



ANNUAL REPORT 2021



CAYMAN ISLANDS
**NATIONAL
MUSEUM**

www.museum.ky



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, 2021 to December 31, 2021 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.

FOR MORE INFORMATION PLEASE CONTACT:

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Cayman Islands**

Tel: (324) 949 8368

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Website: www.museum.ky



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 to budget.

Financial Performance

The financial performance section shows the financial resources the Museum was afforded in the 2021 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.

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.





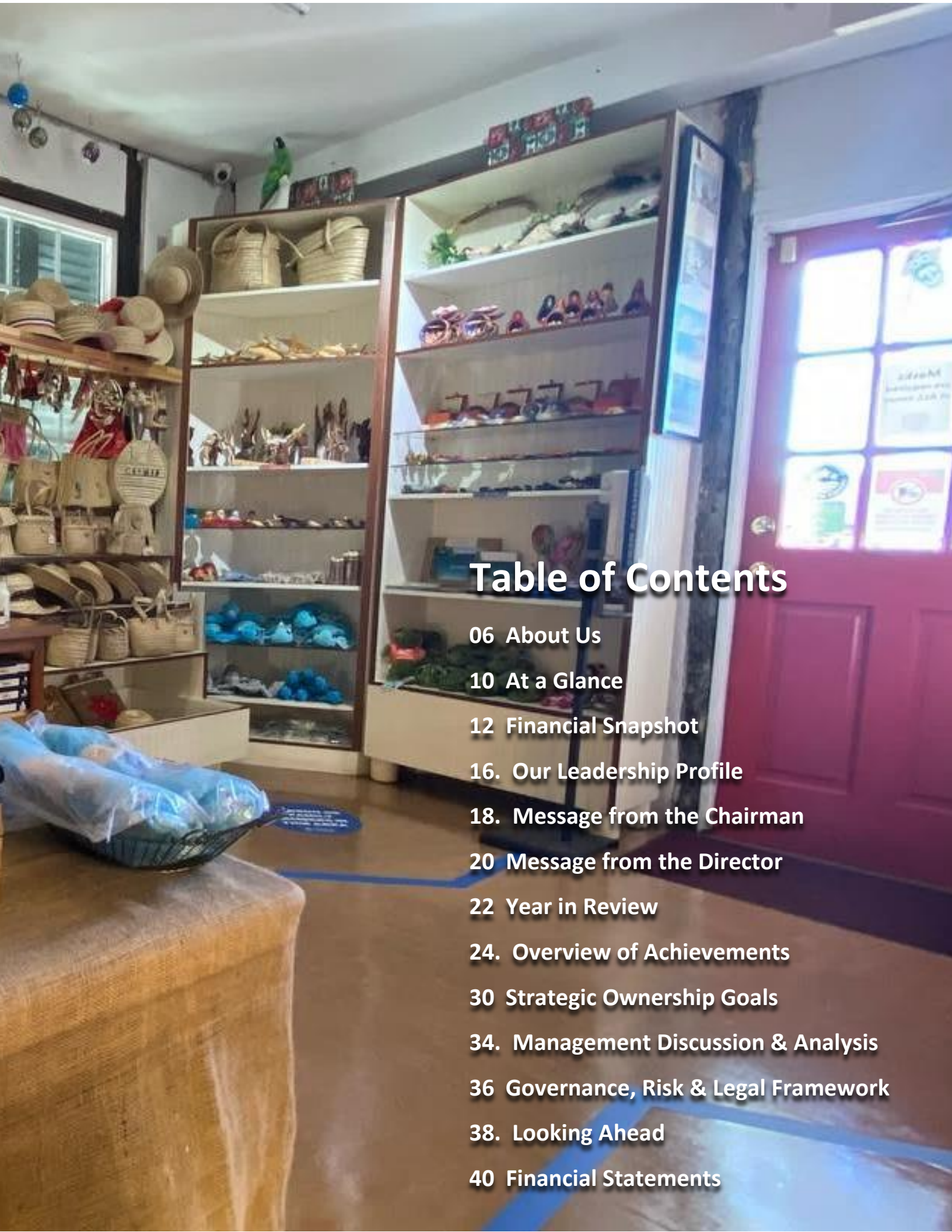


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WHO WE ARE

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.

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

2 *Floors of Galleries*

6 *Exhibition Galleries*



OUR STORY

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

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



CAYMAN ISLANDS NATIONAL MUSEUM

WHAT WE DO

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

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

The National Museum:

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

WHO WE ARE

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 Town.

Our Vision Statements

- Cultivate pride and celebrate Caymanian cultural heritage and natural history by educating Caymanians, residents, and visitors of all ages about the uniqueness and commonalities of the three Cayman Islands.
- Nurture children to become the caretakers and architects of preservation for Caymanian culture and the natural history of the Cayman Islands.
- Present the many voices of the people of the Cayman Islands in order to reflect the Islands' diverse cultures and cultural values.
- Participate in honest and open dialogue with community and visitors.
- 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.

MUSEUM FACTS

12,000+

ARTEFACTS

The Museum holds a large number of artefacts which have been donated, transferred, purchased or found.

300+

MEMBERS

The Museum has over 300 Members, including 5 Corporate Members.

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.

140

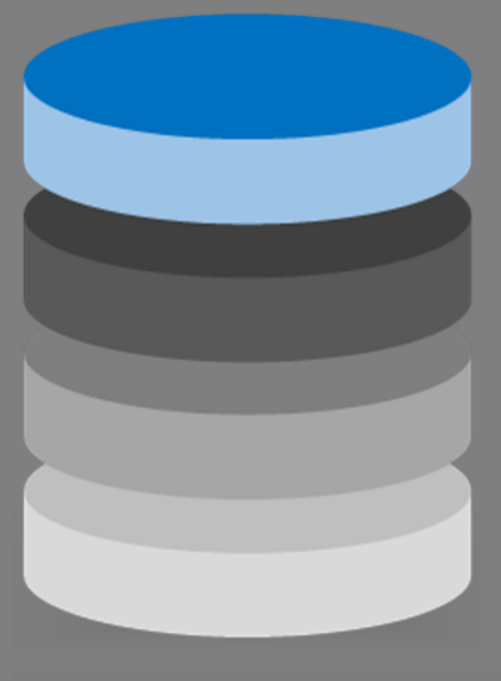
RECORDED SITES

Since 1990 to present, the number of maritime sites on all three islands has grown from 77 to 140.



AT A GLANCE

Financial Performance Measures (\$000's)	2021 Target	2021 Actual
Revenue from Cabinet	855	855
Revenue from Ministries, Portfolios, Statutory Authorities, Government Companies	-	14.0
Revenue from Others	190	56
Total Revenue	1,045	925
Expenses	1,045	924
Surplus/ (Loss)	-	1.3
Net-Worth (\$000's)	2,074.9	1,838.1
Cash Performance (\$000's)	2021 Target	2021 Actual
Cash Flows from Operating Activities	45.3	251.1
Cash Flows from Investing Activities	(50)	(14.8)
Cash Flows from Financing Activities	50	69.1
Change in cash balances	45.3	305.4
Financial Performance Ratios	2021 Target	2021 Actual
Current Assets: Current Liabilities	21.6:1	20.6:1
Total Assets: Total Liabilities	34.74:1	27.4:1
Human Capital Measures	2021 Target	2021 Actual
Total full-Time Equivalent Staff Employed	10.5	8



Total Revenue (in thousands)

2019	\$1,064,261
2020	\$980,197
2021	\$925,085

Value of Total Assets (in thousands)

2019	\$1,869,616
2020	\$1,827,562
2021	\$1,907,561

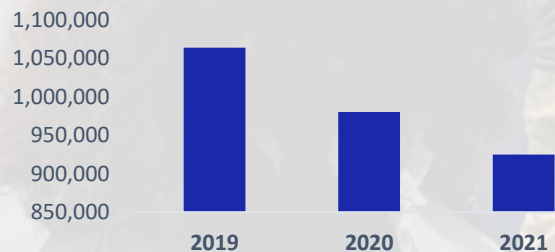
Total Full Time Staff

2019	9
2020	8
2021	8

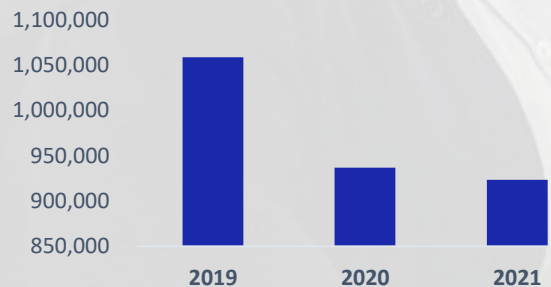
FINANCIAL SNAPSHOT

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.

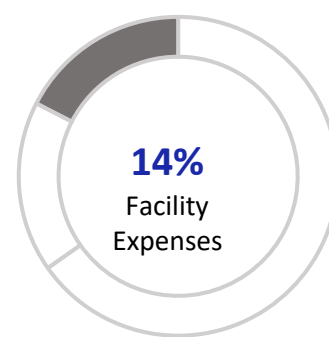
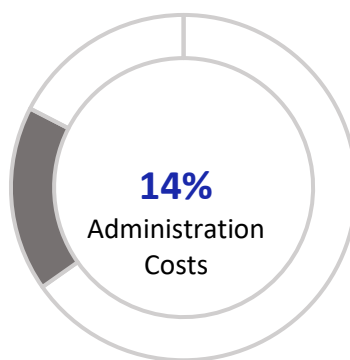
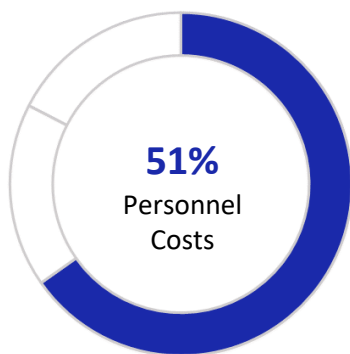
Total Revenue



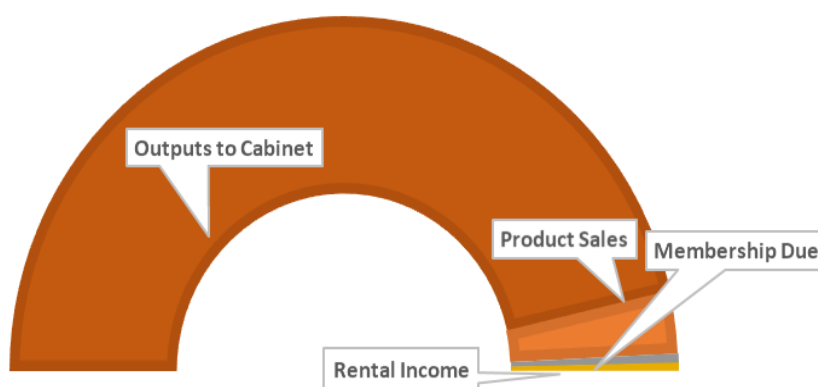
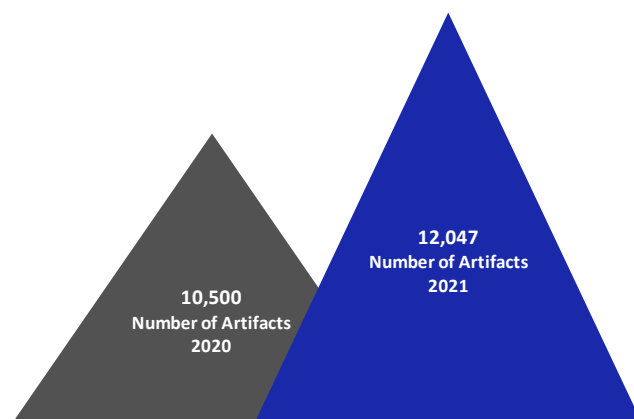
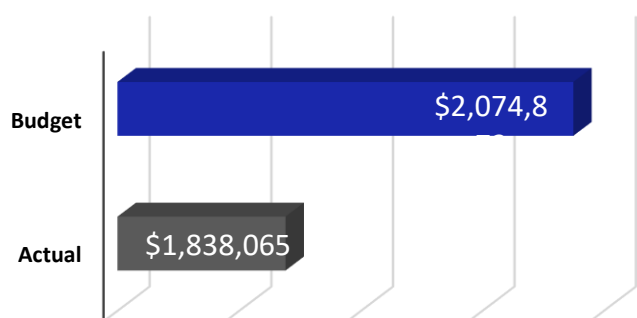
Total Expenses



The Museum ended the year with \$1 million in Cash and Cash Equivalents; and \$0.5 million worth of Property, Plant and Equipment.



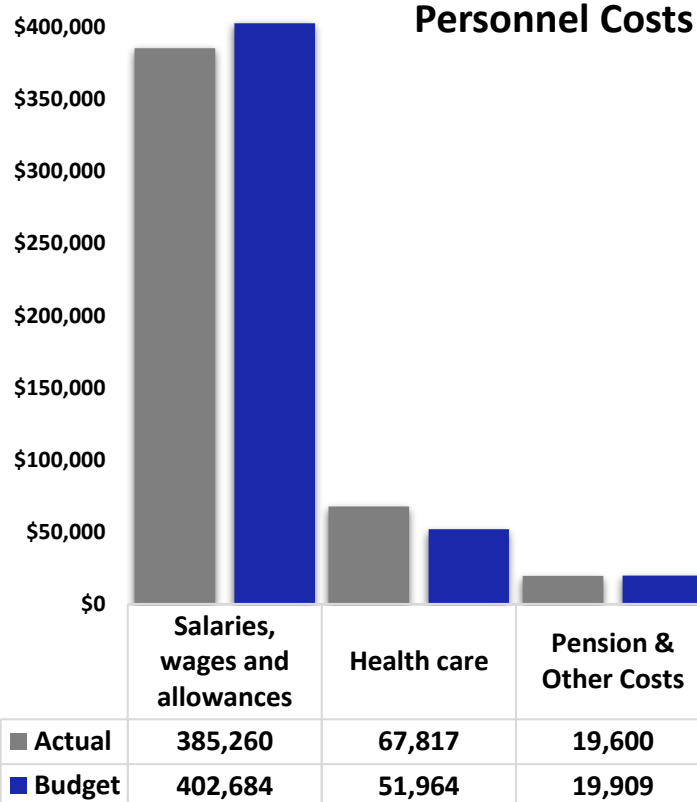
Net Worth



The Museum held \$250,000 in Contingency Reserves as at the end of 2021.

*All amounts cited are in Cayman Islands Dollars

Personnel Costs



OUR ORGANISATION

Ministry

Museum Board

Director
Dr. Peggy Leshikar-Denton

Finance Manager
FINCOR (Contracted)

Operations Manager
Doss Solomon

**Visitor Services &
Retail Officer**
Deborah Maynard

**Visitor Services &
Retail Officer**
Rebecca Moore

**Contract Facilities
Assistant**

```
graph TD; A["Curation & Collections Manager  
Debra Barnes-Tábora"] --- B["Public Relations & Media/ Design Specialist  
Brian Watler Jr."]; A --- C["Exhibition Coordinator  
Wray Banker"]; A --- D["Special Events & Programmes Assistant  
Shenice McField"]
```

**Curation & Collections
Manager**
Debra Barnes-Tábora

**Public Relations &
Media/ Design Specialist**
Brian Watler Jr.

**Exhibition
Coordinator**
Wray Banker

**Special Events &
Programmes Assistant**
Shenice McField

OUR



**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.



**Dr. Peggy Leshikar-
Denton, Ph.D.**

Director

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

LEADERSHIP PROFILE



Mrs. Debra Barnes-Tábora

Curation & Collections Manager

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



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.



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

MESSAGE FROM OUR CHAIRMAN

I am pleased to present the Annual Report for the Cayman Islands National Museum for the period from January 1st, 2021, to December 31st, 2021.

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.

Despite the ongoing negative economic effects attributed to the COVID-19 pandemic, the Museum was able to maintain its track record of fiscal prudence. Notwithstanding Government restrictions on local gatherings, and the continued limited tourism market, the Museum found innovative ways to deliver a variety of programmes and seminars using social media and other online means.

Through key partnerships, and the hard work and dedication of staff, the Museum was able to host several exhibits and events in 2021 honoring individuals who made key contributions to our Islands' history, and through the commemoration of matters of historical importance.

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

I would like to take this opportunity, on behalf of the Board, to recognize our partners in the public and private sectors as well as the Management and Staff of the Museum for their impressive work in 2021.

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

Yours Sincerely,



Craig Metren, Cert. Hon., OLY
Chairman





“If I could sum up the acts of the previous year in one word, I believe that word would be compassion.”

MESSAGE FROM OUR DIRECTOR

The Museum delivered another successful year in 2021 despite the ongoing limitations of the COVID-19 pandemic. Through creativity and resolve, the Museum hosted and participated in meaningful local events and programmes, while enhancing our collection of artefacts for preservation.

The curious thing about history, is that it is often not recognized as such in the moment it is made. The sacrifices and bravery of our people in the continued management of this global pandemic will certainly be reflected upon as a historical milestone that showed the resilience of our people and the true Caymanian spirit.

If I could sum the acts of the previous year in one word, I believe that word would be compassion. This human kindness was on full display by people from all walks of life in the Cayman Islands. Through caring thoughts and deeds, the health of our nation took precedent to economic opportunities; employers willingly gave time off to staff to care for ailing relatives; and Caymanians once again came together, as they did after hurricane Ivan in 2004, to help each other weather yet another storm.

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.

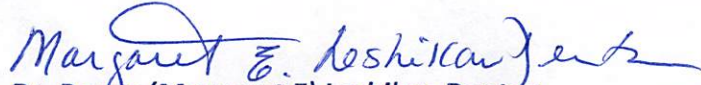
2021 was an embodiment of this important role as we celebrated the pioneer, Miss Annie Huldah Bodden.

I am very proud of the work our team continues to deliver and the dedication and passion shown in their work.

The Museum has been receiving clean audit opinions under the Public Management and Finance Act, in respect of its annual accounts, since the 2016-17 financial year. It is important that our organisation show prudence in our finances, and excellence in our operations and our programmes.

Looking ahead, I am excited about 2022 and the opportunity to build on the successes of 2021. Though it will be a challenging year of rebuilding and expansion, I am confident that with the support of our dedicated and hardworking staff, and oversight and guidance from our Board, we will make 2022 another successful year.

Yours Sincerely,


Dr. Peggy (Margaret E) Leshikar-Denton
Director

2021 YEAR IN REVIEW



January

See Wha Ah Sayin'?!

The first 2021 Radio Cayman Talk Today Segment with host Sterling Dwayne Ebanks and Museum employee Wray Banker kicked off the year with the topic: Logwood.



February

John Gray Career Day

On February 12th, 2021, we attended the JGHS Career Day, to educate students on careers at the Museum.



March

39th Annual NCFA

The Museum sponsored students from the Edna Moyle Primary School by allowing our employee Brian Watler Jr. to teach the quadrille dancers who subsequently won Gold at the Festival.



April

Outfitting our Tribute Gallery

Museum staff worked feverishly behind the scenes to get the Miss Annie exhibition ready.



May

International Museum Day

We opened our new exhibition on Miss Annie Huldah Bodden: A Woman of Many Hats.



June

Preparations underway for Immerse Summer Camp

We opened up registration for our Summer Camp 2021.



July

Mango Season at the Museum

The Museum hosted its 5th annual Looky Ya Mango Season event.



August

Hurricane Preparedness

Working alongside the PWD, our team carried out their annual hurricane preparedness drill.



September

Can you speak Caymanian

We kicked off our new series, where we publish a word/phase and participants record themselves and submit to the Museum.



October

Discussion on Cayman's yesteryears

Museum staff attended the Ministry of YSC&H's informative discussion on Cayman's yesteryears at the Harquail Theatre and online.



November

Museum's 31st Anniversary

The Museum celebrated its 31st Anniversary with an all-day event on Seafarers Way and Goring Avenue.



December

Staff Christmas Lunch

Museum staff enjoyed a Christmas Luncheon to jumpstart the holiday season.

OVERVIEW OF OUR ACHIEVEMENTS

This section provides an overview of deliverables and achievements for the 2021 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.

While ongoing constraints relating to the COVID-19 pandemic limited the number of gatherings during the year, the National Museum was able to host a few remarkable events (adhering to Government regulations), both in person, and remotely, to continue enhancing and educating visitors and residents on Cayman's diverse history and culture.

We kicked off the 2021 year facilitating various tours and visits from our local population. On January 29, 2021, the Cayman Prep School visited our Old Courts Building, the oldest public building in the Cayman Islands. There the students perused our audiovisual theatre, and learned all about our various exhibits, our people, and the history of all three islands.

In January 2021, we welcomed five returning Corporate Members: CUC, Hurley's, Water Authority and G.T. Automotive & Imports and

Cayman National, as well as Individual, Senior, Family and Contributor Members.

Our See Wha Ah Sayin'?! Radio Show, resumed in January with the topic: Logwood. The weekly Radio Cayman Talk Today Segment, with Sterling Dwayne Ebanks and Museum employee, Wray Banker, is a community favorite, showcasing light-hearted topics that look at Caymanian language, Culture and History.

February was a busy period for the Museum's staff.

On February 12th, 2021, we attended the John Gray High School Career Day, to educate year 9, 10 and 11 year old students on the important role the Museum plays in conserving our Islands' heritage and culture, as well as career and volunteer opportunities with the Museum.

We participated in the 6th Annual Coco Fest held at

Pedro St. James Historic site on Saturday February 13th, 2021 to celebrate the importance and health benefits of coconuts. The National Museum had its own booth and sold products unique from our Gift Shop. We also joined the Cayman National Cultural Foundation for its



Annual Red Sky at Night event held on February 27th, 2021.

Our February Speaker Series Lecture, focused on the topic, Bush Medicines.

During March, the Museum welcomed students from the International College of the Cayman Islands, as well as Year 8 students from the John Gray High School. We also celebrated International Women's Day on March 8th, 2021.

We extend congratulations to the Edna M. Moyle Primary School Quadrille dancers who won Gold at the 39th Annual National Children's Festival of the Arts. The National Museum sponsored these students by allowing our very own, Brian Watler Jr. to deliver classes to the students every Wednesday afternoon in preparation for the competition.

On May 18th, 2021, we celebrated International Museum Day by opening an exhibition featuring Miss Annie Huldah Bodden, OBE, and other activities.

Pioneering Annie Huldah Bodden carved new paths and shattered ceilings to achieve a raft of "firsts" in the Cayman Islands, the pinnacle of which was her appointment as the First Female Nominated Member of the Legislative Assembly in 1961. Miss Annie Huldah Bodden was also the first female Caymanian to be awarded an Officer of the British Empire ('OBE'). This exhibition was a collaborative effort between the National Museum and our community of Stakeholders.

'The objective of International Museum Day ('IMD') is to raise awareness of Museums as an important means of cultural exchange, enrichment of cultures and development of

mutual understanding, cooperation and peace among peoples' (ICOM, 2021). The 2021 IMD theme was 'The Future of Museums: Recover and Reimagine'. The National Museum welcomed over 150 guests ranging from

students of the Clifton Hunter High School, International College of the Cayman Islands and homeschoolers, to older persons and other members of the community.

On Thursday, 13th May 2021, the Cayman Islands National Museum Director, Dr. Peggy Leshikar-Denton, Brian Watler Jr., PR & Media/ Design Specialist and Rebeca Moore, Visitor Services and Retail Officer, joined the Cayman Crosstalk Show, Open Mic, to promote the Museum's upcoming events, exhibits and Gift Shop products.

Following the General Elections in April 2021, the National Museum had the pleasure of welcoming our new Minister, the Honourable Bernie Bush and Chief Officer Teresa Echenique to the Museum. Director, Dr. Peggy Leshikar-Denton formally welcomed them and acted as host for the event which showcased the work carried out by the Museum. Introductions to the Museum's Board Members and Staff were made, as well as a tour of the Old Courts Building.

We also welcomed the Pink Ladies Cayman Islands to the Museum on May 21st, 2021, with an enjoyable, and informative tour. We celebrate them and thank them for donating two books- 'Celebrating 40 years of the Pink Ladies' to the Museum.







Mango Season returned as one of the major events put on by the Museum. On Saturday, 3rd July from 10am to 2pm, we hosted over 350 residents to our 5th annual Mango Season at the Museum. Admission to this event was free to the public, who enjoyed local food, a Mango Peeling Competition, traditional artisans and vendors with mango products, Catboat Rides in the Harbour, and live steelpan music. We are grateful to our Minister, Hon. Bernie Bush, who was on hand to present the prizes/certificates to the winners and participants of our Mango Peeling & Eating Competition.

We hosted our 5th annual Immerse Summer Camp, which focused on our Island's rich natural heritage. Once again we ran two sessions, the first from July 19th to 23rd, 2021, and the second from August 2nd to 6th 2021. There were 26 total campers aged 10 to 14.

We conceptualized Immerse Summer Camp back in 2016 to educate our young people on our Islands' rich heritage and culture. While many people view Cayman as a huge melting pot, we prefer to see it as a huge salad bowl, one where each element preserves its identity while blending harmoniously with other components. Our mandate is to keep Caymanian heritage and culture alive for future generations. The Immerse Summer Camp programme allows us to share the pride of our culture with our young people while also enabling them to appreciate differences and the beauty of harmonious living."

Students learned about the important role Museums play in preserving our natural heritage. On Day 1 they explored our marine habitat, learned about endemic plants and animals in Cayman, how to record & document

wildlife, and the importance of safeguarding biodiversity in our beautiful Islands. On Day 2 they hiked the entire Mastic Trail from the south to the northern entrance and learned about Cayman's cliff rock and swamp communities. On Day 3, the participants kayaked through the mangroves and learned the important roles mangroves play in protecting our coastlines and serving as a nursery for young marine life. They also learned how to plait thatch from Ms. Rose May Ebanks and Ms. Marcie Hydes. Day 4 took

the children to the Queen Elizabeth II Botanic Park, and for the final day of week1, the campers visited the Cayman Parrot Sanctuary, to learn about protecting and caring for injured Cayman Parrots.

The Museum ensured that proper social distancing and safety protocols were followed by all participants.

The Public Works Department (PWD) and the National Museum team carried out their annual hurricane preparedness drill for the 2021

Hurricane Season by shuttering and protecting Cayman's oldest standing public building, our 200-year old Old Courts Building. The National Museum thanks PWD for their assistance in this effort each year, and we are happy to report that the Old Courts building received no damage from Tropical Storms Grace & Ida.



The National Museum celebrated its 31st anniversary and hosted 'Looky Ya! Old Time Days Come Back Again' on Saturday, 20 November 2021.

The all-day event (10am-6pm) included the annual payment by CINM of its peppercorn rent to the Cayman Islands Government, in the form of a coil of thatch rope. Acting Minister for Youth, Sports, Culture & Heritage, Hon. Isaac Rankine accepted the payment and gave remarks.



Visitors to the indoor-outdoor event enjoyed sampling toothsome local food, dance and music demonstrations and browsed around the traditional arts and crafts stalls dotted along Seafarers Way and Goring Avenue.

The socially-distanced celebration also included free entry into the museum.

Staff Initiatives

The Museum celebrates and appreciates the great contributions of its staff.

On May 14th, 2021, Museum staff had their first team building retreat, at the Queen Elizabeth II Botanical Gardens followed by lunch at Over the Edge Restaurant.

The purpose of the team building exercise was to strengthen the bonds between team members, and allow staff to foster genuine connection, communication, and collaboration.

The annual staff Christmas party was held on December 3rd, 2021. It was an enjoyable event where staff played trivia games, and reflected over the year passed.



STRATEGIC OWNERSHIP GOALS

The Strategic Ownership Goals for the Museum for 2020 – 2021 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.





Court 1950

Founded Upon the Seas

Religion 1950

HOLY BIBLE

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

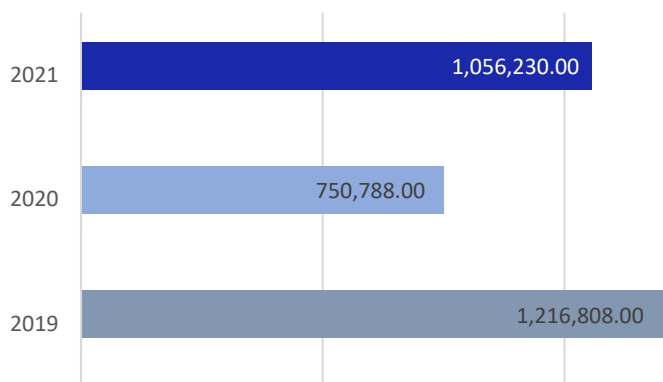
- Continue to prepare and support Government's requests for information in a timely manner to further the cultural well-being of the Cayman Islands.
- Provide reports and other documents requested by the Ministry on a monthly, quarterly and annual basis, and as needs arise.
- Assist the Ministry in creating 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 term is 5 June 1990 – 5 June 2040) or vesting the Old Courts Building to the Museum.

MANAGEMENT

DISCUSSION & ANALYSIS

The Museum closed the fiscal year with a modest operating surplus of \$1,301 and a closing cash position of \$1,056,230. The closing cash position is an improvement of \$305,442 when compared with the 2020 financial results. This positive variance is primarily due to the Museum receiving outstanding amounts for output payments in 2021.

Cash & Cash Equivalents



Operating Revenues were \$119,957 below budget; however, the Museum recorded \$121,258 in expenditure savings.

Our 2021 revenue of \$925,085 showed a reduction of \$55,112 over the previous fiscal year. A one-off donation in 2020, largely accounts for this variance.

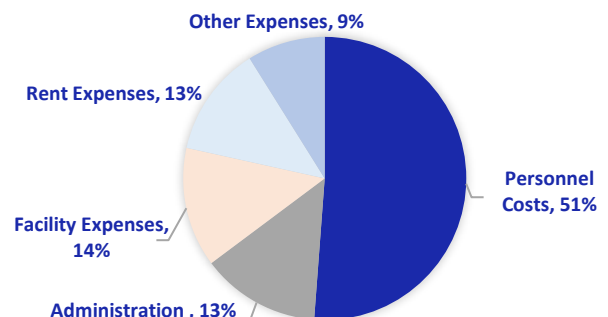
Revenues from product sales, admissions and rental income were all lower than budget because of lingering COVID-19 restrictions and a lack of tourism from cruise visitors. Revenue from Government grants and contributions were in line with budget expectations, while the \$6.3K negative variance in fundraising and donation relates to the reduced fundraising activities of

the Museum due to Government imposed restrictions from COVID-19.

Total expenses for the year amounted to \$923,784. This was \$13,090 less than the spend of the previous year.

The variances in administration and other expenses largely relate to savings caused by reduced activities during the year and Management's deliberate efforts to reduce costs. Savings in lease costs is due to effective renegotiation of the leases for Cayside House and Pasadora place whereby the Museum was able to secure an extension at no increase in

Expenses



rental cost.

Cost of Goods sold were \$24,779 less than the budget anticipated. This is directly related to lower sales activities during the year due to the continued absence of cruise tourism and restrictions on public gatherings. Accordingly, the value of inventories was lower than the budget anticipated; however, normal stock levels are expected to resume once the cruise tourist market returns to normal.

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

Over the fiscal year, we increased our contingency reserves to CI\$250,000 to better reflect 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.

Property and equipment were lower than budgeted due to delays in the execution of the Museum's planned capital programme resulting from the impacts of COVID-19. This meant that planned works and acquisitions were not able to be carried out during the year.

Now that funding has been received from the Cabinet of the Cayman Islands Government, we will be seeking to install the fire suppression system in FY2022 to reduce the likelihood of severe damage to our artefacts in the event of a fire.

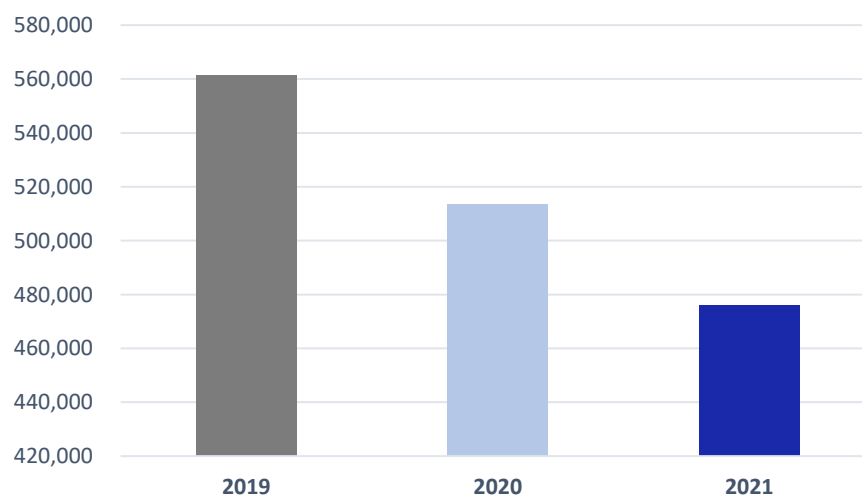
Deposits and prepaid expenses were over budget by \$55,912, largely due to a deposit of \$39,214 that was paid to an overseas supplier on the production of an Animatronic display figure and orders placed with overseas vendors for giftshop inventory which had not been received by the fiscal year end.

Over the period, Restricted Funds fell as a result of the utilization of fund balances to meet donor specified purposes.

The \$271,900 negative variance in Contributed Capital reflects the delayed receipt of appropriated equity injection to the Museum. Remaining funds were received in January 2022 following the close of the fiscal year-end.

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

Property Plant & Equipment



GOVERNANCE & RISK MANAGEMENT

The Museum is subject to normal risks associated with most Public Agencies. For the year 2020 those risks included:

KEY RISKS FACED BY THE MUSEUM	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
1. Loss or damage to the nonrenewable National Collection by:		N.B. see note (h) on accounting policies regarding the Collection
(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 event
(b) Hurricane or Severe Storm Due to the close proximity to the water the National Collection is at risk throughout the year	Annual hurricane preparedness exercises and updating of the plan and supplies. Removal and/or safe storage of artefacts when a hurricane is approaching. Continuous internal and external building maintenance.	Replacement or restoration cost of items lost or damaged as a result of the event
(c) Pest infestation The building's materials and construction increase its vulnerability	Regular pest control management	Replacement or restoration cost of items lost or damaged as a result of the event
(d) Insurance	Basic insurance coverage is in place for the buildings and their contents. Need to review and revise as needed. Seek the expertise of a certified art appraiser to establish the replacement values of the Museum's National Art Collection for insurance purposes.	Financial loss of the replacement value of the Museum's art collection and other measurable items

KEY RISKS FACED BY THE MUSEUM	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
2. Inadequate shelving and storage facilities and inactive conservation programme result in gradual deterioration of the National Collection	The collection is in new rental storage post Ivan.	Replacement or restoration cost of items lost or damaged as a result of the event.
	Plan and build a purpose-built facility to accommodate the current and future needs of the National Collection.	
3. The Museum needs specialized staff in the areas of conservation, curation, collections management, design, archaeology, business, public relations, programmes and operations.	Staff are being encouraged to undertake studies and obtain qualifications. The Museum is working to improve professional staffing of the organization to create a <u>positive professional environment</u> and to address the specialized needs of the Museum.	Inability to professionally manage, research, care for, curate, interpret, and exhibit the Museum's collections – resulting in replacement or restoration

The Museum has measures in place to manage these risks, as such, these risks did not materially impact operations during the 2021 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 Act (2020 Revision);
- The Public Authorities Law;
- The Non-Profit Organization Law;
- The Procurement Law and Regulations;
- The Public Service Management Law; and
- The Cayman Islands Labor Law

LOOKING AHEAD

The Museum has big plans for fiscal year 2022 when it is hoped that cruise visitors will return to our shores and the Museum can continue sharing our history and heritage with visitors to our islands.

The theme for the 2022 Immerse Summer Camp will be 'Cayman Traditions' — learning how to dance Cayman's traditional dance, the Quadrille, rope making, cooking, baking, traditional games, music and more!

Restoration of a late 1800s nineteen-foot dory: Repairing the National Museum's largest water-going vessel work is currently underway to restore a late 1800s nineteen-foot dory - the National Museum's largest water-going vessel . The work is being carried out by traditional artisan Darwin Ebanks who is seeking to maintain the historic integrity of the aged vessel, Glee.

Glee is an important National Cultural Treasure known for her swiftness, reliability, and long history of service to Grand Cayman and more specifically, to the people of West Bay. It represents a significant cultural object and provides tangible evidence of the ingenuity and craftsmanship of people from that era.

Long awaited works to improve the resiliency of the Old Courts Building are expected to get underway in 2022, with the installation of a fire suppression system.

The Museum will also be replacing the Maritime Heritage Trail Signs during the upcoming year.

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.

As local conditions continue to improve with the relaxation of COVID-19 restrictions, our staff is already planning a spectacular event for this year's Looky Ya and Mango fest in the streets of Seafarer's way.

Other plans for the year include the Queen's Jubilee on the 14th May, Miss Annie's permanent exhibit opening for International Museum Day, and the Queen's Exhibit at the Old Library.

The future is filled with amazing possibilities, 2022 promises to be another exciting year working with and preserving the natural history of our Islands through arts and cultural exhibits.

Glee Boat
repair is
underway



Museum
received its EI
for the Fire
Suppression



Miss Annie
Huldah Bodden
animatronic to
be installed



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



APPENDIX:
Cayman Islands
National Museum
Financial Statements for the
Year Ended 31 December 2021



Financial Statements of the

CAYMAN ISLANDS NATIONAL MUSEUM

For the year ended December 31, 2021

CAYMAN ISLANDS NATIONAL MUSEUM

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**CAYMAN ISLANDS NATIONAL MUSEUM
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, 2021.

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, 2021;
- (b) fairly reflect the financial position as at December 31, 2021 and performance for the year ended December 31, 2021;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Craig Merren
Chairman
Cayman Islands National Museum

Date: 6th April, 2022



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

Date: 6 April 2022

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 2021 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 24.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at 31 December 2021 and its financial performance and its cash flows for the year ended 31 December 2021 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.

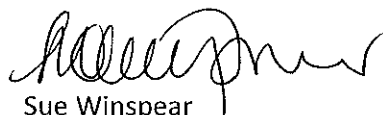
AUDITOR GENERAL'S REPORT (continued)

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
Auditor General

6 April 2022
Cayman Islands

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Financial Position

As at December 31, 2021

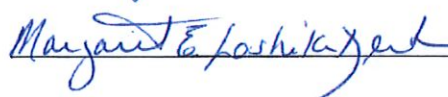
(expressed in Cayman Islands dollars)

2020		Note(s)	2021	Final Budget	Variance
Assets					
Current assets					
750,788	Cash and cash equivalents	3	1,056,230	990,032	66,198
431,466	Accounts receivable	4	218,810	218,750	60
76,183	Deposits and prepaid expenses	5	80,912	25,000	55,912
55,613	Inventories	6	73,022	94,383	(21,361)
1,314,050	Total Current assets		1,428,974	1,328,165	100,809
Non-current assets					
513,511	Property and equipment	7	478,587	808,208	(329,621)
1,827,561	Total Assets		1,907,561	2,136,373	(228,812)
Liabilities and Equity					
Current Liabilities					
59,899	Accounts payable and accrued liabilities	9	69,496	61,500	7,996
59,899	Total Liabilities		69,496	61,500	7,996
Equity					
336,179	Accumulated surplus		287,482	287,145	337
200,000	Contingency reserve	10	250,000	200,000	50,000
96,272	Restricted Funds	8	87,272	102,517	(15,245)
1,135,211	Contributed capital		1,213,311	1,485,211	(271,900)
1,767,662	Total Equity		1,838,065	2,074,873	(236,808)
1,827,561	Total Liabilities and Equity		1,907,561	2,136,373	(228,812)

The Notes to the Financial Statements on page 8 to 24 form part of these financial statements.

Approved on behalf of the Board of Control on 6 April, 2022:

 Craig Merren, Chairman

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

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Financial Performance

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

2020		Note(s)	2021	Final Budget	Variance
Revenue					
855,000	Government grants and contributions	11	855,000	855,000	-
39,026	Product sales	12	52,055	97,839	(45,784)
18,087	Admissions		3,253	59,354	(56,101)
4,796	Rental income		7,944	18,900	(10,956)
9,720	Membership dues		6,090	5,449	641
53,461	Fundraising income and donations		659	7,000	(6,341)
107	Interest and other income		84	1,500	(1,416)
980,197	Total Revenue		925,085	1,045,042	(119,957)
Expenses					
517,717	Staff costs	15,16,17	472,677	474,556	(1,879)
116,528	Administration and other expenses	14	125,562	196,166	(70,604)
112,653	Facility expenses	13	126,312	145,870	(19,558)
115,454	Rent expenses		116,629	125,417	(8,788)
51,598	Depreciation	7	49,674	45,324	4,350
22,924	Cost of goods sold		32,930	57,709	(24,779)
936,874	Total Expenses		923,784	1,045,042	(121,258)
43,323	Net Surplus for the period		1,301	-	1,301

The Notes to the Financial Statements on page 8 to 24 form part of these financial statements.

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Changes in Equity

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

	Accumulated Surplus	Contingency Reserve (Note 10)	Temporary Restricted (Note 8)	Contributed Capital	Total	Budget	Actual vs Budget Variance
Balance as at December 31, 2019	292,855	200,000	146,272	1,135,211	1,774,338	1,724,873	49,465
Net surplus for the year	43,324	-	-	-	43,324	-	43,324
Equity Injection	-	-	-	-	-	300,000	(300,000)
Transfer to unrestricted from temporary restricted funds for the period	-	-	(50,000)	-	(50,000)	-	(50,000)
Balance at December 31, 2020	336,179	200,000	96,272	1,135,211	1,767,662	2,024,873	(257,211)
Net surplus	1,301	-	-	-	1,301	-	1,301
Equity Injection	-	-	-	78,100	78,100	50,000	28,100
Transfer to/from unrestricted from/to temporary restricted funds for the period	(50,000)	50,000	(9,000)	-	(9,000)	-	(9,000)
Balance at December 31, 2021	287,480	250,000	87,272	1,213,311	1,838,063	2,074,873	(236,810)

The Notes to the Financial Statements on page 8 to 24 form part of these financial statements.

CAYMAN ISLANDS NATIONAL MUSEUM

Statement of Cash Flows

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

Prior Year Actual 2020	Cash Flow from Operating Activities	Current Year Actual 2021	Budget	Actual vs Budget
43,324	Operating Surplus or (Deficit)	1,301	-	1,301
	Adjustment for items not involving cash:			-
51,598	Depreciation	49,674	45,323	4,351
	Net changes in operating assets and liabilities:			-
(426,590)	Accounts receivable	212,656	-	212,656
(49,136)	Deposits and prepaid expenses	(4,730)	-	(4,730)
3,934	Inventories	(17,409)	-	(17,409)
(35,379)	Accounts payable and accrued expenses	9,597	-	9,597
(412,249)	Net cash flow (used in)/ from Operating activities	251,090	45,323	205,767
	Investing activities			
(3,772)	Purchase of fixed assets	(14,750)	(50,000)	35,250
(3,772)	Cash flows used in Investing activities	(14,750)	(50,000)	35,250
	Financing activities			
(50,000)	Restricted fund balances	(9,000)	-	(9,000)
-	Equity Injection	78,100	50,000	28,100
(50,000)	Net Cash flows (used in)/ from Financing activities	69,100	50,000	19,100
(466,021)	Net (decrease)/ increase in cash and cash equivalents	305,441	45,323	260,117
1,216,808	Cash and cash equivalents at January 1, 2021	750,788	944,708	(193,920)
750,787	Cash and cash equivalents at December 31, 2021	1,056,229	990,031	66,197

The Notes to the Financial Statements on page 8 to 24 form part of these financial statements.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

1. Background information

The Cayman Islands National Museum (the “Museum”) was established on May 3, 1979 by enactment of the Museum 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, 2020: 10,500) artefacts that have been donated, transferred, purchased or found, with the majority being donations. Artefacts are documented in the Museum’s Accession Register and are used in research or are held in exhibition for public service. The research collections (those that are not on exhibit at the Museum) are kept at the Museum Support Facility in an environmentally controlled vault for preservation. The Museum also operates a giftshop, and leases space to a third party, which operates a cafe.

The Museum is funded primarily by an annual grant from the Cayman Islands Government (the “Government”) through the Ministry of Youth, Sports, Culture & Heritage (the “Ministry”) (the Museum was under Ministry of Health, Environment, Culture and Housing until June 30, 2021). 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) Reporting periods

In compliance with the *Public Management and Finance Act (2020 Revision)*, the current financial statements are prepared for 12 months from January 1, 2021 to December 31, 2021.

(b) Basis of preparation

In compliance with the *Public Management and Finance Act (2020 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. Any discrepancies between the totals and sums are rounding.

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

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(c) *Use of estimates*

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

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

Certain new accounting standards have been published. The Museum's assessments of the impact of these new standards are set out below.

IPSAS 41, *Financial Instruments* was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, *Financial Instruments: Recognition and Measurement*. It is anticipated that IPSAS 41 will not have a significant impact on the Museum's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, *Social Benefits* was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Museum's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Changes in Accounting Policies

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

(e) *Cash and cash equivalents*

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

(f) *Inventories*

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

(g) *Property and equipment*

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

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(g) *Property and equipment (continued)*

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

Estimated useful lives are as follows:

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

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

Repairs and maintenance are charged to expenses as incurred.

(h) *Income recognition*

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

(i) *Government grants*

Government grants are 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.

(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.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(m) Financial assets and liabilities

(i) Classification

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

(ii) Recognition

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

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

(iii) Measurement

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

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2021 and December 31, 2020, 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.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

(n) Restricted funds

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

(o) Operating leases

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

(p) Budget amounts

The budget amounts for the financial year are presented in the 2020-2021 Ownership Agreement and were approved by Parliament, (formally the Legislative Assembly) in November 2019.

3. Cash and cash equivalents

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget
537,678 Cash	779,014	774,086	4,928
213,110 Fixed Deposits	277,216	215,946	61,270
750,788 Total	CI\$ 1,056,230	990,032	66,198

4. Accounts Receivable

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget Variance
427,500 Sale of goods and services to Cabinet	213,750	213,750	-
42 Sale of goods and services to SAGCs	42	1,000	(958)
- Sale of goods and services to third parties	620	500	120
3,924 Sale of goods and services to Ministries/Portfolios	4,398	3,500	898
- Less: Provision for doubtful debts	-	-	-
431,466 Total	CI\$ 218,810	218,750	60

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

5. Deposits and prepaid expenses

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget Variance
5,115 Property deposits	5,115	25,000	(19,885)
39,214 Deposit on acquisition of permanent exhibits	39,214	-	39,214
22,668 Prepaid orders for inventory	17,418	-	17,418
9,185 Prepayment for services	19,165	-	19,165
76,182 Total CI\$	80,912	25,000	55,912

6. Inventories

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget Variance
56,619 Inventory at average cost	74,028	94,383	(20,355)
(1,006) Less: provision for slow moving stock	(1,006)	-	(1,006)
55,613 Total CI\$	73,022	94,383	(21,361)

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

7. Property and equipment

As at December 31, 2021 and 2020, property and equipment consisted of the following:

Description	Furniture, fixtures & equipment	Computer & Office Equipment	Leasehold improvements	Permanent exhibits	Vehicles	Total	Budget	Actual vs Budget Variance
Cost								
Balance at January 1, 2020	402,376	225,851	722,283	428,855	50,200	1,829,565	1,754,583	74,982
Additions	-	-	-	3,772	-	3,772	300,000	(296,228)
Balance at December 31, 2020	402,376	225,851	722,283	432,627	50,200	1,833,337	2,054,583	(221,246)
Cost								
Balance at January 1, 2021	402,376	225,851	722,283	432,627	50,200	1,833,337	2,054,583	(221,246)
Additions	2,801	2,465	6,360	3,124	-	14,750	50,000	(35,250)
Balance at December 31, 2021	405,177	228,316	728,643	435,751	50,200	1,848,087	2,104,583	(256,496)
Accumulated Depreciation								
Balance at January 1, 2020	(397,491)	(217,919)	(477,320)	(143,430)	(32,068)	(1,268,228)	(1,201,604)	(66,624)
Depreciation	(2,087)	(5,723)	(23,976)	(14,748)	(5,064)	(51,598)	(49,447)	(2,151)
Balance at December 31, 2020	(399,578)	(223,642)	(501,296)	(158,178)	(37,132)	(1,319,826)	(1,251,051)	(68,775)
Balance at January 1, 2021	(399,578)	(223,642)	(501,296)	(158,178)	(37,132)	(1,319,826)	(1,251,051)	(68,775)
Depreciation	(1,286)	(3,234)	(24,588)	(15,505)	(5,060)	(49,673)	(45,324)	(4,349)
Balance at December 31, 2021	(400,864)	(226,876)	(525,884)	(173,683)	(42,192)	(1,369,499)	(1,296,375)	(73,124)
Net Book value at December 31, 2021	CI\$ 4,313	1,440	202,759	262,068	8,008	478,588	808,208	(329,620)
Net Book value at December 31, 2020	CI\$ 2,798	2,209	220,987	274,449	13,068	513,511	803,532	(290,021)

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

8. Restricted funds

Fund balances are restricted for:

Acquisitions

On February 3, 2017, the Museum received US\$5,000 from the Prize Charitable Trust for the acquisition of local carvings, artwork and craftwork for the national collection. The balance is restricted until the intent of the donor has been fulfilled. As at December 31, 2021 and 2020, CI\$3,217 remained in the restricted funds account.

Archaeology

During the period ended December 31, 1994, a fundraiser was held to provide funds for marine archaeological research and equipment. The net proceeds from the fundraiser were placed in a restricted account for similar expenditures. As at December 31, 2021 and 2020, 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, 2021 and 2020, 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 Board Chairman during the period ended June 30, 2006. At December 31, 2021 and 2020, CI\$1,918 remained in the restricted funds account.

New Building

During the period ended June 30, 2004, the Museum received donations in the amount of CI\$9,840 for the new museum building. At December 31, 2021 and 2020, 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, 2021 and 2020, CI\$191 remained in the restricted funds account.

Renovations and Recovery

During the period ended June 30, 2006, the Museum received donations in the amount of CI\$20,701 for the recovery of any material evidence of artistic, historic or scientific significance to Cayman Islands. During 2021, \$1,657 of this fund was utilized for the Glee Boat Restoration. As at December 31, 2021 CI\$19,044 (2020: 20,701) remained in the restricted funds account.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

8. Restricted funds (continued)

Webster Foundation

During the period ended June 30, 2012, the Museum received a donation of CI\$20,000 for the acquisition of artefacts, and the costs of displaying such artefacts. At December 31, 2021 and 2020, 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. During 2021, \$7,343 was utilized for the Glee Boat Restoration. At December 31, 2021, nil (2020: 7,343) remained in the fund.

Exhibitions

During 2019, in celebration of its 35-year Anniversary, The Water Authority pledged CI\$50,000 to sponsor an animatronic figure of Annie Huldah Bodden as a permanent display in the Museum's Courtroom diorama, this was expended in 2020. At December 31st, 2021, nil remained in the fund.

The movements in restricted fund balances during the year ended December 31, 2021 and period from January 1st, 2019 to December 31, 2021 were as follows:

	Archaeology	Powell's	McCoy Prize	New Building	Maritime Heritage Trail	Educational Programme	Renovations & Recovery	Webster Foundation	Collections Preservation	Acquisitions	Exhibitions	Total
Balance at December 31, 2019	CI\$ 12,812	20,250	1,918	9,840	191	-	20,701	20,000	7,343	3,217	50,000	146,272
Additions / (Disbursements)	-	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)
Balance at December 31, 2020	CI\$ 12,812	20,250	1,918	9,840	191	-	20,701	20,000	7,343	3,217	-	96,272
Additions / (Disbursements)	-	-	-	-	-	-	(1,657)	-	(7,343)	-	-	(9,000)
Balance at December 31, 2021	CI\$ 12,812	20,250	1,918	9,840	191	-	19,044	20,000	-	3,217	-	87,272

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

9. Accounts Payable and Accrued Liabilities

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget Variance
1,424 Third party creditors	7,702	10,000	(2,298)
1,500 Refundable Deposit	11,880	-	11,880
36,069 Accrued Expenses	38,748	36,500	2,248
19,195 Accrued Leave	9,455	15,000	(5,545)
1,711 Pension Withholding	1,711	-	1,711
59,899 Total	CI\$ 69,496	61,500	7,996

10. Contingency reserve

During the 2021 fiscal year, Management increased the contingency reserve to \$250,000 (2020: CI\$200,000). The contingency reserve was established by the Board of Control as a precautionary measure to meet the costs of overcoming any future disaster that might befall the Museum. This amount better reflects the potential cash flow that would be required to keep the Museum operational in the event of an unforeseen disaster.

11. Government grants and contributions

During the year ended December 31, 2021, Output services totalling CI\$855,000 (December 31, 2020: CI\$855,000) were sold to the Cayman Islands Government.

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

12. Product Sales

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget Variance
- Outputs to others: Merchandise Sales	-	2,527	(2,527)
39,026 Output to others: Gift shop sales	52,055	95,313	(43,258)
39,026 Total	CI\$ 52,055	97,840	(45,785)

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

13. Facility Expenses

Prior Year Actual 2020		Current Year Actual 2021	Budget	Actual vs Budget Variance
34,353	Electricity	39,084	64,659	(25,575)
22,863	Insurance	23,667	19,739	3,928
10,139	Janitorial Services	12,826	13,532	(706)
1,800	Landscaping	1,350	1,938	(588)
675	Pest control	735	1,673	(938)
26,076	Repairs & Maintenance	28,845	29,361	(516)
2,179	Security Services	4,937	5,111	(174)
13,931	Telephone	14,009	7,847	6,162
638	Water	859	2,009	(1,150)
112,654		CI\$ 126,312	145,869	(19,557)

14. Administration and other expenses

Prior Year Actual 2020		Current Year Actual 2021	Budget	Actual vs Budget Variance
8,644	Advertising	8,667	12,082	(3,415)
20,000	Audit Fees	25,000	25,000	-
42,000	Accounting Services	43,500	45,000	(1,500)
2,423	Bank service charges	1,576	4,768	(3,192)
234	Bottled water	412	278	134
-	Emergency preparedness	1,942	-	1,942
108	Fuel	94	295	(201)
13,349	IT expenses	7,689	19,713	(12,024)
-	Kitchen Supplies & Consumables	1,503	-	1,503
757	Meals and Entertainment	2,342	654	1,688
-	Membership Fees	530	1,224	(694)
202	Motor Vehicle Operations	575	135	440
3,578	Office Supplies	3,516	2,434	1,082
251	Postage & Courier	157	386	(229)
100	Post Box Rental	100	-	100
16,372	Programme Expenses	26,831	77,000	(50,169)
-	Professional Services	-	1,131	(1,131)
8,616	Shop Supplies	-	1,230	(1,230)
255	Web Hosting	255	253	2
-	Doubtful Debt Expense	-	-	-
79	Write-offs	-	2,084	(2,084)
26	Cash (over)/short	93	-	93
(1,097)	Gains/(losses) on forex transactions	781	2,500	(1,719)
631	Miscellaneous	-	-	-
116,528		CI\$ 125,563	196,167	(70,604)

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

15. Related party transactions

Controlling entity

The Museum is a wholly owned statutory entity of the Government and operates under the oversight of the Ministry of Youth, Sports, Culture & Heritage. Until June 30, 2021 it operated under the oversight of the Ministry of Health, Environment, Culture & Housing.

Museum building

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

Property insurance

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

During the year ended December 31, 2021, total insurance premium determined for the Museum amounted to CI\$23,667 (2020: CI\$22,863). This amount is included in facility expenses in the Statement of Financial Performance.

Museum Employees

During 2019, the Museum's Director turned her PhD dissertation into a publication on the Wreck of the Ten Sail titled "Cayman's 1794 Wreck of the Ten Sail". During 2021 twenty-eight copies (28) (2020: fifty (50) copies) of this book were purchased by the Museum's giftshop at a cost of \$20 each. The books were placed for sale as part of the Museum's normal giftshop inventory.

Ministry employees

The Curation & Collections Manager, who is an employee of the Ministry, works for the Museum on a secondment contract. A portion of the Curation & Collections Manager's remuneration, the details of which are not available to the Museum, formed part of the Ministry's expenditures and are not reflected in the Statement of Financial Performance of the Museum.

The total salary and benefits paid by the Museum to the Curation & Collections Manager during the year ended December 31, 2021 amounted to CI\$17,071 (December 2020: CI\$17,073).

Gift shop sales

During the year ended December 31, 2021, total Museum sales to other Government entities for the provision of items such as national flags, pins and coat of arms amounted to CI\$15,861 (2020: CI\$6,060).

16. Staff Costs

Prior Year Actual 2020	Description	Current Year Actual 2021	Budget	Actual vs Budget Variance
428,707	Salaries & Wages	385,260	402,684	(17,424)
21,483	Pension Expense	19,600	19,909	(309)
67,110	Health Insurance	67,817	51,964	15,853
417	Other	-	-	-
517,717	Total	472,677	474,557	(1,880)

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

16. Staff Costs (continued)

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, 2021 (included in staff costs in the Statement of Financial Performance) amounted to CI\$19,600 (2020: CI\$21,483). Pension contributions consist of 5% of the employee's salary made by the employee and are matched by the employer (2020: 5% employer, 5% employee).

17. Key management remuneration

Total remuneration paid to the 3 (2020: 3) personnel considered to be key management during the years ended December 31, 2021 and 2020 was:

	Salaries CI\$	Pension CI\$	Health CI\$	Total CI\$
Current Year Actual 2021	194,831	10,419	28,752	234,002
Budget	170,653	9,211	21,436	201,300
Actual vs Budget Variance	(24,178)	(1,208)	(7,316)	(32,702)
Prior Year Actual 2020	201,966	10,098	27,444	239,508

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, 2021 (2020: none).

18. Financial risk management

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

Credit risk

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

At December 31, 2021, the Museum held CI\$1,056,230 (2020: CI\$750,788) in cash and cash equivalents at CIBC First Caribbean International Bank, a financial institution in the Cayman Islands and CI\$218,810 (2020: CI\$431,466) of accounts receivable. Substantially, all of the Museum's accounts receivable are 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 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.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

18. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Museum will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, ensuring the availability of funding from the Government and the ability to predict and manage the Museum's expected cash outflows. Throughout the year and subsequent to the year end, the Museum has relied significantly on the support from the Government, to provide funds in the form of 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 11).

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

19. Commitments and contingencies

The Museum leases premises at Pasadora Place to store its collection and artefacts. The lease expired on December 31, 2019.

The Museum leases premises at 64 Seafarers Way for administration, education and library purposes. The Lease was renewed in 2019 for three years with expiration set for December 31, 2021.

Prior Year Actual 2020	Current Year Actual 2021	Budget	Actual vs Budget Variance	
Minimum lease payments				
38,689	Payable within one year	-	-	-
-	Payable from one to two years	-	-	-
38,689	CIS	-	-	-

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

20. Explanations of material variance against budget

Statement of financial position

The positive budget variance in cash and cash equivalents is largely due to the Museum receiving outstanding amounts for output payments in 2021.

Deposits and prepaid expenses variance largely stem from a deposit of \$39,214 that was paid to an overseas supplier on the production of an Animatronic display figure and orders placed with overseas vendors for giftshop inventory which had not been received by the fiscal year end.

The value of inventories was lower than the budget anticipated as management sought to reduce stock in light of the continued border closings for the tourist market. Normal stock levels are expected to resume once the cruise tourist market resumes.

Property and equipment were lower than budgeted due to delays in the execution of the Museum's planned capital programme resulting from the impacts of COVID-19. This meant that planned works and acquisitions were not able to be carried out during the year.

The Contingency reserves variance stem from management's decision to adjust the amount to better reflect an estimated 90 days of operating expenditures.

The variance in Restricted Funds reflects the utilization of fund balances to meet donor specified purposes.

The variance in Contributed Capital reflects the delayed receipt of appropriated equity injection to the Museum. Remaining funds were received in January 2022 following the close of the fiscal year-end.

Statement of financial performance

Revenues from product sales, admissions and rental income were all lower than budget because of lingering COVID-19 restrictions. Revenue from Government grants and contributions were largely in line with budget expectations, while the \$6.3K negative variance in fundraising and donation relates to the reduced fundraising activities of the Museum due to Government imposed restrictions from COVID. Due to the suspension in cruise visitors to the Cayman Islands, Museum Management is offered the tenant of the Old Goal Café a rent reduction of 60% of the original lease agreement through the first quarter of 2022.

The variances in administration and other expenses as well as Facility expenses is shown in notes 13 & 14. These largely relate to savings from restricted activities during the year, and Management's deliberate efforts to reduce costs. Savings in lease costs is due to effective renegotiation of the leases for Cayside House and the Pasadora place whereby the Museum was able to secure an extension at nil increase in cost.

The variance in Cost of Goods sold is directly related to lower sales activities during the year due to the continued border closings and restrictions in public gatherings.

Statement of Cash Flows

Operating cash was approximately \$66.2K higher than budget due to the settlement of receivable balances from the Ministry during the fiscal year.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

21. Capital

The Museum's objective when managing its working capital is to safeguard the ability to continue as a going concern, through the on-going support from the Government (Notes 1 and 2), and to ensure that adequate cash flows are generated to fund its programmes. Management assesses the Museum's capital needs by evaluating financial risk and responding to changes in those risks and the market. The Museum is not subject to any externally imposed working capital requirements by third parties or the Government. Management increased the contingency reserve balance by \$50,000 during the fiscal year.

22. Subsequent events

In preparing these financial statements, Management has evaluated and disclosed all material subsequent events up to April 6, 2022, being the date that the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus was reported to have surfaced. The global efforts to contain the spread of the coronavirus began to cause significant disruption in the global and local economies from January 2020 to date. The Government has announced easing of travel restrictions and large gatherings, which the Museum anticipates will positively impact operating results for 2022. Anticipated areas of impact are as follows:

Revenue: The Museum derives approximately 20% of its annual revenue from product sales, museum admissions, facility rental, membership, fundraising, and donations. Management expects the ongoing effects of COVID-19 to continue reducing income from those sources for the first quarter of 2022 by as much as 50% (compared to 2019 levels). This assessment is based on the assumption that the Island will not receive cruise ship visitors until the second quarter of 2022.

Inventories: The Museum's inventory consists of items that are mainly non-perishables. Perishable items include local rum cakes, jams, oils, and coffee. These items make up an insignificant portion of the overall inventory value at the fiscal year-end, therefore, any impairment of these items due to expiration or spoilage will most likely be immaterial.

Lease modifications: The Museum has offered rental concessions of 60% through March 31st, 2022, to its tenant at the old Gaol café. This concession reflects the decline in potential revenue opportunity to the tenant of the premises due to the absence of cruise visitors. The loss of revenue from this concession is expected to be approximately \$2,976 in 2022.

Going Concern: The Museum is a public entity and is 100% owned by the Cayman Islands Government. The organization derives over 80% of its annual income from the provision of output services to the Government (2021: 92%; 2020: 87%). The central-Government remains in a strong financial position and has given no indications that it will have difficulty funding the Museum for ongoing operations.

The Museum closed the 2021 fiscal year with sufficient unrestricted cash and cash equivalents to operate the organization for up to 1 year if all other sources of revenue ceased. This places the Museum in a strong position to successfully traverse the global impacts of COVID-19 until conditions ease and operations return to normal.

Given these circumstances, management does not consider the present COVID-19 restrictions to impact the Museum's ability to operate as a going concern.

CAYMAN ISLANDS NATIONAL MUSEUM

Notes to Financial Statements

For the year ended December 31, 2021

(expressed in Cayman Islands dollars)

In making this assessment, management considered all available information concerning the next twelve-month period from the balance sheet date that was available at the time these financial statements were issued.

23. Compliance with the Public Authorities Act, 2020

The Museum is required to comply with the Public Authorities Act, 2020, (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. In prior years, Cabinet has exempted Public Authorities from paying over surplus cash reserves and the Museum expects that a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2021.

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 2021 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.



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