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NEW ORLEANS MUSEUM OF ART

Financial Statements and Schedules

December 31, 1998 and 1997

With Independent Auditors' Report Thereon

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-14-99

NEW ORLEANS MUSEUM OF ART

Years ended December 31, 1998 and 1997

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Suite 3500 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report

The Board of Trustees
New Orleans Museum of Art:

We have audited the accompanying statements of financial position of the New Orleans Museum of Art as of December 31, 1998 and 1997, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the New Orleans Museum of Art's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Orleans Museum of Art as of December 31, 1998 and 1997, and changes in its net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 1999, on our consideration of New Orleans Museum of Art's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

June 8, 1999



NEW ORLEANS MUSEUM OF ART

Statements of Financial Position

December 31, 1998 and 1997

Assets	1998	1997
Current assets:		
Cash	\$ 315,415	281,926
Investments, short-term (note 2)	1,205,031	2,230,804
Receivables:		
Interest	1,820	97,952
Other (note 7)	23,310	823,233
Pledges (note 4)	803,825	677,297
Inventories	267,693	297,477
Prepaid assets	62,416	84,684
Deposits	19,000	19,000
Total current assets	<u>2,698,510</u>	<u>4,512,373</u>
Pledges receivable, long-term (note 4)	820,194	385,675
Investments (note 2)	18,819,396	14,720,159
Building and equipment, net (note 3)	<u>14,881,830</u>	<u>15,354,328</u>
Total assets	<u>\$ 37,219,930</u>	<u>34,972,535</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and other liabilities	\$ 1,006,596	825,794
Salaries, taxes and withholdings payable	56,206	42,377
Retainage payable	-	256,000
Accumulated unused sick and annual leave	<u>348,571</u>	<u>337,334</u>
Total liabilities	<u>1,411,373</u>	<u>1,461,505</u>
Net assets (note 8):		
Unrestricted:		
Unrestricted, operating	428,404	815,030
Board designated, investment in building	14,881,830	15,354,328
Board designated, functioning as endowments	<u>4,290,514</u>	<u>3,376,069</u>
Total unrestricted net assets	19,600,748	19,545,427
Temporarily restricted	2,659,675	2,496,865
Permanently restricted	<u>13,548,134</u>	<u>11,468,738</u>
Net assets	<u>35,808,557</u>	<u>33,511,030</u>
Total liabilities and net assets	<u>\$ 37,219,930</u>	<u>34,972,535</u>

See accompanying notes to financial statements.

NEW ORLEANS MUSEUM OF ART

Statements of Activities

Years ended December 31, 1998 and 1997

	1998			1997				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue:								
Support:								
City of New Orleans	240,000	-	-	240,000	237,000	-	-	237,000
Grants - State of Louisiana	64,480	200,000	-	264,480	65,750	-	-	65,750
Individual contributions	60,339	1,108,178	327,199	1,495,716	106,064	358,287	1,802,345	2,266,696
Annual appeal	625,952	-	-	625,952	567,508	-	-	567,508
Corporate support	185,225	77,500	-	262,725	147,616	10,000	-	157,616
Affiliate memberships	206,648	-	-	206,648	229,235	-	-	229,235
Odyssey Ball (net of direct costs of \$120,721 and \$127,154, respectively)	149,689	-	-	149,689	238,734	-	-	238,734
Special benefits (net of direct costs of \$64,880 and \$40,977, respectively)	137,978	-	-	137,978	160,303	-	-	160,303
Foundations	189,890	25,000	1,000,000	1,214,890	101,750	245,000	-	346,750
Total support	1,860,201	1,410,678	1,327,199	4,598,078	1,853,960	613,287	1,802,345	4,269,592
Revenue:								
General membership dues	462,635	-	-	462,635	459,845	-	-	459,845
Business and university memberships	146,356	-	-	146,356	128,830	-	-	128,830
Admission charges	279,950	-	-	279,950	793,405	-	-	793,405
Arts Quarterly, audio tours and other publications	31,669	-	-	31,669	74,081	-	-	74,081
Education programs	22,967	-	-	22,967	21,924	-	-	21,924
Exhibition programs	82,987	-	-	82,987	38,946	-	-	38,946
Special evenings	104,833	-	-	104,833	149,106	-	-	149,106
Members' events	69,483	17,925	-	87,408	29,506	20,790	-	50,296
Interest and dividends	256,661	197,920	-	454,581	387,726	249,574	-	637,300
Net appreciation in investments	1,075,689	949,991	-	2,025,680	77,650	1,328,957	-	1,406,607
Royalties	14,237	592	-	14,829	8,962	-	-	8,962
Deaccessions	-	3,000	8,148	11,148	1,440	3,357	28,813	33,610
Museum shop	437,920	-	-	437,920	1,270,677	-	-	1,270,677
Museum cafe	118,970	-	-	118,970	163,540	-	-	163,540
Gain on settlement	-	-	-	-	726,000	-	-	726,000
Miscellaneous	512	-	-	512	160	-	-	160
Total revenue	3,104,869	1,169,428	8,148	4,282,445	4,331,798	1,602,678	28,813	5,963,289
Total support and revenue before net assets released from restrictions/transferred	4,965,070	2,580,106	1,335,347	8,880,523	6,185,758	2,215,965	1,831,158	10,232,881
Net assets released from restrictions/transferred (note 8):								
Net assets released from restrictions	1,550,384	(1,550,384)	-	-	823,656	(823,656)	-	-
Transfers	122,863	(866,912)	744,049	-	(6,437)	6,437	-	-
Total net assets released/transferred	1,673,247	(2,417,296)	744,049	-	817,219	(817,219)	-	-
Total support and revenue	6,638,317	162,810	2,079,396	8,880,523	7,002,977	1,398,746	1,831,158	10,232,881

(Continued)

NEW ORLEANS MUSEUM OF ART

Statements of Activities

Years ended December 31, 1998 and 1997

	1998			1997				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Expenses (note 9):								
Administrative	885,209	-	-	885,209	1,010,060	-	-	1,010,060
Building	820,339	-	-	820,339	761,718	-	-	761,718
Museum Shop	342,978	-	-	342,978	793,466	-	-	793,466
Museum cafe	176,420	-	-	176,420	191,644	-	-	191,644
Art division:								
Collections	1,183,068	-	-	1,183,068	1,041,038	-	-	1,041,038
Art accessions	1,196,989	-	-	1,196,989	655,100	-	-	655,100
Exhibition programs	630,604	-	-	630,604	928,256	-	-	928,256
Art Quarterly	89,233	-	-	89,233	93,531	-	-	93,531
Education programs	405,949	-	-	405,949	342,312	-	-	342,312
Development and fund raising	748,389	-	-	748,389	712,698	-	-	712,698
Member activities and other restricted activities	103,818	-	-	103,818	83,595	-	-	83,595
Total expenses	6,582,996	-	-	6,582,996	6,613,418	-	-	6,613,418
Change in net assets	55,321	162,810	2,079,396	2,297,527	389,559	1,398,746	1,831,158	3,619,463
Net assets at beginning of year	19,545,427	2,496,865	11,468,738	33,511,030	19,155,868	1,098,119	9,637,580	29,891,567
Net assets at end of year	19,600,748	2,659,675	13,548,134	35,808,557	19,545,427	2,496,865	11,468,738	33,511,030

See accompanying notes to financial statements.

NEW ORLEANS MUSEUM OF ART

Statements of Cash Flows

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash received from operating activities:		
Cash received from government entities	\$ 481,170	287,675
Cash received from contributors	2,798,145	1,728,715
Cash received from sales of donated art	11,148	33,610
Cash received from memberships and member activities	2,694,245	2,324,490
Cash received from auxiliary operations	556,890	1,434,217
Interest and dividends received	565,542	643,003
Other receipts	512	160
Cash paid to employees and suppliers	(4,888,036)	(5,961,616)
Cash paid for art acquisitions	(1,196,989)	(655,100)
	<u>1,022,627</u>	<u>(164,846)</u>
Net cash provided by (used in) operating activities		
Cash flows used in investing activities:		
Purchase of investments	(26,900,853)	(33,856,734)
Maturities/sales of investments	25,853,069	32,964,423
Purchases of building and equipment	(23,553)	(47,086)
	<u>(1,071,337)</u>	<u>(939,397)</u>
Net cash used in investing activities		
Cash flows used in financing activities - proceeds from contributions, permanently restricted	<u>82,199</u>	<u>972,345</u>
Net increase (decrease) in cash and cash equivalents	33,489	(131,898)
Cash and cash equivalents at beginning of year	<u>281,926</u>	<u>413,824</u>
Cash and cash equivalents at end of year	<u>\$ 315,415</u>	<u>281,926</u>
Reconciliation of changes in net assets to net cash provided by operating activities:		
Changes in net assets	\$ 2,297,527	3,619,463
Adjustments for long-term income and non-cash expenses:		
Permanently restricted contributions	(1,327,199)	(1,802,345)
Appreciation of investments	(2,025,680)	(1,406,607)
Depreciation	496,051	498,487
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Decrease (increase) in current assets and long-term pledges	1,632,060	(307,712)
Decrease in current liabilities	(50,132)	(766,132)
	<u>1,022,627</u>	<u>(164,846)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,022,627</u>	<u>(164,846)</u>

See accompanying notes to financial statements.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

(1) Summary of Significant Accounting Policies

(a) *History and Organization*

The New Orleans Museum of Art (the Museum) opened in 1911 and is an invaluable cultural, educational and recreational resource serving the City of New Orleans, the State of Louisiana and the entire Gulf South with programs and exhibitions designed to cultivate, promote and inspire the knowledge, love and appreciation of the fine arts. The Museum is organized as a private, nonprofit corporation, chartered in the State of Louisiana and granted 501(c)(3) status by the Internal Revenue Service. It is governed by a 33-member Board of Trustees, serving staggered three-year terms. The Museum is affiliated with the City of New Orleans as an unattached board and commission.

(b) *Financial Statement Presentation*

The financial statements of the Museum are presented on the accrual basis of accounting. Net assets, support and revenues, and expenses are classified based on the existence or absence of *donor-imposed restrictions*. Accordingly, the *net assets of the Museum and changes therein* are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Museum and/or the passage of time. Currently, the Museum has no time-restricted assets.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Museum pursuant to those stipulations.

(c) *Pledges*

Legally enforceable pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year made. Pledges receivable are not discounted.

(d) *Fixed Assets*

Building improvements and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

(e) *Vacation and Sick Pay*

The Museum's vacation pay (annual leave) and sick pay (sick leave) are accrued when earned. The Museum's policy permits employees a limited amount of earned but unused vacation which will be paid to employees upon separation from the Museum. The amount shall not exceed ninety (90) days for employees hired before January 1, 1979, and forty-five (45) days for employees hired after December 31, 1978.

Sick leave is accumulated by all employees hired prior to December 31, 1978 at an accrual rate of .923 of a work day for each biweekly pay period. For employees appointed subsequent to December 31, 1978, the accrual is .5 of a work day for each biweekly period plus a bonus of two (2) days for each employee with six (6) through fifteen (15) calendar years of continuous service,

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

and seven (7) bonus days for employees with sixteen (16) or more calendar years of continuous service.

Upon separation from the Museum, an employee can elect to convert unused sick leave for retirement. Conversion to cash shall be determined by a rate ranging from one (1) day for five (5) days for the first 100 days to one (1) day for one (1) day for all days in excess of 400 leave days.

(f) Investments

Investments, consisting mainly of U.S. government and agency issues, corporate bonds and common stocks, are recorded at market value. Unrealized gains and losses on investments in equity securities with readily determinable fair values and all investments in debt securities are recorded in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Dividend, interest and other investment income is recorded as increases on unrestricted net assets unless the use is restricted by donor.

Donated investments are recorded at fair value at the date of receipt.

(g) Inventory

The Museum's shop and cafe' inventory is valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

(h) Income Taxes

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

(i) Restricted Net Assets

The Museum reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Gifts of long-lived operating assets such as land, buildings or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(j) Use of Estimates

Management of the Museum has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(k) Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include bank deposits and money market accounts.

(2) Investments

The market value of investments is as follows at December 31:

	<u>1998</u>	<u>1997</u>
Cash equivalents	\$ 1,649,065	3,557,748
U.S. government securities	225,195	2,520,575
Corporate bonds	5,741,895	2,585,219
Corporate stocks	10,607,885	8,277,421
Mutual Funds	1,790,387	-
Real property	10,000	10,000
	<u>\$ 20,024,427</u>	<u>16,950,963</u>

Reconciliation to the statement of financial position is as follows:

	<u>1998</u>	<u>1997</u>
Short-term investments	\$ 1,205,031	2,230,804
Long-term investments	18,819,396	14,720,159
	<u>\$ 20,024,427</u>	<u>16,950,963</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

Investments are held for the following purposes:

	1998	1997
Unrestricted:		
Operating	\$ 880,023	1,253,784
Designated	3,919,871	3,230,689
	4,799,894	4,484,473
Temporarily restricted:		
Operating:		
Capital	401,632	300,805
Directorship	292,653	128,792
Curatorship	196,048	41,494
Books/library	79,590	61,933
General	308,652	46,370
Exhibition	43,549	43,724
Gallery maintenance	75,659	43,133
Education	6,211	4,249
Scholar program	21,801	-
	1,425,795	670,500
Art accessions	1,474,104	1,135,752
	2,899,899	1,806,252
Permanently restricted:		
Operating:		
General	6,476,761	5,732,705
Directorship chair	1,000,000	860,000
Curatorship	955,000	310,000
Education	35,905	34,912
Scholar program	100,000	-
Gallery maintenance	118,784	118,784
	8,686,450	7,056,401
Art accessions	3,638,184	3,603,837
	12,324,634	10,660,238
	\$ 20,024,427	16,950,963

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	<u>1998</u>	<u>1997</u>
Dividends and interest (net of expenses of \$78,894 and \$81,544, respectively)	\$ 454,581	637,300
Net realized and unrealized gains:		
Unrestricted	1,075,689	77,650
Temporarily restricted	949,991	1,328,957
	<u>2,025,680</u>	<u>1,406,607</u>
Total return on investments	\$ <u>2,480,261</u>	<u>2,043,907</u>

Interest and unrealized and realized gains (losses) on permanently restricted investments are reflected in unrestricted activities.

(3) Fixed Assets

Fixed assets consists of the following at December 31:

	<u>1998</u>	<u>1997</u>	<u>Estimated useful lives</u>
Building	\$ 17,085,950	17,085,950	40 years
Vehicles	74,711	74,711	5 years
Computers	313,478	289,925	5 years
	<u>17,474,139</u>	<u>17,450,586</u>	
Less accumulated depreciation	<u>2,592,309</u>	<u>2,096,258</u>	
	\$ <u>14,881,830</u>	<u>15,354,328</u>	

Depreciation expense in 1998 and 1997 was \$496,051 and \$498,487, respectively.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

(4) Pledges Receivable

Pledges receivable are dedicated by the donors for building expansion and represent a promise by the donors to pay after the balance sheet date. Scheduled payments are as follows at December 31, 1998:

1999	\$	918,825
2000		<u>735,194</u>
		1,654,019
Less allowance for uncollectible pledges		<u>(30,000)</u>
Net pledges receivable	\$	<u><u>1,624,019</u></u>

(5) Art Collection

In conformity with the practice followed by many museums, art purchased and donated is not capitalized. During 1998, the cost of collection items purchased by the Museum as a decrease in the appropriate class of net assets was \$1,196,989. During 1997, the cost of collection items purchased by the Museum as a decrease in the appropriate class of net assets was \$655,100. Deaccessions of collection items in 1998 and 1997 were \$11,148 and \$33,610, respectively, the proceeds of which are temporarily restricted for future art purchases.

Art items are frequently displayed in the exhibition galleries of the Museum. When not on display, the objects are maintained in climate controlled storage. The Museum maintains policies and procedures addressing the upkeep of the collection, as well as other aspects of its management, including accession/deaccession policies.

The Museum has the largest and most complete repository of fine art in the State of Louisiana and is recognized nationally as one of the leading art institutions serving the public. In particular, the Museum has a national reputation of a 3500 year history of glass; an in-depth 150 year history of photographs; Japanese screens and scroll paintings of the Edo Period; a 500 year survey of Chinese earthenware, porcelain, and stone sculptures; 17th through 20th century French paintings; Italian and Spanish paintings from the Renaissance and Baroque periods; 16th through 18th century paintings from the "Low Countries" of Northern Europe; tribal arts of sub-Saharan Africa; 18th and 19th century French hard-paste, bone and Parian porcelain; 20th century American art pottery; Spanish colonial Latin American paintings and sculpture; English and continental portrait miniatures; jeweled objets de vertu by Peter Carl Faberge; 18th to 20th century American paintings and sculptures; 18th and 19th century American and English silver; and the arts of pre-Columbian Mexico, Central and South America, and native North American Indians.

The Museum employs a professional curatorial staff whose function is to care for its collections; carry out research on the objects in the collection; organize special exhibitions on particular subjects or themes; write scholarly interpretative articles, catalogues and books on art subjects; recommend and oversee needed restoration and conservation treatment on objects in the collection; cultivate and advise private art collectors and encourage donations; seek out and recommend objects for acquisition or deaccession by the Museum; train volunteer docents to give guided tours of the Museum; devise and

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

implement educational programs such as lectures, symposiums, films, concerts, family festivals on specific themes, studio art classes, "Van Go" (mobile van) and other outreach methods; family and teacher workshops, and "Summer in the City" day camp for inner-city children.

(6) Pension Plan

Civil service employees of the Museum are eligible for membership in the City of New Orleans Employees' Retirement System. The City of New Orleans (City) has a contributory retirement plan. The Museum's pension expense for 1998 and 1997 totaled \$119,416 and \$122,963, respectively.

The City's annual contribution to the pension fund is based on the amount determined by the actuary of the fund, which includes amortization of past service costs over a period of 30 years.

The actuarially computed value of vested benefits of the Museum's employees in the City's pension plan is not available. Pension payments for these employees are the responsibility of the City.

The report on the City of New Orleans Employee's Retirement System can be obtained from the City of New Orleans, Perdido Street, New Orleans, Louisiana.

(7) Commitments and Contingencies

The Museum is party to various lawsuits in the ordinary course of its business. In the opinion of management, the effects of these suits, if any, will not have a material adverse effect.

(8) Net Assets

Temporarily restricted net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during December 31 are as follows:

	<u>1998</u>	<u>1997</u>
Purpose accomplished:		
Administrative and other activities	\$ 179,561	124,123
Building	21,713	-
Art accessions	1,187,948	652,242
Education division	44,805	18,065
Development division	3,748	5,002
Exhibition programs	-	24,224
Collections and research	112,609	-
	<u>\$ 1,550,384</u>	<u>823,656</u>

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Notes to Financial Statements

December 31, 1998 and 1997

Permanently restricted net assets, investments in perpetuity, the income from which can be used in accordance with donor restrictions, are as follows:

	<u>1998</u>	<u>1997</u>
Directorship chair	\$ 1,000,000	1,000,000
Curatorship	2,000,000	1,000,000
Operations	6,476,761	5,732,705
Art accessions	3,638,184	3,603,837
Gallery maintenance	118,784	118,784
Education	14,405	13,412
Scholar program	300,000	-
	<u>\$ 13,548,134</u>	<u>11,468,738</u>

Temporarily restricted net assets are donor-restricted for the following purposes:

	<u>1998</u>	<u>1997</u>
Directorship chair	\$ 292,653	134,509
Curatorship	196,048	43,526
Capital	460,755	1,220,881
Operations	41,469	20,447
Art accessions	1,325,411	947,399
Exhibits	181,879	20,200
Books/Library	79,590	62,070
Gallery maintenance	75,659	43,513
Education	6,211	4,320
	<u>\$ 2,659,675</u>	<u>2,496,865</u>

Board-designated unrestricted net assets are designated to support the following:

	<u>1998</u>	<u>1997</u>
Operations	\$ 4,120,058	3,226,914
Exhibits/art	170,456	149,155
	<u>\$ 4,290,514</u>	<u>3,376,069</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

(9) Expenses

Expenses have been incurred for the following:

	Year ended December 31, 1998					
	<u>Total</u>	<u>Adminis- trative and general</u>	<u>Program</u>			<u>Total</u>
			<u>Arts</u>	<u>Education</u>	<u>Development</u>	
Salaries, wages and benefits	\$ 2,353,551	1,092,968	577,254	276,699	406,630	1,260,583
Office and occupancy	553,010	254,739	222,345	4,403	71,523	298,271
Professional services and printing	1,085,590	298,054	467,163	119,096	201,277	787,536
Other contractual services	388,866	101,559	66,317	18,371	202,619	287,307
Supplies and material	209,184	95,864	62,741	29,421	21,158	113,320
Cost of goods sold	299,755	299,755	-	-	-	-
Depreciation	496,051	108,780	317,374	58,432	11,465	387,271
Art accessions	<u>1,196,989</u>	<u>-</u>	<u>1,196,989</u>	<u>-</u>	<u>-</u>	<u>1,196,989</u>
	<u>\$ 6,582,996</u>	<u>2,251,719</u>	<u>2,910,183</u>	<u>506,422</u>	<u>914,672</u>	<u>4,331,277</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 1998 and 1997

	Year ended December 31, 1997					Total
	Total	Adminis- trative and general	Program			
			Arts	Education	Development	
Salaries, wages and benefits	\$ 2,417,661	1,117,729	595,156	282,986	421,790	1,299,932
Office and occupancy	514,992	307,869	107,036	1,636	98,451	207,123
Professional services and printing	1,251,294	302,034	707,057	77,899	164,304	949,260
Other contractual services	338,680	62,726	76,678	8,884	190,392	275,954
Supplies and material	210,347	117,776	63,056	17,706	11,809	92,571
Cost of goods sold	726,857	726,857	-	-	-	-
Depreciation	498,487	113,512	317,374	56,136	11,465	384,975
Art accessions	655,100	-	655,100	-	-	655,100
	<u>\$ 6,613,418</u>	<u>2,748,503</u>	<u>2,521,457</u>	<u>445,247</u>	<u>898,211</u>	<u>3,864,915</u>

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Operating Building and Equipment		Endowment (Board Designated)	NOMA Volunteer Committee (Operating)	Zemurray Computer Grant (Operating)	Edith Stern (Program)	Champions (Program)	Friends of Photography (Program)
	Operating	Building and Equipment						
Current assets:								
Cash	\$ 19,040	-	286,976	5,927	-	-	-	-
Investments	799,583	-	132,808	80,440	-	-	648	900
Receivables:								
Interest	1,725	-	89	-	-	-	2	2
Pledges	-	-	-	-	-	-	-	-
Other	23,310	-	-	-	-	-	-	-
Inventories	267,693	-	-	-	-	-	-	-
Prepaid assets	54,809	-	-	-	-	-	-	-
Deposits	19,000	-	-	-	-	-	-	-
Total current assets	1,185,160	-	419,873	86,367	-	-	650	902
Pledges	-	-	-	-	-	-	-	-
Investments, long-term	-	-	3,354,373	-	-	34,716	-	-
Building and equipment	-	14,881,830	-	-	-	-	-	-
Total assets	\$ 1,185,160	14,881,830	3,774,246	86,367	-	34,716	650	902
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	352,986	-	-	-	-	-	120	588
Salaries, taxes and withholdings	56,052	-	-	-	-	-	-	4
Accumulated unused sick and vacation	347,718	-	-	-	-	-	-	-
Total current liabilities	756,756	-	-	-	-	-	120	592
Net assets:								
Unrestricted	428,404	14,881,830	3,774,246	86,367	-	34,716	530	310
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	-	-	-	-	-
Available for use	-	-	-	-	-	-	-	-
Permanently	-	-	-	-	-	-	-	-
Total net assets	428,404	14,881,830	3,774,246	86,367	-	34,716	530	310
Total liabilities and net assets	\$ 1,185,160	14,881,830	3,774,246	86,367	-	34,716	650	902

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Friends of Decorative Art (Program)	Friends of Contemporary Art (Program)	Friends of Asian Art (Program)	Friends of Ethnographic Art (Program)	Friends of Printing and Drawing (Program)	Advocates (Program)	Delgado Society (Program)	Fellows (Program)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	7,607
Deposits	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	7,607
Pledges	-	-	-	-	-	-	-	-
Investments, long-term	8,873	7,391	3,808	3,145	16,154	-	68,423	126,084
Building and equipment	-	-	-	-	-	-	-	-
Total assets	8,873	7,391	3,808	3,145	16,154	-	68,423	133,691
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	586	153	223	-	-	14	2,531
Salaries, taxes and withholdings	5	9	4	5	6	-	10	34
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	5	595	157	228	6	-	24	2,565
Net assets:								
Unrestricted	8,868	6,796	3,651	2,917	16,148	-	68,399	131,126
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	-	-	-	-	-
Available for use	-	-	-	-	-	-	-	-
Permanently	-	-	-	-	-	-	-	-
Total net assets	8,868	6,796	3,651	2,917	16,148	-	68,399	131,126
Total liabilities and net assets	8,873	7,391	3,808	3,145	16,154	-	68,423	133,691

NEW ORLEANS MUSEUM OF ART

Schedule 1

Combining Statement of Financial Position

December 31, 1998

Assets	Partners in Art (Program)	Trustee's Designated (Program)	Folk Art Exhibition (Program)	Subtotal Unrestricted Net Assets
Current assets:				
Cash	-	-	-	311,943
Investments	-	-	-	1,014,379
Receivables:				
Interest	-	-	-	1,818
Pledges	-	-	-	-
Other	-	-	-	23,310
Inventories	-	-	-	267,693
Prepaid assets	-	-	-	62,416
Deposits	-	-	-	19,000
Total current assets	-	-	-	1,700,559
Pledges				
Investments, long-term	20,712	-	141,836	3,785,515
Building and equipment	-	-	-	14,881,830
Total assets	\$ 20,712	\$ -	\$ 141,836	\$ 20,367,904
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and other liabilities	-	-	5,243	362,444
Salaries, taxes and withholdings	12	-	-	56,141
Accumulated unused sick and vacation	-	-	853	348,571
Total current liabilities	12	-	6,096	767,156
Net assets:				
Unrestricted	20,700	-	135,740	19,600,748
Restricted:				
Temporarily:				
Long-term restriction	-	-	-	-
Available for use	-	-	-	-
Permanently	-	-	-	-
Total net assets	20,700	-	135,740	19,600,748
Total liabilities and net assets	\$ 20,712	\$ -	\$ 141,836	\$ 20,367,904

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Advertising (Program)	Building Expansion (Capital)	Portrait Miniature (Art)	Starting Point (Exhibition)	M.D. Van Horn (Education)	Chapman H. Hyams 1951 (Gallery Maintenance)	Chapman H. Hyams 1952 (Gallery Maintenance)	George F. Lapeyre (Gallery Maintenance)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	1,039	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	58,825	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	-	59,864	-	-	-	-	-	-
Pledges								
Investments, long-term	-	20,194	-	-	-	-	-	-
Building and equipment	16,551	285,995	40,008	22,128	6,211	53,560	3,670	18,429
Total assets	16,551	366,053	40,008	22,128	6,211	53,560	3,670	18,429
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	4,647	7,060	-	53,977	-	-	-	-
Salaries, taxes and withholdings	65	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	4,712	7,060	-	53,977	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	3,597	-	18,886	1,400	24,556
Available for use	11,839	358,993	40,008	(31,849)	2,614	34,674	2,270	(6,127)
Permanently	-	-	-	-	-	-	-	-
Total net assets	11,839	358,993	40,008	(31,849)	6,211	53,560	3,670	18,429
Total liabilities and net assets	16,551	366,053	40,008	22,128	6,211	53,560	3,670	18,429

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Casselli (Exhibition)	B. Forgotson (Snuff Bottle Exhibition)	Library (Books)	Elise Besthoff (Art Purchase)	Boles (Art Purchase)	Bestoff Sculpture Garden (Capital)	Leah Chase (Art Purchase)	Carmille Cutrone (Program)
Current assets:								
Cash	\$ -	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	658	-
Receivables:								
Interest	-	-	-	-	-	-	2	-
Pledges	-	-	-	-	-	300,000	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	\$ -	-	-	-	-	300,000	660	-
Pledges								
Investments, long-term	21,421	-	79,590	111,771	597,441	114,598	-	29,630
Building and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 21,421	-	79,590	111,771	597,441	414,598	660	29,630
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	-	-	-	312,836	-	-
Salaries, taxes and withholdings	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	312,836	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	89,610	655,456	-	-	-
Available for use	21,421	-	79,590	22,161	(58,015)	101,762	660	29,630
Permanently	-	-	-	-	-	-	-	-
Total net assets	\$ 21,421	-	79,590	111,771	597,441	101,762	660	29,630
Total liabilities and net assets	\$ 21,421	-	79,590	111,771	597,441	414,598	660	29,630

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Mrs. Tina Freeman Memorial (Art Purchase)	George Frierson (Art Purchase)	Robert Gordy (Art Purchase)	Joann Greenberg (Art Purchase)	African (Art Purchase)	Benjamin J. Harrod (Art Purchase)	Carrie Heiderich (Art Purchase)	Richard Johnson (Art Purchase)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	-	-	120	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	-	-	-	120	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Investments, long-term	3,657	280,184	191,041	-	-	3,531	128,144	-
Building and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 3,657	\$ 280,184	\$ 191,041	\$ 120	\$ -	\$ 3,531	\$ 128,144	\$ -
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	273	-	-	-	-	-
Salaries, taxes and withholdings	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	-	-	273	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	-	370,303	191,759	-	-	2,618	131,755	-
Available for use	3,657	(90,119)	(991)	120	-	913	(3,611)	-
Permanently	-	-	-	-	-	-	-	-
Total net assets	\$ 3,657	\$ 280,184	\$ 190,768	\$ 120	\$ -	\$ 3,531	\$ 128,144	\$ -
Total liabilities and net assets	\$ 3,657	\$ 280,184	\$ 191,041	\$ 120	\$ -	\$ 3,531	\$ 128,144	\$ -

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Augusta M. Jourdan (Art Purchase)	Edward Lobman (Art Purchase)	Mervin Morais (Art Purchase)	Docent (Program)	Education (Program)	P.R. Norman (Art Purchase)	RosaMary Foundation Decorative Arts (Curatorship)	Paul Selley (Art Purchase)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Investments, long-term	2,003	-	86,564	3,100	7,986	52,964	150,205	-
Building and equipment	-	-	-	-	-	-	-	-
Total assets	<u>2,003</u>	<u>-</u>	<u>86,564</u>	<u>3,100</u>	<u>7,986</u>	<u>52,964</u>	<u>150,205</u>	<u>-</u>
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	5,952	-	-	-	-	-
Salaries, taxes and withholdings	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	-	-	<u>5,952</u>	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	2,015	-	79,501	-	-	47,388	124,880	-
Available for use	(12)	-	1,111	3,100	7,986	5,576	25,325	-
Permanently	-	-	-	-	-	-	-	-
Total net assets	<u>2,003</u>	<u>-</u>	<u>80,612</u>	<u>3,100</u>	<u>7,986</u>	<u>52,964</u>	<u>150,205</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 2,003</u>	<u>\$ -</u>	<u>\$ 86,564</u>	<u>\$ 3,100</u>	<u>\$ 7,986</u>	<u>\$ 52,964</u>	<u>\$ 150,205</u>	<u>\$ -</u>

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Patrick F. Taylor (Scholar Program)	Leah Norman Schreier (Art Purchase)	NOMA (Art Purchase)	Montine McDaniel Freeman (Directorship Chair)	Doris Zemmurray Stone Prints & Drawing (Curatorship)	E.J. Bullard Anniversary Fund (Program)	Conservation Fund (Program)	Weisman (Art Purchase)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Investments, long-term	21,801	-	9,055	292,653	45,843	-	18,885	3,319
Building and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 21,801	-	9,055	292,653	45,843	-	18,885	3,319
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	237,907	-	-	-	-	-
Salaries, taxes and withholdings	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	-	-	237,907	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	17,606	-	-	235,838	42,093	-	-	-
Available for use	4,195	-	(228,852)	56,815	3,750	-	18,885	3,319
Permanently	-	-	-	-	-	-	-	-
Total net assets	21,801	-	(228,852)	292,653	45,843	-	18,885	3,319
Total liabilities and net assets	\$ 21,801	-	9,055	292,653	45,843	-	18,885	3,319

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Degas Exhibition (Program)	Gulston Foundation (Art Purchase)	African American (Art Purchase)	Subtotal Temporarily Restricted
Current assets:				
Cash	\$ 3,472	-	-	3,472
Investments	188,835	-	-	190,652
Receivables:				
Interest	-	-	-	2
Pledges	-	-	-	358,825
Other	-	-	-	-
Inventories	-	-	-	-
Prepaid assets	-	-	-	-
Deposits	-	-	-	-
Total current assets	192,307	-	-	552,951
Pledges	-	-	-	20,194
Investments, long-term	-	-	7,309	2,709,247
Building and equipment	-	-	-	-
Total assets	\$ 192,307	-	7,309	3,282,392
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and other liabilities	-	-	-	622,652
Salaries, taxes and withholdings	-	-	-	65
Accumulated unused sick and vacation	-	-	-	-
Total current liabilities	-	-	-	622,717
Net assets:				
Unrestricted	-	-	-	-
Restricted:				
Temporarily:				
Long-term restriction	-	-	6,059	2,045,320
Available for use	192,307	-	1,250	614,355
Permanently	-	-	-	-
Total net assets	192,307	-	7,309	2,659,675
Total liabilities and net assets	\$ 192,307	-	7,309	3,282,392

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

	Operating Endowment Principal	M.D. Van Horn (Education) Principal	M.D. Van Horn Remainder Trust (Education) Principal	Chapman H. Hyams 1951 (Gallery Maintenance) Principal	Chapman H. Hyams 1952 (Gallery Maintenance) Principal	George F. Lapeyre (Gallery Maintenance) Principal	Elise Besthoff (Art Purchase) Principal	Boles (Art Purchase) Principal
Assets								
Current assets:								
Cash	\$ -	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	\$ -	-	-	-	-	-	-	-
Pledges								
Investments, long-term	6,476,761	9,066	26,839	58,286	4,462	56,036	250,000	1,535,860
Building and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 6,476,761	9,066	26,839	58,286	4,462	56,036	250,000	1,535,860
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	21,500	-	-	-	-	-
Salaries, taxes and withholdings	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	\$ -	-	21,500	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	-	-	-	-	-
Available for use	-	-	-	-	-	-	-	-
Permanently	6,476,761	9,066	5,339	58,286	4,462	56,036	250,000	1,535,860
Total net assets	\$ 6,476,761	9,066	5,339	58,286	4,462	56,036	250,000	1,535,860
Total liabilities and net assets	\$ 6,476,761	9,066	26,839	58,286	4,462	56,036	250,000	1,535,860

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	George Frierson (Art) Purchase) Principal	Robert Gordy (Art) Purchase) Principal	Benjamin J. Harrod (Art) Purchase) Principal	Carrie Heiderich (Art) Purchase) Principal	Augusta M. Jourdan (Art) Purchase) Principal	Mervin Morais (Art) Purchase) Principal	P.R. Norman (Art) Purchase) Principal	RosaMary Foundation Decorative Arts (Curatorship)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Pledges	-	-	-	-	-	-	-	345,000
Other	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	345,000
Pledges	844,732	453,464	5,604	312,670	4,483	100,000	106,321	655,000
Investments, long-term								
Building and equipment								
Total assets	\$ 844,732	453,464	5,604	312,670	4,483	100,000	106,321	1,000,000
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	-	-	-	-	-	-
Salaries, taxes and withholdings	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	-	-	-	-	-
Available for use	-	-	-	-	-	-	-	-
Permanently	844,732	453,464	5,604	312,670	4,483	100,000	106,321	1,000,000
Total net assets	844,732	453,464	5,604	312,670	4,483	100,000	106,321	1,000,000
Total liabilities and net assets	\$ 844,732	453,464	5,604	312,670	4,483	100,000	106,321	1,000,000

NEW ORLEANS MUSEUM OF ART

Combining Statement of Financial Position

December 31, 1998

Assets	Montine McDaniel Freeman (Directorship Chair)	Doris Zemurray Stone Prints & Drawings (Curatorship) Principal	African Art (Art Purchase) Program	Patrick F. Taylor Principal (Program)	Subtotal Permanently Restricted	1998 Total
Current assets:						
Cash	\$ -	-	-	-	-	315,415
Investments	-	-	-	-	-	1,205,031
Receivables:						
Interest	-	-	-	-	-	1,820
Pledges	-	-	-	100,000	445,000	803,825
Other	-	-	-	-	-	23,310
Inventories	-	-	-	-	-	267,693
Prepaid assets	-	-	-	-	-	62,416
Deposits	-	-	-	-	-	19,000
Total current assets	-	-	-	100,000	445,000	2,698,510
Pledges	-	700,000	-	100,000	800,000	820,194
Investments, long-term	1,000,000	300,000	25,050	100,000	12,324,634	18,819,396
Building and equipment	-	-	-	-	-	14,881,830
Total assets	\$ 1,000,000	1,000,000	25,050	300,000	13,569,634	37,219,930
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and other liabilities	-	-	-	-	21,500	1,006,596
Salaries, taxes and withholdings	-	-	-	-	-	56,206
Accumulated unused sick and vacation	-	-	-	-	-	348,571
Total current liabilities	-	-	-	-	21,500	1,411,373
Net assets:						
Unrestricted	-	-	-	-	-	19,600,748
Restricted:						
Temporarily:						
Long-term restriction	-	-	-	-	-	2,045,320
Available for use	-	-	-	-	-	614,355
Permanently	1,000,000	1,000,000	25,050	300,000	13,548,134	13,548,134
Total net assets	1,000,000	1,000,000	25,050	300,000	13,548,134	35,808,557
Total liabilities and net assets	\$ 1,000,000	1,000,000	25,050	300,000	13,569,634	37,219,930

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART

Schedule 2

Combining Statement of Activities, Unrestricted Net Assets

December 31, 1998

	Operating	Building and Equipment	Endowment (Board Designated)	NOMA Volunteer Committee (Operating)	Zemurray Computer Grant (Operating)	Edith Stern (Program)	Champions (Program)	Friends of Photography (Program)	Friends of Decorative Art (Program)	Friends of Contemporary Art (Program)
Support and revenue:										
Support:										
City of New Orleans	\$ 240,000	-	-	-	-	-	-	-	-	-
Grants - State of Louisiana	64,480	-	-	-	-	-	-	-	-	-
Individual contributions	39,540	-	-	1,080	-	-	80	4,500	-	-
Annual appeal	625,952	-	-	-	-	-	-	-	-	-
Corporate support	185,225	-	-	-	-	-	-	-	-	-
Affiliate memberships	140,697	-	-	-	-	-	1,397	1,566	1,238	2,028
Odyssey Ball, net of direct expenses	-	-	-	149,689	-	-	-	-	-	-
Special benefits, net of direct expenses	25	-	-	137,953	-	-	-	-	-	-
Foundations	189,891	-	-	-	-	-	-	-	-	-
Total support	1,485,809	-	-	288,722	-	-	1,397	1,646	5,738	2,028
Revenue:										
General membership dues	447,639	-	-	15,115	-	-	-	-	-	-
Business and university memberships	146,356	-	-	-	-	-	-	-	-	-
Admission charges	279,990	-	-	-	-	-	-	-	-	-
Audio tours	-	-	-	-	-	-	-	-	-	-
Arts Quarterly/other publications	31,211	-	-	-	-	-	-	-	-	-
Education programs	22,743	-	-	-	-	-	-	-	-	-
Exhibition programs	79,178	-	-	-	-	-	-	-	-	-
Special evenings	104,833	-	-	-	-	-	-	-	-	-
Members' events	16,994	-	-	6,002	-	-	575	-	(1)	-
Interest and dividends	23,694	-	219,355	3,360	350	1,039	2	163	192	711
Net appreciation in investments	-	-	1,022,984	-	-	4,661	-	-	853	-
Deaccessions	-	-	-	-	-	-	-	-	-	-
Royalties	9,671	-	-	-	-	-	-	-	-	-
Museum shop	437,920	-	-	-	-	-	-	-	-	-
Museum cafe	118,970	-	-	-	-	-	-	-	-	-
Miscellaneous	512	-	-	-	-	-	-	-	-	-
Total revenues	1,719,711	-	1,242,339	24,477	350	5,700	577	2	1,015	903
Total revenue and support before net assets released from restrictions/transfers	3,205,520	-	1,242,339	313,199	350	5,700	1,974	1,648	6,753	2,931
Net assets released from restrictions/transfers:										
Net assets released from restrictions	1,550,384	-	-	-	-	-	-	-	-	-
Transfers	743,263	23,553	(322,974)	(251,319)	(22,019)	-	-	-	-	-
Total net assets released/transfers	2,293,647	23,553	(322,974)	(251,319)	(22,019)	-	-	-	-	-
Total revenue and support	5,499,167	23,553	919,365	61,880	(21,669)	5,700	1,974	1,648	6,753	2,931
Expenses:										
Administrative	820,354	62,619	55,944	6,035	113	-	50	9	702	-
Building	735,432	427,490	-	-	-	-	-	-	-	-
Museum shop	330,320	-	-	-	-	-	-	-	-	-
Museum cafe	166,783	-	-	-	-	-	-	-	-	-
Art division:										
Collections	903,439	-	-	-	-	-	-	-	-	-
Art accessions	1,187,950	-	-	-	-	3,277	-	600	761	300
Exhibition programs	565,708	-	-	-	-	-	-	-	-	-
Arts Quarterly	89,233	-	-	-	-	-	-	-	-	-
Education programs	358,753	5,942	-	-	-	-	-	-	-	-
Development and fund raising	685,924	-	-	51,000	-	-	-	-	-	-
Member activities	1,548	-	-	-	-	-	-	-	-	-
Restricted expenses	40,349	-	-	-	-	-	1,394	729	1,580	1,293
Total expenses	5,885,793	496,051	55,944	57,035	113	3,277	1,444	1,338	3,043	1,593
Changes in net assets	(386,626)	(472,498)	863,421	4,845	(21,782)	2,423	530	310	3,710	1,338
Net assets, beginning of year	815,030	15,354,328	2,910,825	81,522	21,782	32,293	-	-	5,158	5,458
Net assets, end of year	428,404	14,881,830	3,774,246	86,367	-	34,716	530	310	8,868	6,796

(Continued)

NEW ORLEANS MUSEUM OF ART

Schedule 2

Combining Statement of Activities, Unrestricted Net Assets

December 31, 1998

	Friends of Asian Art (Program)	Friends of Ethnographic Art (Program)	Friends of Printing and Drawing (Program)	Advocates (Program)	Delgado Society (Program)	Fellows (Program)	Partners in Art (Program)	Trustee's Designated (Program)	Folk Art Exhibition (Program)	1998 Total
Support and revenue:										
Support:										
City of New Orleans	-	-	-	-	-	-	-	-	-	240,000
Grants - State of Louisiana	-	-	-	-	-	-	-	-	-	64,480
Individual contributions	-	-	15,139	-	-	-	-	-	-	60,339
Annual appeal	-	-	-	-	-	-	-	-	-	625,952
Corporate support	-	-	-	-	-	-	-	-	-	185,225
Affiliate memberships	1,442	1,190	1,436	995	14,618	19,078	20,963	-	-	206,648
Odyssey Ball, net of direct expenses	-	-	-	-	-	-	-	-	-	149,689
Special benefits, net of direct expenses	-	-	-	-	-	-	-	-	-	137,978
Foundations	-	-	-	-	-	-	-	-	-	189,890
Total support	1,442	1,190	16,575	995	14,618	19,078	20,963	-	-	1,860,201
Revenue:										
General membership dues	-	-	-	-	-	(95)	(24)	-	-	462,635
Business and university memberships	-	-	-	-	-	-	-	-	-	146,356
Admission charges	-	-	-	-	-	(32)	(8)	-	-	279,950
Audio tours	-	-	-	-	-	-	-	-	-	-
Arts Quarterly/other publications	-	-	-	-	-	-	-	-	458	31,669
Education programs	-	-	-	-	-	-	-	-	224	22,967
Exhibition programs	-	-	-	-	-	-	-	-	3,809	82,987
Special evenings	-	-	-	-	-	-	-	-	-	104,833
Members' events	-	1,605	960	-	-	29,033	11,674	-	-	69,483
Interest and dividends	69	35	146	2,641	1,418	1,923	924	-	3,989	256,661
Net appreciation in investments	366	302	1,553	-	8,565	12,121	1,991	-	21,582	1,075,689
Deaccessions	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	4,566	14,237
Museum shop	-	-	-	-	-	-	-	-	-	437,920
Museum cafe	-	-	-	-	-	-	-	-	-	118,970
Miscellaneous	-	-	-	-	-	-	-	-	-	512
Total revenues	435	1,942	2,659	2,641	9,983	42,950	14,557	-	34,628	3,104,869
Total revenue and support before net assets released from restrictions/transfers	1,877	3,132	19,234	3,636	24,601	62,028	35,520	-	34,628	4,965,070
Net assets released from restrictions/transfers:										
Transfers	-	-	-	1,854	-	(20,280)	(29,215)	-	-	1,550,384
Total net assets released/transfers	-	-	-	1,854	-	(20,280)	(29,215)	-	-	22,863
Total revenue and support	1,877	3,132	19,234	5,490	24,601	41,748	6,305	-	34,628	1,673,247
Expenses:										
Administrative	-	-	64	-	-	-	-	-	360	946,250
Building	-	-	-	-	-	-	-	-	-	1,162,922
Museum shop	-	-	-	-	-	-	-	-	-	330,320
Museum cafe	-	-	-	-	-	-	-	-	-	166,783
Art division:										
Collections	-	-	-	-	-	-	-	-	-	903,439
Art accessions	-	-	3,289	-	-	812	-	-	-	1,196,989
Exhibition programs	30	-	-	-	-	24	-	-	15,861	581,623
Arts Quarterly	-	-	-	-	-	-	-	-	-	89,233
Education programs	-	-	-	-	-	-	-	-	-	264,695
Development and fund raising	-	-	-	-	-	-	-	-	-	736,924
Member activities	386	1,390	4,342	5,490	285	28,974	14,920	-	-	62,231
Restricted expenses	-	(300)	-	-	-	2,009	-	-	(471)	41,587
Total expenses	416	1,090	7,695	5,490	285	31,819	14,820	-	15,750	6,582,996
Changes in net assets	1,461	2,042	11,539	-	24,316	9,929	(8,515)	-	18,878	55,321
Net assets, beginning of year	2,190	875	4,609	-	44,083	121,197	29,215	-	116,862	19,545,427
Net assets, end of year	3,651	2,917	16,148	-	68,399	131,126	20,700	-	135,740	19,600,748

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART

Combining Statement of Activities, Temporarily Restricted Net Assets

December 31, 1998

	Advertising (Program)	Building Expansion (Capital)	Portrait Miniature (Art)	Starting Point (Exhibition)	M.D. Van Horn (Education)	Chapman H. Hyams 1951 (Gallery Maintenance)	Chapman H. Hyams 1952 (Gallery Maintenance)	George F. Lapeyre (Gallery Maintenance)
Support and revenue:								
Support:								
Individual contributions	\$ 25,000	81,094	50	9,500	-	-	-	-
State grants	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-
Foundations	-	-	-	25,000	-	-	-	-
Total support	25,000	81,094	50	34,500	-	-	-	-
Revenue:								
Interest and dividends	648	14,693	1,069	-	1,870	4,980	367	1,672
Net appreciation in investments	1,592	76,498	5,833	2,128	1,565	16,224	1,198	7,705
Deaccessions	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-
Members' event	-	-	-	-	-	-	-	-
Total revenue	2,240	91,191	6,902	2,128	3,435	21,204	1,565	9,377
Total revenue and support before net assets released	27,240	172,285	6,952	36,628	3,435	21,204	1,565	9,377
Net assets released from restrictions/transfers:								
Administrative	(10,248)	(30,927)	-	(507)	-	-	-	-
Art division:								
Collections	-	-	-	-	-	-	-	-
Art accessions	-	-	-	-	-	-	-	-
Exhibition programs	-	-	-	-	-	-	-	-
Arts Quarterly	-	-	-	-	-	-	-	-
Education programs	-	-	-	(44,405)	-	-	-	-
Development and fund raising	-	(3,748)	-	-	(1,551)	-	-	-
Member activities	-	-	-	-	-	-	-	-
Restricted expenses	(25,600)	(272)	-	-	-	-	-	-
Total net assets released	(35,848)	(34,947)	-	(44,912)	(1,551)	-	-	-
Transfers	-	(800,000)	-	7	-	-	-	-
Total net assets released/transfers	(35,848)	(834,947)	-	(44,912)	(1,544)	-	-	-
Changes in net assets	(8,608)	(662,662)	6,952	(8,284)	1,891	21,204	1,565	9,377
Net assets, beginning of year	20,447	1,021,655	33,056	(23,565)	4,320	32,356	2,105	9,052
Net assets, end of year	\$ 11,839	358,993	40,008	(31,849)	6,211	53,560	3,670	18,429

(Continued)

NEW ORLEANS MUSEUM OF ART

Schedule 3

Combining Statement of Activities, Temporarily Restricted Net Assets

December 31, 1998

	Casselli (Exhibition)	B. Forgotson (Snuff Bottle Exhibition)	Library (Books)	Elise Besthoff (Art Purchase)	Boles (Art Purchase)	Bestoff Sculpture Garden (Capital)	Leah Chase (Art Purchase)	Camille Cutrone (Program)
Support and revenue:								
Support:								
Individual contributions	-	-	3,885	12,000	-	675,000	(105)	-
State grants	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-
Foundations	-	-	-	-	-	-	-	-
Total support	-	-	3,885	12,000	-	675,000	(105)	-
Revenue:								
Interest and dividends	593	847	2,011	7,979	49,987	4,769	322	821
Net appreciation in investments	2,060	2,749	11,624	37,380	221,245	17,639	-	2,848
Deaccessions	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-
Members' event	-	-	-	-	-	-	17,925	-
Total revenue	2,653	3,596	13,635	45,359	271,232	22,408	18,247	3,669
Total revenue and support before net assets released	2,653	3,596	17,520	57,359	271,232	697,408	18,142	3,669
Net assets released from restrictions/transfers:								
Net assets released from restrictions:								
Administrative	-	-	-	-	-	(2,856)	-	-
Art division:	-	-	-	-	-	-	-	-
Collections	-	-	-	-	-	(2,846)	-	-
Art accessions	-	-	-	(6,204)	(77,521)	(680,030)	(30,000)	-
Exhibition programs	-	-	-	-	-	-	-	-
Arts Quarterly	-	-	-	-	-	-	-	-
Education programs	-	-	-	-	(4,921)	-	-	-
Development and fund raising	-	-	-	-	-	-	-	-
Member activities	-	-	-	-	-	(109,140)	(7,582)	-
Restricted expenses	-	-	-	-	-	-	-	-
Total net assets released	-	-	-	(6,204)	(82,442)	(794,872)	(37,582)	-
Transfers	-	(28,593)	-	-	-	-	-	-
Total net assets released/transfers	-	(28,593)	-	(6,204)	(82,442)	(794,872)	(37,582)	-
Changes in net assets	2,653	(24,997)	17,520	51,155	188,790	(97,464)	(19,440)	3,669
Net assets, beginning of year	18,768	24,997	62,070	60,616	408,651	199,226	20,100	25,961
Net assets, end of year	21,421	-	79,590	111,771	597,441	101,762	660	29,630

(Continued)

NEW ORLEANS MUSEUM OF ART

Combining Statement of Activities, Temporarily Restricted Net Assets

December 31, 1998

	Mrs. Tina Freeman Memorial (Directorship Chair)	George Frierson (Art Purchase)	Robert Gordy (Art Purchase)	Joann Greenberg (Art Purchase)	African (Art Purchase)	Benjamin J. Harrod (Art Purchase)	Carrie Heiderich (Art Purchase)	Richard Johnson (Art Purchase)
Support and revenue:								
Support:	\$ 3,305	-	-	-	-	-	-	-
Individual contributions	-	-	-	-	-	-	-	-
State grants	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-
Foundations	-	-	-	-	-	-	-	-
Total support	3,305	-	-	-	-	-	-	-
Revenue:								
Interest and dividends	-	28,149	14,646	3	(55)	242	10,346	113
Net appreciation in investments	352	117,334	67,086	-	-	957	41,200	391
Deaccessions	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	592	-
Members' event	-	-	-	-	-	-	-	-
Total revenue	352	145,483	81,732	3	(55)	1,199	52,138	504
Total revenue and support before net assets released	3,657	145,483	81,732	3	(55)	1,199	52,138	504
Net assets released from restrictions/transfers:								
Net assets released from restrictions:								
Administrative	-	-	(3,589)	-	-	-	-	-
Art division:								
Collections	-	-	(4,921)	-	-	-	-	-
Art accessions	-	(65,070)	(3,680)	-	-	(1,472)	(56,250)	-
Exhibition programs	-	-	-	-	-	-	-	-
Arts Quarterly	-	-	-	-	-	-	-	-
Education programs	-	-	-	-	-	-	-	-
Development and fund raising	-	-	-	-	-	-	-	-
Member activities	-	-	-	-	-	-	-	-
Restricted expenses	-	-	-	-	-	-	-	-
Total net assets released	-	(65,070)	(12,190)	-	-	(1,472)	(56,250)	-
Transfers	-	-	(3,600)	-	-	-	37,382	(4,070)
Total net assets released/transfers	-	(65,070)	(15,790)	-	-	(1,472)	(18,868)	(4,070)
Changes in net assets	3,657	80,413	65,942	3	(55)	(273)	33,270	(3,566)
Net assets, beginning of year	-	199,771	124,826	117	55	3,804	94,874	3,566
Net assets, end of year	\$ 3,657	280,184	190,768	120	-	3,531	128,144	-

(Continued)

NEW ORLEANS MUSEUM OF ART

Combining Statement of Activities, Temporarily Restricted Net Assets

December 31, 1998

	Augusta M. Jourdan (Art Purchase)	Edward Lobman (Art Purchase)	Mervin Morais (Art Purchase)	Docent (Program)	Education (Program)	P.R. Norman (Art Purchase)	RosaMary Foundation Decorative Arts (Curatorship)	Paul Selley (Art Purchase)
Support and revenue:								
Support:								
Individual contributions	\$ -	-	-	996	5,204	-	-	-
State grants	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-
Foundations	-	-	-	-	-	-	-	-
Total support	-	-	-	996	5,204	-	-	-
Revenue:								
Interest and dividends	182	1	40	75	97	4,062	14,058	130
Net appreciation in investments	683	-	176	298	768	16,638	92,621	454
Deaccessions	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-
Members' event	-	-	-	-	-	-	-	-
Total revenue	865	1	216	373	865	20,700	106,679	584
Total revenue and support before net assets released	865	1	216	1,369	6,069	20,700	106,679	584
Net assets released from restrictions/transfers:								
Net assets released from restrictions:								
Administrative	-	-	-	-	(55)	-	-	-
Art division:								
Collections	-	-	-	-	-	-	-	-
Art accessions	(1,472)	-	(14,666)	-	-	(20,652)	-	-
Exhibition programs	-	-	-	-	-	-	-	-
Arts Quarterly	-	-	-	-	-	-	-	-
Education programs	-	-	-	(400)	-	-	-	-
Development and fund raising	-	-	-	(200)	-	-	-	-
Member activities	-	-	-	(140)	(1,100)	-	-	-
Restricted expenses	-	-	-	100	-	-	-	-
Total net assets released	(1,472)	-	(14,666)	(640)	(1,155)	(20,652)	-	-
Transfers	-	(31)	-	-	-	-	-	(4,719)
Total net assets released/transfers	(1,472)	(31)	(14,666)	(640)	(1,155)	(20,652)	-	(4,719)
Changes in net assets	(607)	(30)	(14,450)	729	4,914	48	106,679	(4,135)
Net assets, beginning of year	2,610	30	95,062	2,371	3,072	52,916	43,526	4,135
Net assets, end of year	\$ 2,003	-	80,612	3,100	7,986	52,964	150,205	-

(Continued)

NEW ORLEANS MUSEUM OF ART

Combining Statement of Activities, Temporarily Restricted Net Assets

December 31, 1998

	Patrick F. Taylor (Art Purchase)	Leah Norman Schreier (Art Purchase)	NOMA (Art Purchase)	Ella West Freeman Foundation (Program)	Zemurray Curatorial (Program)	E.J. Bullard Anniversary Fund (Program)	Conservation Fund (Program)	Wesiman (Art Purchase)
Support and revenue:								
Support:								
Individual contributions	-	-	60,580	-	-	63,815	22,000	-
State grants	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-
Foundations	-	-	-	-	-	-	-	-
Total support	-	-	60,580	-	-	63,815	22,000	-
Revenue:								
Interest and dividends	3,470	-	-	25,544	2,663	-	-	-
Net appreciation in investments	18,331	-	-	132,600	43,180	-	2,340	319
Deaccessions	-	-	-	-	-	-	-	3,000
Royalties	-	-	-	-	-	-	-	-
Members' event	-	-	-	-	-	-	-	-
Total revenue	21,801	-	-	158,144	45,843	-	2,340	3,319
Total revenue and support before net assets released	21,801	-	60,580	158,144	45,843	63,815	24,340	3,319
Net assets released from restrictions/transfers:								
Net assets released from restrictions:								
Administrative	-	-	-	-	-	-	-	-
Art division:								
Collections	-	-	-	-	-	-	-	-
Art accessions	-	-	(4,921)	-	-	-	-	-
Exhibition programs	-	(450)	(101,502)	-	-	(74,450)	-	-
Arts Quarterly	-	-	-	-	-	-	-	-
Education programs	-	-	-	-	-	-	-	-
Development and fund raising	-	-	-	-	-	-	-	-
Member activities	-	-	-	-	-	(7,034)	-	-
Restricted expenses	-	-	(225)	-	-	(307)	-	-
Total net assets released	-	(450)	(106,648)	-	-	(81,791)	-	-
Transfers	-	450	5,410	-	-	17,976	(5,455)	-
Total net assets released/transfers	-	-	(101,238)	-	-	(63,815)	(5,455)	-
Changes in net assets	21,801	-	(40,658)	158,144	45,843	-	18,885	3,319
Net assets, beginning of year	-	-	(188,194)	134,509	-	-	-	-
Net assets, end of year	21,801	-	(228,852)	292,653	45,843	-	18,885	3,319

(Continued)

NEW ORLEANS MUSEUM OF ART

Combining Statement of Activities, Temporarily Restricted Net Assets

December 31, 1998

	Degas Exhibition (Program)	Gulton Foundation (Art Purchase)	African American (Art Purchase)	Total
Support and revenue:				
Support:				
Individual contributions	-	145,854	-	1,108,178
State grants	200,000	-	-	200,000
Corporate support	77,500	-	-	77,500
Foundations	-	-	-	25,000
Total support	277,500	145,854	-	1,410,678
Revenue:				
Interest and dividends	192	-	1,334	197,920
Net appreciation in investments	-	-	5,975	949,991
Deaccessions	-	-	-	3,000
Royalties	-	-	-	592
Members' event	-	-	-	17,925
Total revenue	192	-	7,309	1,169,428
Total revenue and support before net assets released	277,692	145,854	7,309	2,580,106
Net assets released from restrictions/transfers:				
Net assets released from restrictions:				
Administrative	-	-	-	(48,182)
Art division:				
Collections	-	(95,000)	-	(107,688)
Art accessions	-	(54,530)	-	(1,187,949)
Exhibition programs	-	-	-	-
Arts Quarterly	-	-	-	-
Education programs	-	-	-	(49,726)
Development and fund raising	-	-	-	(129,255)
Member activities	-	-	-	(1,547)
Restricted expenses	(40)	-	-	(26,037)
Total net assets released	(40)	(149,530)	-	(1,550,384)
Transfers	(85,345)	3,676	-	(866,912)
Total net assets released/transfers	(85,385)	(145,854)	-	(2,417,296)
Changes in net assets	192,307	-	7,309	162,810
Net assets, beginning of year	-	-	-	2,496,865
Net assets, end of year	\$ 192,307	-	7,309	2,659,675

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART

Schedule 4

Combining Statement of Activities, Permanently Restricted Net Assets

Year ended December 31, 1998

	Operating Endowment	M.D. Van Horn (Education)	M.D. Van Horn Remainder Trust (Education)	Chapman H. Hyams 1951 (Gallery Maintenance)	Chapman H. Hyams 1952 (Gallery Maintenance)	George F. Lapeyre (Gallery Maintenance)
Support and revenue:						
Support:						
Individual contributions	\$ -	1,000	-	-	-	-
Foundations & exempt organizations	-	-	-	-	-	-
Revenue -	-	-	-	-	-	-
deaccessions	-	-	-	-	-	-
Total revenues and support	-	1,000	-	-	-	-
Net assets released and/or transferred	744,056	-	(7)	-	-	-
Changes in net assets	744,056	1,000	(7)	-	-	-
Net assets, beginning of year	5,732,705	8,066	5,346	58,286	4,462	56,036
Net assets, end of year	\$ 6,476,761	9,066	5,339	58,286	4,462	56,036

(Continued)

NEW ORLEANS MUSEUM OF ART

Schedule 4

Combining Statement of Activities, Permanently Restricted Net Assets

Year ended December 31, 1998

	Elise Besthoff (Art Purchase)	Boles (Art Purchase)	George Frierson (Art Purchase)	Robert Gordy (Art Purchase)	Benjamin J. Harrod (Art Purchase)
Support and revenue:					
Support:					
Individual contributions	-	-	-	-	-
Foundations & exempt organizations	-	-	-	-	-
Revenue - deaccessions	-	-	-	8,148	-
Total revenues and support	-	-	-	8,148	-
Net assets released and/or transferred	-	-	-	-	-
Changes in net assets	-	-	-	8,148	-
Net assets, beginning of year	250,000	1,535,860	844,732	445,316	5,604
Net assets, end of year	250,000	1,535,860	844,732	453,464	5,604

(Continued)

NEW ORLEANS MUSEUM OF ART

Schedule 4

Combining Statement of Activities, Permanently Restricted Net Assets

Year ended December 31, 1998

	Carrie Heiderich (Art Purchase)	Augusta M. Jourdan (Art Purchase)	Mervin Morais (Art Purchase)	P.R. Norman (Art Purchase)	Rosa Mary Foundation Decorative Arts (Curatorship)	Montine McDaniel Freeman (Directorship Chair)
Support and revenue:						
Support:						
Individual contributions	-	-	-	1,149	-	-
Foundations & exempt organizations	-	-	-	-	-	-
Revenue - deaccessions	-	-	-	-	-	-
Total revenues and support	-	-	-	1,149	-	-
Net assets released and/or transferred	-	-	-	-	-	-
Changes in net assets	-	-	-	1,149	-	-
Net assets, beginning of year	<u>312,670</u>	<u>4,483</u>	<u>100,000</u>	<u>105,172</u>	<u>1,000,000</u>	<u>1,000,000</u>
Net assets, end of year	<u><u>312,670</u></u>	<u><u>4,483</u></u>	<u><u>100,000</u></u>	<u><u>106,321</u></u>	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

(Continued)

NEW ORLEANS MUSEUM OF ART

Combining Statement of Activities, Permanently Restricted Net Assets

Year ended December 31, 1998

	Doris Zemmurray Stone Prints & Drawings (Curatorship)	African Art (Art Purchase)	Patrick F. Taylor (Scholar Program)	Total
Support and revenue:				
Support:				
Individual contributions	-	25,050	300,000	327,199
Foundations & exempt organizations	1,000,000	-	-	1,000,000
Revenue - deaccessions	-	-	-	8,148
Total revenues and support	1,000,000	25,050	300,000	1,335,347
Net assets released and/or transferred	-	-	-	744,049
Changes in net assets	1,000,000	25,050	300,000	2,079,396
Net assets, beginning of year	-	-	-	11,468,738
Net assets, end of year	\$ 1,000,000	\$ 25,050	\$ 300,000	\$ 13,548,134

See accompanying independent auditors' report.



Suite 3500 One Shell Square
New Orleans, LA 70139-3599

June 8, 1999

Board of Directors
New Orleans Museum of Art:

We have audited the financial statements of New Orleans Museum of Art as of and for the year ended December 31, 1998, and have issued a report thereon dated June 8, 1999. Under generally accepted auditing standards, we are providing you with the attached information related to the conduct of our audit.

This information is intended solely for the use of the Board of Directors and management and should not be used for any other purpose.

Very truly yours,

KPMG LLP



NEW ORLEANS MUSEUM OF ART

DECEMBER 31, 1998

Our Responsibility Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the financial statements of New Orleans Museum of Art (NOMA) as of and for the year ended December 31, 1998 based on our audit. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Furthermore, our audit, including the limited inquiries we made in connection with the Year 2000 issue, was not designed to, and does not, provide any assurance that a Year 2000 issue which may exist will be identified, on the adequacy of NOMA's plans related to Year 2000 financial or operational issues, or on whether NOMA is or will become Year 2000 compliant. Year 2000 compliance is the responsibility of management.

Significant Accounting Policies

The significant accounting policies used by NOMA are described in the "*Summary of Significant Accounting Policies*" note to the financial statements.

We noted no transactions entered into by NOMA during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the significance of the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We are aware of no significant areas involving management judgment.

Significant Audit Adjustments

We have made no significant or unusual adjustments to the financial statements of NOMA as of and for the year ended December 31, 1998.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on NOMA's 1998 financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained an opinion, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 50, "*Reporting on the Application of Accounting Principles.*"

Major Issues Discussed With Management Prior to Retention

There have been no major issues discussed with management prior to our retention as your auditors.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.



Suite 3500 One Shell Square
New Orleans, LA 70139-3599

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

To the Members of the Board
New Orleans Museum of Art:

We have audited the financial statements of the New Orleans Museum of Art (the Museum) as of and for the year ended December 31, 1998, and have issued our report thereon dated June 8, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Museum's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Museum's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the audit committee, management of the Museum and federal awarding agencies and pass-through entities, such as the State of Louisiana Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

June 8, 1999