
LOUISIANA MUSEUM FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2022

LOUISIANA MUSEUM FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Museum Foundation
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Louisiana Museum Foundation (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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 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 22, 2022, 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, and 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 22, 2022

LOUISIANA MUSEUM FOUNDATION
NEW ORLEANS, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,983,680	\$ 1,351,295
Investments	2,591,317	3,036,727
Unconditional promises to give	138,000	170,000
Prepaid expenses and other assets	6,474	8,094
Furniture and office equipment, net	17,886	14,378
<u>TOTAL ASSETS</u>	<u>\$ 4,737,357</u>	<u>\$ 4,580,494</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued liabilities	\$ 99,073	\$ 66,423
Refundable advance	-	47,400
<u>TOTAL LIABILITIES</u>	<u>99,073</u>	<u>113,823</u>
Net assets without donor restrictions		
Undesignated	783,765	470,306
Designated for endowment purposes	662,731	745,610
Designated for reserve purposes	153,729	153,729
Designated for records retention project	12,479	3,719
<u>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</u>	<u>1,612,704</u>	<u>1,373,364</u>
Net assets with donor restrictions	3,025,580	3,093,307
<u>TOTAL NET ASSETS</u>	<u>4,638,284</u>	<u>4,466,671</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 4,737,357</u>	<u>\$ 4,580,494</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES</u>			
Memberships and contributions	\$ 240,086	\$ 748,381	\$ 988,467
Grants	-	724,272	724,272
Program management fees	80,661	-	80,661
Gala	954,422	-	954,422
Facility use contributions	-	253,725	253,725
Investment loss, net	(93,927)	(251,482)	(345,409)
	<u>1,181,242</u>	<u>1,474,896</u>	<u>2,656,138</u>
Net assets released from restrictions	<u>1,542,623</u>	<u>(1,542,623)</u>	<u>-</u>
Total revenues and support	<u>2,723,865</u>	<u>(67,727)</u>	<u>2,656,138</u>
<u>EXPENSES</u>			
Program services	2,386,985	-	2,386,985
General and administrative	80,827	-	80,827
Fundraising	16,713	-	16,713
Total expenses	<u>2,484,525</u>	<u>-</u>	<u>2,484,525</u>
Change in net assets	239,340	(67,727)	171,613
Net assets, beginning of year	<u>1,373,364</u>	<u>3,093,307</u>	<u>4,466,671</u>
Net assets, end of year	<u>\$ 1,612,704</u>	<u>\$ 3,025,580</u>	<u>\$ 4,638,284</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES</u>			
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
Net assets released from restrictions	674,391	(674,391)	-
Total revenues and support	1,296,428	535,885	1,832,313
<u>EXPENSES</u>			
Program services	945,195	-	945,195
General and administrative	53,166	-	53,166
Fundraising	14,103	-	14,103
Total expenses	1,012,464	-	1,012,464
Change in net assets	283,964	535,885	819,849
Net assets, beginning of year	1,089,400	2,557,422	3,646,822
Net assets, end of year	\$ 1,373,364	\$ 3,093,307	\$ 4,466,671

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, 2022

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 269,170	\$ 63,434	\$ 15,191	\$ 347,795
Payroll taxes	19,371	4,679	1,163	25,213
Pension plan accruals and contributions	4,151	830	359	5,340
Accounting	14,320	3,580	-	17,900
Payroll services	992	248	-	1,240
Office expenses	11,942	2,597	-	14,539
Information technology	3,262	816	-	4,078
Occupancy	8,478	-	-	8,478
Conferences, conventions, and meetings	13,215	3,304	-	16,519
Depreciation	2,386	597	-	2,983
Insurance	2,463	673	-	3,136
Other program support	80,561	-	-	80,561
Education programming / public outreach	116,613	-	-	116,613
Grants and other assistance to the Louisiana State Museum	1,839,778	-	-	1,839,778
Miscellaneous expense	283	69	-	352
	<u>\$ 2,386,985</u>	<u>\$ 80,827</u>	<u>\$ 16,713</u>	<u>\$ 2,484,525</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
	<u>\$ 945,195</u>	<u>\$ 53,166</u>	<u>\$ 14,103</u>	<u>\$ 1,012,464</u>

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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 171,613	\$ 819,849
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,983	2,441
Realized and unrealized losses (gains) on investments	423,620	(580,757)
Decrease in unconditional promises to give	32,000	59,833
Decrease in prepaid expenses and other assets	1,620	281
Increase in accounts payable and accrued liabilities	32,650	24,605
Decrease in refundable advance	(47,400)	-
	<u>617,086</u>	<u>326,252</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,729)	(65,308)
Proceeds from sales of investments	27,519	33,628
Purchases of furniture and office equipment	(6,491)	(2,418)
	<u>15,299</u>	<u>(34,098)</u>
Net increase in cash and cash equivalents	632,385	292,154
Cash and cash equivalents, beginning of year	<u>1,351,295</u>	<u>1,059,141</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,983,680</u></u>	<u><u>\$ 1,351,295</u></u>

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 or 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 financial statement purposes, 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, 2022 and 2021, 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.

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 are fulfilled. Gala and program management fee revenues are recognized when the services are provided.

LOUISIANA MUSEUM FOUNDATION
NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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

Adoption of New Accounting Standard

As of July 1, 2021, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The Foundation's adoption of ASU No. 2020-07 did not result in any adjustments to their financial statement presentation or changes in disclosures.

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>2022</u>	<u>2021</u>
Total assets	\$ 4,737,357	\$ 4,580,494
Less: non-current and non-financial assets		
Prepaid expenses and other assets	(6,474)	(8,094)
Unconditional promises to give due in more than one year	(93,750)	(125,000)
Furniture and office equipment, net	<u>(17,886)</u>	<u>(14,378)</u>
Total current financial assets at year end	4,619,247	4,433,022
Less: financial asset designations and restrictions		
Designated for endowment purposes*	(662,731)	(745,610)
Designated for reserve purposes*	(153,729)	(153,729)
Designated for records retention project*	(12,479)	(3,719)
Net assets with donor restrictions	<u>(3,025,580)</u>	<u>(3,093,307)</u>
Financial assets available for general expenditures over the next 12 months	<u>\$ 764,728</u>	<u>\$ 436,657</u>

* 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.

LOUISIANA MUSEUM FOUNDATION
NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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, 2022:

2023	\$ 44,250
2024	31,250
2025	31,250
2026	<u>31,250</u>
Total	<u>\$ 138,000</u>

4. Furniture and Office Equipment

Furniture and office equipment are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Furniture and office equipment, cost	\$ 86,057	\$ 96,631
Less: accumulated depreciation	<u>(68,171)</u>	<u>(82,253)</u>
Furniture and office equipment, net	<u>\$ 17,886</u>	<u>\$ 14,378</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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bonds	\$ 855,243	\$ -	\$ -	\$ 855,243
Equities	1,507,849	-	-	1,507,849
Other	228,225	-	-	228,225
Total	\$ 2,591,317	\$ -	\$ -	\$ 2,591,317

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

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

At June 30, 2022 and 2021 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, 2022 were as follows:

Fund	Balance		Revenues	Expenses	Transfers	Balance	
	June 30, 2021					June 30, 2022	
Collections, Acquisitions and Conservation							
New Orleans Branch Mint Coin Collection	\$ 875	\$ 100	\$ 370	\$ -	\$ -	\$ 605	
Map Collection	250	-	-	-	-	250	
Socola Painting	5,715	-	-	-	-	5,715	
Decorative Arts	2,195	-	-	-	-	2,195	
Louisiana Historical Center	1,976	100	-	-	-	2,076	
Scheffler Collection Fund	3,570	-	-	-	-	3,570	
Textiles and Costumes Collection	459	-	-	-	-	459	
Lords of Leather Collection Fund	762	-	-	-	-	762	
LSM Collections Fund	-	10,500	10,500	-	-	-	
Exhibits							
LGBT Programming Fund	1,691	-	-	-	-	1,691	
Washington Mardi Gras	10,000	-	-	-	-	10,000	
Small Permanent Exhibits	2,603	-	356	-	-	2,247	
Krewe of Rex 150th Anniversary Exhibit Fund	15,642	297,389	259,026	-	-	54,005	
John B Harter Charitable Trust Fund	12,500	-	-	-	-	12,500	
Kohlmaier Project	1,108	63,500	64,608	-	-	-	
Xavier Grant Mystery in Motion Masking Exhibit Fund	3,000	-	-	-	-	3,000	
LEH Grant Mystery in Motion Masking Exhibit Fund	2,800	-	1,400	-	-	1,400	
Selley Grant - Rex 150th Fund	-	25,000	25,000	-	-	-	
Rex Exhibit Float & Related Buildout Fund	-	30,000	30,000	-	-	-	
Natchitoches LEH Mainstreet Fund	-	6,000	6,000	-	-	-	
Creole New Orleans Honey Fund	-	5,000	-	-	-	5,000	
Libby-Dufour Grant Fund	-	25,000	25,000	-	-	-	
Educational Programming / Public Outreach							
Louisiana State Museum Miscellaneous Educational and Special Project Fund	3,186	1,500	586	-	-	4,100	
LSM Marketing	4,961	-	2,575	-	-	2,386	
K-12 Education Fund	578	-	578	-	-	-	
Aroha Philanthropies	12,445	-	6,629	-	-	5,816	
Aroha Online Learning Grant Fund	524	-	-	-	-	524	
LEH Grant SHOF Fund	1,023	9,000	7,900	-	-	2,123	
Iberia Rex FB Education Grant Fund	-	50,000	4,199	-	-	45,801	
LSM Events Fund	-	1,120	112	-	-	1,008	
E.A. Michelson Philanthropy Fund	-	16,981	-	-	-	16,981	
Intrepid Grant Fund	-	4,000	234	-	-	3,766	
Bequests							
Welch Cartoon Bequest	9,800	-	5,155	-	-	4,645	
New Orleans Jazz Museum							
IMLS Jazz Collection Digitization Grant*	509	-	509	-	-	-	
Jazz Curator Fund	4,042	-	4,042	-	-	-	
Downriver Festival	8,554	17,904	19,757	-	-	6,701	
Jazz Collection	2,730	-	1,200	-	-	1,530	
JM Program Partners	16,163	28,315	31,486	-	-	12,992	
NOJM Community	27,185	83,016	105,448	(60)	-	4,693	
NOJM Education	8,950	-	-	-	-	8,950	
Ruth U. Fertel Jazz Museum	176,677	-	23,516	-	-	153,161	
Jazz Museum Public History	482	-	-	-	-	482	
JM Improvisation Conference	1,000	-	-	-	-	1,000	
Jazz Museum Improvisations Gala	4,980	280,419	247,734	-	-	37,665	
Bamboula Exhibition and Performance Project Fund	1,800	-	1,800	-	-	-	
Fertel Jazz Education Lab Fund	552	10,000	1,552	-	-	9,000	
Armstrong Documentary Event Fund	2,500	-	-	-	-	2,500	
JM LEH Cares Grant 2020 Fund	-	15,000	15,000	-	-	-	
JM Armstrong Education Grant Fund	22,500	25,000	8,950	-	-	38,550	
Herb Alpert Performance Fund	532	-	532	-	-	-	
Gia M Prima Foundation Grant Fund	21,464	-	3,413	-	-	18,051	
Zhu-Millman Fund for NOLA Jazz Museum Grant Fund	37,658	-	37,658	-	-	-	
Ella West Field Trip Grant Fund	18,000	-	18,000	-	-	-	
Drumville Book Fund	983	410	952	-	-	441	
Gallatin Street Records Fund	5,000	832	4,920	-	-	912	
National Park Foundation Grant Fund	28,500	-	24,990	-	-	3,510	
J&H Community Mardi Gras Fund	1,288	-	500	-	-	788	
Herb Alpert Foundation Education Grant	32,166	159,477	188,742	60	-	2,961	
Historian Fund	-	50	8	-	-	42	
Chamber Music American Grant Fund	-	4,550	3,667	-	-	883	
Face Foundation Fund	-	10,500	10,500	-	-	-	
HAF JM Master Plan Grant Fund	-	200,000	33,220	-	-	166,780	
NOJM France Fund	-	5,000	9,468	-	-	(4,468)	
ISTE Grant Fund	-	1,000	-	-	-	1,000	
Jazz & Heritage Community Partnership Grants Fund	-	4,000	-	-	-	4,000	
Other							
Museum Endowment Fund	2,236,832	(230,332)	18,304	-	-	1,988,196	
Facility Use Contributions Fund	303,518	247,675	220,891	-	-	330,302	
Peg Bolton Fund	1,790	-	-	-	-	1,790	
Baton Rouge Fund	-	620	334	-	-	286	
Natchitoches Fund	9,463	20,000	25,094	-	-	4,369	
Regional Museums Fund	315	100	10	-	-	405	
LSM All Purpose	9,391	26,000	12,132	-	-	23,259	
Friends of the Cabildo Fund	250	-	-	-	-	250	
LMF Museum Agreements Fund	9,870	-	-	-	-	9,870	
JM LMF Events Fund	-	20,170	18,066	-	-	2,104	
Totals	\$ 3,093,307	\$ 1,474,896	\$ 1,542,623	\$ -	**	\$ 3,025,580	

* 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, 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
Totals	\$ 2,557,422	\$ 1,210,276	\$ 673,391	\$ (1,000)**	\$ 3,093,307

* 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, 2022 and 2021, 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 \$24,406 and \$20,930 for the years ended June 30, 2022 and 2021, 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:

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<u>Balance, June 30, 2020</u>	\$ 1,785,871	\$ 595,290	\$ 2,381,161
Investment income, net	<u>450,961</u>	<u>150,320</u>	<u>601,281</u>
<u>Balance, June 30, 2021</u>	2,236,832	745,610	2,982,442
Investment loss, net	<u>(248,636)</u>	<u>(82,879)</u>	<u>(331,515)</u>
<u>Balance, June 30, 2022</u>	<u>\$ 1,988,196</u>	<u>\$ 662,731</u>	<u>\$ 2,650,927</u>

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 or disclosure in the financial statements to comply with the provisions of this guidance. The Foundation's 2022 tax return has not been filed as of the report date.

LOUISIANA MUSEUM FOUNDATION
NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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) administered by the Small Business Administration (SBA) as part of the relief efforts related to COVID-19. The Foundation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation recognized the loan as a refundable advance 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 was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. 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 during fiscal year 2022. Forgiveness was recorded as grants revenue in the statement of activities and changes in net assets for fiscal year ended June 30, 2022.

12. Subsequent Events

Management has evaluated events through the date that the financial statements were available to be issued, December 22, 2022, and determined that no 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, 2022

Agency Head Name: Susan Maclay, Executive Director

<u>Purpose</u>	<u>Amount</u>
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 any 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, 2022, 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 22, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit 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 Foundation'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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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 22, 2022