CAYMAN ISLANDS
NATIONAL
MUSEUM

Annual Report 2023



Dedicated to the preservation, promotion, and celebration of the rich history and heritage of the Cayman Islands.

WWW.MUSEUM.KY

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



Annual Report 2023

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ABOUT THIS REPORT

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, 2023, to December 31, 2023 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 Act (2020 Revision)('PMFA'). 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

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

Financial Performance

The financial performance section shows the financial resources the Museum was afforded in the 2022 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

Governance

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

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.

01

THE CAYMAN ISLANDS NATIONAL MUSEUM WAS ESTABLISHED VIA THE MUSEUM LAW (1979, 1999 REVISION), WHICH MANDATES THE MUSEUM TO COLLECT

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.



02

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.

03

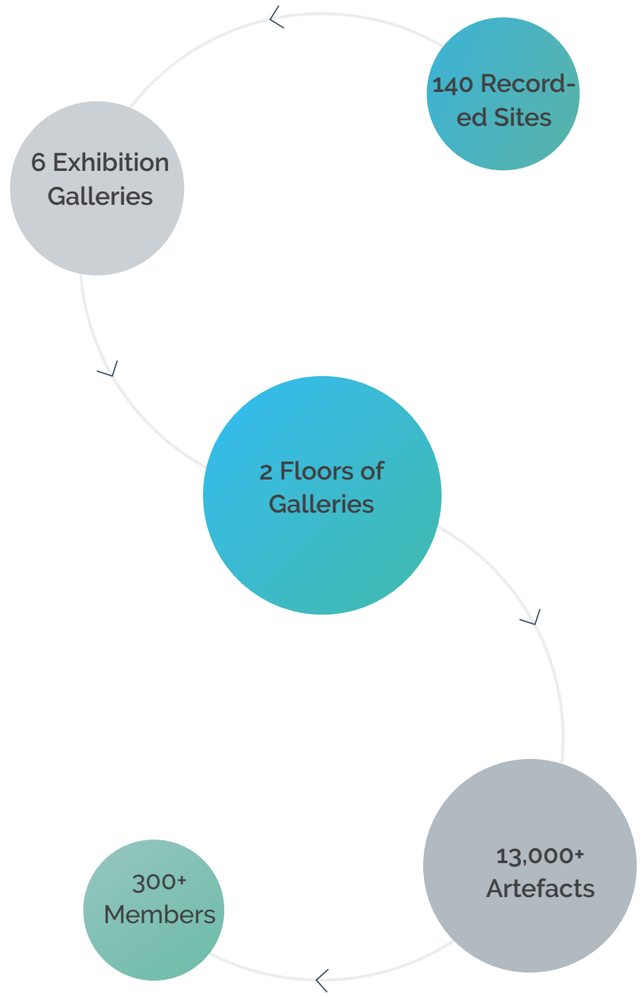
The Art Collection showcases an extensive collection of Caymanian arts and crafts. The Cultural History Collection offers tangible evidence of our social development.

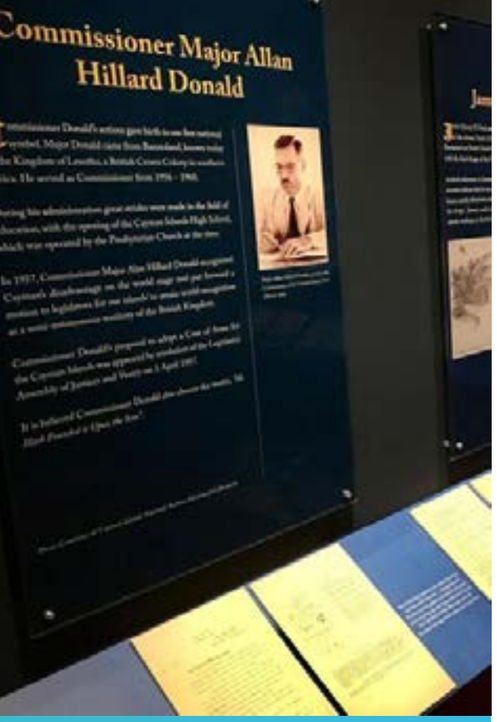
It includes objects as diverse as shipbuilding tools and

OUR LOCATION:

The National Museum is located at 64 Seafarer's Way, George Town. Our administration and education centre is located at 10 Cayside House on the Waterfront in George

Ensuring that future generations have the opportunity to experience our island's unique natural and cultural heritage.





‘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

The Cayman Islands National Museum conducts the following scope of activi-

- Collection and preservation of material evidence significant to our culture, history and heritage, including:
  - o Collection, documentation and preservation of material; and
  - o 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:
  - o Providing museum facilities, exhibitions and displays, and general public access to them
  - o Provision of a land-based Maritime Heritage Trail and Shipwreck Preserves
  - o Provision of restaurants, shops, and other facilities for the use by the public and in furtherance of the mission and purpose of the Museum
  - o 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:
  - o Direct, manage and assist the National Museum in fulfilling its mission and purposes
  - o Support Government’s requests for information to further the cultural well-being of the Cayman Islands
  - o Assist the Ministry in creating National Culture Policies and plans; and any necessary legislation

WHAT WE DO

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.

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.

Synthesize 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.

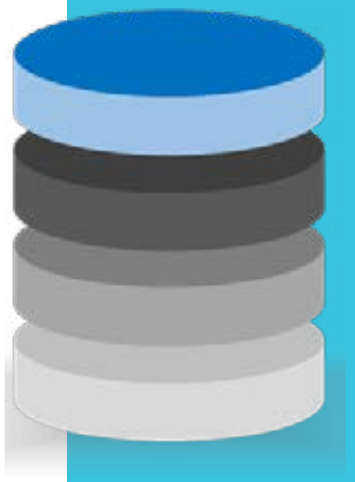
AT A GLANCE

Financial Performance Measures ($000's)	2023 Target	2023 Actual
Revenue from Cabinet	892	892
Revenue from Ministries, Portfolios, Statutory Authorities, Government Companies	-	18
Revenue from Others	225	158
Total Revenue	1,117	1,068
Expenses	1,288	1,066
Surplus/ (Loss)	(171)	3
Net-Worth ($000's)	4,853	2,120

Cash Performance ($000's)	2023 Target	2023 Actual
Cash Flows from Operating Activities	(100)	(763)
Cash Flows from Investing Activities	(380)	(70)
Cash Flows from Financing Activities	380	(2.2)
Change in cash balances	(100)	(836)

Financial Performance Ratios	2023 Target	2023 Actual
Current Assets: Current Liabilities	25.4:1	19.2:1
Total Assets: Total Liabilities	57.7:1	25:1

Human Capital Measures	2023 Target	2023 Actual
Total full-Time Equivalent Staff Employed	9.5	5



Total Revenue

2020	$980,197
2021	$925,085
2022	$1,069,467
2023	$1,068,969

Value of Total Assets

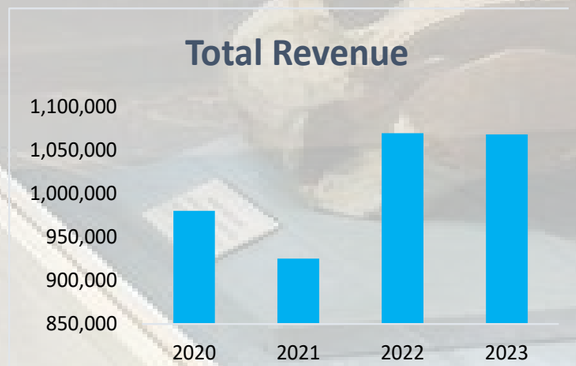
2020	$1,827,562
2021	$1,907,561
2022	$2,187,361
2023	$2,207,913

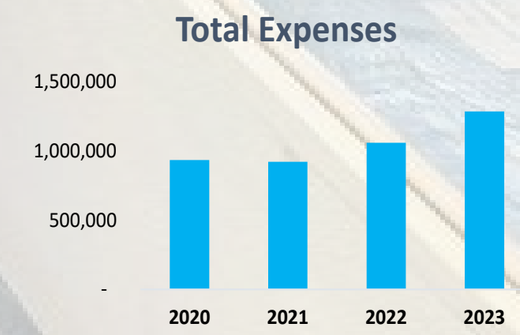
Total Full Time Staff

2020	8
2021	8
2022	6
2023	5

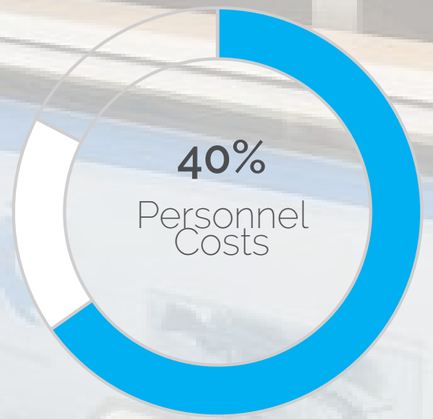
FINANCIAL
SNAPSHOT

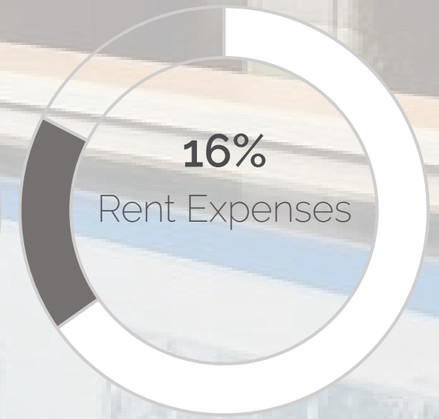
The Museum is funded primarily by an annual grant from the Cayman Islands Government (the "Government") through the Ministry of Youth, Sports, Culture & Heritage (the "Ministry"). The Museum would not be able to continue as a going concern without ongoing support from the Government, and as a result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



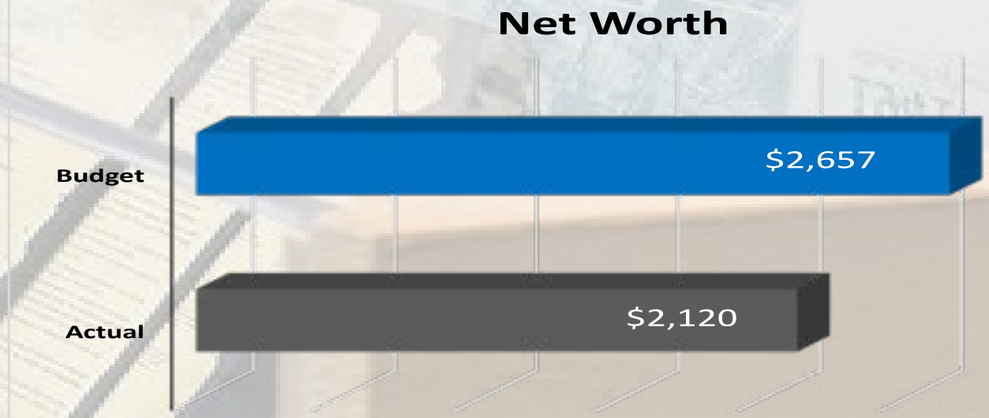


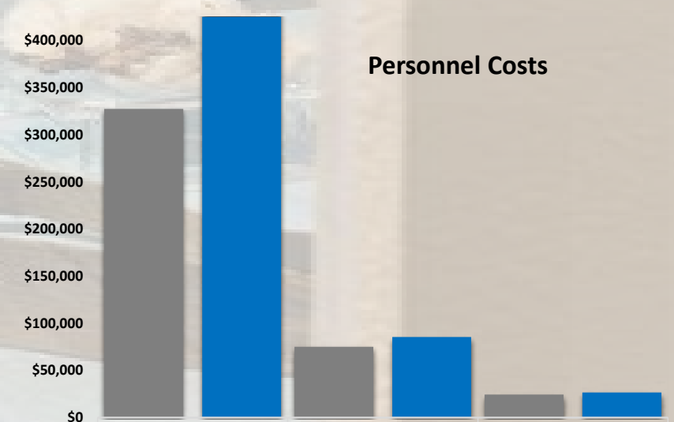
The Museum ended the year with $500.8 thousand in Cash and Cash Equivalents; and $0.5 million worth of Property, Plant and Equipment.





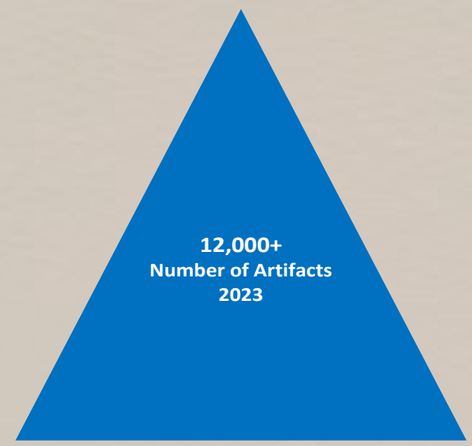




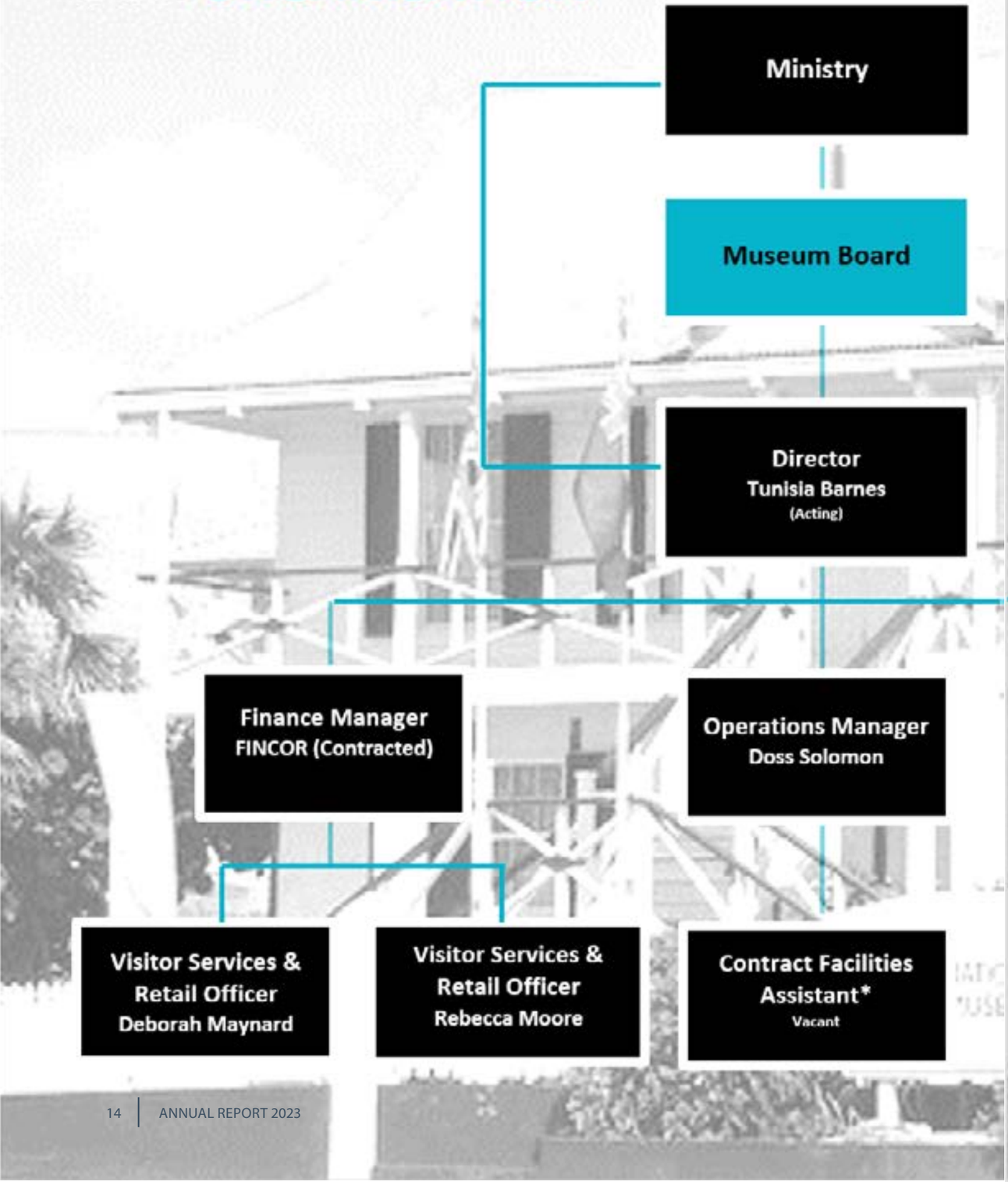


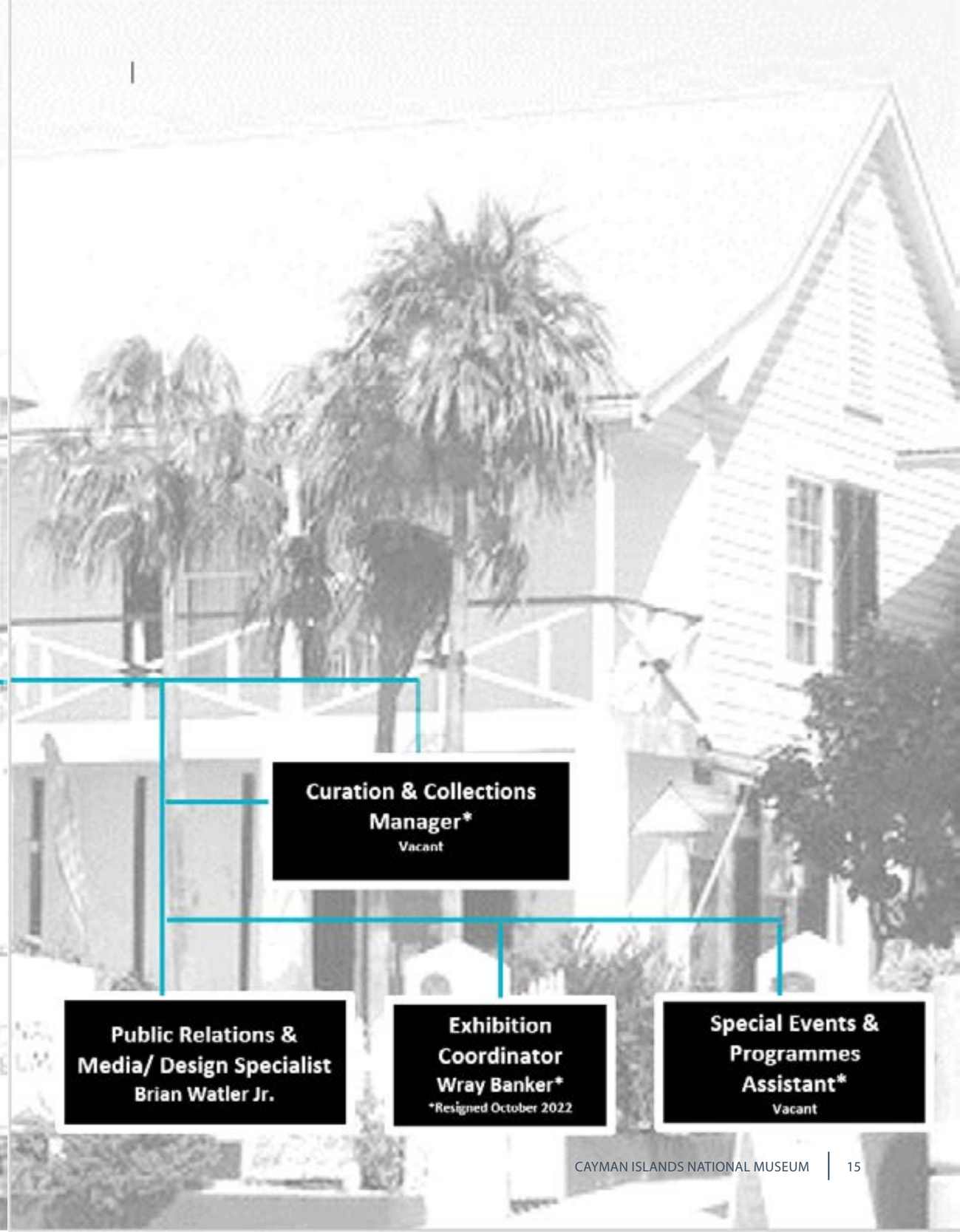
Personnel Costs

	Salaries, wages and allowances	Health care	Pension & Other Costs
Actual	327,500	75,307	24,516
Budget	535,572	85,691	26,779



OUR ORGANISATION





OUR LEADERSHIP PROFILE



Mr. Craig Merren, Cert. Hon., OLY
Chairman

Mr. Craig Merren is an Olympic cyclist, who competed at the 1984, 1988 and 1992 Summer Olympics on behalf of the Cayman Islands. Mr. Merren was awarded the Cayman Islands Certificate and Badge of Honour for meritorious services given throughout the Cayman Islands COVID-19 pandemic response.



Mrs. Susan Arch-Parsons
Deputy Chair

[Info to be provided.]



Ms. Tunisia Barnes
Director (Interim)

Ms. Barnes brings a wealth of knowledge and experience to the Museum, having worked within numerous departments within the Cayman Islands Government, and currently as a Senior Policy Analyst with the Ministry of Youth, Sports, Culture & Heritage.



Mr. Doss Solomon
Operations Manager

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

MESSAGE FROM OUR CHAIRMAN



MR. CRAIG MERREN, CERT. HON., OLY

CHAIRMAN

I am pleased to present the annual report for the Cayman Islands National Museum for the period from January 1st, 2023 to December 31st, 2023.

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

Through key partnerships, and the hard work and dedication of staff, the Museum successfully hosted several events in 2023 highlighting Caymanian arts, crafts and culture.

Our dedication to inspire the next generation of Caymanians held true throughout the year, with our traditional arts workshops, summer camps, and participation in various career days.

I would like to take this opportunity, on behalf of the Board, to recognize our partners in the public and private sectors as well as the Management and staff of the Museum for their impressive work in 2023.

I would especially like to extend my sincere gratitude and appreciation to the Ministry of Youth, Sports, Culture & Heritage, for partnering with the Museum in the expansion of a satellite location in West Bay, called the Cayman Collections Centre. This new Centre will allow us to showcase even more of our Island's history and culture.

This initiative is in tandem with the Board's ongoing efforts to improve and modernize the Museum's offerings by ensuring we have facilities that are fit for purpose and welcoming to our residents and visitors.

Together, our mission is to continue providing important links to our Islands' past, while making a worthwhile difference in our community.

MESSAGE FROM OUR DIRECTOR



MS. TUNISIA BARNES

DIRECTOR (INTERIM)

The Museum delivered another successful year in 2023. We welcomed thousands of visitors to our facilities, engaged in dozens of local events and programmes, enhanced our collection of artefacts for preservation, and expanded into a satellie location.

The work of the Museum continues to focus on creating a platform where or history and culture can be shared with residents and visitors to our Islands through vibrant exhibits, stories and educational programmes.

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

2023 was an embodiment of this important role as we conducted our District Looky Ya! across the Island, offering our residents the opportunity to partake in traditional Caymanian food, learn the art of thatchmaking, and embrace our culture and heritage.

We also faciliated various traditional arts workshops, with eager learners excited to embrace Cayman's unique craft making.

The opening of the 'I Cannot Thee Forget: Ms. Leila Ross-Shier' exhibition was another proud moment for the Museum. The exhibit celebrates the incredible legacy of Ms. Leila Ross-Shier. a true Caymanian legend. To be able to showcase her invaluable contribution to the Cayman Islands, is an honour we hold dear.

Looking ahead, I am excited about 2024 and the opportunity to build on the successes of 2023. Though it will be a challenging year of growth and change, I am confident that with the support of our dedicated and hardworking staff, we will make it another successful one.

2023 YEAR IN REVIEW



January
From the Collection: Art Exhibition
Our art exhibition showcased unique objects from our 10k col-



February
Career Day
We participated in John Gray High School's career day.



March
New Interim Director
Ms. Tunisia Barnes joined CINM as Interim Director.



April
District Looky Ya!
Our second event showcased East End.



May
International Museum Day
We celebrated IMD 2023.



June
Cayman Art Week
We showcased our art exhibits.



July
Looky Ya! Mango season
Our yearly event was a great success.



August
Immerse Summer Camp
We welcomed two groups of campers again this year.



September
Local Vendor Showcase
We hosted local artisans and creators, whose products reflected our Islands' vibrant culture.



October
Pop Up Shop
Held at the Government Administration Building



November
Ms. Leila Ross-Shier
Opening of the 'I Cannot Thee Forget: Ms. Leila Ross-Shier exhibition



December
Cayman Collections Centre
We had our soft opening of the new CCC.

OVERVIEW OF OUR ACHIEVEMENTS

This section provides an overview of deliverables and achievements for the 2023 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.

The National Museum hosted a few remarkable events, to continue enhancing and educating visitors and residents on Cayman's diverse history and culture.

We kicked off the 2023 year participating in John Gray High School's Career Day, where we shared information about career options at the Museum with students from the school. We continue focusing our efforts on inspiring the next group of leaders to explore the many career opportunities available to them at our Island's cornerstone cultural institution.





In March our Interim Director, Ms. Tunisia Barnes, assumed her role, bringing to the Museum a wealth of knowledge and experience, having worked within numerous departments within the Cayman Islands Government, and currently as a Senior Policy Analyst with the Ministry of Youth, Sports, Culture & Heritage.

During the month we also bid farewell to Governor Mr. Roper and his wife, and had the honor of presenting Mrs. Roper with a replica of our 'To the Nation' quilt, as a token of the Museum's appreciation and keepsake of their time in Cayman.

April was a very busy month as we hosted our District Looky Ya! showcasing the West Bay and East End districts, with thatch plaiting, traditional arts and heavy cakes, handcrafted thatch items, conch shell horns, gigs and so much more. These events are a great avenue for our traditional artisans to showcase their craft works.

Our Thatch Plaiting workshops were very popular this month. It is important that this tradition be kept alive, and passed on to future generations

We also had the pleasure of having the Turks & Caicos Minister of Health & Human Services, the Honourable Shaun David Malcom, visit our Museum.

In May we celebrated International Museum Day, the objective of which is to raise awareness about the fact that 'Museums are an important means of cultural exchange, enrichment of cultures and development of mutal understanding, cooperation and peace amont peoples.' We also participated in the National Arts and Culture Awards, where our very own Brian Watler Jr. received a Heritage Cross award in the Emerging Catergory.

In June, the Museum was in full swing with Cayman Art Week, where we showcased pieces From the Collection: Art Exhibition, as part of the George Town Revitalisation.

Our Immerse Summer Camp was in full swing during the months of July and August, which offer children from ages 10 through 14 a week-long experience to learn more about Cayman's rich history and culture. The campers participated in a George Town Maritime Heritage walking tour, let by our former Museum Director, Dr. Peggy Leshikar-Denton; an underwater adventure on the Nautilus; a special presentation by entomologist Mr. Lonny Coote; visited the Cayman Parrot Sanctuary, Queen Elizabeth II Botanic Park; Mission House and Pedro St. James; and participated in thatch plaiting demonstrations. It was a wholesome week of activities, enjoyed by all.

We also hosted our annual Looky Ya! Mango Season, which is a family favorite, whereby visitors can purchase a variety of mango products as well as participate in the Mango peeling and eating competiions.

We were honored to welcome Her Excellency the Governor Mrs. Jane Owens to our National Museum today. Her Excellency was given a tour of our exhibits , and we were thrilled to engage in thoughtful discussions abour our unique identity as a nation.

In September we hosted our Local Vendor Showcase, where local artisans and creators were able to showcase their items which reflect Cayman's vibrant culture, and in October we headed over to the Government Administration Building for our Pop-Up Shop, where shoppers had the opportunity to browse through a curated collection of locally made gifts and souvenirs.

In November we had the long awaited opening of the 'I Cannot Thee Forget: Ms. Leila Ross-Shier' Exhibition. What an honour it is for the Museum to celebrate the remarkable life's work of this National Hero, and true Cayman legend.

We ended the year with the soft opening of the Cayman Collections Centre, our new satellite location, in partnership with the Ministry of Youth, Sports, Culture & Heritage. *Which allows us the ability to showcase*


EXHIBITION



STRATEGIC OWNERSHIP

The Strategic Ownership Goals for the Museum for 2022-2023 are as follows:

CINM 1 –COLLECTIONS, CONSERVATION, CURATION AND RESEARCH

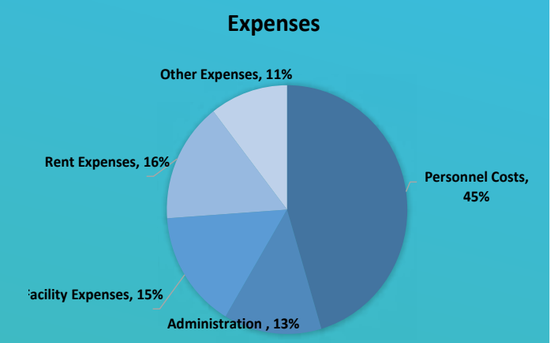
- Continue to collect, conserve, protect, research, and manage material evidence of artistic, historic, or scientific significance to the Cayman Islands, both terrestrial and underwater (*Note – The Museum would like to re-establish and revitalise the Museum Conservation Programme by employing a Conservator and developing a Conservation Policy and revitalised Conservation Plan).
- As common practice, 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.

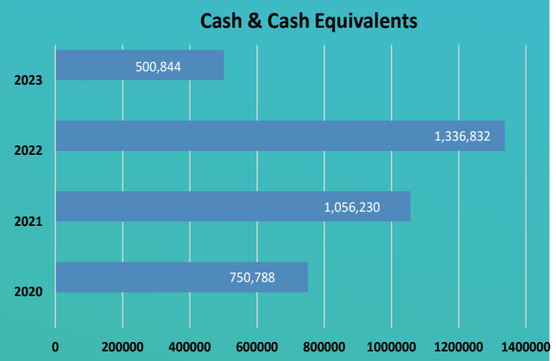
CINM 2 –OPERATIONS, EDUCATION AND EXHIBITS

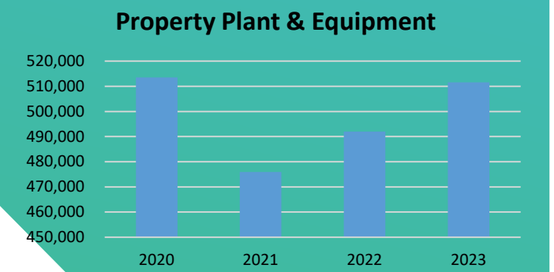
- Enhance the effectiveness of the Board in support of the vision, mission and goals.
- Align organisational structure in support of vision, mission and core values.
- Acquire a purposed Collections facility (*Note – This is dependent upon Governmental Capital Funding being granted and Museum supplemental fundraising)
- Assess, evaluate and repurpose or dispose of old non-Collections items (e.g. furniture, exhibit panels and props, maintenance equipment) housed at the Museum Support Facility at Pasadora Place.
- Move the Collections to the purposed Collections facility (*Note – 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, e.g. Changing exhibits, Museum tours, Speakers' Series, Traditional arts, Summer Camps, Special opportunities for older person and for youth (*Note – The Museum seeks to enhance our educational programme offerings through employing a teaching/ educational staff member/ coordinator).
- Re-establish and revitalise the Museum Archaeology Programme by employing a supporting Archaeologist, developing an Archaeology Policy, and updating a National Archaeology Plan (to assist the present Museum Director/ Archaeologist).
- 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.
- Coordinate the following special events: Looky Ya! (bi-monthly), International Museum Day (May), Mango Season at the Museum (June/ July), Summer Camp (July), VIP Pirates Landing and Parade Event (November), Museum Anniversary (November), Museum Friends and Volunteers Christmas Appreciation Party and Kitchen Dance (December).
- 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 and 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.

CINM 3 –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 reviewing or developing any necessary legislation.
- Seek Cabinet approval for extending the lease for the Old Courts Building to 99 years (Current 50-year lease







MANAGEMENT DISCUSSION & ANALYSIS

The Museum closed the fiscal year with an operating surplus of $3,218 and a closing cash position of $500,844. The closing cash position was a decrease of $835,988 when compared with the 2022 financial results. This negative variance is primarily due to the Museum having receiveded its Output Fundig from the Ministry in 2023.

Our 2023 Revenue of $1,068,969 showed a marginal decrease of $498 over the previous fiscal year.

The Museum earned $891,920 in revenue for services provided on behalf of the Cayman Islands Government; and earned $99,943 from Product sales; $50,943 from Admissions; and $19,845 in Rental income.

Compared to the previous year, Gift Shop Admissions have increased notably (+$18K). This remains largely in part to the increase in local cruise visitors, as a result of relaxed COVID-19 travel restrictions; however, fervent efforts by staff within the gift shop in sourcing attractive goods has also assisted with the sales results achieved thus far this year.

Expenses for the year amounted to CI$1,065,751. Staff costs represented 40% of this total ($427,171). This category was followed by Administration and other expenses at 20% ($217,010); Rent expenses at 15% ($167,261); Facility Expenses at 15% ($158,143); Depreciation expense accounted for 5% ($50,791); and then Cost of goods sold accounted for 4% ($45,375).

Compared to last year, the most notable increases during the year were seen in Property Rental (+$11.7K); Advertising (+$34K); Audit Fees (+$9K); IT Expenses (+$13K); and Office Supplies (+$2.5K).

Cost of Goods sold for fiscal year 2023 were $17,125 lower than that of the previous year. This is directly related to slightly lower sales activities during the year due coupled with the Gift Shop's ability to source quality items at lower cost from new vendors.

Notwithstanding the fact that the Museum did not receive its Output funding from the Ministry due to delays in the process, the Museum was able to meet its ongoing programme agenda, and maintained sufficient reserves to adequately manage financial risk in the event of unforeseen circumstances.

Over the fiscal year, the Museum maintained its contingency reserves at CI$250,000 which reflects an estimated ninety-days of operating expenditures in line with the practice of other Government agencies.

The Museum did not make any significant acquisition of fixed assets during the period under review. And works remain underway to install the fire supression system in FY2024, to reduce the likelihood of severe damage to our artefacts in the event of a fire. The Museum has already received the equity injection from the Cabinet of the Cayman Islands Government to complete these works.

Over the period, Restricted Funds decreased only marginally ($2K) as a result of the utilization of fund balances to meet donor specified purposes.

Operations of the Museum continue remain strong, largely in part to the increase in cruise tourism and relaxed travel restrictions stemming from previous measures implemented by the Cayman Islands Government to suppress the COVID-19 pandemic.

The rebounding tourism market, and uptick in local events (which increases the opportunity for the Gift shop to sell primary products such as flags, Souvenirs etc.), has resulted in Admissions exceeding expectations during the 2023 fiscal year. Shop personnel continue to work diligently, ensuring that items for sale in the Gift Shop are geared towards the local market, while continuing with promotion efforts on social media platforms and through the Museum's website.

Management of the Museum continue to provide programmes and other initiatives which create increased interest in residents and visitors alike, on the Museum and its cultural importance in the Cayman Islands.

GOVERNANCE & RISK MANAGE-

The Museum is subject to normal risks associated with most Public Agencies.

For the year 2023 those risks included:

Key Risks faced by the Muse-	Actions to Manage Risk	Financial Value of
1. Loss or damage to the nonrenewable National Collection by:		N.B. see accounting policies regarding the Collec-
(a) Fire	Sufficient fire extinguishers that are regularly serviced, and fire alarm systems. 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
(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	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
(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 Muse-	Financial loss of the replacement value of the Museum's art collection
2. Inadequate shelving and storage facilities and inactive conservation programme result in gradual deterioration of the National	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	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.	Staff are continually being encouraged to undertake studies and obtain qualifications.	Inability to professionally manage, research, care for, curate, interpret, and exhibit the Museum's collections – resulting in replacement or

The Museum has measures in place to manage these risks, as such, these risks did not materially impact operations during the 2023 fiscal year.

The Museum will continue to implement appropriate risk management strategies as part of an overall risk management Framework.

LEGAL FRAMEWORK

The Legal Framework for the Cayman Islands National Museum is as follows:

- THE MUSEUM LAW (1999 REVISION)
- THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)
- THE PUBLIC AUTHORITIES LAW
- THE NON-PROFIT ORGANISATION LAW
- THE PROCUREMENT LAW AND REGULATIONS
- THE PUBLIC SERVICE MANAGEMENT LAW
- THE CAYMAN ISLANDS LABOR LAW

LOOKING AHEAD

The Museum has big plans for fiscal year 2024 with the hope that we can continue sharing our history and heritage with locals and visitors to our Islands.

Works to improve the resiliency of the Old Courts Building are expected to continue in 2024, with the installation of a fire suppression system.

Our Traditional Arts Workshops will be held monthly, to ensure our next generation learn the crafts and history of those before us.

We will host our first Business After-hours at the new Cayman Collections Centre, and participate and faciliate the Emancipation festivites being held island-wide.

We will continue our Immers summer camps, whereby children will tour local establishments, learn how to dance Cayman's traditional dance, the Quadrille, rope making, cooking, baking, traditional games, music and more!

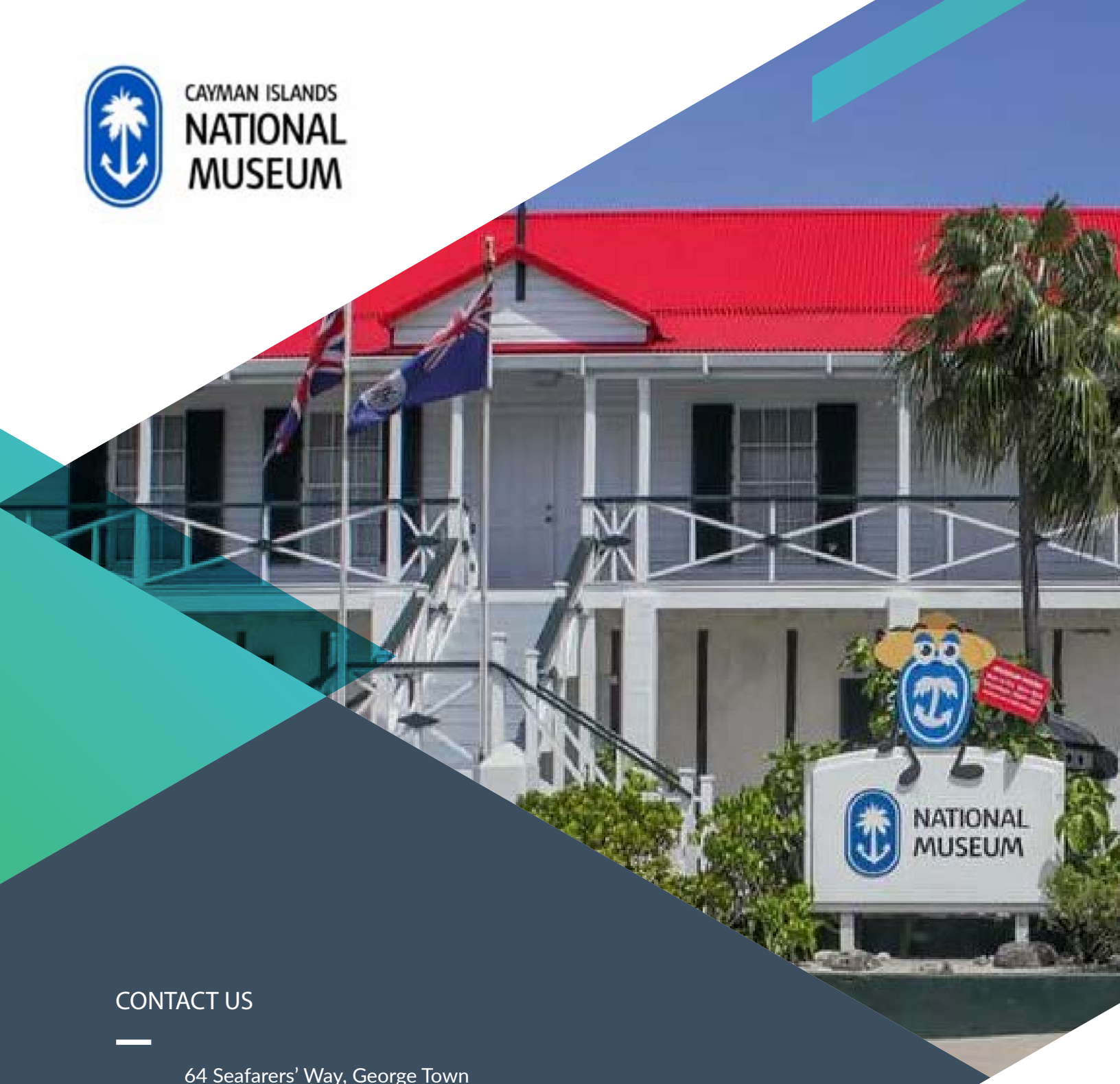
Our staff will be planning more spectacular events for this year's Looky Ya and Mango fest in the streets of Seafarer's way.

Our Gift Shop will continue sourcing exciting local items, with relevance to Cayman's unique culture, and we plan to offer patrons the ability to shop online. Plans are also on the way to allow Members to renew their memberships online, in a convenient and time efficient manner.

The Museum looks forward to working in partnership with other local cultural organisations by participating in annual activities such as Coco Fest and events at the National Gallery.

The future is filled with amazing possibilities, and 2024 promises to be another exciting year working with and

CAYMAN ISLANDS
NATIONAL
MUSEUM



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Audited Financial Statements of the

CAYMAN ISLANDS NATIONAL MUSEUM

For the year ended December 31, 2023

CAYMAN ISLANDS NATIONAL MUSEUM

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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 Act (2020 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 Act (2020 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 act, 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, 2023.

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, 2023.

(b) fairly reflect the financial position as at December 31, 2023 and performance for the year ended December 31, 2023;

(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 Financial Reporting Standards (IFRS) issued by the international Accounting Standards Boards.

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.

Craig Merren
Chairman
Cayman Islands National Museum

Date: 15 April 2024

Mr. Doss Solomon,
Acting Director
Cayman Islands National Museum

Date: 15th April, 2024

Office of the Auditor General
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 2023 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 26.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 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 for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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'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 Act (2020 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, CPFA
Auditor General

April 15, 2024
Cayman Islands

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Financial Position
As at December 31, 2023
(Expressed in Cayman Islands dollars)

FY 2022 Actual		Notes	FY 2023 Actual	FY 2023 Budgeted	Variance
	Assets				
	Current assets				
1,336,832	Cash and cash equivalents	3	500,844	841,569	(340,725)
243,022	Accounts receivable	4	1,123,018	231,980	891,038
55,359	Deposits and prepaid expenses	5	8,115	54,015	(45,900)
60,130	Inventories	6	64,332	64,325	7
1,695,343	Total Current assets		1,696,309	1,191,889	504,420
	Non-current assets				
492,018	Property and Equipment	7	511,604	1,512,168	(1,000,564)
492,018	Total Non-current assets		511,604	1,512,168	(1,000,564)
2,187,361	**Total Assets**		2,207,913	2,704,057	(496,144)
	Liabilities and Equity				
	Current Liabilities				
68,768	Accounts payable and accrued liabilities	9	88,352	46,840	41,512
68,768	**Total Liabilities**		88,352	46,840	41,512
	Equity				
296,301	Accumulated surplus		299,519	80,734	218,785
250,000	Contingency reserve	10	250,000	200,000	50,000
87,081	Restricted Funds	8	84,831	87,272	(2,441)
1,485,211	Contributed capital		1,485,211	2,289,211	(804,000)
2,118,593	Total Equity		2,119,561	2,657,217	(537,656)
2,187,361	**Total Liabilities and Equity**		2,207,913	2,704,057	(496,144)

The Notes to the Financial Statements on page 8 to 26 form part of these financial statements.

Approved on behalf of the Board of Control on 15th April, 2024:

Craig Merren, Chairman

Mr. Doss Solomon, Acting Director

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Financial Performance
For the year ended December 31, 2023
(Expressed in Cayman Islands dollars)

FY 2022 Actual		Notes	FY 2023 Actual	FY 2023 Budgeted	Variance
	Revenue				
891,920	Government grants and contributions	11	891,920	891,920	-
117,234	Product sales	12	99,943	93,485	6,458
4,200	Membership dues		75	12,000	(11,925)
33,055	Admissions	22	50,943	61,712	(10,769)
16,870	Rental income	19	19,845	19,136	709
1,063,278	**Sale of goods and services**		**1,062,726**	**1,078,253**	**(15,527)**
3,957	Fundraising income and donations		165	38,726	(38,561)
2,231	Interest and other income		6,078	148	5,930
1,069,467	**Total Revenue**		**1,068,969**	**1,117,127**	**(48,157)**
	Expenses				
481,459	Staff costs	16	427,171	648,042	(220,871)
139,574	Administration and other expenses	14	217,010	214,855	2,154
62,500	Cost of goods sold		45,375	49,995	(4,620)
162,657	Facility expenses	13	158,143	177,741	(19,598)
48,870	Depreciation	7	50,791	60,074	(9,283)
165,587	Rent expenses	18	167,261	137,650	29,611
1,060,648	Total Expenses		1,065,751	1,288,357	(222,606)
8,819	**Net Surplus (Loss) for the period**		**3,218**	**(171,231)**	**174,449**

The Notes to the Financial Statements on page 8 to 26 form part of these financial statements.

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Changes in Equity
For the year ended December 31, 2023
(expressed in Cayman Islands dollars)

	Accumulated Surplus	Contingency Reserve (Note 10)	Temporary Restricted Funds (Note 8)	Contributed Capital	Total	Budget	Variance
Balance at December 31st, 2021	**287,482**	**250,000**	**87,272**	**1,213,311**	**1,838,065**	**2,092,373**	**(254,308.00)**
Current Fiscal year surplus	8,818	-	-	-	8,818	(67,926)	- 76,744
Equity Injection	-	-	-	271,900	271,900	424,000	(152,100)
Transfer to/(from) temporary restricted funds for the current Fiscal Year	-	-	(191)	-	(191)	-	(191)
Balance at December 31st, 2022	**296,301**	**250,000**	**87,081**	**1,485,211**	**2,118,593**	**2,448,447**	**(329,855)**
Current Fiscal year surplus	3,218	-	-	-	3,218	(171,231)	- 174,449
Equity Investment from Cabinet	-	-	-	-	-	380,000	(380,000)
Transfer to/(from) temporary restricted funds for the current Fiscal Year	-	-	(2,250)	-	(2,250)	-	(2,250)
Balance at December 31st, 2023	**299,519**	**250,000**	**84,831**	**1,485,211**	**2,119,561**	**2,657,216**	**(537,655)**

The Notes to the Financial Statements on page 8 to 26 form part of these financial statements.

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Cash Flows

For the year ended December 31, 2023

(Expressed in Cayman Islands dollars)

FY 2022 Actual		FY 2023 Actual	FY 2023 Budgeted	Variance
	Operating activities			
8,819	Operating Surplus or (Deficit)	3,218	(171,231)	174,449
48,870	Depreciation	50,791	60,074	(9,283)
	Net changes in operating assets and liabilities:			
(24,211)	(Increase) in Accounts receivable	(879,996)	-	(879,996)
25,554	Decrease in Deposits and prepaid expenses	47,244	-	47,244
12,892	(Increase)/decrese in Inventories	(4,202)	(1,821)	(2,381)
(729)	Increase/(decrease) in Accounts payable and accrued e	19,584	13,000	6,584
71,195	**Total cash flow from/(used by) operating activities**	**(763,361)**	**(99,978)**	**(663,384)**
	Investing activities			
	(Increase)/decrease in Construction in Progress	(67,545)	-	(67,545)
(62,301)	Property and Equipment	(2,832)	(380,000)	377,168
(62,301)	**Total Cash Flow (used by) Investing activities**	**(70,377)**	**(380,000)**	**309,623**
	Financing activities			
(191)	Restricted Funds	(2,250)	-	(2,250)
271,900	Contributed capital	-	380,000	(380,000)
271,709	**Total Cash Flow from/(used by) Financing activitie**	**(2,250)**	**380,000**	**(382,250)**
280,602	Net increase/(decrease) in cash and cash equivalents	(835,988)	(99,978)	(736,011)
1,056,230	Cash and cash equivalents at beginning of period	1,336,832	941,547	395,286
1,336,832	**Cash and cash equivalents at end of period**	**500,844**	**841,569**	**(340,725)**

The Notes to the Financial Statements on page 8 to 26 form part of these financial statements.

1. Background information

The Cayman Islands National Museum (the "Museum") was established on May 3, 1979 by enactment of the Museum Act, 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 12,047 (December 31st, 2022: 12,047) 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 Youth, Sports, Culture & Heritage (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 64 Seafarers Way, George Town, Grand Cayman.

2. Significant accounting policies

(a) Basis of Preparation

In conformity with the Public Management & Finance Act (2020 revision), these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Financial Reporting Standards applicable to the public sector have been used.

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 suggesting 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. Any discrepancies between the totals and sums are rounding.

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

(b) Reporting periods

The current financial statements are prepared for 12 months from January 1, 2023 to December 31, 2023.

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 whether an impairment is appropriate. Management also exercises judgement relating to inventory valuation (Note 6) and expected credit losses from financial instruments (Note 4).

(d) New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2023 have not been early adopted by the Museum.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The impact on the Museum's financial statements will be assessed in 2025.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations was issued in May 2022 with an effective date of January 1st, 2025. IPSAS 44 provides guidance on how to account for non-current assets when they are made available for sale on commercial terms; no such guidance existed prior to IPSAS 44. IPSAS 44 is not anticipated to impact the Museum's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 45, Property, Plant and Equipment was issued in May 2023 and replaced IPSAS 17. It is effective for periods after January 1st 2025, and clarifies the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment. The impact of IPSAS 45 will be assessed more fully closer to the effective date of adoption.

IPSAS 46, Measurement (issued in May 2023 and effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. The impact of this standard on the Museum's financial statements will be assessed more fully closer to the effective date of adoption.

IPSAS 47, Revenue (issued in May 2023 and effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The impact of this standard on the Museum's financial statements will be assessed more fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses (issued in May 2023 and effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 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.

2. Significant accounting policies (continued)

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after January 1, 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and

establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. It is anticipated that IPSAS 49 will not have an impact on the Museum's financial statements.

The accounting policies below have been applied consistently to all periods presented in these financial statements.

New and revised accounting standards were issued that became effective for the financial year beginning 1 January 2023

The Museum adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in IPSAS 41, comparative information for the 31 December 2022 period has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Museum's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.
- Financial instruments and risk management - The policy has been updated to reflect:
  - the new measurement classification categories; and
  - a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk.

IPSAS 41 has had an immaterial impact on the Museum’s measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised at amortised cost.

(e) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Museum’s banking institution on demand and interest-bearing deposits with an original maturity of three months or less. All cash and cash equivalents are held with a Class A bank in the Cayman Islands.

Although cash and cash equivalents at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty bank.

2. Significant accounting policies (continued)

(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.

Depreciation is calculated on a straight-line basis at the rates stipulated below based on the opening cost over the estimated useful lives of the purchased or donated assets as follows:

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.

(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 recognized 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.

2. Significant accounting policies (continued)

(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.

(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.

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are solely payments of principal or interest on the principal amount outstanding.

The Museum assessed the business model for holding financial assets at the date of initial application. It determined that these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost. Cash and cash equivalents, short-term investments, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

(ii) Recognition

The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument.

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.

2. Significant accounting policies (continued)

(iii) Measurement

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

(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.

(v) Impairment

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

(vi) Derecognition

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

(vii) Fair value

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

(n) Restricted funds

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

(o) Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

(p) Budget amounts

The budget amounts for the financial years presented in the 2022-2023 budget and were approved by Parliament on December 6th, 2021.

3. Cash and cash equivalents

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
1,057,454	Cash / Bank	218,053	618,423	(400,370)
277,522	Fixed Deposit	274,320	221,801	52,519
1,856	Petty Cash & Shop Float	8,472	1,345	7,127
1,336,832	**Total**	**500,844**	**841,569**	**(340,725)**

Cash and cash equivalents include $84,831 (2022: 87,081) in restricted funds.

4. Accounts Receivable

Accounts receivables are amounts due from customers for items sold or services performed in the ordinary course of business. Accounts receivables and other receivables comprise balances due from other Government entities, including Output Receivables and balances due from third parties.

The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to accounts and other receivables. The simplified approach involves making a provision equal to lifetime expected credit losses.

In measuring ECLs for third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances are determined on an individual basis. Thereafter, the remaining third-party trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

The Museum performed a specific ECL assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. Given the low risk of default on the remaining related party receivables held by the Museum, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating and absence of historical losses on amounts due.

The Museum considers the amounts outstanding on related party receivables to be recoverable. Receivables are written off and or fully provided for when there is no reasonable expectation of recovery.

The expected Credit Loss rates are based on the Museum's historical credit loss experience. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Museum's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
222,980	Sales of Good & Services to Cabinet	1,115,040	222,980	892,060
6,584	Sales of Good & Services to SAGC	350	3,000	(2,650)
10	Sales of Good & Services to 3rd Party	5,131	500	4,631
13,448	Sales of Good & Services to Ministries/Port	16,213	5,500	10,713
243,022	**Total Accounts Receivable**	**1,136,734**	**231,980**	**904,754**
-	Less Provision for Expected Credit Losses	(13,716)	-	(13,716)
243,022	**Net Accounts Receivable**	**1,123,018**	**231,980**	**891,038**

4. Accounts Receivable (continued)

The maturity analysis for Accounts Receivable is as follows:

Actual FY 2022	Maturity Profile	Actual FY 2023
222,415	Current 1-30 days	226,441
6,907	Past due 31-60 days	140
-	Past due 61-90 days	2,304
13,700	Past due 90 days and above	907,848
243,022	**Total Accounts Receivable**	**1,136,734**

As at 31 December 2023 expected credit losses (ECL) resulting from related party balances greater than 365 days amounted to $12,170 (2022: nil). Additionally, ECL resulting from a 30.72% provision on third party balances over 90 days past due amounted to $1,546 (2022: nil). Overall ECL at December 31st, 2023 was $13,716

There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

The movement in allowance for credit losses is as follows:

Actual FY 2022	Description	Actual FY 2023
-	Balance at January 1	-
-	IPSAS 41 expected credit loss adjustment through opening accumulated surplus/deficit	-
-	Additional provisions made during the year	(13,716)
-	Receivables written off during the year	-
-	**Balance at December 31st, 2023**	**(13,716)**

5. Deposits and prepaid expenses

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
5,115	Refundable Deposits	5,115	5,115	-
50,244	Prepaid Expenses	3,000	48,900	(45,900)
55,359	**Total**	**8,115**	**54,015**	**(45,900)**

6. Inventories

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
61,136	Inventory Asset	65,338	65,331	7
(1,006)	Less Provision for slow moving stock	(1,006)	(1,006)	-
60,130	**Total**	**64,332**	**64,325**	**7**

7. Property and equipment

As at December 31, 2023 and 2022, property and equipment consisted of the following:

Description	Furniture, Fixture & Equipment	Computer & office Equipment	Leasehold Improvement	Permanent Exhibits	Vehicles	Construction in Progress	Total	Budget	Variance
Cost									
Balance at January 01, 2022	405,177	228,316	728,643	435,751	50,200	-	1,848,087	2,183,337	(335,250)
Disposal	-	-	-	-	(24,900)	-	(24,900)	-	(24,900)
Addition	768	9,319	13,000	39,214	-	-	62,301	436,000	(373,699)
Balance at December 31, 2022	**405,945**	**237,635**	**741,643**	**474,965**	**25,300**	**-**	**1,885,488**	**2,619,337**	**(733,849)**
Disposal	-	-	-	-	-	-	-	-	-
Addition	-	570	-	2,262	-	67,545	70,377	380,000	(309,623)
Balance at December 31, 2023	**405,945**	**238,205**	**741,643**	**477,227**	**25,300**	**67,545**	**1,955,865**	**2,999,337**	**(1,043,472)**
Accumulated Depreciation									
Balance at January 01, 2022	(400,864)	(226,876)	(525,884)	(173,683)	(42,192)	-	(1,369,499)	(1,367,022)	(2,477)
Disposal	-	-	-	-	24,900	-	24,900	-	24,900
Depreciation	(587)	(2,334)	(25,330)	(15,565)	(5,055)	-	(48,872)	(60,074)	11,202
Balance at December 31, 2022	**(401,451)**	**(229,210)**	**(551,214)**	**(189,248)**	**(22,347)**	**-**	**(1,393,471)**	**(1,427,096)**	**33,625**
Depreciation	(714)	(3,414)	(26,695)	(17,017)	(2,952)	-	(50,791)	(60,074)	9,283
Disposal	-	-	-	-	-	-	-	-	-
Balance at December 31, 2023	**(402,164)**	**(232,624)**	**(577,908)**	**(206,265)**	**(25,299)**	**-**	**(1,444,261)**	**(1,487,170)**	**42,909**
Netbook Value at December 31, 2022	**4,495**	**8,425**	**190,429**	**285,718**	**2,953**	**-**	**492,018**	**1,192,241**	**(700,224)**
Netbook Value at December 31, 2023	**3,781**	**5,581**	**163,735**	**270,962**	**1**	**67,545**	**511,604**	**1,512,167**	**(1,000,562)**

Note 7. Property and equipment (continued)
Construction in Progress

The Museum commenced the development of a Fire Protection System in 2023 and commissioned consultancy services regarding same. At the close of the financial year, some $66,110 (2022: nil) in costs were incurred toward the advance of this project. During the year, the Museum also commissioned a 1.5-ton wall-mounted air-condition unit. At the close of the year $1,435 (2022: nil) had been paid toward the project representing approximately 60% of the estimated costs.

Actual 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
-	Fire Protection System	66,110	-	66,110
-	Air-condition Unit	1,435	-	1,435
-	**Total**	**67,545**	**-**	**67,545**

The sum noted for construction in progress was not anticipated when the budget was prepared. The budget anticipated that the fire protection system project would have been completed before the end of the fiscal year.

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 donor's intent has been fulfilled. As at December 31, 2023 and 2022, CI$3,217 remained in this 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. As at December 31, 2023 and 2022, CI$12,812 remained in the restricted funds account.

Powell's
During the fiscal period concluding on June 30, 1998, the Museum was awarded a government grant totaling CI$25,000. This funding was earmarked for various projects, notably the formulation of a business plan, architectural surveys, condition reports, and maintenance planning. The Museum utilized CI$2,250 from this grant to develop a comprehensive marketing plan and brand enhancement initiatives in 2023. The restricted balance of the fund as at December 31st, 2023 was CI$18,000.

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, 2023 and 2022, CI$1,918 remained in the restricted funds account.

8. Restricted funds (continued)

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, 2023 and 2022, CI$9,840 remained in the restricted funds account.

Renovations and Recovery
During the period ended June 30, 2006, the Museum received donations of CI$20,701 for the recovery of any material evidence of artistic, historic or scientific significance to Cayman Islands. During 2021, $1,657 of this fund was utilized for the Glee Boat Restoration. As at December 31, 2023 CI$19,044 (2022: CI$19,044) remained in the restricted funds account.

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, 2023 and 2022, CI$20,000 remained in the restricted funds account.

	Acquisitions	Archaeology	McCoy Prize	New Building	Powell's Museum	Renovations & Recovery	Webster Foundation	Total
Balance at December 2021	3,217	12,812	1,918	9,840	20,250	19,044	20,000	87,272
Addition / Disburstments	-	-	-	-	-	-	-	(191)
Balance at December 2022	**3,217**	**12,812**	**1,918**	**9,840**	**20,250**	**19,044**	**20,000**	**87,081**
Addition / Disburstments	-	-	-	-	(2,250)	-	-	(2,250)
Balance at December 2023	**3,217**	**12,812**	**1,918**	**9,840**	**18,000**	**19,044**	**20,000**	**84,831**

9. Accounts Payable and Accrued Liabilities

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
3,257	Third Party Creditor	30,629	16,687	13,942
1,500	Refundable Deposit	1,500	1,500	-
59,099	Accrued Expenses	54,577	7,524	47,054
3,200	Accrued Leave	-	19,195	(19,195)
1,711	Pension Withholding	1,645	1,933	(288)
68,767	**Total**	**88,352**	**46,840**	**41,512**

10. Contingency reserve

The contingency reserve was established by the Board of Control to ensure operational continuity in the event of a natural or man-made disaster. This amount better reflects the potential cash flow that would be required to keep the Museum operational in such an event. The reserve represents approximately 90 days of operating cash.

11. Government grants and contributions

During the year ended December 31, 2023, Output services totaling CI$891,920 (December 31, 2022: CI$891,920) were sold to the Cayman Islands Government.

As stated in Note 1, the Museum is economically dependent on the Government and would be unable able to continue as a going concern without ongoing support from the Government.

12. Product Sales

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
23,260	Outputs to others:Merchandise Sales	9,025	-	9,025
93,974	Outputs to others:Gift shop sales	90,918	93,485	(2,567)
117,234	**Total**	**99,943**	**93,485**	**6,458**

13. Facility Expenses

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
55,360	Electricity	61,940	43,609	18,331
31,029	Insurance	33,648	24,863	8,785
10,657	Janitorial services	10,254	11,060	(806)
900	Landscaping	1,800	1,800	-
1,375	Pest control	1,765	900	865
40,518	Repairs & maintenance	28,747	74,158	(45,411)
4,574	Security services	4,669	5,607	(938)
13,903	Telephone	13,647	14,887	(1,240)
4,341	Water	1,673	858	815
162,657	**Total**	**158,143**	**177,741**	**(19,598)**

14. Administration and other expenses

14.Administration and other expenses

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
3,833	Advertising	10,135	11,500	(1,365)
22,890	Audit fees	33,000	20,000	13,000
48,000	Accounting services	48,000	42,000	6,000
3,179	Bank service charges	4,001	2,021	1,980
348	Bottled water	579	457	122
2,989	Emergency preparedness	1,044	200	844
84	Fuel	218	206	11
9,582	IT expenses	22,777	15,000	7,777
2,600	Kitchen Supplies & Consumables	2,280	1,654	626
4,252	Meals & Entertainment	962	1,000	(38)
284	Membership fees	630	1,000	(370)
965	Motor Vehicle Operations	1,228	300	928
2,999	Office supplies	5,513	3,200	2,313
100	Post Box Rental	100	100	-
35,827	Programme Expenses	61,368	93,518	(32,150)
410	Professional Services	25	-	25
120	Shop Supplies	-	4,764	(4,764)
255	Web Hosting	-	281	(281)
586	Miscellaneous	305	17,211	(16,906)
-	Freight & Shipping	-	294	(294)
13	Reconciliation Discrepancies	(53)	-	(53)
-	Other expenses:Write offs	5,160	-	5,160
258	Other expenses:Gains/(losses) on forex trans	6,022	-	6,022
-	Doubtful Debt Expense	13,716	-	13,716
-	Postage & Courier	-	150	(150)
139,574	**Total**	**217,010**	**214,855**	**2,154**

15. Related party transactions

Controlling entity
The Museum is a wholly owned statutory entity of the Cayman Islands Government and operates under the oversight of the Ministry of Youth, Sports, Culture & Heritage.

Museum building
Under the terms of a fifty-year agreement with the Governor of the Cayman Islands dated June 5, 1990, the Museum leases 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 contents of the Old Courts Building in Grand Cayman.

During the year ended December 31, 2023, total insurance premium determined for the Museum amounted to CI$33,648 (2022: CI$31,029). This amount is included in facility expenses in the Statement of Financial Performance.

Ministry employees

An employee of the Ministry serves the Museum under a secondment contract. This appointment is temporary and is made by the Ministry as an interim measure until the Museum appoints an employee. A portion of the remuneration, details of which are not accessible to the Museum, is accounted for within the Ministry's expenditures and is therefore not included in the Museum's Statement of Financial Performance.

The previous appointee retired from their position in December 2022.

Gift shop sales
During the year ended December 31, 2023, total Museum sales to other Government entities for the provision of items such as national flags, pins and coat of arms amounted to CI$90,918 (2022: CI$93,974).

16. Staff Costs

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
383,780	Salary	321,569	535,572	(214,002)
19,507	Pension	16,317	26,779	(10,461)
75,072	Health Insurance	75,085	85,691	(10,606)
2,100	Other	6,000	-	6,000
1,000	Training and Professional Development	8,199	-	8,199
481,459	**Total**	**427,171**	**648,042**	**(220,871)**

Pension: The Museum participates in a defined contribution pension plan in accordance with the provisions of the National Pensions Act (2012 Revision). Contributions for the year ended December 31, 2023 (included in staff costs in the Statement of Financial Performance) amounted to CI$16,317 (2022: CI$19,507). Pension contributions consist of 5% of the employee's salary made by the employee and are matched by the employer (2023: 5% employer, 5% employee).

17. Key management remuneration

The aggregate compensation disbursed to the two key management personnel in 2023 (compared to three personnel in 2022) for the fiscal years ending December 31, 2023, and 2022, respectively, amounted to:

	Salaries	Pension	Health	Total
Current Year Actual 2023	130,564	6,683	26,436	163,683
Budget	252,733	12,637	57,658	323,028
Actual vs Budget Variance	**(122,169)**	**(5,954)**	**(31,222)**	**(159,345)**
Prior Year Actual 2022	189,294	10,198	31,644	231,136

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, 2023 (2022: none).

18. Rent Expenses

The Museum was a party to three lease agreements for three properties in 2023. These agreements are at arm's length and are of varying terms.

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
43,517	Cayside House	44,921	43,517	1,404
120,000	Support Facility	120,000	91,793	28,207
2,340	Parking Rental	2,340	2,340	-
165,587	**Total**	**167,261**	**137,650**	**29,611**

19. Rental Income

The Museum leases the Old Gaol café to an independent third-party operator for an annual lease consideration of $19,845 (2022: $16,870)

20. 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. The Museum seeks to minimize exposure from financial instruments and does not enter into speculative financial instrument transactions.

Credit risk

Credit risk is the risk that the counterparty to a transaction with the Museum will fail to discharge its obligations, causing the Museum to incur a financial loss. Financial assets that potentially subject the Museum to credit risk consist of Cash and Cash Equivalents, short-term investments, trade receivables, and other receivables.

20. Financial risk management (continued)

The average credit period is 30 days. The Museum manages its Credit risk by transacting only with creditworthy counterparties. Generally, the Museum does not require collateral. Ongoing credit risk is managed through a review of aging analysis.

Maximum exposures to credit risk as at year end are the carrying value of financial assets in the statement of financial position.

ECLs are calculated on a lifetime basis for Trade Receivables. The credit risk on cash and cash equivalents and short-term investments is limited. The Museum's main bank is CIBC First Caribbean (FCIB) which is a Class A local bank regulated by the Cayman Islands Monetary Authority.

At December 31, 2023, the Museum held CI$ 1,136,734 (2022: CI$243,022) of accounts receivable and CI$500,844 (2022: CI$1,336,832) in cash and cash equivalent. As such, the Museum is exposed to credit related losses in the event of non-performance by counter 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.

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 output services delivered. The ability of the Museum to meet its obligations is dependent on the ongoing financial support provided by the Government (refer Note 1).

Accounts payable and accrued liabilities are expected to mature within 12 months of the date of the Statement of Financial Position.

21. Commitments and contingencies

The Museum secures storage space at Pasadora Place for its collection, with a lease renewed from January 2022 for three years. Additionally, it leases premises at 64 Seafarers Way for administrative and educational purposes. The lease for 64 Seafarers Way is presently under negotiations and was not included in the Actual FY 2022 amount.

Actual FY 2022	Description	Actual FY 2023	Budgeted FY 2023	Variance
	Minimum lease payments			
155,153	Payable within one year	120,000	-	120,000
156,911	Payable within one to two years	-		
312,064	**Total**	**120,000**	**-**	**120,000**

22. Explanations of material variance against budget

Statement of financial position
Cash and cash equivalents had a negative budget variance of $340,725. This negative variance stems from the larger than expected receivable balance for output funding as at December 31st, 2023.

The Accounts Receivable variance of $891,038 is largely related to Cabinet billings and reflects amounts outstanding with the Ministry at the fiscal year-end.

The variance in deposits and prepaid expenses reflects the release of these amounts in 2023 as the benefits prepaid in 2022 were consumed.

Property and equipment were lower than budgeted due to delays in the execution of the Museum's planned leasehold improvement, Fire & security alarm upgradation.

The higher-than-expected balance in Accounts Payable and accrued liabilities largely relate to accrued sums for the central government-administered insurance ($25,236), anticipated rent increase from ongoing contract negotiations ($10,791), and higher-than-expected accounts payable vendor balances following the presentation of vendor invoices late, or after fiscal year-end.

The Contingency reserve represents funds set aside to cover 90 days of operating expenditures. The actual sum was increased by $50,000 to better reflect 90-days of operating expenditures.

Funds were utilized from Powell's restricted fund account for the development of a Comprehensive Marketing Plan and Brand Development during the year (see Note 8), resulting in a small budget variance.

Contributed capital was lower than the budget anticipated due to delays in progressing the Museum's leasehold improvement project. This project and the commensurate funding is expected to continue in 2024.

22. Explanations of material variance against budget (Continued)

Statement of financial performance

The overall budget variance for revenue equates to approximately1.4%. The local tourism market (on which the Museum relies for a significant portion of its third-party funding) has not achieved its pre-pandemic levels. This had a negative impact on admission which was lower than the budget anticipated by some $10,769. Membership dues were significantly lower than budget due to a combination of factors. These include vacant positions and overall economic conditions which has affected charitable givens in many sectors of the economy.

The preceding also had an impact on fundraising and donations resulting in a negative budget variance of some $38,561.

Staff costs were lower than budget by some $220,871. The Director's post was vacant during the year resulting in savings in salaries and health insurance. The Museum also carried other vacancies during portions of the year. The Budget assumed a full staffing completment.

Efforts to source more cost-effective goods and negotiate discounts on inventory procured for the gift shop positively impacted the cost of goods sold.

The facilities the Museum occupies are quite aged. A programme of repair and maintenance is planned for each year. Some of these activities are preventative and some are reactive. The Museum had a relatively good year in terms of reactive maintenance which resulted in considerable savings in this category.

Depreciation expenses were lower than budgeted due to the delay in the Museum's leasehold improvement capital programme.

Rent expenses were higher than budgeted due to rent increases at two of the three properties the Museum leases. These rent increases were unknown at the time the budget was prepared.

Statement of Cash Flows
The closing cash position was lower due to the outstanding Cabinet invoices at the fiscal year-end.

23. Capital

The Museum's primary objective in managing its working capital is to ensure continuity as a going concern, supported by ongoing government funding (Notes 1 and 2), while also generating sufficient cash flows to sustain its programs. Management evaluates the Museum's capital requirements by analyzing financial risks and adapting to shifts in both risks and market conditions. The Museum is not bound by any externally imposed working capital constraints imposed by third parties or governmental entities. Furthermore, management has maintained the contingency reserve at CI$250,000 without any changes.

24. Subsequent events

In preparing these financial statements, Management is not aware of any subsequent events that require disclosure.

25. Compliance with the Public Authorities Act, (2020 Revision)

The Museum is required to comply with the Public Authorities Act, (2020 Revision, the "PAA"). Amongst other matters, Section 39 (2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core government unless otherwise directed by Cabinet, after written consultation with the Board.

Section 39 (3) of the PAA also requires that a public authority pay dividends in accordance with the formulae established by the Minister of Finance and Economic Development (the "Ministry") after written consultation with the Board, unless otherwise directed by Cabinet.

The Ministry has advised the Museum that it will not be required to pay a dividend out of its surplus as at 31 December 2023 because its operations are not self-sustaining. Going forward, the Museum may be required to pay a dividend in accordance with Government's policy for the payment of annual dividends unless the Museum continues to satisfy the exemption criteria noted under the policy.

PAA 36: Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with a public authority's board. There is no capital charge payable for 2023 (2022: $nil) because the rate for the 2022 and 2023 financial years was set at 0%. Going forward, the Cayman Islands National Museum may be required to pay a capital charge in accordance with the PAA.