



CAYMAN ISLANDS
NATIONAL
MUSEUM



Changing Exhibitions

Speaker Series Lectures



Annual Report

2016-2017

Summer Camp



Cayman Islands National Museum

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Foreword

This Annual Report is for the Cayman Islands National Museum (the 'Museum'). The report outlines the Museum's performance during the period from July 1, 2016 to December 31, 2017 and compares it to the budgeted performance for the corresponding period.

The requirement for an Annual Report is prescribed under section 52 of the Public Management and Finance Law (2017 Revision) ("PMFL"). Section 52 states:

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

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

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

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

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

(d) for the financial years -

(i) 2004/5 to 2007/8, unaudited financial statements; or

(ii) 2008/9 and onwards, audited financial statements,

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

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

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

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

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

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

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

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

(4) The annual report shall be presented to the Governor in Cabinet by the relevant minister or official member no later than four months after the end of the financial year.

The annual report covers three main areas:

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

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

The financial performance section shows the financial resources the Museum was afforded in the 2016-17 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the supporting notes to those financial statements.

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

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Message from the Chairman

I am pleased to present the annual report for the Cayman Islands National Museum for the period from July 1, 2016 to December 31, 2017.

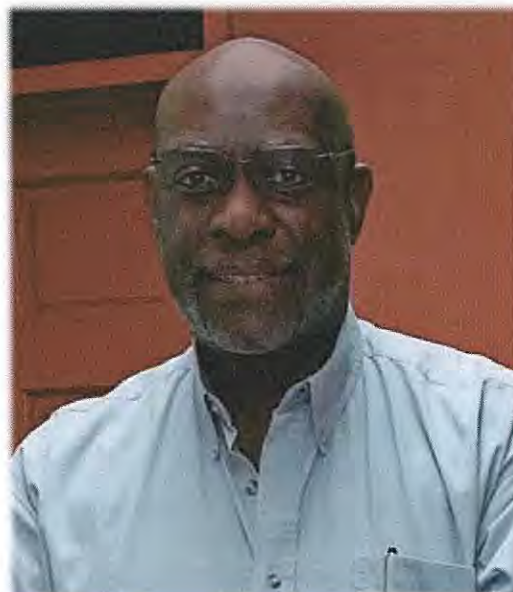
The report highlights the achievements of the Museum and outlines the progress made to deliver services to our community while supporting the Government's policy outcome goals.

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

Through key partnerships, and the hard work and dedication of staff, the Museum also hosted several exhibits in 2016-17 honoring individuals who made key contributions to our Islands' history, as well as showcasing the local and international diving industries through the Scuba Diving Hall of Fame exhibits.

The introduction of the Public Authorities Law placed new responsibilities on Statutory Authorities and Government Companies in the way they manage their affairs. In response, the Museum reviewed its policies and procedures, particularly in the areas of procurement and financial management to ensure the organisation meets the requirements of the new law.

In 2016-17 the Museum also successfully implemented the internal control recommendations of the Internal Audit Service. The implementation of those recommendations will serve to strengthen our internal controls and ensure the public continues to receive value for money for every dollar spent.



Looking ahead, the Board is excited to begin the initial stages of procuring a much-needed purposed facility for the storage and display of our historical artifacts. With the Ministry's support, we are also looking forward to key building upgrades in 2018 that will improve the safety and aesthetics of the existing Museum's facility.

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 stellar work in 2016-17. Your service and contributions continue to make a worthwhile difference in our community.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alfonso Wright', written over a horizontal line.

Alfonso Wright
Chairman

Message from the Director

In 2017 the Museum celebrated its 27th year anniversary and welcomed over 25,000 visitors to our facilities. It was our pleasure to welcome them and share the rich cultural history of the Cayman Islands through our galleries, books and interpretive displays.

Our history is the torch that awakens the consciousness of our past. The Museum is a vital representation of that past, through our collections and exhibits, we tell a story which illuminates the road we took to where we are today.

Through the work of the Museum, we are able to honor those who contributed yesterday, as well as persons like Ms. Georgette Ebanks, the recipient of our first Ira Thompson award, who are still here shaping our history today.

Through our marketing and outreach efforts, in 2016-17 we were able to grow the membership base; engage with our community through programmes such as the “Immerse” summer camp, “See Wha Ah Sayin” radio show and Mango season; while also providing opportunities to showcase the work of our local artisans through our Looky Ya! Series and other Museum events.

Internationally, the Museum participated in several regional forums including: an exhibit at Carifesta XIII in Barbados; the 3rd Caribbean Conference for National Trusts and preservation societies in Curacao; and the Museum Association of the Caribbean Conference. These forums provided wonderful opportunities to share our history and showcase our Islands’ culture with delegates, visitors and the media.



Looking back on our own history as an organisation, I am proud of how far we’ve come and excited about the chapters ahead for the Museum.

I am particularly looking forward to the development of the Museum’s purposed facility which will enable us to better store and display our growing collection of historical artifacts.

The preservation of our past for the benefit of present and future generations is a responsibility that is embraced and fulfilled with pride by all staff and supporters of the National Museum.

I am grateful for the many contributions of the individuals and corporations that made 2016-17 a success, and look forward to another exciting year in 2018.

Yours sincerely,


Peggy Leshikar-Denton, Ph.D.
Director



Board Chair, Minister and Director discussing the 27th Anniversary

General Information

2016-17 at a Glance

Financial Performance Measures

	18-Month Actual Ending Dec-17	18-Month Target Ending Dec-17
Revenue from Cabinet	1,231,200	1,231,200
Revenue from others	279,066	335,600
Total Revenue	1,510,266	1,566,800
Expenses	1,381,861	1,566,800
Surplus	128,405	-

Net-Worth

Net Worth	1,586,417	2,967,252
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Cash Performance

Cash Flow from Operating activities	35,195	223,200
Cash Flows from Investing activities	(35,849)	(240,000)
Cash Flows from Financing activities	3,992	240,000
Change in cash balances	3,338	223,200

Financial Performance Ratios

Current Assets: Current Liabilities	19:1	19:1
Total Assets: Total Liabilities	29:1	56:1

Human Capital Measures

Total Full Time Equivalent Staff Employed	8	8
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Physical Capital Measures

Value of total assets	1,642,232	3,021,109
Asset replacements: total assets	5.9%	-
Book value: initial cost	36%	-
Depreciation: cash flow on asset purchases	100%	-

Profile of the Cayman Islands National Museum

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

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

The Museum's current collection contains over 9,100 items ranging from tiny coins to a 14-foot catboat, to natural history specimens and rare documents.

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

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

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

Purpose:

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

Our Mission Statement:

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

ORGANISATIONAL VISION

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

VISION STATEMENTS



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



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



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



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



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



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

Customers and Location of Activities:

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

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

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

Scope of Activities

The Museum's scope of activities is as follows:

Collection and preservation of material evidence significant to our culture, history and heritage, including:

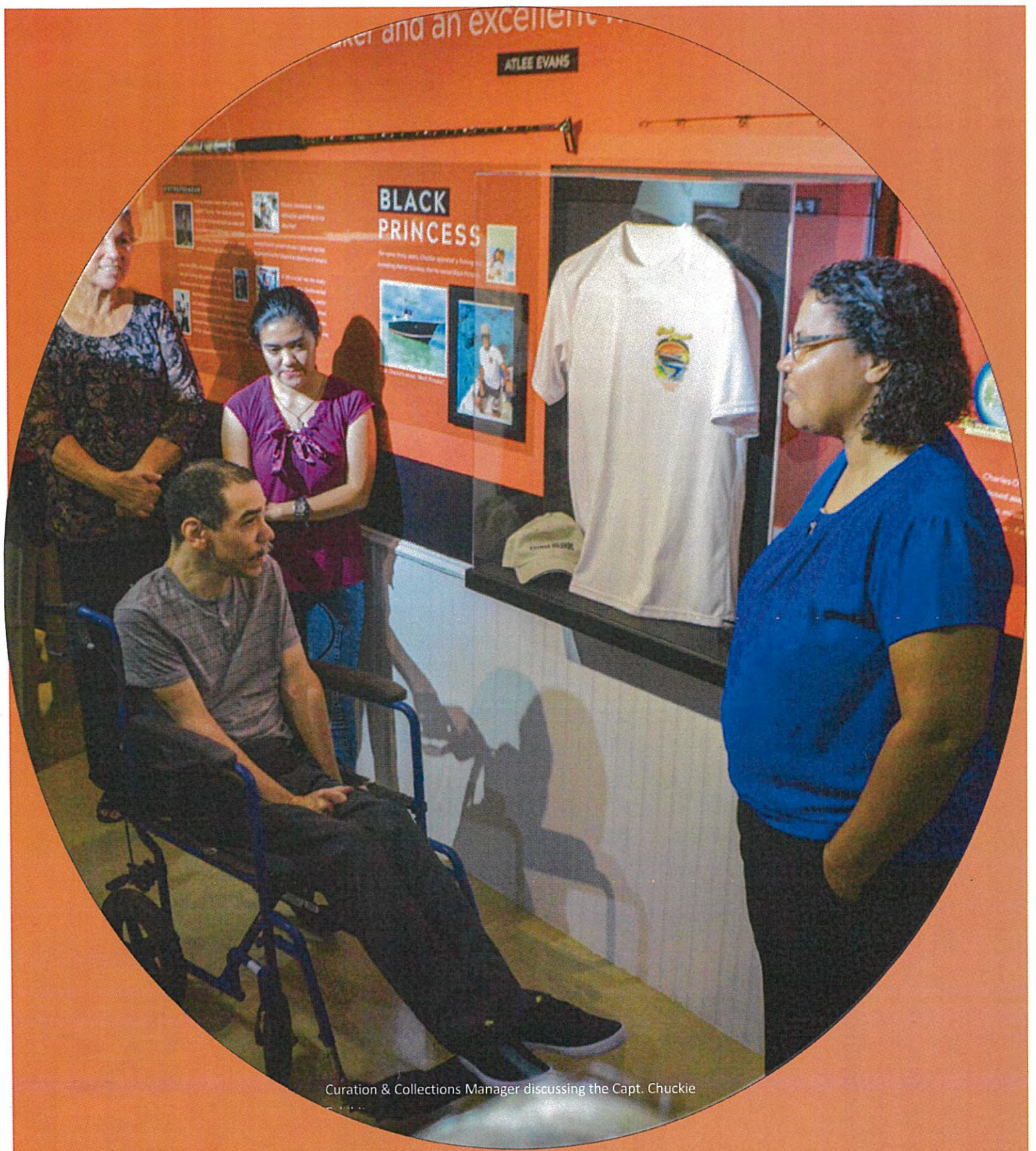
- collection, documentation and preservation of material
- protection, scientific research of, and limited public access to Museum collections, and materials of Caymanian Heritage

Public access to, and educational services from, displays, exhibitions, library, publications, research collections and programmes of the Museum including:

- providing exhibitions and displays and general public access to them and Museum facilities
- provision of a land-based Maritime Heritage Trail and Shipwreck Preserves
- provision of restaurants, shops and other facilities for the use by the public and in furtherance of the mission and purposes of the Museum
- Liaising with local and international groups having similar objectives, for loan or exchange of artifacts and exhibits, and the exchange of knowledge and information

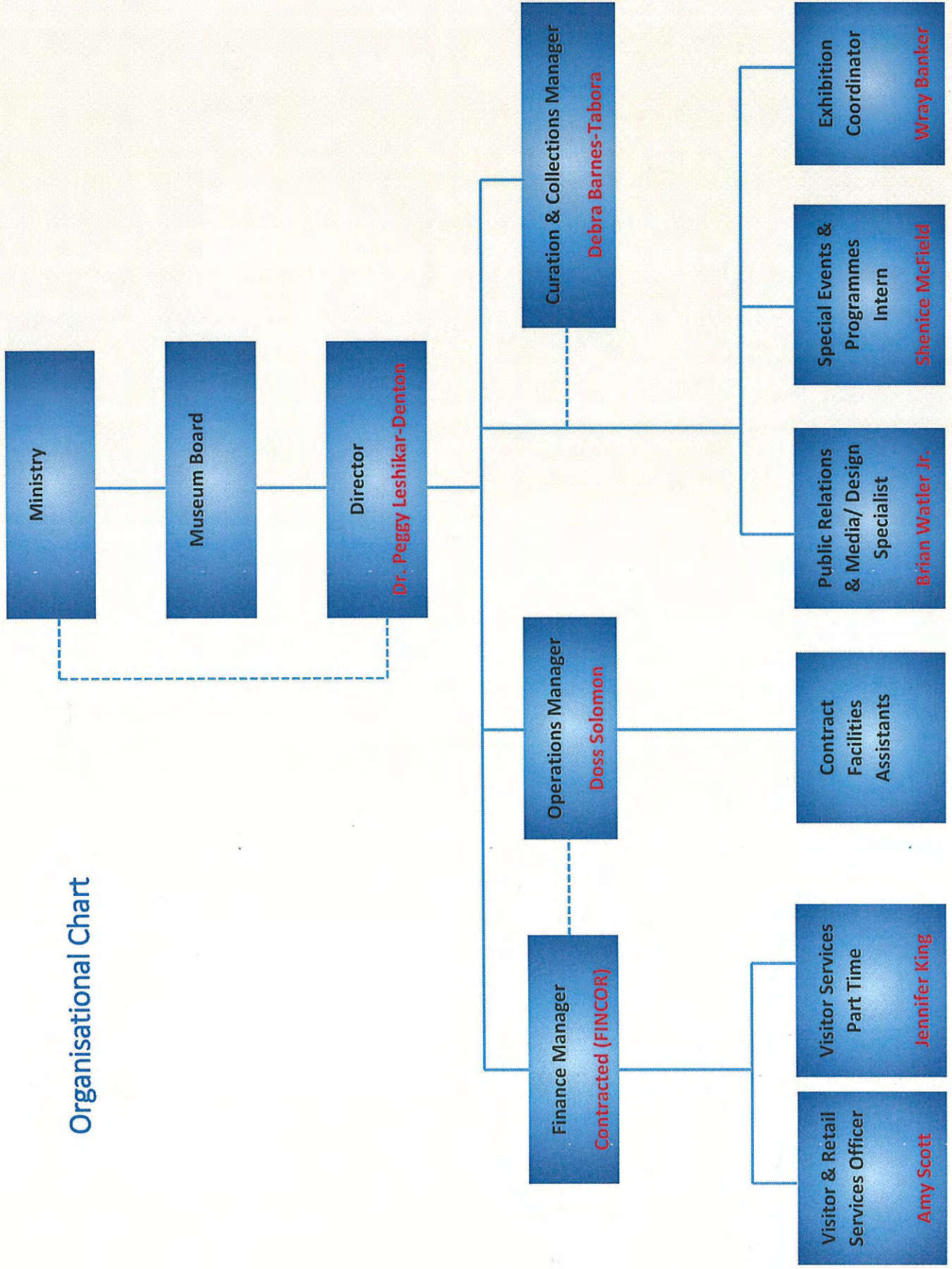
Services to the Ministry and to Government generally in:

- overseeing that the Museum fulfills its mission and purposes
- providing requests for information to further the cultural well-being of the Cayman Islands
- assisting in the creation of National Culture Policies and plans; and any necessary legislation
- providing reports and other documentation requested specifically by our Ministry, Cabinet and other Government Departments generally



Curation & Collections Manager discussing the Capt. Chuckie

Organisational Chart



Achievements for the year

Through the generous support of our sponsors and our partners in the local community, the Museum engaged with the local and international communities by showcasing various aspects of our Island's history. These are some of our more notable achievements:

First Ira Thompson award

Miss Georgette Ebanks is one of two surviving ladies, of the 24, who petitioned in 1948 for women's right to vote. Following an exhibit which honored her contribution to our Islands' history, Ms. Georgette was presented with the first Ira Thompson award on May 3rd, 2017. The collection by IRA Thompson forms the Nucleus of the Museum's historical collection. Other honorees recognized during the period were Ms. Olive Miller; Captain Paul Hurlston, Mr. Linton Tibbetts; Ms. Ardyth Smith; and Captain Chuckie Ebanks.



Legends of Scuba Diving and Local Honorees exhibition

Honoring our long history of seafaring, the Museum hosted "Legends of Scuba Diving", a collection of historical artifacts inspired by industry pioneers inducted into the International Scuba Diving Hall of Fame (ISDHF) and local honorees featuring local pioneers who have contributed to the diving Industry in Cayman. The exhibit was seen by thousands of visitors to the Museum and will continue through 2018.



Ardyth Smith: In Black and White

Ardyth Smith, J.P. (1930-2016) was an outspoken woman, devoted wife, a voice for abused animals, community leader, advocate for people's rights, collector, historian, and photographer. This exhibit was presented in cooperation with the Cayman Islands Humane Society.



National Museum Celebrates Ocean Conservation

As part of Ocean Conservation Month in November 2017, Cayman Islands National Museum teamed up with the Guy Harvey Ocean Foundation (GHOF), and the Kenneth B. Dart Foundation (KBDF) to produce an educational exhibit with ocean conservation facts and figures and dummy shark tags, located within the north stairwell of the National Museum. This exhibit serves as an educational resource for students – emphasizing the importance of the marine ecosystem.





Shaped by the Sea: Charles O. "Captain Chuckie" Ebanks Exhibition Preview

The Cayman Islands National Museum previewed its new exhibition, "Shaped by the Sea", in November 2017, to family & friends of the late Capt. Chuckie, as well as museum members. The temporary exhibit takes viewers through the life of this Tourism Ambassador.



A Night at the Museums

The Cayman Islands National Museum partnered with the National Gallery and the Cayman Catboat Club to present, "A Night at the Museums." This allowed attendees to go behind the scenes and learn all about maritime history and culture with museum professionals and catboat specialists. This event encouraged visitation to all three cultural institutions.

Collection and Preservation of Significant Material Evidence:

Output Code	Description	Quantity	2016/17		
			Budget	Actual	Variance
CNM 1	Collection and Preservation of Significant Material Evidence- Collection and preservation of material evidence significant to our culture, history and heritage, including: • Collection, documentation and preservation of material • Protection, scientific research of, and limited public access to Museum collections, and materials of Caymanian heritage	• Number of artifacts collected and processed	75-150	133	-
		• Number of new accessions registered	30-60	28	(2)
		• General care and preservation of all the Museum's collections	9,335 - 9,400	9,529	129
		• Number of artifacts conserved	100-200	121	-
		• Number of artifacts de-accessioned	2-10	8	-
		• Number of new terrestrial sites	2-7	-	(2)
		• Number of new underwater sites	2-7	-	(2)
		• Number of site visits	2-9	5	-
		• Number of sites having data processed	2-9	2	-
		• Research into natural/ cultural history topics	2-9	6	-
		• Reports, papers, films, lectures	2-12	5	-
Total Cost		\$ 221,616	\$ 221,616	\$ -	
Related Broad Outcomes		8. A Centre of Excellence in Education			

Museum Facilities, Exhibitions and Displays:

Output Code	Description	Quantity	2016/17		
			Budget	Actual	Variance
CNM 2	Museum Facilities, Exhibitions and Displays: Public access to the educational services from, displays, exhibitions, library, publications, research collections and programmes of the Cayman Islands National Museum including: • Providing museum facilities, exhibitions, displays and general public access to them • Provision of a land-based Maritime Heritage Trail and Shipwreck Preserves • Provision of restaurants, shops and other facilities for the use by the public and in furtherance of the mission and purposes of the Cayman Islands National Museum • Liaising with local and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information	• Permanent cultural history exhibition	1	1	-
		• Permanent natural history exhibition	1	1	-
		• Travelling exhibition	2	3	1
		• Special displays and exhibitions	8-12	5	(3)
		• Protection and security for:			
		o visitors	22,500-30,000	28,000	-
		o artefacts	9,335 - 9,400	9,529	129
		o buildings	3	2	(1)
		• Land-based maritime heritage trail	2	1	(1)
		• Shipwreck preserves	0-1	-	-
		• Number of visitors to the museum and shop	30,000-40,000	28,000	(2,000)
		• Number of tours	75-150	55	(20)
		• Number of library users	11-40	11	-
		• Number of researchers accessing research collections	2-11	2	-
		• Number of participants in programmes	100-200	100	-
		• Membership plan that offers a range of benefits	1	1	-
		• Number of weeks staff are available to participate in conferences, meetings, delivering speeches and lectures	8-16 weeks	8 weeks	-
		• Number of responses to public enquiries	90-150	70	(20)
		• Number of special events and activities	8-18	14	-
		• Restaurant, shop and other facilities	3	3	-
		• Newsletters	2-8	1	(1)
Total Cost			\$ 812,592	\$ 812,592	\$ -
Related Broad Outcomes		8. A Centre of Excellence in Education			

Services to Support the Ministry, Cabinet and Other Departments:

Output Code	Description	Quantity	2016/17		
			Budget	Actual	Variance
CNM 3	Services to Support the Ministry, Cabinet and Other Departments- Provision of services to support the Ministry: • Direct, manage and assist the Cayman Islands National Museum to fulfil its mission and purposes • Support Government's request for information to further the cultural well-being of the Cayman Islands • Assist the Ministry in creating national culture policies and plans; and any necessary legislation • Provide reports and other documentation requested by the Ministry, Cabinet and other Government Departments	• Replies to questions from Cabinet, Legislative Assembly and others	2-15	15	-
		• Draft replies to correspondence	2-15	17	2
		• Information requests	40-75	65	-
		• Quarterly and annual reports	6/1	6/1	-
		• Briefings for meetings	2-9	3	-
		• Specified and additional papers	2-9	1	(1)
Total Cost			\$ 196,992	\$ 196,992	\$ -
Related Broad Outcomes		8. A Centre of Excellence in Education			



Immerge Summer Camp attendees.

Strategic direction and performance against objectives.

The Museum established the following Strategic Goals for 2016-17:

CNM 1 – Collections and Curations

- Continue to collect, conserve and protect material evidence of artistic, historic, or scientific significance to the Cayman Islands, both terrestrial and underwater;
- Incorporate research findings on collections, terrestrial and underwater archaeological sites into public exhibitions, programmes and publications when possible;
- Liaise with local and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information.

CNM 2 – Operations, Education and Exhibits

- Enhance the effectiveness of the Board in support of the vision, mission and goals;
- Establish a new organisational structure, review current staff roles/responsibilities, fill new/vacant posts and implement appropriate decision-making structures, etc. in support of the Museum's vision, mission, and core values;
- Facilitate planning for the construction of a purpose-built facility;
- Provide exhibitions and displays and general public access to them;
- Continue to provide with our partners a land-based Maritime Heritage Trail;
- Continue to partner with CNCF, National Trust, National Archive and National Gallery to promote our Islands' cultural heritage;
- Continue to partner with National Archive, National Trust and the Department of Environment on maritime related issues and programmes;
- Assist the Dept. of Tourism and other related organisations/institutions in marketing the cultural product of these Islands;
- Continue to partner with various organisations in the protection, research, legislation, and educational activities relating to islands maritime heritage e.g. shipwrecks;
- Provide a Traditional Arts Programme (including Traditional Thatch Work Apprenticeship Programme) for Caymanian masters and apprentices;
- Coordinate the following special events: Looky Ya (monthly), International Museums Day (May), Museum Anniversary (Nov.), Museum Friends Christmas Party (Dec.);
- Assist the Sister Islands and the districts in Grand Cayman with Museum related issues and activities as needed; and
- Provide a cafe, shop and other facilities for the use of the public.

CNM 3 – Ministry Support

- Continue to prepare and support Government's requests for information to further the cultural well-being of the Cayman Islands;
- Provide reports and other documents requested by the Ministry; and
- Assist the Ministry in creating national cultural policies and plans; and any necessary legislation.

The Museum achieved most of its strategic goals for the period through increases in its collections, the incorporation of those collections into exhibits and programmes, and the engagement of local and international groups for the exchange of knowledge and information.

During the 18-month period the number of artifacts collected grew by 133. The Museum showcased key exhibits honoring Ms. Ardyth Smith, Captain Chuckie, the Scuba Diving Industry and other historical subjects.

Our summer camp programme provided an exciting opportunity to engage young people with the wonders of our underwater resources, our rich cultural history and the need to preserve our environment.

The Museum also participated in regional conferences and exhibits where items from the collections were displayed, speeches were delivered and staff shared ideas and information with regional and international colleagues.



From an operational perspective, the Board has been actively engaged in considering revisions to the organisational structure, updating policies and procedures and planning the new purposed collection facility.

The Museum continues to promote and participate in partnerships with other cultural agencies including the Cayman National Cultural Foundation, the National Gallery, National Trust, and the National Archive to promote the overall cultural heritage of the Island. One notable collaboration during the period was “A Night at the MuseumS!” where, through partnership with the National Gallery, attendees were treated to activities and displays at the Museum as well as a fish fry and tour of the Catboat Club.

The excitement and vibrancy of the Looky Ya events continued in 2016-17 with several events attracting locals and visitors to our facilities to experience our culture and the craft of local Artisans.

The Museum also engaged with the Public Works Department and local service providers to begin the initial planning phase of the planned purpose-built facility. The process will begin with an Outline Business Case and will then proceed to procurement, subject to Cabinet’s approval.

The Museum’s Director chaired the Maritime Heritage Subcommittee which was part of the overall Steering Committee to develop the **National Culture & Heritage Policy**. A member of our Board also served on the Steering Committee along with our Curations Manager, who served on the land-based Subcommittee.

Benefits to our local community

The National Museum is housed within Cayman's oldest standing public building dating back to the 1830s. It is among the Cayman Islands' cornerstone cultural institutions. This building has served many different functions, most notably as the historic Old Courts Building. Almost two centuries later, the Museum continues to serve as an important part of our community through education, cultural preservation, and acting as a visitor attraction.

In 2017 the Guy Harvey Ocean Foundation (GHOF), along with the Kenneth B. Dart Foundation (KBDF) teamed up with the National Museum to produce an educational exhibit, which serves as an educational resource for students – emphasizing the importance of the marine ecosystem.

The Museum provides artisans, authors and performers with avenues and opportunities for the display and sale of their work to locals and visitors through our Museum giftshop.

Working with the Department of Tourism and partners in the local tourism industry, the Museum also actively worked to enhance the visitor experience by providing tours, displaying exhibits and events to our Island's guests. Museum staff also actively participated in local events such as Red Sky at Night, the Agriculture Show and the annual Pirates Week Festival.

One of the main benefits of the Museum is our work which preserves and showcases the work and significance of individuals who have made important contributions to the Islands' history.

Our displays and programmes provide tangible inspiration for our young people to continue to reach for higher heights. It is also an important conduit for knowledge transfer and a journey back into our rich and diverse history.





Participants of the Craig Merren Speaker Series.

Human Resource Management

Leadership Profile



Name: Alfonso Wright

Title: Board Chairman

Former Member of the Legislative Assembly

Past President and Life Member of the Lions Club of Grand Cayman



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

Title: Director

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



Name: Ms. Debra Barnes-Tabora

Title: Curation & Collections Manager

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



Name: Mr. Doss Solomon

Title: Operations Manager

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

Our People



The Museum operated at the budgeted 8 full-time equivalent staff during the period under review. Following the retirement of the Finance Manager in September 2016, the Museum transitioned from an in-house Finance Manager to an outsourced service provided by local company FINCOR. This service continued during the period under review.

Commensurate with the strategic objectives for 2016-17, significant work was also carried out to review the existing organizational structure with a focus to improve professional staffing, ensure succession planning and further develop capacity in the core areas of Finance, Curation, Collections, Conservation, Education Outreach & Archeology.

In October 2016 former Intern Brian Watler was officially welcomed as a permanent member of staff at the Museum. Brian was appointed as Public Relations & Media/Design Specialist and has since worked on revamping the Museum's

website, developing promotional materials, and enhancing our social media presence.

Long standing Visitor Services & Retail Officer (VSRO), Ms. Tasha McFarlane, left the Museum in September 2017 to pursue other opportunities. Tasha was an outstanding employee and we wish her well in her future endeavors. Following an open recruitment process, the Museum received 58 applicants and appointed Ms. Amy Scott as the new VSRO in October 2016.

Special Events and Programmes Intern Ms. Shenice McField represented the Cayman Islands National Museum in October 2017 at the Museum Association of the Caribbean Meeting in Miami. These events provide valuable exposure to information and ideas from colleagues across a broad spectrum of Museum Organizations and is part of our initiative to develop staff through increased exposure.

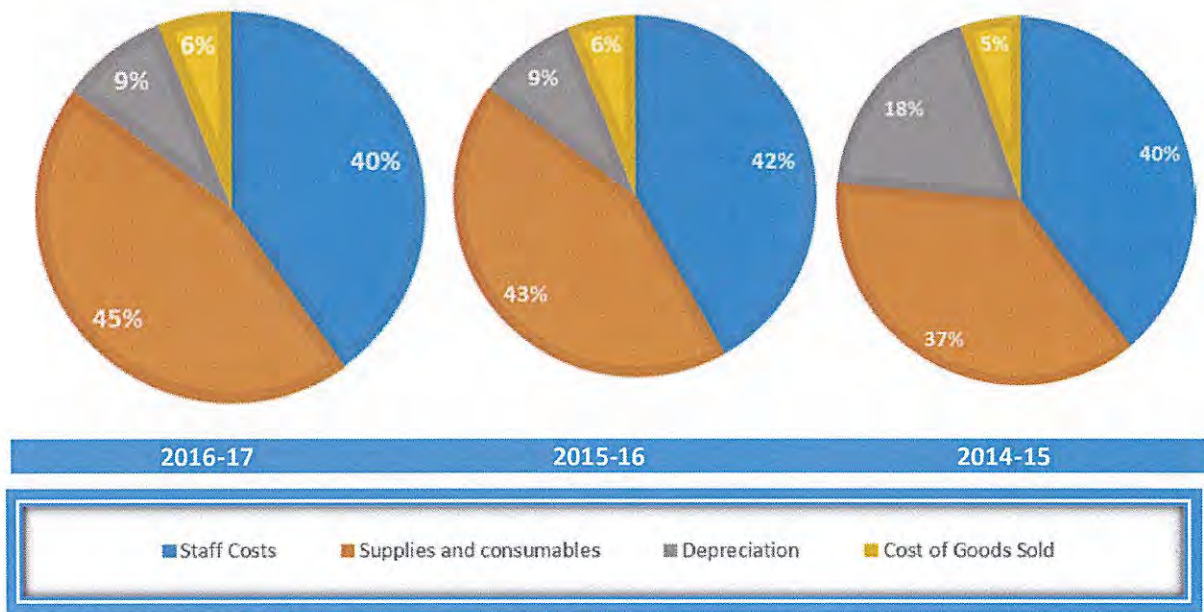
The Museum's Director was invited as the keynote speaker on the topic of Caribbean Underwater Heritage & Archaeology at the 3rd Caribbean Conference for National Trusts & Preservation Societies in Curacao. This provided an opportunity to share experiences from our efforts in underwater archeology with delegates from across our region.



Attendees of International Museum Day.

Financial Statements

Management Discussion and Analysis of Financial Results



The Museum completed the fiscal period with an operational surplus. Whilst revenue from third parties were lower than budgeted, efficiency and cost saving measures implemented during the year allowed the organization to deliver services at lower than budgeted costs.

Efficiency efforts included:

- A review of all telephone accounts and transfer to a more cost-efficient service provider;
- Transition from full-time staff for the provision of financial management to an outsourced provider;
- Installation of higher efficiency air-condition units;
- Management of our annual IT expenses through a managed services agreement; and
- Ensuring value for money through sound procurement practices.

The Museum ended the fiscal year with \$559,712 in cash and cash equivalents and \$416,788 in Accounts Receivable. The higher than budgeted accounts receivable and lower than expected cash is directly attributable to delays by the Ministry in processing the quarterly payments to the Museum for outputs delivered. The Museum was also approved for a CI\$240,000 capital injection for the initial costs associated with the procurement of a purposed support facility. This injection was requested along with support for the planned work; however, the requested funds were not paid over by the fiscal year end.

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

The Museum's contingency reserve remained at CI\$200,000 as at December 31st, 2017. In 2018 the organization will seek to increase this reserve to cover 90 days of operating expenses in line with the practice of other Government agencies.

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

Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Cayman Islands National Museum in accordance with the provisions of the *Public Management and Finance Law (2017 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2017 Revision)*.

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

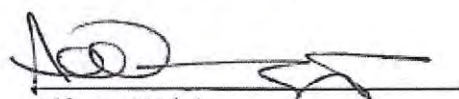
As Chairman and Director we are responsible for the preparation of the Cayman Islands National Museum's financial statements and for the judgements made in them.

The financial statements fairly present the financial position, financial performance, changes in equity and cash flows for the financial period from July 1, 2016 to December 31, 2017.

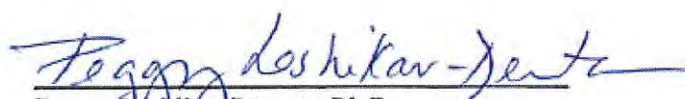
To the best of our knowledge we represent that these financial statements:

- (a) are complete and reliably reflect the financial transactions of the Cayman Islands National Museum for the period from July 1, 2016 to December 31, 2017;
- (b) fairly reflect the financial position as at December 31, 2017 and performance for the financial period from July 1, 2016 to December 31, 2017;
- (c) comply with International Public Sector Accounting Standards (IPSAS).

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



Alfonso Wright
Chairman
Cayman Islands National Museum



Peggy Deshikar-Denton, Ph.D.
Director
Cayman Islands National Museum

Date:

15 November 2018

Date:

15 November 2018

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 2017 and the statement of financial performance, statement of changes in equity and statement of cash flows for the 18-month period from 1 July 2016 to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 36 to 49.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at 31 December 2017 and its financial performance and its cash flows for the 18-month period from 1 July 2016 to 31 December 2017 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 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. In rendering my audit opinion on the financial statements of the Museum, I have relied on the work carried out on my behalf by a public accounting firm that performed its work in accordance with International Standards on Auditing.

Emphasis of Matter

I draw attention to Note 1, which discloses that the Museum is dependent upon the financial support of the Cayman Islands Government to enable it to meet its obligations as they fall due. Without this ongoing support a material uncertainty exists that casts significant doubt about the Museum's ability to continue as a going concern. My opinion is not qualified in respect of this matter.

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

Management is responsible for the preparation 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.

AUDITOR GENERAL'S REPORT (continued)

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)(ii) of the *Public Management and Finance Law (2017 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.



Garnet Harrison, CPA, CA
Acting Auditor General

15 November 2018
Cayman Islands

Statement of Financial Position

CAYMAN ISLANDS NATIONAL MUSEUM STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2017 Actual	December 31, 2017 Budget	Variance	June 30, 2016 Actual Restated	July 1, 2015 Actual Restated
expressed in Cayman Islands Dollars						
Current Assets						
Cash and cash equivalents	4	559,712	941,218	(381,506)	556,374	377,360
Accounts receivable		416,788	7,234	409,554	207,750	215,285
Deposits and prepaid expenses		12,811	23,377	(10,566)	50,531	19,717
Inventories	5	45,643	51,122	(5,479)	47,380	41,039
Total Current Assets		1,034,954	1,022,951	12,003	862,035	653,401
Non-Current Assets						
Property, plant and equipment	6	607,278	1,998,158	(1,390,880)	674,457	737,667
Collections, exhibits and artefacts	1,2(k)	-	-	-	-	-
Total Non-Current Assets		607,278	1,998,158	(1,390,880)	674,457	737,667
Total Assets		1,642,232	3,021,109	(1,378,877)	1,536,492	1,391,068
Current Liabilities						
Accounts payable and accrued liabilities	10	55,815	53,857	1,958	82,472	54,740
Total Current Liabilities		55,815	53,857	1,958	82,472	54,740
Equity						
Accumulated surplus (deficit)		208,214	1,407,582	(1,199,368)	79,809	(25,883)
Restricted funds	7	103,292	-	103,292	99,300	87,300
Contingency reserve	8	200,000	287,300	(87,300)	200,000	200,000
Contributed Capital		1,074,911	1,272,370	(197,459)	1,074,911	1,074,911
Total Equity		1,586,417	2,967,252	(1,380,835)	1,454,020	1,336,328
Total Liabilities and Equity		1,642,232	3,021,109	(1,378,877)	1,536,492	1,391,068

See accompanying notes to financial statements.

Approved on behalf of the Board of Control on 15 November, 2018:

Alfonso Wright Chairperson

Peggy Leshikar-Denton Director

Alfonso Wright
Peggy Leshikar-Denton

Statement of Financial Performance

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD JULY 1, 2016 TO DECEMBER 31, 2017

	Fiscal Period Ended December 31st, 2017				Year ended June 30, 2016 Actual Restated
	Note	Actual	Budget	Variance	
<i>expressed in Cayman Islands Dollars</i>					
Revenue					
Sales of outputs to Cabinet	9	1,231,200	1,231,200	-	820,800
Product Sales		136,448	140,000	(3,552)	77,860
Admissions		71,233	68,000	3,233	53,122
Rental income		27,000	27,000	-	18,000
Fundraising income and donations		34,437	91,600	(57,163)	54,801
Membership dues		9,595	9,000	595	5,652
Interest income		353		353	9
Total Revenue		1,510,266	1,566,800	(56,534)	1,030,244
Expenses					
Staff costs	11,12	564,118	654,300	(90,182)	392,788
Facility expenses		236,325	179,900	56,425	162,691
Administration and other expenses		222,142	189,100	33,042	126,605
Rent expenses		174,943	175,500	(557)	116,679
Cost of goods sold		81,305	144,800	(63,495)	56,317
Depreciation	6	103,028	223,200	(120,172)	69,472
Total Expenses		1,381,861	1,566,800	(184,939)	924,552
Net Surplus for the period/year		128,405	-	128,405	105,692

See accompanying notes to financial statements.

Statement of Changes in Equity

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD JULY 1, 2016 TO DECEMBER 31, 2017

	Accumulated Surplus	Contingency Reserve (Note 8)	Restricted Funds (Note 6)	Contributed Capital	Total	Budget	Variance
<i>expressed in Cayman Islands Dollars</i>							
As at July 1, 2015, as originally reported	1,409,866	200,000	87,300	1,032,370	2,729,536	2,967,252	(237,716)
Adjustments on correction of an error (Note 3)	(1,435,749)	-	-	42,541	(1,393,208)	-	(1,393,208)
Balance at July 1, 2015, as restated	(25,883)	200,000	87,300	1,074,911	1,336,328	2,967,252	(1,630,924)
Net surplus for the year	105,692	-	-	-	105,692	-	105,692
Contribution to restricted funds	-	-	12,000	-	12,000	-	12,000
Balance at June 30, 2016, as restated	79,809	200,000	99,300	1,074,911	1,454,020	2,967,252	(1,513,232)
Net surplus for the period	128,405	-	-	-	128,405	-	128,405
Contribution to restricted funds	-	-	3,992	-	3,992	-	3,992
Balance at December 31, 2017	CI\$ 208,214	200,000	103,292	1,074,911	1,586,417	2,967,252	(1,380,835)

See accompanying notes to financial statements.

Statement of Cash Flows

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF CASH FLOWS
FOR THE PERIOD JULY 1, 2016 TO DECEMBER 31, 2017

	Note	Period from July 1, 2016 to Dec 31, 2017 Actual	Period from July 1, 2016 to Dec 31, 2017 Budget	Variance	Year ended June 30, 2016 Actual Restated
<i>expressed in Cayman Islands Dollars</i>					
Cash provided by:					
Operating Activities					
Net surplus for the period/ year		128,405	-	128,405	105,692
Adjustment for items not involving cash:					
Depreciation	6	103,028	223,200	(120,172)	69,472
Net changes in operating assets and liabilities:					
Accounts receivable		(209,038)	-	(209,038)	7,535
Deposits and prepaid expenses		37,720	-	37,720	(30,814)
Inventories		1,737	-	1,737	(6,341)
Accounts payable and accrued liabilities		(26,657)	-	(26,657)	27,732
Cash provided by operating activities		35,195	223,200	(188,005)	173,276
Investing Activities					
Purchase of property and equipment	6	(35,849)	(240,000)	204,151	(6,262)
Financing Activities					
Contribution to restricted fund balances		3,992	-	3,992	12,000
Additional capital injection		-	240,000	(240,000)	-
Cash provided by financing activities		3,992	240,000	(236,008)	12,000
Net increase in cash and cash equivalents		3,338	223,200	(219,862)	179,014
Cash and cash equivalents at beginning of period/year		556,374	530,675	25,699	377,360
Cash and cash equivalents at end of period/year		559,712	753,875	(194,163)	556,374

See accompanying notes to financial statements.

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017

(expressed in Cayman Islands dollars)

Note 1: Background Information

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

The Museum holds a collection in excess of 9,189 (June 30, 2016: 9,400) artefacts that have been donated, transferred, purchased or found, with the majority being donations. Artefacts are documented in the Museum’s Accession Register, and are used in research or are held in exhibition for public service. The research collections (those that are not on exhibit at the Museum) are kept at the Museum Support Facility in an environmentally controlled vault for preservation. The Museum also operates a gift shop and leases a space to a third party, which operates a cafe.

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

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

Note 2: Significant accounting policies

(a) Reporting periods

In compliance with the *Public Management and Finance Law (2017 Revision)*, the Museum changed its year end from June 30 to December 31. Accordingly, the current financial statements are prepared for 18 months from July 1, 2016 to December 31, 2017 and as a result, the statements of financial performance, changes in equity, and cash flows and the related notes are not comparable.



Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(b) Basis of preparation

In compliance with the *Public Management and Finance Law (2017 Revision)*, the Museum's financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS").

As outlined in Note 1, the continued existence of the Museum is contingent on the ongoing support from the Government. As management considers that this support will be ongoing and there are no indications which suggest otherwise, management considers the preparation of the financial statements under the going concern assumption to be appropriate.

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

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

An audited statement of financial position as at July 1, 2015 is presented in these financial statements due to the correction of an error described in Note 3.

(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 management's assessment of whether an impairment provision is required in respect of property, plant and equipment (Note 6) and whether an impairment provision is required in respect of inventory (Note 5).

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

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

(e) Cash and cash equivalents

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

(f) Inventories

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

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.

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

Estimated useful lives are as follows:

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

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

Repairs and maintenance are charged to expenses as incurred.

(h) Income recognition

Income on the sale of goods is recognized in the statement of financial performance at the point of the sale. Rental income is recognized as income on a straight-line basis over the lease term. Interest and other income are recognized on an accruals basis. Income earned from admissions, membership dues, fundraising, and donations are recorded in the period in which the payment is received.

(i) Government grants

Government grants are recognised and accrued for on a quarterly basis. 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\$0.82. Gains and losses on foreign currencies, if any, are included in administration and other expenses.

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

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 make significant contributions of their time and resources to support the Museum's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(m) Financial assets and liabilities

(i) Classification

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

(ii) Recognition

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

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

(iii) Measurement

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

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(m) Financial assets and liabilities (continued)

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Museum has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2017 and June 30, 2016, there were no assets or liabilities reported on a net basis.

(v) Impairment

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

(vi) Derecognition

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

(vii) Fair value

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

(n) Restricted funds

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

(o) Operating leases

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

(p) Budget amounts

The budget amounts for the financial year are presented in the 2016-17 Ownership Agreement and were approved by the Legislative Assembly.

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017

(expressed in Cayman Islands dollars)

3. Correction of prior period errors

In 2017, the Museum conducted a review of the fixed asset register. The review revealed past errors in the balances of property and equipment and the related accumulated depreciation. As a result of this review, adjustments had to be made and the July 1, 2015 accumulated surplus decreased by \$1,393,208 and July 1, 2015 property and equipment decreased by \$1,393,208. The Museum also reviewed other accounts and noted that there was a misposting error and as a result of this, adjustments had to be made and the July 1, 2015 accumulated surplus decreased by \$42,541 and contributed capital increased by \$42,541.

The following financial line items as at and for the year ended June 30, 2016 were affected by the correction:

Statement of Financial Position

	As originally reported	As restated	Effect of Change
June 30, 2016			
Property and equipment	1,988,270	674,457	(1,313,813)
Total Assets		CI\$	(1,313,813)
Accumulated (surplus)/ deficit	(1,436,163)	(79,809)	1,356,354
Contributed capital	(1,032,370)	(1,074,911)	(42,541)
Total Liabilities and shareholder's equity		CI\$	1,313,813

Statement of Financial Performance

	As originally reported	As restated	Effect of Change
June 30, 2016			
Depreciation	148,867	69,472	(79,395)
Net (surplus)/deficit	(26,297)	(105,692)	(79,395)

Statement of Changes in Equity

	As originally reported	As restated	Effect of Change
June 30, 2016			
Accumulated (surplus)/ deficit at beginning of period	(1,409,866)	25,883	1,435,749
Accumulated (surplus)/ deficit at end of period	(1,436,163)	(79,809)	1,356,354

Statement of Cash Flows

	As originally reported	As restated	Effect of Change
June 30, 2016			
Net Surplus	26,297	105,692	79,395
Depreciation	148,867	69,472	(79,395)
Net change in cash and cash equivalents		CI\$	-

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

4. Cash and cash equivalents

Fiscal Year Ended December 31, 2017				2016 Actual
Description	Actual	Budget	Variance	
Cash	349,766	941,218	(591,452)	346,679
Fixed Deposits	209,946	-	209,946	209,695
Total	CI\$ 559,712	941,218	(381,506)	556,374

5. Inventories

Fiscal Year Ended December 31, 2017				2016 Actual
	Actual	Budget	Variance	
Inventory at average cost	48,233	51,122	(2,889)	49,970
Less: provision for slow moving stock	(2,590)	-	(2,590)	(2,590)
Total	CI\$ 45,643	51,122	(5,479)	47,380

6. Property, plant and equipment

<i>As at December 31, 2017 and June 30, 2016, property, plant and equipment consisted of the following:</i>						
<i>expressed in Cayman Islands Dollars</i>						
31-Dec-17	Furniture, fixtures & equipment	Computer Hardware & software	Leasehold improvements	Permanent exhibits	Vehicles	Total
Cost						
Balance at beginning of period	392,521	133,741	678,361	428,855	24,900	1,658,378
Additions	8,156	26,622	1,071	-	-	35,849
Balance at end of period	400,677	160,363	679,432	428,855	24,900	1,694,227
Accumulated Depreciation						
Balance at beginning of period	(381,221)	(128,604)	(356,496)	(92,700)	(24,900)	(983,921)
Depreciation	(10,884)	(10,478)	(59,926)	(21,740)	-	(103,028)
Balance at end of period	(392,105)	(139,082)	(416,422)	(114,440)	(24,900)	(1,086,949)
Net Book value at December 31, 2017	CI\$ 8,572	21,281	263,010	314,415	-	607,278

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017

(expressed in Cayman Islands dollars)

6. Property, plant and equipment (continued)

<i>expressed in Cayman Islands Dollars</i>						
June 30, 2016, as restated	Furniture, fixtures & equipment	Computer Hardware & software	Leasehold improvements	Permanent exhibits	Vehicles	Total
Balance at beginning of year	388,611	133,741	677,201	427,663	24,900	1,652,116
Additions	3,910	-	1,160	1,192	-	6,262
Balance at end of year	392,521	133,741	678,361	428,855	24,900	1,658,378
Accumulated Depreciation						
Balance at beginning of year	(373,638)	(126,694)	(310,812)	(78,405)	(24,900)	(914,449)
Depreciation	(7,583)	(1,910)	(45,684)	(14,295)	-	(69,472)
Balance at end of year	(381,221)	(128,604)	(356,496)	(92,700)	(24,900)	(983,921)
Net Book value June 30, 2016	CI\$ 11,300	5,137	321,865	336,155	-	674,457

7. Restricted funds

Fund balances are restricted for:

Acquisitions

On February 3rd, 2017, the Museum received US\$5,000 from the Prize Charitable Trust for the acquisition of local carvings, artwork and craftwork for the national collection. These funds were not expended during the 2016-17 fiscal year, and therefore are restricted until the intent of the donor has been fulfilled.

Archaeology

During the period ended December 31, 1994, a fundraiser was held to provide funds for marine archaeological research and equipment. The net proceeds from the fundraiser were placed in a restricted account for similar expenditures. At December 31, 2017 and June 30, 2016, CI\$12,812 remained in the restricted funds account.

Powell's

During the period ended June 30, 1998, the Museum received a government grant of CI\$25,000 for specific projects including creating a business plan, architectural surveys, condition reports, and maintenance planning. At December 31, 2017 and June 30, 2016, CI\$20,250 remained in the restricted funds account.

McCoy Prize Award

During the period ended June 30, 2003, Harris McCoy donated CI\$1,000 to hold for the winner of the McCoy prize. A further CI\$20,900 was donated by the chairman during the period ending June 30, 2006. At December 31, 2017 and June 30, 2016, CI\$1,918 remained in the restricted funds account.

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

7. 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, 2017 and June 30, 2016, CI\$9,840 remained in the restricted funds account.

Maritime Heritage Trail

During the period ended June 30, 2004, the Department of Tourism donated CI\$20,000 for the Maritime Heritage Trail. At December 31, 2017 and June 30, 2016, CI\$191 remained in the restricted funds account.

Educational Programme

During the period ended June 30, 2012, the museum received a donation of CI\$3,041. This was to be applied to the Museum's Educational Fund. At December 31, 2017 and June 30, 2016, CI\$1,588 remained in the restricted funds account.

Renovations & Recovery

During the period ended June 30, 2006, the Museum received donations in the amount of CI\$20,701 for the recovery of any material evidence of artistic, historic or scientific significance to Cayman Islands. At December 31, 2017 and June 30, 2016, CI\$20,701 remained in the restricted funds account.

Webster Foundation

During the period ended June 30, 2012, the museum received a donation of CI\$20,000 to be used to acquire artefacts and the costs of displaying such artefacts. At December 31, 2017 and June 30, 2016, CI\$20,000 remained in the restricted funds account.

Collections Preservation

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

The movements in restricted fund balances during the period from July 1, 2016 to December 31, 2017 and period from July 1, 2015 to June 30, 2016 were as follows:

<i>The movements in restricted fund balances during the period from July 1, 2016 to December 31, 2017 and period from July 1, 2015 to June 30, 2016 were as follows:</i>											
<i>expressed in Cayman Islands Dollars</i>											
	Archaeology	Powell's	McCoy Prize	New Building	Maritime Heritage Trail	Educational Programme	Renovations & Recovery	Webster Foundation	Collections Preservation	Acquisitions	Total
Balance at June 30, 2015	12,812	20,250	1,918	9,840	191	1,588	20,701	20,000	-	-	87,300
Additions	-	-	-	-	-	-	-	-	12,000	-	12,000
Balance at June 30, 2016	12,812	20,250	1,918	9,840	191	1,588	20,701	20,000	12,000	-	99,300
Additions	-	-	-	-	-	-	-	-	-	3,992	3,992
Balance at December 31, 2017	CI\$ 12,812	20,250	1,918	9,840	191	1,588	20,701	20,000	12,000	3,992	103,292



Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

8. Contingency reserve

At December 31, 2017, the Museum's equity includes a contingency reserve of CI\$ 200,000 (June 30, 2016: CI\$200,000). The contingency reserve was established by the Board of Control as a precautionary measure to meet costs of overcoming any disaster that might befall the Museum in the future.

9. Sales of outputs to Cabinet

During the period from July 1, 2016 to December 31, 2017, grants totalling CI\$1,231,200 (year end June 30, 2016: CI\$820,800) were received from Government, of which CI\$410,500 (June 30, 2016: CI\$205,200) is included in accounts receivable at December 31, 2017.

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

10. Related party transactions

Controlling entity

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

Museum building

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

Property insurance

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

During the period from July 1, 2016 to December 31, 2017, total insurance premium determined for the Museum amounted to CI\$28,268 (June 30, 2016: CI\$26,936). This amount is included in facility expenses in the statement of financial performance.

At December 31, 2017, there were no outstanding amounts to the Government in respect of insurance. At June 30, 2016, outstanding amounts to the Government in respect of insurance was CI\$31,675 and is included in accounts payable and accrued liabilities in the statement of financial position.

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

10. Related party transactions (continued)

Ministry Employees

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

The total salary and benefits paid by the Museum to the Curations Manager during the period from July 1, 2016 to December 31, 2017 amounted to CI\$24,388 (June 30, 2016: CI\$16,598).

Gift shop sales

During the period July 1, 2016 to December 31, 2017, total Museum sales to other Government entities for the provision of items such as national flags, pins and coat of arms amounted to CI\$40,207 (year ended June 30, 2016: CI\$5,205).

Sponsorship

In October 2016, the Museum received a \$25,000 from the Department of Tourism as sponsorship for International Scuba Diving Hall of Fame display.

11. Pension plan

The Museum participates in a defined contribution pension plan in accordance with the provisions of the Cayman Islands National Pensions Law (2012 Revision). Contributions for the period from July 1, 2016 to December 31, 2017 included in staff costs in the statement of financial performance amounted to CI\$22,990 (June 30, 2016: CI\$13,479). Pension contributions consist of 5% of the employee's salary made by the employee and are matched by the employer (June 30, 2016: 5% employer 5% employee).

12. Key management remuneration

Total remuneration paid to the 4 (June 30, 2016: 4) personnel considered to be key management during the period from July 1, 2016 to December 31, 2017 and for the year ended June 30, 2016 was:

	Salaries	Pension	Health Insurance	Other	Total
<i>expressed in Cayman Islands Dollars</i>					
2017 Actual	260,803	12,191	36,823	-	309,817
2016 Actual	218,266	8,127	26,318	-	252,711

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, 2017 (June 30, 2016: none).



Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017

(expressed in Cayman Islands dollars)

13. Financial risk management

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

Credit risk

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

At December 31, 2017, the Museum held CI\$559,712 (June 30, 2016: CI\$556,374) in cash and cash equivalents at one financial institution in the Cayman Islands and CI\$416,788 (June 30, 2016: CI\$207,750) of accounts receivable, CI\$410,400 (June 30, 2016: CI\$205,200) of which was due from the Government. As such, the Museum is exposed to credit related losses in the event of non-performance by these parties. Given the high credit rating of this financial institution and the Museum's relationship with the Government, the Board of Control does not anticipate any material losses as a result of these concentrations.

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash, ensuring the availability of funding from the Government and the ability to predict and manage the Museum's expected cash outflows. Throughout the year and subsequent to the year end, the Museum has relied significantly on the support from the Government, to provide funds in the form of grants. The ability of the Museum to meet its obligations is dependent on the ongoing financial support provided by the Government (refer Note 9).

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

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

14. Commitments and contingencies

The Museum leases premises at Pasadora Place to store its collection and artefacts. As at December 31, 2017, the lease is being finalised.

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

	2017 Actual	2016 Actual
Minimum Lease Payments		
Payable within one year	29,791	104,810
Payable from one to two years	-	60,999
Payable from two to three years	-	14,897
Total	Ci\$ 29,791	180,706

15. Explanations of material variance against budget

Statement of financial position

Variances in cash and cash equivalents and accounts receivable are due to delays in the receipt of output payments from the Ministry. Deposits and prepaid expenses were lower due to the change in fiscal period whereby a greater percentage of the annual insurance premium have been expended.

Property and equipment was lower than budgeted due to prior period adjustments made on property and equipment as discussed in Note 3 of the financial statements. The Museum did not receive its approved equity injection prior to the close of the fiscal period. This meant that planned works and acquisitions could not be carried out.

Variances in accumulated surplus are due to prior period adjustments on accumulated surplus as discussed in Note 3 of the financial statements. There is also a misclassification in the annual budget where the sum for restricted funds was erroneously included in the contingency reserve.

The variance in Contributed Capital is directly linked to the non-payment of the equity injection for the Museum that was approved in the 2016-17 Budget.

Notes to Financial Statements

For the period from July 1, 2016 to December 31, 2017
(expressed in Cayman Islands dollars)

15. Explanations of material variance against budget (continued)

Statement of financial performance

The Museum also budgeted for higher fundraising revenue, but has not achieved this goal during the period.

Savings in staff cost are attributable to the Museum's change from an inhouse Finance Manager to a contracted service. This also largely explains the variance in Administration and other expenses. Variances in Facility expense and Cost of goods sold are due to classification differences during the budgeting process.

The variance in Depreciation is due to the Museum's updated of its fixed asset register during the period and material adjustments made for leasehold improvements and permanent exhibits (see Note 3). The variance in depreciation is also due to lower cost in assets stemming from the non-payment of the Museum's Equity injection.

16. Capital

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

17. Subsequent events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to November 15, 2018, being the date that the financial statements were available to be issued.



Participants enjoying Mango Season.

Appendices

Governance and Risk Management

The Museum is subject to normal risks associated with most Public Agencies. For 2016-17 those risks include:

- Loss or damage to the non-renewable National Collection either by fire, hurricane, severe storm, or pest infection;
- Inadequate storage facilities and an inactive conservation programme resulting in gradual deterioration of the National Collection; and
- Proper succession planning to ensure the Museum has an adequate amount of specialized staff in the areas of conservation, curation, collections management, design, archaeology, business, public relations, programmes and operations.

The Museum has measures in place to manage these risks, as such, these risks did not materially impact operations during the 2016-17 fiscal year. The museum will continue to implement appropriate risk management strategies as part of an overall risk management framework.

Legal Framework

Legal Framework for the Cayman Islands National Museum

- The Museum Law (1999 Revision);
- The Public Management and Finance Law (2017 Revision); and
- The Cayman Islands Labor Law
- Public Authorities Law

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