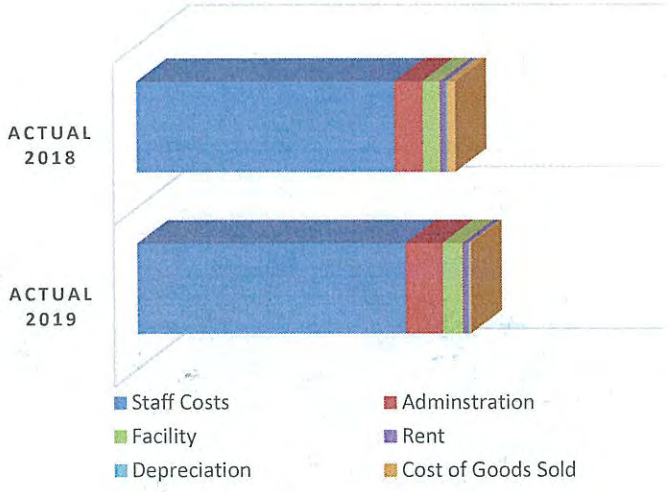




Where Did Our Money Come From?



How Did We Spend The Money?



Our People

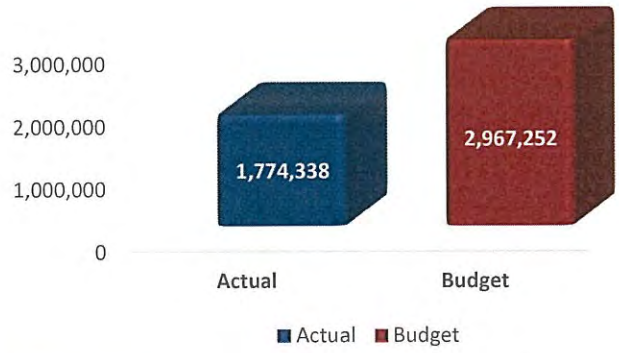


Engaging with Community: ↑% Increase in our social media views



Total Net Worth

Actual vs Budget



What Assets Are We Managing?

Fixed Assets



CAYMAN ISLANDS NATIONAL MUSEUM

Collections, Exhibits & Artefacts





Property, plant and equipment=>

$275,912

Permanent Exhibits=>

$285,425

Artefacts=>

10,500

Financial Snapshot

	2019 Actual	2019 Target
Financial Performance Measures:		
Revenue from Cabinet	855,000	855,000
Revenue from others	209,261	209,500
Total Revenue	**1,064,261**	**1,064,500**
Expenses	1,058,551	1,064,500
Operating Surplus	**5,710**	-
Net Worth:		
Total Assets	1,869,616	3,004,252
Total Liabilities	95,278	37,000
Net Worth	**1,774,338**	**2,967,252**
Cash Performance:		
Cashflow from operating activities	339,134	115,652
Cashflow from investing activities	(9,494)	-
Cashflow from financing activities	43,756	-
Change in cash balances	**373,396**	**115,652**
Financial Performance Ratios:		
Current ratio (Currents Assets: Current Liabilities)	**14:1**	**33:1**
Total Assets: Total Liabilities	**20:1**	**81:1**
Human Capital Measures:		
Total full-time equivalent staff employed	**8**	**8**
Physical Capital Measures:		
Value of Total Assets	1,869,616	3,004,252
Asset Replacements: Total Assets	N/A	N/A
Book Value of Assets: Costs of those assets	N/A	N/A
Depreciation: Cash flow on asset purchases	N/A	N/A



Strategic Ownership Goals

The key strategic goals and objectives for the National Museum for the year 2018 and 2019 were as follows:

CINM1: Collections, Conservation, Curation & Research

- Continue to collect, conserve, protect, research, and manage material evidence of artistic, historic, or scientific significance to the Cayman Islands, both terrestrial and underwater.
  (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).
- Incorporate on-going research findings on collections, terrestrial and underwater archaeological sites into public exhibitions, programmes and publications.
- 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.

CINM2: Operations, Education & Exhibits

- Enhance the effectiveness of the Board in support of the vision, mission and goals.
- Align organisational structure in support of vision, mission and core values.
- Acquire a purposed Collections facility
  *(*Note-This is dependent upon Governmental Capital Funding being granted & supplemental fundraising)*
- 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.
- Move the Collections to the purposed Collections facility
  (This is dependent upon capital funding for acquisition of a purposed facility).
- Provide exhibitions and displays and general public access to them.
- 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)*
- Re-establish and revitalise the Museum Archaeology Programme by employing an Archaeologist, developing an Archaeology Policy, and updating a National Archaeology Plan (*see supporting funding request document as this would be enhanced/dependent upon the CINM additional funding request*).
- 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.
- 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.
- Assist the Department of Tourism and other related organisations/institutions in marketing the cultural product of the Cayman Islands.

The key strategic goals and objectives continued:

CINM2: Operations, Education & Exhibits (Continued)

- 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.
- Continue to assist the Sister Islands and the districts in Grand Cayman with Museum related issues and activities as needed.
- 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.
- 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.
- 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.
- Regularly update Gift Shop and Visitor Services Policies.

CINM3: Ministry and Governmental Department Support

- Continue to prepare and support Government's requests for information in a timely manner to further the cultural well-being of the Cayman Islands.
- Provide reports and other documents requested by the Ministry on a monthly, quarterly and annual basis, and as needs arise.
- Assist the Ministry in creating a National Cultural Policy, a National Youth Policy, and other culture-related plans as requested.
- Assist the Ministry and Board in review or development of any necessary legislation.
- 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).

Our Achievements

1979

The Museum was Established

2019

Our Achievements During the Year

This section provides an overview of tasks and deliverables for the 2019 fiscal year.

The Museum delivers three primary Outputs/services to the Cayman Islands Government. We are charged with the collection and preservation of material evidence significant to our culture, history and heritage; care of Museum facilities, Exhibitions and Displays; and the provision of support to the Ministry, Cabinet and Other Departments.

These are some of our achievements this year:



*That the Old Court's Building is one of the few surviving **19th century** structures in the Cayman Islands?*

Renovations at the National Museum

Our Museum building is Cayman's oldest standing public building and our largest and most important artefact.

In 2019, the building received a facelift through roof renovation and painting, replacement of the main balcony (to improve visitor safety), and additional white liming (to restore its luster and brightness).

These efforts were carried out to protect the building and the artefacts we are entrusted to preserve so that future generations can enjoy what the Museum has to offer.

Branding of a New Van

The Museum also branded their new van which serves as an invitation to guests to visit the National Museum at the waterfront and allows us to safely transport Museum items between locations.

The design on the new van features the National Museum Building, notch plaiting, illustrations of Cayman icons and Mr. Harvey - the Museum's popular life-like, talking animatronic. These elaborate design features serve as a way to tell the community about our National Museum and to draw visitors to our facilities.



Muzey the Mascot makes his debut

Muzey the Mascot, designed by our PR & Media/Design Specialist Brian Watler Jr., made his debut during the year. He serves as a key part of our wayfinding signage around the Old Courts Building, which was especially useful when the building was under renovation. Muzey the Mascot is also featured on our social media pages and our website, and will eventually appear in our Museum Gift Shop.

Tours at the Museums

The National Museum welcomed thousands of visitors to Cayman's oldest standing public building, including 50 guided school tours and many other special guests. We continue to see many old and new visitors and we hope to see many more in the coming years.

Museum Memberships

Our 2019 membership included over 300 individuals and four Corporate Members. Continued support from our private and public donors allows us to continue to expand our programmes which helps us in achieving our mandate of protecting and preserving the heritage and culture of Cayman.

Our Collections

The collection at the National Museum has grown to over 10,500 artefacts of natural and cultural history, and art. The collection grew exponentially in 2019 through the Alvin McLaughlin collection and the Silver Thatch Fashion collection by Virginia Foster.

Caribbean Kitchen at the Old Gaol Café

Throughout the year, visitors to the National Museum enjoyed delicious local food prepared by the Caribbean Kitchen. Located behind the Museum, the Caribbean Kitchen leases the Old Gaol Cafe - providing visitors to the Museum, and our islands, with delicious local cuisine.

Our Collection:

10,500

Artefacts

Over **300** *Museum Members including* **4** *Corporate Members*



Community Engagement and Outreach

2019 was an exciting year filled with many community engagements and outreach programmes:

See Wha Ah Sayin?!"

Our monthly radio show See Wha Ah Sayin continued on Radio Cayman and featured Sterling Dwayne Ebanks along with the Museum's Wray Banker. The show is a light-hearted look at Caymanian Language, Culture and History. Topics covered on the show in 2019 included:

- "Aviation History" with guest Norman Bodden
- "Easter"
- "Phosphate/Guano Mining" with guest Steve McField
- "Coxswain Groupa" with guest Alvin McLaughlin
- Mr Willie Farrington
- "SUWANEE" with guest Capt. Paul Hurlston, Janilee Clifford
- "PIRATES WEEK" with guest Melanie McField, Darvin Ebanks
- "MARCHERS" with guest Renford Barnes

International Museum Day 2019 & Launch of Alvin McLaughlin: Steeped in Tradition

In May 2019, the National Museum opened the Alvin McLaughlin exhibition titled "Steeped in Tradition" The occasion marked International Museum Day in the Cayman Islands and was well attended. The exhibition takes viewers through the life of Alvin McLaughlin of East End who was heavily involved in the community and was an avid collector of historical objects. The 2019 theme for International Museum Day was "Museums as Cultural Hubs".

Museum Members, Government officials, friends, family, and well-wishers were invited to preview the Steeped in Tradition exhibition. Mr Denom Bodden and Mr Gary Scott entertained the crowd with a live performance, while guests enjoyed refreshments prepared by the Caribbean Kitchen at the Old Gaol Cafe. The exhibition replaced the "Capt. O Chuckie" Ebanks exhibition.

Older Person's Trip to the Museum

It was our pleasure to host some sixty local seniors as part of our Older person's Month Celebrations. Seniors were provided with a tour of the Museum and were served with traditional local breakfast.

It was an inspiring occasion with seniors particularly enjoying traditional porridges (bottla, cornmeal and bullrush) prepared by Mr Alvin McLaughlin. Attendees were genuinely excited as they explored the galleries and viewed the many exhibits. Our seniors have made significant contributions to our rich culture and heritage. It was indeed an honour and a privilege to host them at our facility.

Carifesta in Trinidad & Tobago

Cayman Islands' rich culture and heritage extended its borders through Carifesta 2019. Carifesta is the region's largest cultural festival and includes displays and representation from across the Caribbean. The Cayman Islands sent a talented delegation and had its own booth at the Trindad & Tobago show in 2019.

The Museum sent, Jeralow Rankine of East End and our own Debra Barnes-Tabora. Both showcased the rich culture and heritage of our Islands with a display of local crafted items and net-making demonstrations. They assisted in manning the overall Cultural Heritage Booth along with Virginia Foster of the Cayman National Cultural Foundation who told Anansi stories to the students and passersby at the event.

Red Sky at Night

We were also delighted to take part in the 7th annual Red Sky at night fair presented by the Cayman National Cultural Foundation's on the Harquail Theatre grounds. Red sky at Night is an enthralling event that is rich in arts and culture. Our Museum representatives ran the Museum booth and sold items from our Museum Gift shop. The festival featured live dance, musical and drama performances as well as a display of visual arts, crafts and featured films.

Our Achievements

Speaker Series

Our Speaker Series continued in 2019 with the following presentations occurring during the year:

- ***Cayman Airways' Firsts Series***

In March, we had our Speaker Series lecture with a special Q&A session, moderated by Shenice McField. The programme featured Cayman Airways' first Managing Director, Norman Bodden and Cayman Airways VP of Flight Operations, Dave Scott. Both men shared their memories of the company's early years, and how it developed from a single plane that flew three flights per week from Grand Cayman to Cayman Brac to where it is now. Prior to 1968, LACSA, the Costa Rican airline now known as Avianca Costa Rica, operated the Brac service. International flights at the time were provided by British World Airways, with service to Miami and Jamaica. The Cayman Islands Government acquired LACSA and formed what we know today as Cayman Airways Ltd.

- ***Collecting and Caring for East End's Historical Objects***

In May 2019, in recognition of the opening of the Alvin McLaughlin: Steeped in Tradition exhibition, Alvin McLaughlin joined us for a Speaker Series lecture held in the audiovisual theatre. His presentation covered his involvement with the East End Pirates Week Committee and his early years at sea. We welcomed many visitors to the lecture and look forward to hosting Part 2 soon.

- ***Hurricane Ivan Series***

In September, we hosted a Hurricane Ivan 3-part Speaker Series. We were joined by John Tibbetts from the Cayman Islands National Weather Service, Danielle Coleman from Hazard Management Cayman Islands, David Watler of Caribbean Utilities Company Ltd and Tim Adam (former CEO of Cable & Wireless). Each lecture provided insightful information on the role each organization plays in disaster management and Hurricane Preparedness, as well as the recovery efforts after Hurricane Ivan in 2004.

Proceeds from all three lectures were donated to the Red Cross to assist the Bahamas in their recovery efforts following Hurricane Dorian.

Pirates Week 2019

The National Museum, in partnership with the Pirates Week Office, hosted a special VIP event in the Museum Courtyard with His Excellency the Governor as one of our special guests. Attendees watched the Pirates Landing and Float Parade from the Museum balcony and were delighted to see His Excellency participating in many of the theatrical enactment activities.

Museum supports Heritage Day at Cayman Academy

We were happy to have been invited to attend the Cayman Academy Heritage Day. Museum staff took students on a trip down memory lane - with a look at traditional clothing and discussions about the importance of preserving our culture and heritage. Students were also provided lessons on our local traditional Quadrille dance. The offerings received keen interest as each presentation that was carried out.

Museum supports Women's International Shipping & Trading Association ("WISTA") Conference

The National Museum curated a mini exhibition for the WISTA Conference held at the Marriott Beach Resort in 2019. Our invitation was courtesy of the Ministry of Culture - a main sponsor of the event. Our booth featured Museum giveaways and attendees also viewed objects from the National Collection. Staff engaged with over 300 conference participants by sharing Cayman's maritime heritage and discussing the various pieces on display.

National Museum represented at Museum Store Association ("MSA") Florida Chapter Conference

Our Visitor Services and Retail Officers (Deborah Maynard & Rebecca Moore) as well as PR & Media/Design Specialist (Brian Watler Jr.) attend the MSA Florida Chapter Conference at the National Gallery.

Each session provided valuable information on photographing, developing, pricing and selling Museum Gift Shop products. This training provided valuable knowledge to the staff who attended.

29th Anniversary and Christmas Bazaar

Our 29th Anniversary included the hosting of a Christmas Bazaar on Goring Avenue in November 2019.
The event provided an opportunity for local artisans and creative vendors to showcase their wares and enjoy the social occasion. The event was well attended with many participants providing positive feedback.

Late Night Shopping at the Museum, Pre-launch & Ten Sail Book Signing

Visitors to the Museum got an opportunity for some last-minute Christmas shopping this year as part of our late-night shopping event in December. Visitors also enjoyed free admission to the Museum as well as complimentary refreshments and gift wrapping. The pre-launch of Cayman's 1794 Wreck of the Ten Sail book also took place in the Courtyard where maritime enthusiasts got an opportunity to have their copies of the book personally signed by Dr. Peggy Leshikar-Denton.

Cayman Quilters Social at the Governor's Residence

We were delighted to join Mrs. Roper the wife of His Excellency the Governor who was hosting the Cayman Quilters at the Government House for a social morning of quilting.

We showcased a quilt from our collection that was created in the 1990s. Several of the original quilters were present, who had originally added an element to this detailed quilted masterpiece.

CINM joins the Nixon House Relocation Project

Museum Director, Dr Peggy Leshikar-Denton, joined the Ministry of Culture, National Trust, and representatives of the property in discussing the relocation of the Nixon House on Goring Avenue to the Mission House in Bodden Town.

The relocation is expected to take place in January 2020 and will require a combination of various skillsets to successfully move this historic building.

North Side District Looky Ya!

2019 saw the relaunch of our District Looky Ya! Programme with a kickoff featuring the district of North Side.

It was a successful and enjoyable day for all attendees with tremendous community support for the event. Seniors were bussed to the Musueum Looky Ya! accompanied by their local Member of the Legislative Assembly, as well as with Carol Saunds. Marcia Hulse prepared delicious food, while Zelmalee Ebanks provided smoothies, fresh fruit juices, and cakes.
Looky Ya! events serve as a creative way to educate the public on our Islands' rich culture and heritage.

Looky Ya! Mango Season at the Museum

In 2019 we also hosted the 4th annual Looky Ya! Mango Season on the grounds of the Museum. Locals and Visitors enjoyed traditional food, music, mango products, and a Mango Peeling competition. Doreen Porter won for the second consecutive year, while Aiyana Barnes won the Youth Mango Peeling Champion title for the first time this year.

Mango Season at the Museum started in 2016 and has continuously grown in attendance. We are also seeing an increasing number of vendors signing up to participate in the annual event with at least triple the amount recorded in previous years.

This cultural marketplace showcases a wide variety of locally produced mango products, jewelry, visual arts, traditional crafts, and more.


MANGO SEASON
AT THE MUSEUM
Lots ah room fa
mango stains.
#DatsAMangoStain
MANGO SEASON
AT THE MUSEUM
Lots ah room fa
mango stains.

Special Appreciation Ceremony- Members, Sponsors & Contributors

We held our inaugural Member's Appreciation event in 2019. Mr Alvin McLaughlin received the Ira Thompson Award for his significant contributions to the preservation of Cayman's rich history and culture, while our Corporate Members (Cayman National Bank, Butterfield Bank, Kensington Management Group and GT Automotive Imports), Exhibition Sponsors (Cayman Airways, Water Authority and Celebrate Cayman) and Mr Omar McLean received the 25 Fathoms Award for their significant contributions to our National Museum.

A special certificate was presented to our General Museum Members and Volunteers for their invaluable support. We value and appreciate the continuous support from all our valued members, sponsors and contributors, and look forward to making this an annual event.



Educational Outreaches

2019 Summer Camp

Our annual Immerse Summer Camp themed "Cayman's Traditions" for students aged 9 to 13 teaches kids about Cayman's traditions and culture. Participants learned how to cook and bake Cayman delicacies, make rope, plait thatch, and dance the Quadrille as part of the week-long camp.

Participation has tripled since the inception of the programme in 2017. The camp is coordinated annually by Brian Watler Jr. and Shenice McField who thoroughly enjoy immersing our campers in the richness of our local culture and traditions.

Next year's theme will feature Cayman's Maritime Heritage and will allow students to learn about the ocean and our rich maritime heritage. Our mission is to ensure future generations have the opportunity to experience our Island's unique natural and cultural heritage.

Quadrille Dancers win Gold

Students from the Edna M. Moyle Primary School were also taught Quadrille dancing by our Public Relations & Media/Design Specialist. During Brian's presentation, the students were taught the basics of the dance, the footwork, figures, and also learned a choreographed piece

They subsequently performed at the National Children's Festival of the Arts competition where they won gold. They also perform on occasion at the Museum, and for other cultural events such as Hero's day.

Student Internships

As part of Clifton Hunter High School's 'Take a Child to Workday' – Jaden McCoy (15), who has an interest in Graphic Design, gained work experience at the Cayman Islands National Museum shadowing Brian Watler Jr.

Jaden got the opportunity to work on the logo design for the Alvin McLaughlin: "Steeped in Tradition" exhibition for International Museum Day.

Jaden was also able to get a behind-the-scenes look in exhibition design and curation alongside the Museum's Curation & Collections Manager, Debra Barnes-Tabora.

Looking Ahead

Educating students on Careers at the Cayman Islands National Museum:

Prospect Primary School Career Day

We were invited to share Museum career options with the students of Prospect Primary School ("PPS") as part of the 2019 Career Day event. This annual gathering is the largest primary school Career Day on the island and features hundreds of students from various schools. We look forward to attending again next year!

John Gray High School Career Day

We're always happy to be part of the John Gray High School Career day; encouraging the students to follow their dreams. Brian Watler Jr. and Shenice McField spoke with students about the importance of following their passions and pursuing a career that they will love for years to come.

Cayman International School Career Day

This year, we also took part in the CIS Career Day - speaking to various classes in an informal classroom setting.

Bodden Town Primary School Career Day

Launching its first ever Career Day, Bodden Town Primary invited us to take part and share with students the career opportunities at the Cayman Islands National Museum.



Exhibits that continued in 2019

Cayman Airways: 50 Years of Flight

We opened an exhibition in November of 2018, in partnership with Cayman Airways marking the 50th anniversary of our National Airline . This exhibition was still displayed in 2019 and will continue to be open to the public until November 2020.



60th Anniversary of our Coat of Arms

In 2018, we also celebrated 60 years of the Cayman Islands Coat of Arms with an exhibition telling the story of Cayman's first Symbol of National Identity. This exhibition continued to be displayed in 2019 and will be on through Spring 2020.



We are excited and grateful for the continuous partnerships that enable us to continue to raise community awareness of our history and culture through preservation and display. Looking ahead to 2020 the following partnerships are expected:

Miss Annie Huldah Animatronic

In celebration of its 35th Anniversary, The Water Authority pledged a large donation to sponsor an animatronic figure of Annie Huldah Bodden that will be displayed in our Courtroom diorama.

Ms Annie will be a life-like animatronic, with state-of-the-art technology, and will bring life to the Courtroom diorama in the Cultural History Gallery. The Exhibition is expected to open in May 2020, and we are very excited for its launch.

We will also open a complimentary exhibit in our Special Tribute/ Legends Gallery about Miss Annie in May 2020.

Old Courts Building Courtyard Exhibition Opening in 2020

In 2020, we will be revealing a courtyard exhibition interpreting the Old Courts Building. The exhibition will draw inspiration from images taken from historical collections, sketches and illustrations. It will tell the story of the building from the 1800s when it was single storey structure to its present day.

Miss Leila Ross Shier will also be featured late in 2020 in our Special tribute/legends Gallery.



Pictured above: Carifesta 2019

Our Cayman Culture & Heritage Extended Borders

Human Resource Management


moments
that have
become
Cayman
Heritage
& Culture.

Our People

Our staff complement remained at eight full-time employees during 2019. Our people are our biggest asset and we appreciate their continuous dedication and commitment to the protection and preservation of the heritage and culture of the Cayman Islands.

A few changes occurred in 2019. We bid farewell to Jennifer King and Kezia Carter and welcomed Deborah Maynard and Rebecca Moore as Visitor Services and Retail officers in the Museum Gift Shop. We are grateful for their talent, skills and positive enthusiasm as they cheerfully greet visitors to the Museum in their role as ambassadors for our Islands.

In July 2019, the Cabinet appointed a new Board - with returning faces and new eager members.

- Mr. Alfonso Wright (returning),
- Mr. Craig Merren (new),
- Mrs. Eziethame Bodden (returning),
- Mrs. Pamela Webster (new),
- Mrs. Lois Kellyman (returning),
- Mrs. Terri Merren (new) and
- Ministry of Culture designate.

We appreciate the ongoing support of our Board as the Museum works to realize the vision, mission and outcome goals of the organization.

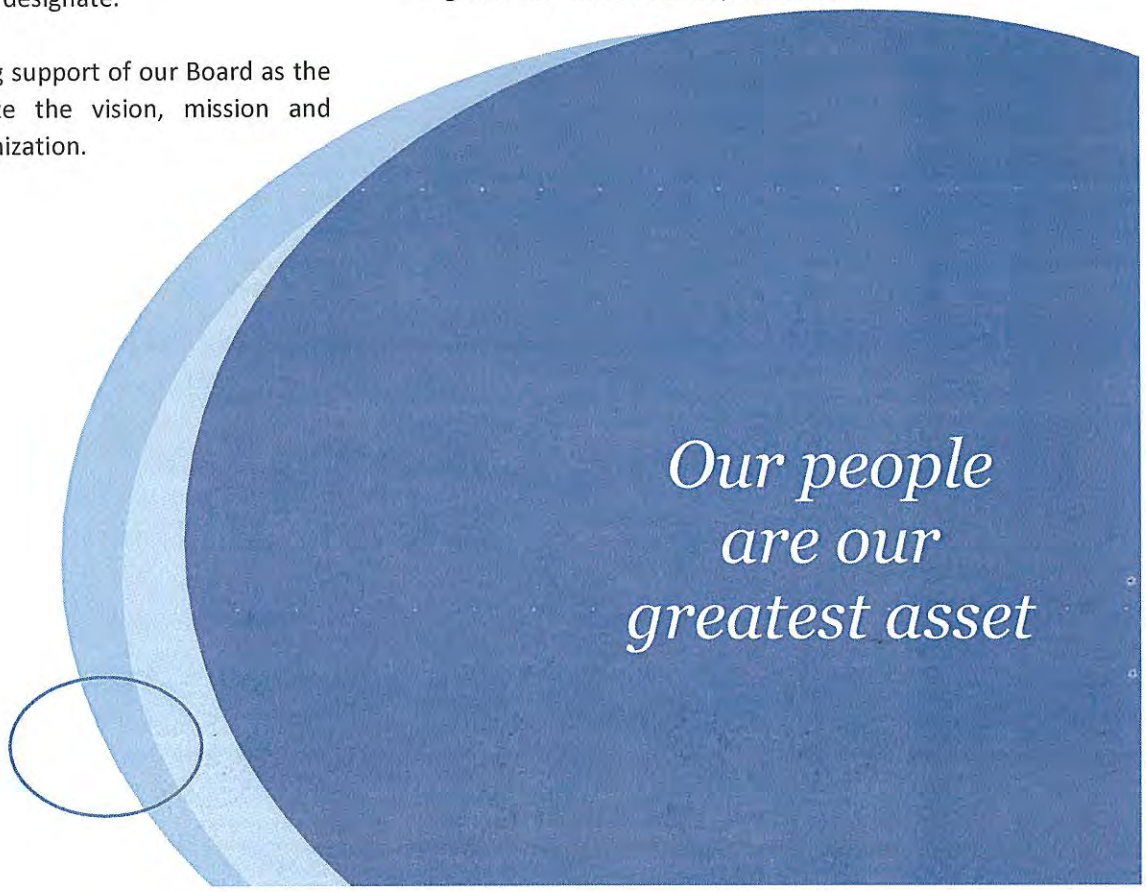
Salary Evaluation

The full implementation of a key aspect of The Public Authorities Law (which came into effect on 1st June 2017) was deferred until the 1ST of June 2019. This deferral was to allow public authorities' enough time to implement a common salary scale.

New job evaluations for all positions were carried out by the Portfolio of the Civil Service in 2019. The result of those job evaluations was communicated to the Museum in 2019 and subsequently implemented by the Museum's Director.

The job evaluations sought to create parity between the compensation paid by the Government's Statutory Authorities and Government Owned Companies with those paid by the central Government.
In almost all cases, the evaluations showed that our staff salaries were below those paid by the central Government and relevant adjustments were recommended.

The resulting increases were welcomed by our small team as it better reflects the value they add to our organization and to the Cayman Islands.



Our Leadership Profile



Board Chairman

Mr. Alfonso Wright

Mr. Alfonso Wright is a former member of the Legislative Assembly. He is also the Past President and Life Member of the Lions Club of Grand Cayman.



Director

Dr Peggy Leshikar-Denton, Ph.D.

Dr Leshikar Denton holds a BFA and an M.A from the University of Texas at Austin and received her PhD in anthoropology (nautical archaelogy) from Texas A& M. 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. She is an author and recently published a new book titled Cayman's 1794 Wreck of the Ten Sail which can be found in the Museum giftshop.



Curation & Collections Manager

Mrs. Debra Barnes-Tabora

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



Operations Manager

Mr. Doss Solomon

Mr. Solomon joined the Museum in 2007 following six years as Assistant Secretary with the Ministry of Education and Culture.

Financial Statements


Bluff
and Caves
Urban

Management Discussion and Analysis of Financial Results

The Museum had another successful year of prudent financial management and efficient resource deployment. Details of our performance for the period January 1st, 2019 to December 31st, 2019 is shown below.

Operating Performance

We closed the fiscal year with an operating surplus of $5,710; this is a decrease from the prior year result, but largely in line with our break-even budgeted expectation.

Revenue was largely in line with budget expectations with our main source of income derived from the central Government by way of Output delivery. Income from product sales, admissions and rental income all showed positive trends with the Celebrate Cayman activities generating significant revenue for the Museum.

Staff costs accounted for 43% of the total operating expenses. These were less than budgeted due to vacancies that occurred during the year. Administration expenses accounted for 18% followed by facility expenses at 17%, rental expenses at 11%, cost of goods sold at 6% and depreciation at 5%. Overall, the expenses for the year were less than budgeted resulting in a surplus position for the organization.

Operating Expenses 2019



Financial Position

The assets and liabilities of the organization were prudently managed and show relative stability in relation to the position shown in the previous year. Explanation of variances to budget are shown in the notes to the financial statements later on in the document.

Total closing net worth as at December 31st, 2019 was $1.87 million; this is an increase from the prior year owing to the small surplus realized.

The Museum would have realized a larger surplus for the fiscal year; however, a $50,000 donation received during the year was placed in our restricted funds (a balance sheet account) to be recognized in 2020 when the purpose of the donation has been fulfilled.

Cash closed at $1.2 million which is an improvement of $400K over the amount reported at the end of the previous fiscal year. The increase in cash is largely the result of timely collection of our receivables for Cabinet Outputs.

There were no changes to the contingency reserve which remained at $200,000. The Museum plans to increase the reserve in 2020 to $250,000.

This amount will better reflect the requirement for a 90-day operating reserve in the event of an unforeseen disaster.

Our overall operating performance and financial position shows sound stewardship and prudent financial management.

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).*

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2018 Revision).*

As Chairman and Director, we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Cayman Islands National Museum.

As Chairman and Director, we are 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, 2019.

To the best of our knowledge we 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, 2019;

(b) fairly reflect the financial position as at December 31, 2019 and performance for the year ended December 31, 2019;

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

Alfonso Wright
Chairman
Cayman Islands National Museum

Date:

Margaret E. Leshikar-Dento

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

Date: 30 April 2020

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CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To the Board of Control of the Cayman Islands National Museum

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 2019 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 23.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at 31 December 2019 and its financial performance and its cash flows for the year ended 31 December 2019 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on 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 of 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.

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 statements 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 General's Report (continued)

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 judgment 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 2020
Cayman Islands

Statement of Financial Position

CAYMAN ISLANDS NATIONAL MUSEUM
Statement of Financial Position
As at 31 December 2019
(expressed in Cayman Islands dollars)

2018		Note(s)	2019	Final Budget	Variance
	Assets				
	Current assets				
843,413	Cash and cash equivalents	3	1,216,808	1,145,900	70,908
210,929	Accounts receivable	4	4,877	6,000	(1,123)
63,792	Deposits and prepaid expenses	5	27,046	11,876	15,170
71,015	Inventories	6	59,548	47,000	12,548
1,189,149	Total Current assets		1,308,279	1,210,776	97,503
	Non-current assets				
604,828	Property, plant and equipment	7	561,337	1,793,476	(1,232,139)
1,793,977	**Total Assets**		1,869,616	3,004,252	(1,134,636)
	Liabilities and Equity				
	Current Liabilities				
69,105	Accounts payable and accrued liabilities	9	95,278	37,000	58,278
69,105	**Total Liabilities**		95,278	37,000	58,278
	Equity				
287,145	Accumulated surplus		292,855	1,407,582	(1,114,727)
200,000	Contingency reserve	10	200,000	200,000	-
102,517	Restricted Funds	8	146,272	87,300	58,972
1,135,211	Contributed capital		1,135,211	1,272,370	(137,159)
1,724,873	Total Equity		1,774,338	2,967,252	(1,192,914)
1,793,977	**Total Liabilities and Equity**		1,869,616	3,004,252	(1,134,636)

The Notes to the Financial Statements on page 42 to 56 form part of these financial statements.

Approved on behalf of the Board of Control on 30 April 2020:

Alfonso Wright, Chairman

Peggy Leshikar-Denton, Ph.D., Director

Statement of Financial Performance

CAYMAN ISLANDS NATIONAL MUSEUM
Statement of Financial Performance
For the year ended December 31, 2019
(expressed in Cayman Islands dollars)

2018		Note(s)	2019	Final Budget	Variance
	Revenue				
821,000	Government grants and contributions	11	855,000	855,000	-
90,853	Product sales	12	119,256	105,000	14,256
55,116	Admissions		61,713	48,000	13,713
19,050	Rental income		19,136	18,000	1,136
5,060	Membership dues		3,800	9,500	(5,700)
24,564	Fundraising income and donations		3,726	29,000	(25,274)
1,500	Interest and other income		1,630	-	1,630
1,017,143	**Total Revenue**		**1,064,261**	**1,064,500**	**(239)**
	Expenses				
389,428	Staff costs	15,16,17	450,979	463,864	(12,885)
174,297	Administration and other expenses	14	192,910	168,955	23,955
141,983	Facility expenses	13	177,200	135,000	42,200
116,629	Rent expenses		118,199	131,029	(12,830)
62,806	Depreciation	7	52,985	115,652	(62,667)
53,070	Cost of goods sold		66,278	50,000	16,278
938,212	**Total Expenses**		**1,058,551**	**1,064,500**	**(5,949)**
78,931	**Net Surplus for the period**		**5,710**	**-**	**5,710**

The Notes to the Financial Statements on page 42 to 56 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, 2019
(expressed in Cayman Islands dollars)

	Accumulated Surplus	Contingency Reserve	Temporary Restricted Funds	Contributed Capital	Total	Budget	Variance
		(Note 8)	(Note 6)				
Balance as at December 31, 2017	$ 208,214	$ 200,000	$ 103,292	$ 1,074,911	$ 1,586,417	$ 2,967,252	$ (1,380,835)
Net surplus for the year	78,931	-	-	-	78,931	-	78,932
Equity Injection	-	-	-	60,300	60,300	-	60,300
Transfer to unrestricted from temporary restricted funds for the period	-	-	(775)	-	(775)	-	(775)
Balance at December 31, 2018	**287,145**	**200,000**	**102,517**	**1,135,211**	**1,724,873**	**2,967,252**	**(1,242,378)**
Net surplus	5,710	-	-	-	5,710	-	5,710
Equity Injection	-	-	-	-	-		
Transfer to unrestricted from temporary restricted funds for the period	-	-	43,756	-	43,756	-	43,756
Balance at December 31, 2019	**292,855**	**200,000**	**146,272**	**1,135,211**	**1,774,339**	**2,967,252**	**(1,192,912)**

The Notes to the Financial Statements on page 42 to 56 form part of these financial statements.

Statement of Cashflows

CAYMAN ISLANDS NATIONAL MUSEUM
Statement of Cash Flows
For the year ended December 31, 2019
(expressed in Cayman Islands dollars)

2018	Cash Flow from Operating Activities	2019	Final Budget	Variance
78,931	**Operating Surplus or (Deficit)**	5,710	-	5,710
	Adjustment for items not involving cash:			-
62,806	Depreciation	52,985	115,652	(62,667)
	Net changes in operating assets and liabilities:			-
205,859	Accounts receivable	206,052	-	206,052
(50,982)	Deposits and prepaid expenses	36,746	-	36,746
(25,373)	Inventories	11,468	-	11,468
13,290	Accounts payable and accrued expenses	26,174	-	26,174
284,531	Total cash flow from operating activities	339,134	115,652	223,483
	Investing activities			
(60,356)	Purchase of fixed assets	(9,494)	-	(9,494)
(60,356)		(9,494)	-	(9,494)
	Financing activities			
(775)	Restricted fund balances	43,756	-	43,756
60,300	Equity Injection	-	-	-
59,525		43,756	-	43,756
283,701	**Net increase in cash and cash equivalents**	373,396	115,652	257,744
559,712	Cash and cash equivalents at January 1, 2019	843,413	1,030,248	(186,835)
843,413	**Cash and cash equivalents at December 31, 2019**	**1,216,808**	**1,145,900**	**70,909**

The Notes to the Financial Statements on page 42 to 56 form part of these financial statements.

Notes to Financial Statements

For the year ended December 31, 2019
(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 10,500 (December 31st, 2018: 9,500) 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 giftshop and leases 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 House, 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, 2019 to December 31, 2019.

(b) Basis of preparation

In compliance with the *Public Management and Finance Law (2018 Revision)*, the Museum's financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS").

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.

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

2. Significant accounting policies (continued)

(c) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements 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 judgment 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 accounting standards have been published. The Museum's assessments of the impact of these new standards are set out below.

IPSAS 41, *Financial Instruments* was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 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.

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

(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 giftshop 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.

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

2. Significant accounting policies (continued)

(g) Property and equipment

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.

(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 made 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.

2. Significant accounting policies (continued)

(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 31st, 2019 and December 31st, 2018, there were no assets or liabilities reported on a net basis.

(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.

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

2. Significant accounting policies (continued)

(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 October 27th, 2017.

3. Cash and Cash Equivalents

2018 Actual			2019 Actual	Final Budget	Variance
631,966	Cash		1,003,805	1,145,900	(142,095)
211,446	Fixed Deposits		213,003	-	213,003
843,413	**Total**	**CI$**	**1,216,808**	**1,145,900**	**70,908**

4. Accounts Receivable

2018 Actual			2019 Actual	Final Budget	Variance
205,400	Sale of goods and services to Cabinet		-	-	-
168	Sale of goods and services to SAGCs		42	-	42
676	Sale of goods and services to third parties		1,733	8,000	(6,267)
4,685	Sale of goods and services to Ministries/Portfolios		3,102	-	3,102
-	Less: Provision for doubtful debts		-	(2,000)	2,000
210,929	**Total**	**CI$**	**4,877**	**6,000**	**(1,123)**

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

5. Deposits and prepaid expenses

2018 Actual			2019 Actual	Final Budget	Variance
5,115	Property deposits		5,115	5,115	-
50,000	Deposit on acquisition of artefacts		-	-	-
5,101	Prepaid orders for inventory		-	-	-
3,576	Prepayment for services		21,931	6,761	15,170
63,792	**Total**	**CI$**	**27,046**	**11,876**	**15,170**

6. Inventories

2018 Actual			2019 Actual	Final Budget	Variance
72,021	Inventory at average cost		60,553	47,000	13,553
(1,006)	Less: provision for slow moving stock		(1,006)	-	(1,006)
71,015	**Total**	**CI$**	**59,548**	**47,000**	**12,547**

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

7. Property and equipment

As at December 31, 2019 and 2018, property and equipment consisted of the following:

Description		Furniture, fixtures & equipment	Computer & Office Equipment	Leasehold improvements	Permanent exhibits	Vehicles	Total	Budget	Variance
Cost									
Balance at January 1, 2018		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 December 31, 2018		**400,677**	**225,851**	**714,488**	**428,855**	**50,200**	**1,820,071**	**3,470,272**	**(1,650,201)**
Cost									
Balance at January 1, 2019		400,677	225,851	714,488	428,855	50,200	1,820,071	3,470,272	(1,650,201)
Additions		1,699	-	7,795	-	-	9,494	-	9,494
Balance at December 31, 2019		**402,376**	**225,851**	**722,283**	**428,855**	**50,200**	**1,829,565**	**3,470,272**	**(1,640,707)**
Accumulated Depreciation									
Balance at January 1st, 2018		(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 December 31, 2018		**(394,872)**	**(211,459)**	**(452,970)**	**(128,934)**	**(27,008)**	**(1,215,243)**	**(1,561,144)**	**345,901**
Accumulated Depreciation									
Balance at January 1, 2019		(394,872)	(211,459)	(452,970)	(128,934)	(27,008)	(1,215,243)	(1,561,144)	345,901
Depreciation		(2,619)	(6,460)	(24,350)	(14,496)	(5,060)	(52,985)	(115,652)	62,667
Balance at December 31, 2019		**(397,491)**	**(217,919)**	**(477,320)**	**(143,430)**	**(32,068)**	**(1,268,228)**	**(1,676,796)**	**408,568**
Net Book value at December 31, 2018	**CIS**	**5,805**	**14,392**	**261,518**	**299,921**	**23,192**	**604,828**	**1,909,128**	**(1,304,300)**
Net Book value at December 31, 2019	**CIS**	**4,885**	**7,932**	**244,963**	**285,425**	**18,132**	**561,337**	**1,793,476**	**(1,232,139)**

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

8. Restricted Funds

Fund balances are restricted for:

Acquisitions
On February 3, 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. The balance is restricted until the intent of the donor has been fulfilled. As At December 31, 2019 and 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 the balance was Nil (2018, CI$1,588).

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, 2019 and 2018, CI$20,701 remained in the restricted funds account.

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

8. Restricted Funds (continued)

Fund balances are restricted for:

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, 2019 and 2018, 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, 2019 CI$7,343 remained in this restricted fund (2018, CS$12,000).

Exhibitions
During the current year, in celebration of its 35 year Anniversary, The Water Authority pledged CI$50,000 to sponsor an animatronic figure of Annie Huldah Bodden as a permanent display in the Museum's Courtroom diorama. At December 31st, 2019 $50,000 remained in the fund.

The movements in restricted fund balances during the year ended December 31, 2019 and period from July 1, 2016 to December 31, 2018 were as follows:

	Archaeology	Powell's	McCoy Prize	New Building	Maritime Heritage Trail	Educational Programme	Renovations & Recovery	Webster Foundation	Collections Preservation	Acquisitions	Exhibitions	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
Additions / (Disbursements)	-	-	-	-	-	(1,588)	-	-	(4,657)	-	50,000	43,755
Balance at December 31, 2019 CI$	12,812	20,250	1,918	9,840	191	-	20,701	20,000	7,343	3,217	50,000	146,272

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

9. Accounts Payable and Accrued Liabilities

2018 Actual			2019 Actual	Final Budget	Variance
11,591	Third party creditors		18,487	10,000	8,487
1,500	Refundable Deposit		1,500	-	1,500
37,714	Accrued Expenses		59,568	15,000	44,568
16,528	Accrued Leave		13,568	12,000	1,568
1,772	Pension Withholding		2,155	-	2,155
69,105	**Total**	**CI$**	**95,278**	**37,000**	**58,278**

10. Contigency reserve

At December 31, 2019, the Museum's equity includes a contingency reserve of CI$200,000 (2018: CI$200,000). The contingency reserve was established by the Board of Control as a precautionary measure to meet the costs of overcoming any future disaster that might befall the Museum. Management intends to increase the contingency reserve to $250,000 in the 2020 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, 2019, output services totalling CI$855,000 (December 31, 2018: CI$821,000) were sold to the Cayman Islands Government.

As stated 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

2018 Actual			2019 Actual	Final Budget	Variance
14,141	Outputs to other government agencies		34,402	-	34,402
-	Outputs to others		1,000.00	-	1,000
2,346	Outputs to others: Merchandise Sales		-	-	-
74,366	Output to others: Gift shop sales		83,854	105,000	(21,146)
90,853	**Total**	**CI$**	**119,256**	**105,000**	**14,256**

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

13. Facility Expenses

2018 Actual			2019 Actual	Final Budget	Variance
30	Supplies and consumable		-	50	(50)
60,042	Electricity		46,147	53,010	(6,863)
18,329	Insurance		21,870	18,274	3,596
12,566	Janitorial Services		11,060	12,000	(940)
1,800	Landscaping		1,800	1,800	-
1,554	Pest control		1,050	1,500	(450)
33,763	Repairs & Maintenance		78,061	37,366	40,695
4,747	Security Services		5,607	5,000	607
7,287	Telephone		9,362	4,500	4,862
1,864	Water		2,243	1,500	743
141,982	**Total**	**CI$**	**177,200**	**135,000**	**42,200**

14. Administration and other expenses

2018 Actual			2019 Actual	Final Budget	Variance
9,247	Advertising		5,653	9,000	(3,347)
20,000	Audit Fees		20,000	25,000	(5,000)
42,000	Accounting Services		42,000	42,000	-
4,427	Bank service charges		4,661	5,000	(339)
258	Bottled water		435	250	185
274	Fuel		262	250	12
18,306	IT expenses		15,860	12,000	3,860
608	Meals and Entertainment		1,055	500	555
1,136	Membership Fees		974	1,000	(26)
125	Motor Vehicle Operation		270	125	145
2,260	Office Supplies		3,286	2,500	786
358	Postage & Courier		140	400	(260)
-	Post Box Rental		100	-	100
68,286	Programme Expenses		93,518	68,000	25,518
1,050	Professional Services		-	1,000	(1,000)
798	Shop Supplies		4,764	1,000	3,764
235	Web Hosting		235	430	(195)
-	Doubtful Debt Expense		252	500	(248)
2,005	Write-offs		-	-	-
(79)	Cash (over)/short		(66)	-	(66)
2,785	Gains/(losses) on forex transactions		(663)	-	(663)
218	Miscellaneous		175	-	175
174,297	**Total**	**CI$**	**192,911**	**168,955**	**23,956**

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

15. Related party transcations

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, 2019, total insurance premium determined for the Museum amounted to CI$21,870 (2018: CI$18,329). This amount is included in facility expenses in the statement of financial performance.

At December 31, 2019, there were no outstanding amounts (2018, nil).

Museum Employees
During 2019, the Museum's Director turned her PhD dissertation into a publication on the Wreck of the Ten Sail titled "Cayman's 1794 Wreck of the Ten Sail". One hundred and twenty-five (125) copies of this book were purchased by the Museum's giftshop at a cost of $20 each. The books were placed for sale as part of the Museum's normal giftshop inventory.

Ministry employees
The Curation & Collections Manager, who is an employee of the Ministry, works for the Museum on a secondment contract. A portion of the Curation & Collections 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 Curation & Collections Manager during the year ended December 31, 2019 amounted to CI$16,258 (December 2018: CI$16,725).

Gift shop sales
During the year ended December 31, 2019, total Museum sales to other Government entities for the provision of items such as national flags, pins and coat of arms amounted to CI$34,402 (2018: CI$14,141).

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, 2019 (included in staff costs in the statement of financial performance) amounted to CI$17,753 (2018: CI$15,750). Pension contributions consist of 5% of the employee's salary made by the employee and are matched by the employer (2018: 5% employer, 5% employee).

17. Key Management remuneration

Total remuneration paid to the 3 (2018: 3) personnel considered to be key management during the years ended December 31, 2019 and 2018 was:

	Salaries CI$	Pension CI$	Health CI$	Total CI$
2019 Actual	170,653	9,211	26,280	206,144
2019 Budget	155,156	7,757	22,428	185,341
Variance	(15,497)	(1,454)	(3,852)	(20,803)
2018 Actual	167,444	9,035	24,780	201,259

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, 2019 (2018: none).

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 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, 2019, the Museum held CI$1,216,808 (2018: CI$843,143) in cash and cash equivalents at CIBC First Caribbean International Bank, a financial institution in the Cayman Islands and CI$4,877 (2018: CI$210,929) of accounts receivable. 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 the 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 leases premises at Pasadora Place to store its collection and artefacts. The lease expired on December 31, 2019.

The Museum leases premises at 10 Cayside House for administration, education and library purposes. The Lease was renewed in 2019 for three years with expiration set for December 31, 2021.

2018 Actual		2019 Actual	Final Budget	Variance
	Minimum lease payments			
116,629	Payable within one year	38,689	116,629	(77,940)
116,629	Payable from one to two years	38,689	116,629	(77,940)
233,258	**CI$**	**77,378**	**233,258**	**(155,880)**

Notes to Financial Statements

For the year ended December 31, 2019
(expressed in Cayman Islands Dollars)

20. Explanations of material variance against budget

Statement of financial position
The positive budget variance in cash and cash equivalents is due to the receipt of an unbudgeted $50,000 donation from the Water Authority, coupled with decreases in deposits and prepaid expenses, and inventories. These increases were partially offset by an unbudgeted purchase of $9,494 in fixed assets.

Deposits and prepaid expenses variance largely stem from a deposit of $15,651 that was paid to an overseas supplier on the production of an Animatronic display figure.

Inventory variance is due to the timing of stock replenishment. It reflects increased amounts carried to maximize sales opportunities from the high season.

Property and equipment were 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 2018-19 budget was prepared.

The accumulated surplus variance was due to the shifting of leasehold improvement assets from the Museum back to the core Government done as part of the 2017 audit.

Restricted funds had a positive variance due to an unexpected donation of CI$50,000 received from the Water Authority. These funds are specifically earmarked for the purchase of a permanent exhibit.

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. The variances in administration and other expenses as well as Facility expenses is shown in notes 13 & 14. Savings in lease costs is due to effective renegotiation of the leases for Cayside House and the Pasadora 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 2018 (after the 2018-19 budget was submitted) and made material adjustments for leasehold improvements and permanent exhibits.

Statement of Cash Flows
Operating cash was $223,483 higher than budget due to the settlement of quarter 4 Output invoices by the Ministry of Health prior to the fiscal year end. This increase was partially offset by $9,494 spent for the acquisition of fixed assets.

Notes to Financial Statements

For the year ended December 31, 2019
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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 29, 2020, being the date that the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. The global efforts to contain the spread of the coronavirus began to cause significant disruption in the global and local economies from January 2020 to date. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Museum expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

The principal area of impact for the Museum is anticipated to be a significant reduction in gift shop sales to visiting tourist. The Government has publicly stated that it is unlikely for the Cayman Islands to resume normal tourist operations for the remainder of 2020.


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Appendices


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Governance and Risk Management

The Museum is subject to normal risks associated with most Public Agencies. For the year 2019 those risks included:

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

The Museum has measures in place to manage these risks, as such, these risks did not materially impact operations during the 2019 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

Notes

CAYMAN ISLANDS NATIONAL MUSEUM ANNUAL REPORT 2019

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