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**LOUISIANA MUSEUM FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**LOUISIANA MUSEUM FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Louisiana Museum Foundation  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Louisiana Museum Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of the Louisiana Museum Foundation as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and other Payments to or on behalf of the Agency Head on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2021

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<b><u>ASSETS</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash and cash equivalents	\$ 1,351,295	\$ 1,059,141
Investments	3,036,727	2,424,290
Unconditional promises to give	170,000	229,833
Prepaid expenses and other assets	8,094	8,375
Furniture and office equipment, net	14,378	14,401
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 4,580,494</u></b>	<b><u>\$ 3,736,040</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable and accrued liabilities	\$ 66,423	\$ 41,818
Refundable advance	47,400	47,400
<b><u>TOTAL LIABILITIES</u></b>	<b><u>113,823</u></b>	<b><u>89,218</u></b>
Net assets without donor restrictions		
Undesignated	470,306	336,662
Designated for endowment purposes	745,610	595,290
Designated for reserve purposes	153,729	153,729
Designated for records retention project	3,719	3,719
<b><u>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</u></b>	<b><u>1,373,364</u></b>	<b><u>1,089,400</u></b>
Net assets with donor restrictions	3,093,307	2,557,422
<b><u>TOTAL NET ASSETS</u></b>	<b><u>4,466,671</u></b>	<b><u>3,646,822</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 4,580,494</u></b>	<b><u>\$ 3,736,040</u></b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>REVENUES</u></b>			
Memberships and contributions	\$ 181,664	\$ 251,769	\$ 433,433
Grants	-	370,374	370,374
Program management fees	60,907	-	60,907
Gala	199,950	-	199,950
Facility use contributions	-	135,890	135,890
Investment income, net	179,516	452,243	631,759
	622,037	1,210,276	1,832,313
<b>Net assets released from restrictions</b>	674,391	(674,391)	-
<b>Total revenues and support</b>	1,296,428	535,885	1,832,313
<b><u>EXPENSES</u></b>			
Program services	945,195	-	945,195
General and administrative	53,166	-	53,166
Fundraising	14,103	-	14,103
<b>Total expenses</b>	1,012,464	-	1,012,464
<b>Change in net assets</b>	283,964	535,885	819,849
<b>Net assets, beginning of year</b>	1,089,400	2,557,422	3,646,822
<b>Net assets, end of year</b>	<u>\$ 1,373,364</u>	<u>\$ 3,093,307</u>	<u>\$ 4,466,671</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>REVENUES</u></b>			
Memberships and contributions	\$ 73,362	\$ 248,701	\$ 322,063
Grants	-	79,770	79,770
Program management fees	48,353	-	48,353
Gala	205,535	-	205,535
Facility use contributions	-	150,290	150,290
Investment income, net	(12,563)	(81,477)	(94,040)
	<u>314,687</u>	<u>397,284</u>	<u>711,971</u>
<b>Net assets released from restrictions</b>	<u>636,042</u>	<u>(636,042)</u>	<u>-</u>
<b>Total revenues and support</b>	<u>950,729</u>	<u>(238,758)</u>	<u>711,971</u>
<b><u>EXPENSES</u></b>			
Program services	952,460	-	952,460
General and administrative	43,045	-	43,045
Fundraising	15,422	-	15,422
<b>Total expenses</b>	<u>1,010,927</u>	<u>-</u>	<u>1,010,927</u>
<b>Change in net assets</b>	(60,198)	(238,758)	(298,956)
<b>Net assets, beginning of year</b>	<u>1,149,598</u>	<u>2,796,180</u>	<u>3,945,778</u>
<b>Net assets, end of year</b>	<u><u>\$ 1,089,400</u></u>	<u><u>\$ 2,557,422</u></u>	<u><u>\$ 3,646,822</u></u>

The accompanying notes are an integral part of these financial statements.



**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 192,786	\$ 40,442	\$ 12,745	\$ 245,973
Payroll taxes	13,686	2,623	976	17,285
Pension plan accruals and contributions	4,190	824	382	5,396
Accounting	11,868	2,967	-	14,835
Payroll services	917	229	-	1,146
Office expenses	9,538	1,968	-	11,506
Information technology	1,998	500	-	2,498
Occupancy	7,760	-	-	7,760
Conferences, conventions, and meetings	9,506	2,373	-	11,879
Depreciation	1,953	488	-	2,441
Insurance	2,596	649	-	3,245
Other program support	60,907	-	-	60,907
Education programming / public outreach	7,735	-	-	7,735
Grants and other assistance to the Louisiana State Museum	619,355	-	-	619,355
Miscellaneous expense	400	103	-	503
	<b>\$ 945,195</b>	<b>\$ 53,166</b>	<b>\$ 14,103</b>	<b>\$ 1,012,464</b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 218,524	\$ 29,191	\$ 13,937	\$ 261,652
Payroll taxes	15,992	2,238	1,067	19,297
Pension plan accruals and contributions	4,502	702	418	5,622
Accounting	15,825	5,275	-	21,100
Payroll services	866	266	-	1,132
Office expenses	8,616	3,179	-	11,795
Information technology	1,293	518	-	1,811
Occupancy	6,600	-	-	6,600
Conferences, conventions, and meetings	983	274	-	1,257
Depreciation	2,136	534	-	2,670
Insurance	2,276	788	-	3,064
Other program support	48,353	-	-	48,353
Education programming / public outreach	43,108	-	-	43,108
Grants and other assistance to the Louisiana State Museum	583,144	-	-	583,144
Miscellaneous expense	242	80	-	322
	<b>\$ 952,460</b>	<b>\$ 43,045</b>	<b>\$ 15,422</b>	<b>\$ 1,010,927</b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 819,849	\$ (298,956)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	2,441	2,670
Realized and unrealized losses (gains) on investments	(580,757)	149,374
Decrease (increase) in unconditional promises to give	59,833	98,917
Decrease (increase) in prepaid expenses and other assets	281	(1,449)
Increase (decrease) in accounts payable and accrued liabilities	24,605	(6,032)
Increase in refundable advance	-	47,400
	<b><u>326,252</u></b>	<b><u>(8,076)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(65,308)	(34,217)
Proceeds from sales of investments	33,628	130,996
Purchases of furniture and office equipment	(2,418)	(3,876)
	<b><u>(34,098)</u></b>	<b><u>92,903</u></b>
<b>Net increase in cash and cash equivalents</b>	292,154	84,827
Cash and cash equivalents, beginning of year	<b><u>1,059,141</u></b>	<b><u>974,314</u></b>
Cash and cash equivalents, end of year	<b><u>\$ 1,351,295</u></b>	<b><u>\$ 1,059,141</u></b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Organization and Summary of Significant Accounting Policies**

Organization and Income Tax

The Louisiana Museum Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Louisiana to provide services and support for the Louisiana State Museum (the Museum), through funds, grants and contracts administration, promotional activities, fund raising programs and events, and management assistance. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5).

Financial Statement Presentation and Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and accordingly, reflect all significant receivables, payables, and liabilities. U.S. GAAP requires the Foundation to report financial information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Foundation considers all highly liquid investments (including assets with donor restrictions) with an original maturity of three months or less to be cash equivalents.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Organization and Summary of Significant Accounting Policies (continued)**

**Promises to Give**

Contributions are recognized as assets and revenues when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2021 and 2020, management believes that all promises to give are fully collectible.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets. Gains, losses, and investment income are accounted for as with or without donor restrictions based on restrictions, if any, imposed by donors.

The Foundation records donated securities at their fair market value at the date of donation. Investments are shown in the financial statements at approximate current fair market value. Realized and unrealized gains and losses are included in the statements of activities and changes in net assets.

**Furniture and Office Equipment**

Furniture and office equipment of the Foundation are recorded at cost and depreciated over the estimated useful life using the straight-line method. Additions, improvements, and expenditures greater than \$500 that significantly extend the useful life or increase the value are capitalized. Estimated useful life of furniture and office equipment is five to seven years, except computer equipment which is three to five years.

**Compensated Absences**

The Foundation has a compensated absences policy. Employees of the Foundation are entitled to paid vacation and paid sick days, depending on job classification, length of service, and other factors. The Foundation estimates the amount of compensation for future absences, and, accordingly, a liability has been recorded in the accompanying financial statements. The Foundation's policy is to recognize the costs of vested compensated absences when earned.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Organization and Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

Contributions are recorded as support with or without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contribution and membership revenue is recognized upon receipt. Revenues are recognized when performance obligations of the underlying arrangements are met. For grant revenues, this is generally when the requirements of the grant is fulfilled. Gala and program management fee revenues are recognized when the services are provided.

**Adoption of New Accounting Standard**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. This standard was adopted using the retrospective method with the guidance applied to all financial statement periods presented. This adoption of ASU 2014-09 had no material impact on the Foundation's financial statements.

**2. Liquidity and Availability**

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The table below presents financial assets available for general expenditures within one year at June 30:

	<u>2021</u>	<u>2020</u>
Total assets	\$ 4,580,494	\$ 3,736,040
Less: non-current and non-financial assets		
Prepaid expenses and other assets	(8,094)	(8,375)
Unconditional promises to give due in more than one year	(125,000)	(156,250)
Furniture and office equipment, net	<u>(14,378)</u>	<u>(14,401)</u>
Total current financial assets at year end	4,433,022	3,557,014
Less: financial asset designations and restrictions		
Designated for endowment purposes*	(745,610)	(595,290)
Designated for reserve purposes*	(153,729)	(153,729)
Designated for records retention project*	(3,719)	(3,719)
Net assets with donor restrictions	<u>(3,093,307)</u>	<u>(2,557,422)</u>
Financial assets available for general expenditures over the next 12 months	<u>\$ 436,657</u>	<u>\$ 246,854</u>

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**2. Liquidity and Availability (continued)**

\* The Foundation's governing board has designated a portion of its resources to function as endowment and for other purposes. Those amounts are identified as designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board. These funds were designated by a majority vote of the Foundation's governing board and can be undesignated by a majority vote.

**3. Promises to Give**

Promises to give represent a promise by the donors to pay after the year end. Promises to give were due in the following installments at June 30, 2021:

2022	45,000
2023	31,250
2024	31,250
2025	31,250
2026	31,250
Total	<u>\$ 170,000</u>

**4. Furniture and Office Equipment**

Furniture and office equipment are as follows at June 30:

	<u>2021</u>	<u>2020</u>
Furniture and office equipment, cost	\$ 96,631	\$ 97,226
Less: accumulated depreciation	(82,253)	(82,825)
Furniture and office equipment, net	<u>\$ 14,378</u>	<u>\$ 14,401</u>

**5. Fair Value Measurements**

The Foundation follows the provisions of the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification. Accordingly, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. Fair Value Measurements (continued)**

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Foundation's measurements of fair value are made on a recurring basis, and their valuation techniques for assets recorded at fair value are as follows:

Mutual funds – The fair value of mutual funds is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2021:

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Mutual funds				
Bonds	\$ 976,424	\$ -	\$ -	\$ 976,424
Equities	1,816,262	-	-	1,816,262
Other	244,041	-	-	244,041
<b>Total</b>	<b>\$ 3,036,727</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,036,727</b>



**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. Fair Value Measurements (continued)**

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bonds	\$ 670,325	-	-	\$ 670,325
Equities	1,550,439	-	-	1,550,439
Other	203,526	-	-	203,526
<b>Total</b>	<u>\$ 2,424,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,424,290</u>

At June 30, 2021 and 2020 there were no assets measured at fair value on a non-recurring basis.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**6. Net Assets with Donor Restrictions**

Changes in net assets with donor restrictions during the year ended June 30, 2021 were as follows:

Fund	Balance June 30, 2020	Revenues	Expenses	Transfers	Balance June 30, 2021
Collections, Acquisitions and Conservation					
New Orleans Branch Mint Coin Collection	\$ 875	\$ -	\$ -	\$ -	\$ 875
Map Collection	250	-	-	-	250
Socola Painting	5,715	-	-	-	5,715
Photography Collection	1,110	-	1,110	-	-
Decorative Arts	2,195	-	-	-	2,195
Louisiana Historical Center	1,984	-	10	2	1,976
Scheffler Collection Fund	3,570	-	-	-	3,570
Textiles and Costumes Collection	459	-	-	-	459
Lords of Leather Collection Fund	762	-	-	-	762
Exhibits					
LGBT Programming Fund	1,691	-	-	-	1,691
Washington Mardi Gras	10,000	-	-	-	10,000
Small Permanent Exhibits	2,603	-	-	-	2,603
Krewe of Rex 150th Anniversary Exhibit Fund	2,925	27,450	14,733	-	15,642
John B Harter Charitable Trust Fund	12,500	-	-	-	12,500
Kohlmaier Project	-	24,000	22,892	-	1,108
Xavier Grant Mystery in Motion Masking Exhibit Fund	-	3,000	-	-	3,000
LEH Grant Mystery in Motion Masking Exhibit Fund	-	7,000	4,200	-	2,800
Educational Programming / Public Outreach					
Louisiana State Museum Miscellaneous Educational and Special Project Fund	886	-	3,828	6,128	3,186
LSM Marketing	5,711	-	750	-	4,961
K-12 Education Fund	578	-	-	-	578
Aroha Philanthropies	6,128	17,754	5,309	(6,128)	12,445
Aroha Online Learning Grant Fund	2,700	-	2,176	-	524
LEH Grant SHOF Fund	-	2,888	1,865	-	1,023
Bequests					
Welch Cartoon Bequest	9,800	-	-	-	9,800
New Orleans Jazz Museum					
IMLS Jazz Collection Digitization Grant*	(1,360)	21,832	19,963	-	509
Jazz Curator Fund	7,438	1,500	4,896	-	4,042
Downriver Festival	8,022	8,500	7,968	-	8,554
Jazz Collection	4,230	-	1,500	-	2,730
JM Program Partners	3,627	33,293	20,757	-	16,163
NOJM Community	1,160	66,805	40,765	(15)	27,185
NOJM Education	8,950	-	-	-	8,950
Ruth U. Fertel Jazz Museum	202,028	-	25,351	-	176,677
Jazz Museum Public History	482	-	-	-	482
JM Improvisation Conference	1,000	-	-	-	1,000
Jazz Museum Campaign	60,656	10,000	75,152	4,496	-
Jazz Museum Improvisations Gala	19,680	33,533	48,830	597	4,980
Louis Prima Estate	2,715	-	2,715	-	-
Bamboula Exhibition and Performance Project Fund	1,800	-	-	-	1,800
Fertel Jazz Education Lab Fund	4,500	-	3,948	-	552
Armstrong Documentary Event Fund	2,500	-	-	-	2,500
JM LEH Cares Grant 2020 Fund	4,308	-	4,308	-	-
JM Armstrong Education Grant Fund	-	25,000	2,500	-	22,500
Herb Alpert Performance Fund	-	20,000	19,468	-	532
Gia M Prima Foundation Grant Fund	-	25,000	3,536	-	21,464
Zhu-Millman Fund for NOLA Jazz Museum Grant Fund	-	50,000	12,342	-	37,658
Ella West Field Trip Grant Fund	-	20,000	2,000	-	18,000
Drumville Book Fund	-	1,130	147	-	983
Gallatin Street Records Fund	-	5,500	500	-	5,000
National Park Foundation Grant Fund	-	30,000	1,500	-	28,500
J&H Community Mardi Gras Fund	-	4,000	6,712	4,000	1,288
Herb Alpert Foundation Education Grant	-	157,500	125,354	20	32,166
Other					
Museum Endowment Fund	1,785,871	466,658	15,697	-	2,236,832
Facility Use Contributions Fund	323,773	135,890	151,145	(5,000)	303,518
Peg Bolton Fund	1,790	-	-	-	1,790
Baton Rouge	620	-	620	-	-
Natchitoches Fund	3,353	10,000	3,890	-	9,463
Regional Museums Fund	1,511	-	1,196	-	315
LSM All Purpose	11,900	-	2,509	-	9,391
Friends of the Cabildo Fund	-	2,043	1,793	-	250
LMF Museum Agreements Fund	24,426	-	9,456	(5,100)	9,870
<b>Totals</b>	<b>\$ 2,557,422</b>	<b>\$ 1,210,276</b>	<b>\$ 673,391</b>	<b>\$ (1,000) **</b>	<b>\$ 3,093,307</b>

\* Negative balance is due to a brief timing lapse between receipt of funds from the grantor and close of books.

\*\* When applicable, a balance in transfers is related to reclassifications/circumstances resulting in the net of transfers in to (out of) funds without donor restrictions.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**6. Net Assets with Donor Restrictions (continued)**

Changes in net assets with donor restrictions during the year ended June 30, 2020 were as follows:

<b>Fund</b>	<b>Balance June 30, 2019</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Transfers</b>	<b>Balance June 30, 2020</b>
Collections, Acquisitions and Conservation					
LSM Collections Fund	\$ 1,877	\$ -	\$ 1,115	\$ (762)	\$ -
New Orleans Branch Mint Coin Collection	875	-	-	-	875
Map Collection	250	-	-	-	250
Socola Painting	5,715	-	-	-	5,715
Photography Collection	2,487	-	1,377	-	1,110
Colonial Documents Fund	-	-	-	-	-
Visual Arts	782	-	782	-	-
Decorative Arts	2,195	-	-	-	2,195
Louisiana Historical Center	1,984	-	-	-	1,984
Scheffler Collection Fund	3,570	-	-	-	3,570
Textiles and Costumes Collection	-	3,059	623	(1,977)	459
Lords of Leather Collection Fund	-	-	-	762	762
Exhibits					
LGBT Programming Fund	16,183	-	1,992	(12,500)	1,691
Washington Mardi Gras	10,000	-	-	-	10,000
Small Permanent Exhibits	2,603	-	-	-	2,603
Women's Krewes Exhibit Fund	148	-	-	(148)	-
Krewe of Rex 150th Anniversary Exhibit Fund	-	17,650	2,225	(12,500)	2,925
John B Harter Charitable Trust Fund	-	-	-	12,500	12,500
Butterfly man exhibit and catalog	-	70,000	70,000	-	-
Educational Programming / Public Outreach					
Louisiana State Museum Miscellaneous Educational and Special Project Fund	436	400	-	50	886
LSM Marketing	2,555	3,507	351	-	5,711
K-12 Education Fund	578	-	-	-	578
Created Equal Gilder Lehrman Grant	50	-	-	(50)	-
Reading Room Attendant Fund	-	-	(231)	(231)	-
Aroha Philanthropies	14,003	-	7,875	-	6,128
Aroha Online Learning Grant Fund	-	3,000	300	-	2,700
Bequests					
Welch Cartoon Bequest	9,800	-	-	-	9,800
New Orleans Jazz Museum					
IMLS Jazz Collection Digitization Grant*	(865)	36,462	36,957	-	(1,360)
Jazz Curator Fund	7,213	225	-	-	7,438
Downriver Festival	6,083	11,225	9,286	-	8,022
Jazz Collection	4,230	-	-	-	4,230
JM Program Partners	5,987	12,715	12,534	(2,541)	3,627
NOJM Community	54,707	9,589	54,136	(9,000)	1,160
NOJM Education	6,000	30,000	13,500	(13,550)	8,950
Ruth U. Fertel Jazz Museum	235,497	-	33,469	-	202,028
Jazz Museum Public History	482	-	-	-	482
JM Improvisation Conference	1,000	-	-	-	1,000
JM Business Plan	5,000	-	-	(5,000)	-
Jazz Museum Campaign	132,895	-	52,857	(19,382)	60,656
Jazz Museum Improvisations Gala	9,000	88,153	69,425	(8,048)	19,680
Louis Prima Estate	10,051	-	7,336	-	2,715
Bamboula Exhibition and Performance Project Fund	-	2,000	200	-	1,800
Fertel Jazz Education Lab Fund	-	5,000	500	-	4,500
Armstrong Documentary Event Fund	-	-	-	2,500	2,500
JM LEH Cares Grant 2020 Fund	-	4,308	-	-	4,308
Other					
Museum Endowment Fund	1,871,299	(70,738)	14,690	-	1,785,871
Facility Use Contributions Fund	344,566	152,840	149,688	(23,945)	323,773
Joint Budget 2015 - 2016	560	-	560	-	-
Joint Budget 2016 - 2017	461	-	440	(21)	-
Peg Bolton Fund	1,790	-	-	-	1,790
Baton Rouge	450	200	30	-	620
Natchitoches Fund	17,736	-	14,383	-	3,353
Regional Museums Fund	1,331	200	20	-	1,511
Historian Fund	-	-	-	-	-
LSM All Purpose	4,616	10,147	7,588	4,725	11,900
MATM- Program Partners	-	-	-	-	-
Friends of the Cabildo Fund	-	7,342	7,342	-	-
LMF Museum Agreements Fund	-	-	64,537	-	24,426
<b>Totals</b>	<b>\$ 2,796,180</b>	<b>\$ 397,284</b>	<b>\$ 635,887</b>	<b>\$ (155) **</b>	<b>\$ 2,557,422</b>

\* Negative balance is due to a brief timing lapse between receipt of funds from the grantor and close of books.

\*\* When applicable, a balance in transfers is related to reclassifications/circumstances resulting in the net of transfers in to (out of) funds without donor restrictions.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**7. Concentration of Credit Risk**

The Foundation has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**8. Facility Use Contributions Fund**

In accordance with the Louisiana Civil Code, donations are made to the Foundation by groups or individuals who use the Museum's facilities for special functions. The Foundation must designate these funds for use by the Louisiana State Museum for endowment, education, exhibits, acquisition, publications, conservation, and building function support purposes.

**9. Museum Endowment Fund**

The Museum Endowment Fund was established by the Board to accumulate \$3,000,000 for Museum support. Revenue and other support for the fund consist of contributions, investment income, and transfer of excess funds from other funds without restrictions as the Board authorizes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Louisiana Museum Foundation Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as not expressly requiring the preservation of the purchasing power (real value) of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the following amounts as net assets with donor restrictions required to be held in perpetuity in the accompanying financial statements: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the language of UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**9. Museum Endowment Fund (continued)**

1. Expenditures of investment income earned from the time or purpose restricted portion of the corpus are limited to acquisitions, conservation, exhibitions, public programs, and publications.
2. No expenditures are to be made until the time and purpose restricted portion of the fund reaches a corpus balance of \$3,000,000. Annually, thereafter, 50% of investments income may be spent; the other 50% is to be added to corpus.
3. The time and purpose restricted portion of the corpus is never to be touched except for emergencies.
4. Emergency expenditures of the time and purpose restricted portion of the corpus will require 100% approval of the members of the Louisiana Museum Foundation Board of Directors present at a board meeting with a quorum of members in attendance.

As of June 30, 2021 and 2020, there are no funds in the Museum Endowment Fund that are required to be held in perpetuity.

Investment expenses, fees, and charges related to the endowment totaled \$20,930 and \$19,587 for the years ended June 30, 2021 and 2020, respectively, and is netted with investment income in the statements of activities and changes in net assets.

Activity in the Museum Endowment Fund was as follows:

	<b><u>With Donor Restrictions</u></b>	<b><u>Without Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>Balance, June 30, 2019</u></b>	\$ 1,871,299	\$ 623,766	\$ 2,495,065
Investment income, net	<u>(85,428)</u>	<u>(28,476)</u>	<u>(113,904)</u>
<b><u>Balance, June 30, 2020</u></b>	<u>1,785,871</u>	<u>595,290</u>	<u>2,381,161</u>
Investment income, net	<u>450,961</u>	<u>150,320</u>	<u>601,281</u>
<b><u>Balance, June 30, 2021</u></b>	<u>\$ 2,236,832</u>	<u>\$ 745,610</u>	<u>\$ 2,982,442</u>

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**10. Accounting for Uncertain Tax Positions**

The Foundation follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. All tax returns have been appropriately filed by the Foundation. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. Management evaluated the Foundation's tax position and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Foundation's 2021 tax return has not been filed as of the report date.

**11. Refundable Advance**

During the year ended June 30, 2020, the Foundation applied for and was approved for a \$47,400 loan under the Paycheck Protection Program (PPP) and administered by the Small Business Administration (SBA) as part of the relief efforts related to COVID-19. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized. The Foundation recognized the loan as a refundable advance, which is recorded in the statement of financial position as of June 30, 2020. The loan was fully forgiven during fiscal year 2021. Forgiveness was recorded as grants revenue in the statement of activities and changes in net assets for fiscal year ended June 30, 2021.

During the year ended June 30, 2021, the Foundation applied for and was approved for a PPP Second Draw of \$47,400. The second draw is also administered by the SBA as part of the relief efforts related to COVID-19. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized. The Foundation recognized the loan as a refundable advance, which is recorded in the statement of financial position as of June 30, 2021. The loan was fully forgiven in August 2021 thus will be recognized as revenue in fiscal year 2022.

**12. Subsequent Events**

Management has evaluated events through the date that the financial statements were available to be issued, December 30, 2021, and determined that other than the matter regarding the PPP loan described in Note 11, there were no other events occurred that require additional disclosure. No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO OR ON BEHALF OF THE AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**Agency Head Name: Susan Maclay, Executive Director**

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

The Foundation is not required to report the total compensation, reimbursements, and benefits paid to the agency head as these costs are supported by private funds.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Louisiana Museum Foundation  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Museum Foundation (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2021